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WARRNAMBOOL
CITY COUNCIL

Chief Executive Officer Employment and Remuneration Policy 2024

APPROVAL DATE: February 2024

REVIEW DATE: February 2026

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

DOCUMENT CONTROL

Document Title:	*Chief Executive Employment And Remuneration Policy*
Policy Type:	*Council*
Responsible Branch:	*Governance*
Responsible Officer:	*Manager Governance*
Document Status:	*Draft*
Approved By:	*Council*
Approved Date:	*February 2024*
Review Date:	*February 2026*

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

1. INTRODUCTION

1.1. Purpose

Council is responsible for the appointment of the Chief Executive Officer ('the CEO'), determining the CEO's Performance Plan, assessing the CEO's performance against that plan and determining the remuneration of the CEO.

This policy has been developed to assist Council in fulfilling its responsibilities relating to the Chief Executive employment and performance matters and to fulfil the requirements of the *Local Government Act 2020* ('the Act').

This policy, in accordance with section 45 of the Act, provides for:

- The recruitment and appointment of the Chief Executive Officer;
- Provisions included in and approval of the Contract of Employment entered into between Council and the Chief Executive Officer;
- The monitoring of the Chief Executive Officer's performance both ongoing and the annual review;
- The appointment of an Acting Chief Executive Officer for periods over 28 days;
- The provision of independent professional advice in relation to matters dealt with in the Policy;
- Determining the Chief Executive Officer's remuneration.

Council recognises the importance of having sound governance practices and systems for the employment of a CEO so as to apply good governance, transparency and fairness in all matters relating the employment, management and remuneration of the CEO.

1.2. Scope

This policy applies to the employment of the CEO, including activities involving the Chief Executive Officer Employment Matters Advisory Committee and any independent consultation undertaken in relation to matters dealt with under this policy.

In the event of any inconsistency between this policy and the CEO's Contract of Employment, the provisions of the Contract of Employment shall prevail to the extent of the inconsistency.

In accordance with section 45(3) of the Act, Council will give regard to any Determination that is currently in effect under section 21 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* relating to remuneration bands for executives employed in public service bodies in the development of this Policy.

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

1.3. Definitions

Term	Definition
Act	*Local Government Act 2020*
CEO	Chief Executive Officer
Committee	Chief Executive Officer Employment Matters Advisory Committee
Council	Warrnambool City Council
Observer	Observers may be at a meeting "in attendance", or "by invitation". As they are not Committee members, observers do not have voting rights and do not normally have speaking rights (though the Chair may invite them to speak in appropriate circumstances).
Recruitment Consultant	Consultant with specialist expertise in sourcing and evaluating candidates for senior executive roles

1.4. References

Source	Reference
Legislation	*Local Government Act 2020* *Improving Parliamentary Standards Act 2019*
Australian Standards / Guidelines	Victorian Government Public Entity Executive Remuneration Policy (PEER policy)
Related Policies/Procedures	CEO Employment Matters Committee – Terms of Reference.

2. POLICY/PROCEDURE STATEMENT

Council will carry out its functions relating to the appointment, remuneration and performance appraisal of the CEO in accordance with a number of leading practice principles:

- Decision-making processes that are fair, accessible and applied consistently in comparable circumstances;
- Decision-making criteria that are relevant, objective and transparent;
- Decisions and actions that are conducive to ongoing good governance;
- Documentation that is sufficiently clear and comprehensive to render decisions transparent and capable of effective review;
- Employment decisions, including the reappointment of the incumbent CEO under a new Contract of Employment, that are based on the proper assessment of an individual's work related qualities, abilities and potential against the genuine requirements of the role;

- Decisions to appoint a new CEO are based on competitive selection and open processes;
- Remuneration that is fair, reasonable and competitive having regard for market forces and Council's financial position.

The responsibility for assisting Council with its obligations regarding CEO employment and performance matters shall be delivered through the establishment of a Chief Executive Officer Employment Matters Advisory Committee and supported by the Manager Governance.

CHIEF EXECUTIVE OFFICER EMPLOYMENT MATTERS ADVISORY COMMITTEE

Council shall establish an Advisory Committee to be known as the Chief Executive Officer Employment Matters Advisory Committee ('the Committee').

Role

The Committee's role is to assist and advise Council on matters including:

- Recruitment of the Chief Executive Officer ('the CEO') or the person to act as the CEO;
- Determining the Performance Plan of the CEO;
- Monitoring the CEO's achievement of the Performance Plan; and
- Preparing an Annual Review Report on the CEO's performance and key terms of employment.

Membership

The Committee shall be composed of:

- The Independent Chairperson
- The Mayor
- Between 1 and 6 additional Councillors as appointed by Council.

Observers

Any Councillor who is not a member of the Committee may – subject to the consent of the Independent Chair – attend a meeting of the Committee as an Observer.

Independent Chairperson

The Committee will be chaired by an independent chairperson whose role includes facilitating meetings, supporting the drafting and review of performance plans, and providing advice to the Committee regarding executive level employee management and employment law.

The Independent Chairperson will be appointed by Council resolution. This person will be independent of Council and their key competencies should include:

- Demonstrated experience and qualifications in the areas of:
    - Executive level employee performance planning and management;
    - Human resources; or
    - Employment law
- Previous experience with large organisations or a clear understanding of the role and responsibilities of executive level employees in large organisations
- Demonstrated leadership skills or experience chairing committees

CEO RECRUITMENT AND APPOINTMENT PROCESS

Recruitment of CEO

Where a recruitment process is to be undertaken Council will appoint a recruitment consultant in line with Council's procurement policy to manage the recruitment process of the CEO. Their functions will include:

- Taking a detailed brief from Council on the role and the ideal candidate.
- Preparing a detailed schedule outlining the end to end recruitment process and timeline.
- Developing an advertising strategy to attract suitable candidates.
- Assisting Council to conduct first and second round interviews to determine a short list of candidates.
- Conducting the relevant psychometrics testing to determine the best fit.
- Conducting reference checks on the preferred candidate.
- Performing probity checks on the preferred candidate.
- Notifying unsuccessful candidates.
- Working with the Manager Organisation Development to issue the contract of employment for the new CEO.
- Working with the Manager Communication to announce the appointment of the new CEO.

Appointment of CEO

The appointment of the CEO must be made by a resolution of Council.

Council must decide on a preferred candidate and negotiate the Contract of Employment within the general framework for the terms of employment as agreed by Council. Council will also have regard to its legal obligations, including those contained under Division 7 the Act.

Council will consider the option of extending an offer of reappointment under a new Contract of Employment to the incumbent CEO within twelve (12) months of the conclusion of their current Contract of Employment. Council must notify an incumbent CEO no later than six (6) months prior to the conclusion of their contract whether it intends to offer them reappointment.

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

Contract of Employment

The following provisions must be included in the Contract of Employment:

a) Term of employment – no greater than five (5) years;
b) The responsibilities and duties of the position including compliance with the Act and the Code of Conduct;
c) Total Remuneration Package (including salary, cost to employer of motor vehicle, superannuation and other employment benefits, including associated fringe benefits tax);
d) Additional expenses payable by Council;
e) Annual review of performance;
f) Annual review of the Total Remuneration Package;
g) Leave entitlements;
h) Ownership of intellectual property;
i) Performance criteria;
j) Conduct matters;
k) Suspension, redundancy and termination of contract provisions;
l) No compensation for termination of a contract beyond pay in lieu of notice and accrued leave;
m) Employment notice provisions; and
n) Dispute resolution procedure, to deal with disputes arising out of the contract

Total Remuneration Package

In determining the CEO's Total Remuneration Package, on appointment and in subsequent reviews, Council must have regard to any relevant matters including:

a) The Officer's performance against the Performance Criteria for that year, as determined by the Performance Review.
b) The Officer's conduct.
c) The extent of any increase over the preceding 12 months in the Consumer Price Index (All Groups, Melbourne) as issued by the Australian Statistician.
d) The Total Remuneration Package for Chief Executive Officers in other Victorian councils of similar size and demographics to the Council.
e) The items of any applicable Chief Executive Officer Employment and Remuneration Policy developed under section 45 of the Act.
f) The principles in the Victorian Government's Policy on Executive Remuneration in Public Entities.
g) Any other factors required to be considered under the Act.

CEO PERFORMANCE PLAN AND MONITORING

Council shall:

a) Appoint a suitably qualified Independent Chairperson to assist the Committee to develop and monitor the CEO Performance Plan.
b) Approve the CEO's annual Performance Plan (which shall contain Performance Objectives and appropriate Measures of Achievement).

The Committee's role is to:

a) in consultation with Council, identify key performance indicators and activities that the CEO should work towards achieving over a 12-month period
b) ensure that the CEO is consulted on during the development of the Performance Plan and advised of the process
c) Recommend a final draft annual Performance Plan to Council for Council's consideration.
d) ensure that the CEO is given the opportunity to present their self-assessment to Council in regard to the Performance Plan
e) inclusively have the opportunity to provide comments of appraisal on the CEO performance
f) provide the collection and collation of feedback in relation to the CEO performance as measured against the Performance Plan to Manager Governance.
g) Where deemed necessary, seek expert advice on facilitation and criteria for the preparation and ongoing management of the Performance Plan and its review.
h) Regularly monitor the CEO's performance against the Act and the Performance Plan.

Annual Review

Council shall:

a) Make a final assessment of the CEO's annual performance against the Performance Plan upon receiving Annual Review Report from the Committee.
b) Review the CEO Total Remuneration Package.
c) Advise the CEO of the outcomes of the annual review process.

The Committee's role is to:

a) Conduct an annual review of the CEO's performance.
b) Submit an Annual Review Report to Council, including recommendations on:
    i. Whether the CEO meets the Performance Plan criteria;
    ii. To vary any Performance Plan criteria;
    iii. To vary the Total Remuneration Package; and/or
    iv. Other terms and conditions of the contract.

Council must receive and consider the Committee's Annual Review Report recommendations no later than three (3) weeks after the anniversary date of the CEO's date of commencement of employment.

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

Within one (1) month of receiving the Committee's Annual Review Report Council must:

a. Review the Total Remuneration Package.
b. Set the Performance Plan for the next 12 months.
c. Agree on a Professional and Personal Development Plan, where necessary.
d. Address any other matters referred by the Committee.

Written notification from the Mayor to the CEO on the outcome of Council's resolution on the Annual Review must be sent no later than one (1) week after Council meeting at which the decisions of Council are made.

CEO LEAVE AND APPOINTMENT OF ACTING CEO

Leave approval Chief Executive Officer
An application for annual leave, long service leave, personal leave or an extended absence made by the CEO is to be approved by the Mayor on behalf of Council.

Appointment of a person as Acting CEO
If the period of leave does not exceed 28 days the CEO is able to make an appointment of an Acting CEO under delegation.

If the period of leave is to exceed 28 days in a continuous period Council must appoint an Acting CEO by a resolution of Council.

Council could appoint either of the following to the position of Acting CEO:

- one of the Directors of Council; or
- a suitably qualified and experienced individual as a short term contract.

PROVISION OF INDEPENDENT ADVICE
In accordance with section 45 of the Act, this policy must provide for Council to obtain independent professional advice on relation to the matters dealt with in this policy.
These matters include:

- CEO Recruitment and Appointment process
- CEO Contract of Employment and remuneration
- the preparation of a CEO Performance Plan, performance monitoring and management
- Any other matter dealt with under this policy.

Where in direct relation to the above, the Manager Governance will engage the professional advice in accordance with their support role of the Committee.

Where in accordance with this policy, but not included for directly by this policy, a resolution of Council approving the independent advice will be required.

Integrity of the Processes

All information relating to the recruitment, selection and review processes must be kept strictly confidential. Councillors and staff involved in the processes must take all reasonable steps to maintain confidentiality and respect the privacy of all persons involved.

Any breaches of confidentiality may constitute a breach of the Councillor or Staff Code of Conduct.

3. GOVERNANCE

Owner

The Manager Governance shall monitor the currency and viability of this Policy regularly and where appropriate make recommendations to Council to amend the policy.

Review

This policy shall be reviewed by Council at least every two (2) years.

Compliance Responsibilities

Council

(a) Appoint the Councillor members of the Committee each year.

(b) Read Committee Meeting minutes upon their presentation to Council through a Council Meeting agenda, and to consider and make decisions on any recommendations of the committee made to Council.

Chief Executive Officer Employment Matters Advisory Committee

(a) To make recommendations to Council on contractual matters relating to the Chief Executive Officer or the person appointed to act as the Chief Executive Officer including the following—

i. the appointment of the Chief Executive Officer;
ii. remuneration and conditions of appointment of the Chief Executive Officer;
iii. any extension of the appointment of the Chief Executive Officer

(b) To conduct performance reviews of the Chief Executive Officer including:-

i. Conduct an annual review of the performance of the CEO.
ii. Participate actively and in good faith in the process of reviewing the performance of the CEO, ensuring that the CEO is both consulted and advised of the process.
iii. Recommend to Council on the annual Draft Performance Plan. Take into account feedback from the CEO on the previous year's review and to what extent former recommendations have been acted upon.
iv. Ensure that recommendations are in accord with Council's Council Plan and other strategic plans.
v. Ensure that all Councillors are invited to provide written comments of appraisal of the CEO's performance to the Panel and that sufficient time is allowed for members to provide such comments to the Panel.

Independent Chairperson

(a) Chair and facilitate all meetings of the Committee.
(b) Provide expert advice to the Committee where appropriate.
(c) Ensure records of meetings are true and correct.

Mayor

(a) Provide written notification to the CEO on the outcome of the Annual Review.
(b) Approve applications for annual leave, long service leave, personal leave or an extended absence made by the CEO on behalf of Council.

Chief Executive Officer

(a) Participate actively in the review process as required by the Committee.
(b) Make use of constructive feedback from Councillors and the Committee.

Charter of Human Rights Compliance

It is considered that this policy does not impact negatively on any rights identified in the *Charter of Human Rights and Responsibilities Act 2006*.

WARRNAMBOOL
CITY COUNCIL

Chief Executive Officer Employment and Remuneration Policy 2024

APPROVAL DATE: February 2024

REVIEW DATE: February 2026

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

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    - Human resources; or
    - Employment law
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- Demonstrated leadership skills or experience chairing committees

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Recruitment of CEO

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- Conducting the relevant psychometrics testing to determine the best fit.
- Conducting reference checks on the preferred candidate.
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- Notifying unsuccessful candidates.
- Working with the Manager Organisation Development to issue the contract of employment for the new CEO.
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Council will consider the option of extending an offer of reappointment under a new Contract of Employment to the incumbent CEO within twelve (12) months of the conclusion of their current Contract of Employment. Council must notify an incumbent CEO no later than six (6) months prior to the conclusion of their contract whether it intends to offer them reappointment.

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

Contract of Employment

The following provisions must be included in the Contract of Employment:

a) Term of employment – no greater than five (5) years;
b) The responsibilities and duties of the position including compliance with the Act and the Code of Conduct;
c) Total Remuneration Package (including salary, cost to employer of motor vehicle, superannuation and other employment benefits, including associated fringe benefits tax);
d) Additional expenses payable by Council;
e) Annual review of performance;
f) Annual review of the Total Remuneration Package;
g) Leave entitlements;
h) Ownership of intellectual property;
i) Performance criteria;
j) Conduct matters;
k) Suspension, redundancy and termination of contract provisions;
l) No compensation for termination of a contract beyond pay in lieu of notice and accrued leave;
m) Employment notice provisions; and
n) Dispute resolution procedure, to deal with disputes arising out of the contract

Total Remuneration Package

In determining the CEO's Total Remuneration Package, on appointment and in subsequent reviews, Council must have regard to any relevant matters including:

a) The Officer's performance against the Performance Criteria for that year, as determined by the Performance Review.
b) The Officer's conduct.
c) The extent of any increase over the preceding 12 months in the Consumer Price Index (All Groups, Melbourne) as issued by the Australian Statistician.
d) The Total Remuneration Package for Chief Executive Officers in other Victorian councils of similar size and demographics to the Council.
e) The items of any applicable Chief Executive Officer Employment and Remuneration Policy developed under section 45 of the Act.
f) The principles in the Victorian Government's Policy on Executive Remuneration in Public Entities.
g) Any other factors required to be considered under the Act.

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

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Council shall:

a) Appoint a suitably qualified Independent Chairperson to assist the Committee to develop and monitor the CEO Performance Plan.
b) Approve the CEO's annual Performance Plan (which shall contain Performance Objectives and appropriate Measures of Achievement).

The Committee's role is to:

a) in consultation with Council, identify key performance indicators and activities that the CEO should work towards achieving over a 12-month period
b) ensure that the CEO is consulted on during the development of the Performance Plan and advised of the process
c) Recommend a final draft annual Performance Plan to Council for Council's consideration.
d) ensure that the CEO is given the opportunity to present their self-assessment to Council in regard to the Performance Plan
e) inclusively have the opportunity to provide comments of appraisal on the CEO performance
f) provide the collection and collation of feedback in relation to the CEO performance as measured against the Performance Plan to Manager Governance.
g) Where deemed necessary, seek expert advice on facilitation and criteria for the preparation and ongoing management of the Performance Plan and its review.
h) Regularly monitor the CEO's performance against the Act and the Performance Plan.

Annual Review

Council shall:

a) Make a final assessment of the CEO's annual performance against the Performance Plan upon receiving Annual Review Report from the Committee.
b) Review the CEO Total Remuneration Package.
c) Advise the CEO of the outcomes of the annual review process.

The Committee's role is to:

a) Conduct an annual review of the CEO's performance.
b) Submit an Annual Review Report to Council, including recommendations on:
    i. Whether the CEO meets the Performance Plan criteria;
    ii. To vary any Performance Plan criteria;
    iii. To vary the Total Remuneration Package; and/or
    iv. Other terms and conditions of the contract.

Council must receive and consider the Committee's Annual Review Report recommendations no later than three (3) weeks after the anniversary date of the CEO's date of commencement of employment.

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

Within one (1) month of receiving the Committee's Annual Review Report Council must:

a. Review the Total Remuneration Package.
b. Set the Performance Plan for the next 12 months.
c. Agree on a Professional and Personal Development Plan, where necessary.
d. Address any other matters referred by the Committee.

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CEO LEAVE AND APPOINTMENT OF ACTING CEO

Leave approval Chief Executive Officer
An application for annual leave, long service leave, personal leave or an extended absence made by the CEO is to be approved by the Mayor on behalf of Council.

Appointment of a person as Acting CEO
If the period of leave does not exceed 28 days the CEO is able to make an appointment of an Acting CEO under delegation.

If the period of leave is to exceed 28 days in a continuous period Council must appoint an Acting CEO by a resolution of Council.

Council could appoint either of the following to the position of Acting CEO:

- one of the Directors of Council; or
- a suitably qualified and experienced individual as a short term contract.

PROVISION OF INDEPENDENT ADVICE
In accordance with section 45 of the Act, this policy must provide for Council to obtain independent professional advice on relation to the matters dealt with in this policy.
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- the preparation of a CEO Performance Plan, performance monitoring and management
- Any other matter dealt with under this policy.

Where in direct relation to the above, the Manager Governance will engage the professional advice in accordance with their support role of the Committee.

Where in accordance with this policy, but not included for directly by this policy, a resolution of Council approving the independent advice will be required.

Integrity of the Processes

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Any breaches of confidentiality may constitute a breach of the Councillor or Staff Code of Conduct.

3. GOVERNANCE

Owner

The Manager Governance shall monitor the currency and viability of this Policy regularly and where appropriate make recommendations to Council to amend the policy.

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Compliance Responsibilities

Council

(a) Appoint the Councillor members of the Committee each year.

(b) Read Committee Meeting minutes upon their presentation to Council through a Council Meeting agenda, and to consider and make decisions on any recommendations of the committee made to Council.

Chief Executive Officer Employment Matters Advisory Committee

(a) To make recommendations to Council on contractual matters relating to the Chief Executive Officer or the person appointed to act as the Chief Executive Officer including the following—

CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY

i. the appointment of the Chief Executive Officer;
ii. remuneration and conditions of appointment of the Chief Executive Officer;
iii. any extension of the appointment of the Chief Executive Officer

(b) To conduct performance reviews of the Chief Executive Officer including:-

i. Conduct an annual review of the performance of the CEO.
ii. Participate actively and in good faith in the process of reviewing the performance of the CEO, ensuring that the CEO is both consulted and advised of the process.
iii. Recommend to Council on the annual Draft Performance Plan. Take into account feedback from the CEO on the previous year's review and to what extent former recommendations have been acted upon.
iv. Ensure that recommendations are in accord with Council's Council Plan and other strategic plans.
v. Ensure that all Councillors are invited to provide written comments of appraisal of the CEO's performance to the Panel and that sufficient time is allowed for members to provide such comments to the Panel.

Independent Chairperson

(a) Chair and facilitate all meetings of the Committee.
(b) Provide expert advice to the Committee where appropriate.
(c) Ensure records of meetings are true and correct.

Mayor

(a) Provide written notification to the CEO on the outcome of the Annual Review.
(b) Approve applications for annual leave, long service leave, personal leave or an extended absence made by the CEO on behalf of Council.

Chief Executive Officer

(a) Participate actively in the review process as required by the Committee.
(b) Make use of constructive feedback from Councillors and the Committee.

Charter of Human Rights Compliance

It is considered that this policy does not impact negatively on any rights identified in the *Charter of Human Rights and Responsibilities Act 2006*.

CHIEF EXECUTIVE OFFICER EMPLOYMENT MATTERS ADVISORY COMMITTEE (CEEMAC)
TERMS OF REFERENCE

1. Establishment of Committee

The Chief Executive Officer Employment Matters Advisory Committee ('the Committee'), is a formally appointed Advisory Committee of the Warrnambool City Council ('the Council') for the purposes of the *Local Government Act 2020* ('the Act').

The membership of the Committee and the Terms of Reference will be approved by resolution of the Council.

2. Purpose of Committee

The Committee's role is to assist and advise the Council on matters including:

a. Recruitment of the Chief Executive Officer ('the CEO') or the person to act as the CEO;
b. Determining the Performance Plan of the CEO;
c. Monitoring the CEO's achievement of the Performance Plan; and
d. Preparing an Annual Review Report on the CEO's performance and key terms of employment.

The functions and responsibilities for the Committee's role are set out in Appendix 1. In carrying out its role, the Committee must have full regard for the directions set out in the CEO Employment and Remuneration Policy.

3. Authority and Compliance

The Committee is an advisory committee only and has no delegated decision making authority.

4. Membership

Composition
The Committee shall be composed of:

- Independent Chair
- The Mayor
- Between 1 and 6 additional Councillors as appointed by the Council.

Appointment of Chair
The Independent Chair will be appointed by the Council.

Key competencies for the appointment of the Independent Chair include:

- Demonstrated experience and qualifications in the area of
    - Executive level employee performance planning and management;
    - Human resources; or
    - Employment law
- Previous experience with large organisations or a clear understanding of the role and responsibilities of executive level employees in large organisations
- Demonstrated leadership skills or experience chairing committees

Term of Appointment
Up to four years.

Appointment of an Acting Chair
In the event that the Independent Chair be unavailable or unwilling to perform their duties the Council may appoint an Acting Independent Chair for a period not exceeding 12 months.

Observers
Any Councillor who is not a member of the Committee may subject to the consent of the Independent Chair attend a meeting of the Committee as an Observer.

5. Support to the Committee

Administrative responsibility and support for the Committee is assigned to the Manager Governance. This function includes providing:

- information and any necessary training for members in relation to their responsibilities under the Terms of Reference and the Act;
- preparation of meeting agendas and minutes;
- advice in respect to matters before the Committee; and
- secretarial and logistical support to the Committee

6. Meeting Proceedings

Meeting Schedule
The Committee will meet at least two times a year, with authority to convene additional meetings as circumstances require.

Attendance at Meetings
Physical attendance of the Independent Chair is required at both mandatory annual CEEMAC meetings, unless virtual attendance is approved by Mayor. Virtual attendance by the Independent Chair at any additional meetings is acceptable.

Members of the committee other than the Independent Chair may attend meetings virtually or in person.

Meeting Agendas
Agenda items can be submitted by Members for consideration for inclusion by the Chair.

The structure of the Committee Agenda and documents will be determined by the Chair.

The Agenda must be distributed to members at least five working days prior to the meeting.

Quorum
A quorum of the Chair and at least two other members will be necessary to transact the business of the committee.

If a quorum is not present within 20 minutes of the time appointed for the commencement of the meeting, the meeting shall lapse.

If a quorum fails after the commencement of the meeting, the meeting shall lapse.
Business that is unfinished at the completion of a meeting may at the discretion of the Chair be referred to the next meeting of the Committee.

Conflict of Interest
If a Member has a conflict of interest relating to any item on a Meeting Agenda, the member must verbally disclose the type and nature of the interest immediately before consideration of the matter in question.

Confidentiality
All Committee meetings and records are considered confidential and may be designated as confidential in accordance with the Act as the matters relate to personnel and contractual matters.

Minutes and Reporting
The Manager Governance will take the minutes for each Committee meeting.

The minutes shall be in a standard format including a record of those present, apologies for absence, adoption of previous minutes and a list of adopted actions and resolutions of the Committee.

Minutes of each meeting will be presented at the next Council meeting.

7. Records

All records pertaining to the Committee's function shall be kept by the Manager Governance on the CEO's personnel file.

The records may be accessed by the Chair, Mayor and CEO (current incumbent only).

8. Key Meeting and Reporting Requirements

- Mid-year Performance Review.
- Full Year Performance Review.
- Submission of the Committee's Annual Review report to the Council - to occur within 3 weeks the anniversary date of the CEO's date of commencement of employment.

Appendix 1 – CEEMAC Functions and Responsibilities

a. Recruitment of the CEO

To fulfil its role, the Committee shall:

1. Undertake preparatory work on the recruitment process in conjunction with the appointed Recruitment Consultant. Develop and agree on:
    a. A search and selection process and timeframe;
    b. A range for the Total Remuneration Package
    c. Conditions of employment;
    d. Key accountabilities of the role;
    e. Key selection criteria;
    f. Candidate application material;
    g. A candidate identification strategy;
    h. Methods of applicant evaluation; and
    i. Public relations and internal communications activities.
2. Liaison with the appointed Lawyer to review and recommend on the form and terms of the Contract of Employment, including:
    a. Term of employment – no greater than five (5) years;
    b. The responsibilities and duties of the position including compliance with the Act and the Code of Conduct;
    c. Total Remuneration Package (including salary, cost to employer of motor vehicle, superannuation and other employment benefits, including associated fringe benefits tax);
    d. Additional expenses payable by Council;
    e. Annual review of performance;
    f. Annual review of the Total Remuneration Package;
    g. Leave entitlements;
    h. Ownership of intellectual property;
    i. Performance criteria;
    j. Conduct matters;
    k. Suspension, redundancy and termination of contract provisions;
    l. No compensation for termination of a contract beyond pay in lieu of notice and accrued leave;
    m. Employment notice provisions; and
    n. Dispute resolution procedure, to deal with disputes arising out of the contract.
3. Seek Council approval for the recruitment process to proceed.

b. Determining the Performance Plan

To fulfil its role, the Committee shall:

1. Work with Independent Chair to discharge its obligations in relation to the preparation of an annual performance plan and subsequent monitoring and year-end review.
2. Ensure that the CEO is consulted and advised of the process.
3. In consultation with the CEO, identify and agree to the Performance Plan objectives and measures that the CEO should work towards achieving over a 12 month period and submit to the Council for approval.

c. Monitoring achievement of the Performance Plan

To fulfil its role, the Committee shall:

1. Monitor the CEO's performance and provide feedback to the CEO and about his/her performance at review meetings.
2. Ensure that the CEO submits a written end-of-year self-assessment on the Performance Plan.
3. Ensure that all Councillors are invited to provide written comments on the CEO's performance to the Committee.
4. Attend to the collection and collation of council feedback in relation to the CEO's performance as measured against the Performance Plan. In making this assessment, the Committee will take into account any written comments about the performance of the CEO it has received from Councillors.

d. Annual Review

To fulfil its role, the Committee shall:

1. Make a detailed assessment of the CEO's performance against the Performance Plan.
2. Review the CEO's Total Remuneration Package as a component of the annual review. In considering its recommendations on the CEO Total Remuneration Package the Committee must have regard to:
    a. The principles in the Government of Victoria's Policy on Executive Remuneration in Public Entities; and
    b. Any Determination that is currently in effect under section 21 of the Victorian Independent Remuneration Tribunal and *Improving Parliamentary Standards Act 2019* relating to remuneration bands for executives employed in public service bodies
3. The Chair shall arrange for the preparation of an Annual Review Report having regard to:
    a. Written submission made by Councillors;
    b. Other Information, both quantitative and qualitative, pertinent to the various measure of performance established in the Performance Plan;
    c. The CEO's written appraisal of his performance; and
    d. The Committee's own deliberations.
4. Provide feedback to the CEO about the proposed outcome of the annual performance review and the TRP review and provide the CEO the opportunity to submit a response.
5. Submit the Annual Review Report to the Council.
   The CEO's written self-assessment and response to the Committee's assessment will form part of the Report to the Council.
   The Report will seek decisions on outcomes of the review process, including:
    a. The CEO's achievement of the Performance Plan;
    b. Any proposed variation to the Total Remuneration Package;
    c. Setting the CEO's Performance Plan for the next 12 month period;
    d. Setting the CEO's Professional and Personal Development Plan for the next 12 month period; and
    e. Whether any options of the CEO's contract should be exercised in accordance with the Contract of Employment.

WARRNAMBOOL
CITY COUNCIL

Use of Artificial Intelligence Policy

APPROVAL DATE: February 2024
REVIEW DATE: February 2025

USE OF ARTIFIICAL INTELLIGENCE POLICY

DOCUMENT CONTROL

Document Title:	*Use of Artificial Intelligence Policy*
Policy Type:	*Council*
Responsible Branch:	*Governance*
Responsible Officer:	*Manager Governance*
Document Status:	*Draft*
Approved By:	*Council*
Approved Date:	*February 2024*
Review Date:	*February 2025*

USE OF ARTIFIICAL INTELLIGENCE POLICY

INTRODUCTION

1.1. Purpose

This policy provides guidance and a set of principles to govern the use of Artificial Intelligence (AI) by Warrnambool City Council, including Councillors, contractors, and staff.

1.2. Scope

This policy applies to all Councillors, Council staff, and contractors engaged by Council.

1.3. Definitions

Term	Definition
AI	Refers to Artificial Intelligence - the simulation of human intelligence in machines that are programmed to think and learn like humans. It encompasses a wide range of technologies and techniques that enable machines to perform tasks that typically require human intelligence. These tasks include problem-solving, learning, planning, speech recognition, natural language understanding, perception, and decision-making.
AI Tools	Refers to any generative tools that uses artificial intelligence to produce content. This includes but is not limited to Google AI, ChatGBT, and Microsoft Azure.
Council	Refers to Warrnambool City Council.

1.4. References

Australian Government – Digital Transformation Agency, I*nterim guidance on government use of public generative AI tools - November 2023*, 2023.

Warrnambool City Council, *Privacy Policy*.

Warrnambool City Council, *Acceptable Computer Use Policy*.

Warrnambool City Council, *Records Management Policy*.

Warrnambool City Council, *News & Social Media Policy*.

Data Protection Act 2014 (VIC).

USE OF ARTIFIICAL INTELLIGENCE POLICY

2. POLICY STATEMENT

Warrnambool City Council embraces the potential of positive transformative change presented by the emergence of AI and welcomes it use. However, Council is also committed to ensuring that the utilisation of AI aligns with Council's legal, ethical, and community standards. Only when AI is deployed responsibly can it improve the efficiency, effectiveness and quality of services and advice delivered.

This policy outlines the principles and requirements for the safe and responsible use of AI by Council Officers.

2.1. AI should be deployed responsibly

Council should only use AI platforms in low-risk situations and take the appropriate risk mitigation strategies described in this policy. Some examples of low-risk use include using tools to brainstorm ideas or options, or to do initial drafting of content, emails, and reports.

Council must ensure that all uses of AI platforms comply with Council's Acceptable Computer Use Policy, Privacy Policy, and Records Management Policy.

Use cases which pose an unacceptable risk to Council include but are not limited to:

- Use cases requiring the input of any amount of Council data considered to be sensitive or confidential information.
- Use cases where services will be directly delivered by AI, or decisions made by AI.
- Use cases where coding outputs will be used in government systems.

2.2. Accountability and Human Centred Decision Making

Council engages in a broad range of activities and delivers many services for the municipal community. Ai tools must never be the final decision-maker on Council activities or services. Accountability is a one of Council's organisational values and as such those who use AI to produce content are responsible for that content and must be able to explain and justify their advice and decisions.

Any responses or outcomes provided by AI tools must be critically analysed for appropriateness and accuracy before being used, as they can provide incorrect answers in a confident way.

Council should consider whether responses or outcomes are factually accurate, meet community expectations, or are coloured by known biases in the training data.

Council should also consider intellectual property rights of third parties as well as broader privacy and copyright issues when using these tools.

2.3. Transparency

It should be clear when generative AI tools are being used by Council to inform activities. Council should consider including markings in briefings and official communications indicating if generative AI was used to generate any of the information. Official communications remain subject to Council's News & Social Media Policy even when produced by AI tools.

2.4. Privacy Protection and Security

Any data entered into AI tools is likely to be stored externally to Council and Council will have little ability to know who has access to it.

Inputs into AI tools should not include or reveal any classified information, or personal information held by council. All activities and inputs in relation to the use of information with AI tools should be considered a disclosure of that information and must comply with Council's Privacy Policy, relevant legislation, and the information privacy principles.

Generally, Council information should only be entered into these tools if it has already been made public or would be acceptable to be made public.

Council must also not enter information that would allow AI platforms to extrapolate classified or sensitive information based on the aggregation of content you have entered over time. Additionally, Council should avoid sharing any information that could be used for identity theft, fraud, or hacking attempts.

Where available, Council should disable any settings or permissions which save data or use history.

3. GOVERNANCE

3.1. Owner

The Manager Governance is responsible for ensuring this policy is implemented, progress is monitored and is regularly reviewed.

3.2. Review

The Manager Governance will review the policy for any necessary amendments no later than 1 year after its formulation or after the last review.

3.3. Compliance Responsibility

It is considered that this Policy does not impact negatively on any rights identified in the Charter of Human Rights and Responsibilities Act 2006.

S11A Instrument of Appointment and Authorisation (Planning and Environment Act 1987)

WARRNAMBOOL
CITY COUNCIL

Warrnambool City Council

Instrument of Appointment and Authorisation

(*Planning and Environment Act 1987* only)

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

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

Hannah Carswell
John Edwards
Julie McLean
Matthew Cross
Morteza Mirgholami
Nicholas Legoe
Peter Reid
Rob Wandell
Simon Glenister
Srimali Mellawa

By this instrument of appointment and authorisation Warrnambool City Council –

1. under s 147(4) of the *Planning and Environment Act 1987* - appoints the officers to be authorised offices for the purposes of the *Planning and Environment Act 1987* and the regulations made under that Act; and

2. under s 313 of the *Local Government Act 2020* authorises the officers either generally or in a particular case to institute proceedings for offences against the Acts and regulations described in this instrument.

It is declared that this instrument -

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

This instrument is authorised by a resolution of the Warrnambool City Council on 5 February 2023.

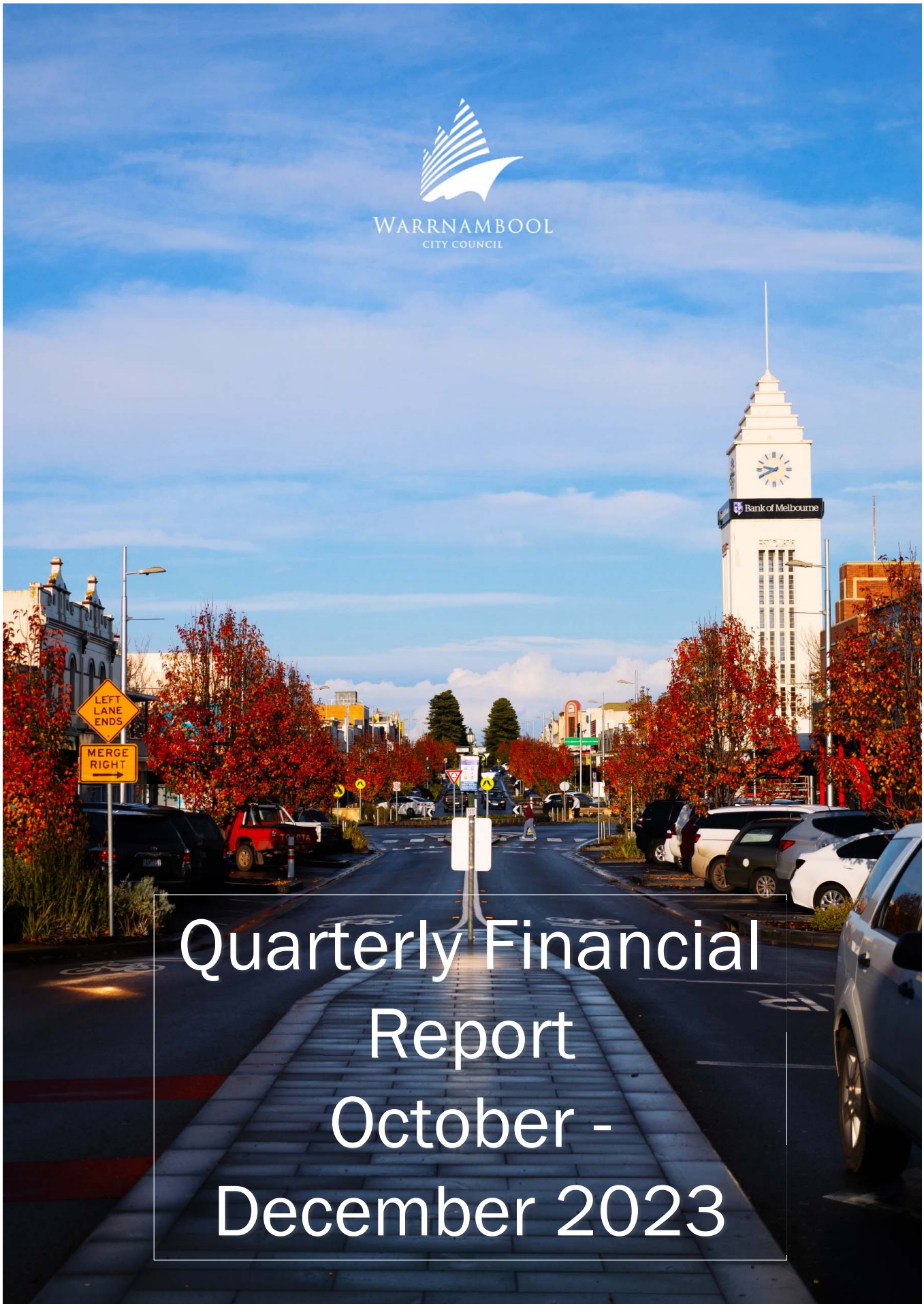
The Common Seal of)
WARRNAMBOOL CITY COUNCIL)
was affixed in the presence of :)

……

Chief Executive Officer

……..

Date:



Quarterly Financial Report October - December 2023

Quarterly Financial Report

Oct - Dec 2023

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Quarterly Financial Report

Oct - Dec 2023

1. Executive Summary

The monthly report is designed to illustrate the financial performance and position of Warrnambool City Council compared to its adopted and forecast budget for the period ending 31 December 2023. The forecast budget column includes carried-forward project budgets from the 2022-23 financial year of $20.2m. The six months' actual results indicate an unfavourable financial position of ($0.291m) to the forecast budget.

Key Financial Results	Adopted Budget $'000	Forecast $'000	YTD Forecast $'000	YTD Committed $'000	YTD Variance to Forecast $'000	
Rates	46,779	47,100	47,023	47,022	(1)	▼
Recurrent Income	52,068	52,805	22,919	23,050	131	▲
Recurrent Expenditure	(82,546)	(83,292)	(41,189)	(41,009)	180	▲
Net Recurrent Surplus/(Deficit)	**(30,478)**	**(30,487)**	**(18,270)**	**(17,959)**	**311**	▲
Project Income	569	2,067	1,115	1,167	52	▲
Project Expenditure	(1,264)	(9,468)	(2,682)	(2,818)	(136)	▼
Net Project Surplus/(Deficit)	**(695)**	**(7,401)**	**(1,567)**	**(1,651)**	**(84)**	▼
Capital Income	2,087	12,011	1,394	1,577	183	▲
Capital Expenditure	(16,064)	(39,236)	(15,764)	(16,402)	(638)	▼
Net Capital Surplus/(Deficit)	**(13,977)**	**(27,224)**	**(14,370)**	**(14,825)**	**(455)**	▼
Loan Drawdowns	0	0	0	0	0	▬
Loan Repayments	(1,681)	(1,681)	(841)	(903)	(62)	▼
Net Financing Position	**(1,681)**	**(1,681)**	**(841)**	**(903)**	**(62)**	▼
Surplus / (Deficit) Brought Forward	0	20,244	20,244	20,244	0	▬
Total	(53)	550	32,219	31,928	(291)	▼

Recurrent: is $0.311m favourable to forecast. Income is higher than anticipated primarily due to a favourable variance in Animal Management registrations and Early Learning Centres operating at capacity year to date. There continues to be a favourable variance in employee costs partially due to vacant positions and there is an unfavourable variance in materials and services due to a number of factors including timing (refer to section 5 for further details).

Projects: Unfavourable variance of ($0.084m) partially due timing of projects and partially due to expenses incurred for a major art exhibition ($0.091m) to be covered by ticket revenue to March 24 (year to date to December revenue is $0.026m).

Capital Works: is ($0.455m) unfavourable to forecast due to Small Infrastructure Fund works ($77k) and South of the Merri River Open Space Precinct Plan ($58k) to be funded from reserves, Developer Contribution Plan (DCP) design costs ($147k) to be funded from reserves once the design costs are finalised. The balance of the variance is due to timing.

2. Certification Statement

The financial position of Council has been reviewed and it has been determined that a Revised Budget under s95 of the Local Government Act 2020 is not required.

_____

Andrew Mason
Chief Executive Officer

3. Top 5 Favourable to Forecast Recurrent Services

The below summary details the year to date Top 5 recurrent services with a favourable position to the forecast budget and associated commentary.

No.	Key Financial Results	Forecast $'000	YTD Forecast Budget $'000	YTD Committed $'000	YTD Variance to Forecast $'000	
1	Early Learning Centres	189	252	414	162	▲
2	Pre-Schools	3	31	172	141	▲
3	Project Management	(464)	(499)	(378)	121	▲
4	Strategic Asset Management	(801)	(305)	(246)	59	▲
5	Organisation Development	(1,901)	(1,194)	(1,140)	53	▲

Commentary

1: Early Learning Centres:

Reason: Early learning income is $146k favourable to forecast partly due to centres operating at capacity year to date (budget is set at 95% capacity) and partly due to timing.

2: Pre-Schools:

Reason: Favourable revenue variance of $29K due to higher than forecast attendance across sites. Favourable payroll variance of $87K due to staff working in School Readiness project (average $8.7K per site) with no backfill availability and staff on lower rates than forecasted. Other expenses underspend of $20K (average $2K per site) due to timing of general expenses.

3: Project Management:

Reason: Favourable variance in salaries of $121k which is to be offset with capitalised labour during the end of financial year process.

4: Strategic Asset Management:

Reason: Savings in salaries of $51k.

5: Organisation Development:

Reason: Savings in salaries of $53k due to vacant positions.

4. Top 5 Unfavourable to Forecast Recurrent Services

The below summary details the year to date Bottom 5 recurrent services with an unfavourable position to the revised budget and associated commentary.

No.	Key Financial Results	Forecast $'000	YTD Forecast Budget $'000	YTD Committed $'000	YTD Variance to Forecast $'000	
1	Parks & Gardens	(4,675)	(2,564)	(2,723)	(160)	▼
2	Banking & Treasury	6,061	822	747	(75)	▼
3	Waste Management	(4,542)	(2,295)	(2,359)	(64)	▼
4	Elected Council	(521)	(181)	(228)	(47)	▼
5	Construction Engineering	(16)	(63)	(95)	(32)	▼

Commentary

1: Parks & Gardens:

Reason: $100k overspend due to September 2023 storm damage costs with the balance of the variance due to timing.

Action: Note variance for March forecast.

2: Banking & Treasury:

Reason: Written down value of disposed assets ($96k).

Action: Not a cash transaction. Will form part of the end of year capitalisation process.

3: Waste Management:

Reason: Higher costs related to disposal of waste including higher volumes, higher gate fees and higher transport costs ($64k).

Action: To be reviewed during the March forecast process.

4: Elected Council:

Reason: Unfavourable variance due to VEC Ward review costs ($47k).

Action: Note variance for March forecast.

5: Construction Engineering:

Reason: Timing of construction engineering expenditure.

Action: This timing variation will realign as the year progresses.

5. Statement of Comprehensive Income

	Adopted Budget $'000	Forecast $'000	YTD Forecast $'000	YTD Committed $'000	YTD Variance to Forecast $'000	YTD Variance to Forecast %	
Revenue							
Rates and Charges	46,879	47,200	47,073	47,073	0	0.0%	▬
Statutory Fees and Fines	2,283	2,213	1,079	1,130	52	4.8%	▲
User Fees	20,482	19,398	9,420	9,557	137	1.5%	▲
Recurrent Grants	15,013	18,351	5,786	5,787	1	0.0%	▲
Non-Recurrent Grants	4,531	10,352	209	186	(23)	(11.0%)	▼
Contributions - Cash	2,181	5,499	1,351	1,393	42	3.1%	▲
Contributions - Non Cash	5,000	4,000	0	0	0	0.0%	▼
Other Income	420	320	158	210	52	33.0%	▲
Interest Income	608	1,073	973	1,033	60	6.2%	▲
Revenue Total	**97,395**	**108,406**	**66,049**	**66,370**	**322**	**0.5%**	▲
Expenses							
Employee Benefits	42,691	43,810	20,467	19,534	933	4.6%	▲
Materials and Services	33,355	41,116	16,957	17,854	(897)	(5.3%)	▼
Bad and Doubtful Debts	147	147	3	0	3	100.0%	▲
Finance Costs	224	224	104	128	(24)	(23.0%)	▼
Other Expenses	482	483	237	255	(18)	(7.6%)	▼
Depreciation	13,097	13,097	0	0	0	0.0%	▬
Net loss / (gain) on asset disposal	218	(182)	(299)	(389)	90	62.5%	▲
Expenses Total	**90,213**	**98,694**	**37,469**	**37,381**	**87**	**0.2%**	▲
Net Surplus / (Deficit)	**7,182**	**9,712**	**28,580**	**28,989**	**409**	**1.4%**	▲
Other Comprehensive Income							
Net asset revaluation	10,409	10,409	0	0	0	0.0%	▬
Total Comprehensive Income	**17,591**	**20,121**	**28,580**	**28,989**	**409**	**1.4%**	▲
Net Underlying Surplus / (Deficit)	**2,182**	**5,712**	**28,580**	**28,989**	**409**	**1.4%**	▲

Net Surplus/(Deficit): The net surplus is $29.989m which is $0.409m favourable to the forecast budget.

Revenue: is $0.322m favourable to forecast due to:

- Statutory Fees and Fines – Animal Management income is $52k favourable to forecast due to dog and cat animal control enforcement of registration renewals campaign.
- User Fees – Mainly due to Early Learning Centre income being $146k favourable to forecast due to centres operating at capacity year to date (budget is set at 95% capacity) and timing.
- Interest Income – Higher interest rates than anticipated resulting in a $60k favourable variance to forecast.

Expenses: are $0.087m favourable to forecast due to:

Employee Benefits - Year to date employee benefits are lower than forecast by $933k partially due to vacant positions and also due to:

- Project Management favourable variance in salaries of $129k which will be offset with capitalised labour once Work in Progress is capitalised during the end of financial year process.
- Florence Collins Children's Services payroll savings of $48k offset by traineeship costs in Materials and Services below.
- $40k variance at Aquazone due to staff shortages and one vacant part-time role.
- Favourable payroll variance of $87K across all preschools due to staff working in School Readiness project (average $8.7K per site) with no backfill availability and staff on lower rates than forecasted.

Materials and Services - Materials and services are higher than forecast by ($897k) partially due to unexpected storm damage costs ($100k), higher waste management costs relating to disposal of waste including higher volumes, higher gate fees and higher transport costs ($64k) to be reviewed during the March forecast process, more activity in Lighthouse Theatre commercial hires ($52k) offset by increased fee income, set-up costs for a major exhibition at the Art Gallery ($91k) to be offset by ticket sales, Florence Collins Children's Services traineeship costs ($63k) (offset by salary savings in Employee Benefits above), VEC Ward review costs ($47k), truck wash operating costs ($24k) and timing of road maintenance ($124k) plus other minor timing variations.

6. Balance Sheet

	2023/24 Opening Balance $'000	Movement $'000	YTD Closing Balance $'000
Current Assets			
Cash & Cash Equivalents	7,795	(3,975)	3,820
Investments	40,500	5,000	45,500
Trade and Other Receivables	3,242	20,610	23,852
Other Assets	3,279	(269)	3,010
Current Assets Total	**54,816**	**21,365**	**76,182**
Non-Current Assets			
Trade and Other Receivables	0	0	0
Property Plant & Equipments	831,921	7,908	839,822
Non-Current Assets Total	**831,921**	**7,908**	**839,822**
Total Assets	**886,737**	**29,273**	**916,004**
Current Liabilities			
Trade and Other Payables	11,681	(979)	10,697
Trust Funds and Deposits	2,027	239	2,265
Provisions	6,913	0	6,913
Interest-bearing Loans and Borrowings	1,909	(969)	940
Lease Liabilities	277	0	277
Current Liabilities Total	**22,807**	**(1,710)**	**21,092**
Non-Current Liabilities			
Provisions	961	0	961
Interest-bearing Loans and Borrowings	8,420	0	8,420
Lease Liabilities	741	0	741
Non-Current Liabilities Total	**10,123**	**0**	**10,123**
Total Liabilities	**32,930**	**(1,710)**	**31,215**
Net Assets	**853,807**	**30,983**	**884,790**
Equity			
Accumulated Surplus	274,746	30,983	305,728
Reserves	579,061	0	579,061
Total Equity	**853,807**	**30,983**	**884,790**

Cash & Investments: The November quarter rates instalment has increased the amount of cash reserves however some capital works progress payments made in December for the Hockey Synthetic Pitch Replacement, Japan Street Drainage Upgrade, Playground Renewal and Road Construction have impacted the balance. The 2nd instalment of the Fire Services Levy was also paid in December.

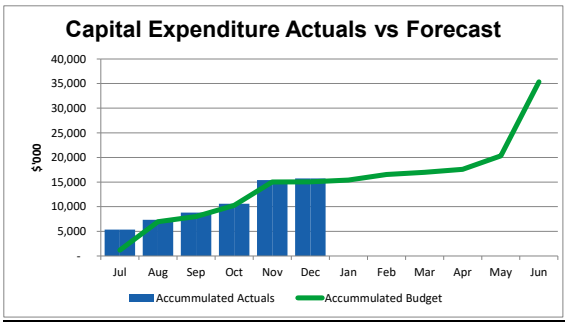
Trade and Other Receivables: have increased significantly from the start of the financial year due to raising the full year's rates revenue in July with instalments due quarterly. This will reduce throughout the year as customers make their instalment repayments.

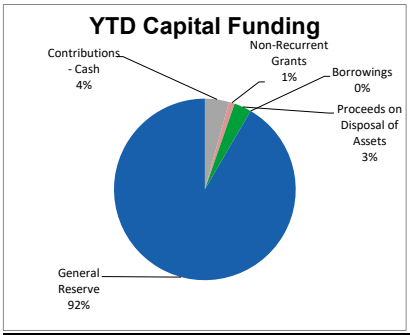
7. Capital Expenditure and Funding

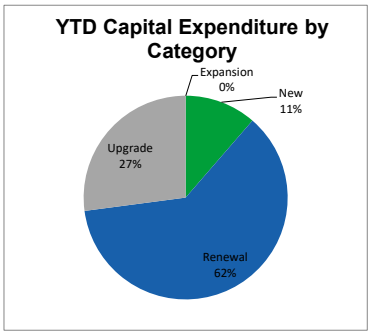
Capital Expenditure: Council has a number of major capital works underway including the Port of Warrnambool upgrade works and the Brierly Masterplan implementation with a major focus on renewal within the 2023-24 financial year. Currently Council's committed amount is unfavourable compared to the year to date forecast of ($658k). This is due to Small Infrastructure Fund works ($77k) and South of the Merri River Open Space Precinct Plan ($58k) to be funded from reserves, Developer Contribution Plan (DCP) design costs ($147k) to be funded from reserves once the design costs are finalised with the balance due to timing.

Capital Funding: The majority of the works to date have been funded through Council funds (92%). There are significant grants that are anticipated to be received during the year.

	Adopted Budget $'000	Forecast $'000	YTD Forecast $'000	YTD Committed $'000	YTD Variance to Forecast $'000	
Expenditure						
New	2,329	5,490	1,686	1,790	(104)	▼
Renewal	8,550	16,374	9,392	9,683	(290)	▼
Upgrade	5,185	13,488	3,998	4,262	(264)	▼
Expansion	0	0	0	0	0	▬
Capital Expenditure	**16,064**	**35,352**	**15,077**	**15,735**	**(658)**	▼
Funding						
Contributions - Cash	910	4,059	680	677	(3)	▼
Non-Recurrent Grants	686	6,476	185	159	(26)	▼
Proceeds on Disposal of Assets	492	891	299	485	187	▲
Borrowings	0	0	0	0	0	▬
General Reserve	13,977	23,926	13,913	14,414	501	▲
Capital Funding	**16,064**	**35,352**	**15,077**	**15,735**	**658**	▲



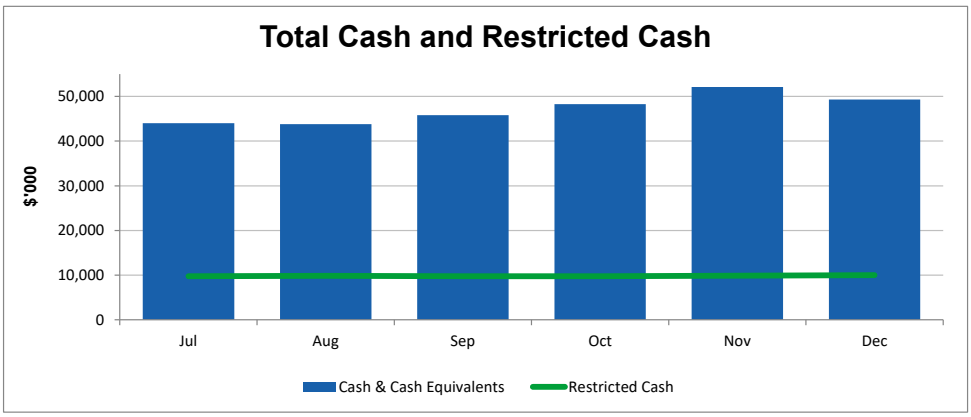


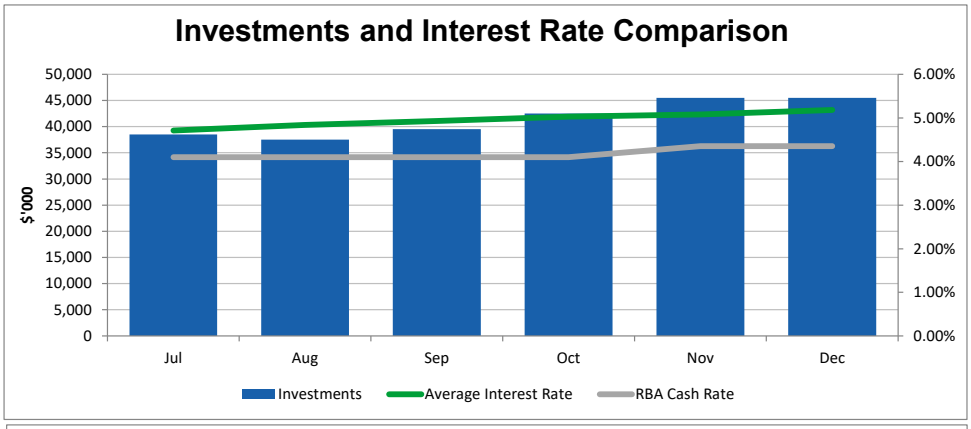


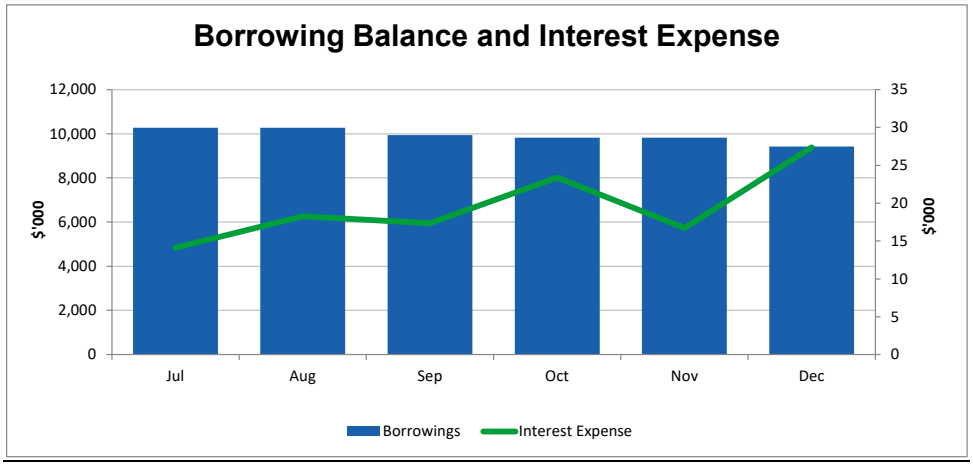
8. Treasury Report

Cash: Total cash held (including investments) at the end of December was $49.32m, of which $10.00m is restricted.

Investments: The average interest rate held on investments at the end of December was 5.18% which is higher than the RBA cash rate of 4.35%. Current investment rates have been over 5.0%.



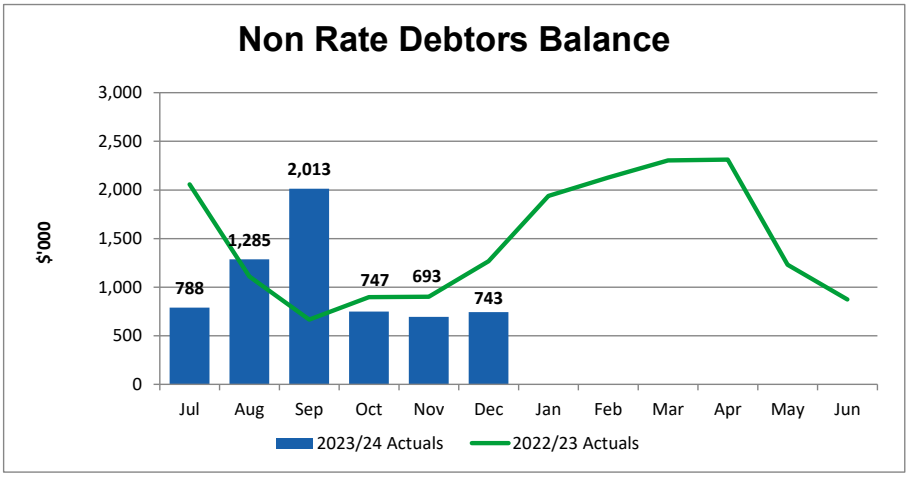


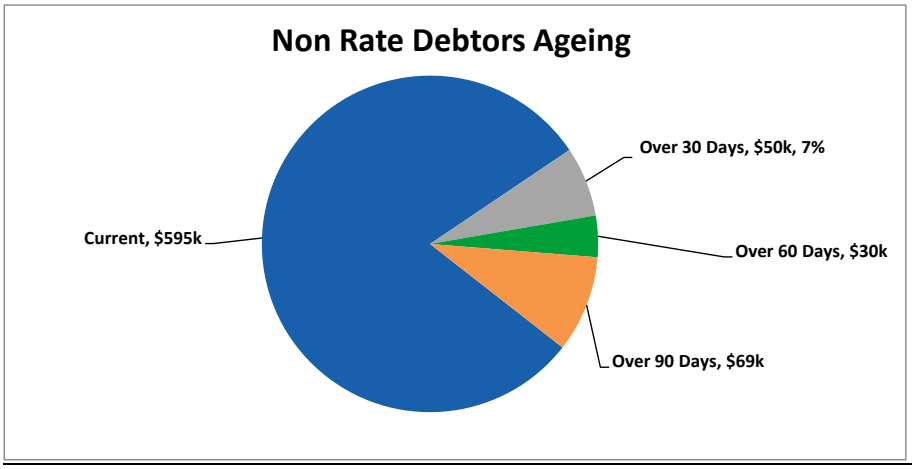


9. Debtors Report

Non Rate Debtors: were $743k in December, with $595k or 80% of the debt classified as current.

- 30 Days $50k (7%) – No material individual debtors. The balance of the outstanding 30 day debt amounts are not material and reminder invoices will be sent.
- 60 Days $30k (4%) – Warrnambool Football Netball Club $20k contribution to Reid Oval Redevelopment Project (2nd Instalment).The outstanding 60 day debt amounts are not material and reminder invoices will be sent.
- 90 Days $69k (9%) – No material individual debtors. HACC Debtors amounting to $16k are being followed up, mainly relating to managed recipients. The remaining 90 day debtors will be followed up and Council is working with overdue debtors and setting up payment plans where appropriate.





10. Budget/Forecast Variations

Item	Ledger No.	Budget Variation $	Cumulative Total $
Adopted Budget Surplus			(52,561)
Rollovers - Net		(20,243,704)	(20,296,265)
November forecast adjustments		286,517	(20,009,748)
December forecast adjustments		316,524	(19,693,224)
Cash Surplus/(Deficit) Bought Forward		**20,243,704**	**550,480**
External budget variations - new grants			
October to December variations			
PLV - Social Seniors technology grant, round 2	320500-1907	1,500	551,980
PLV - Social Seniors technology grant, round 2	320500-1907	(1,500)	550,480
Developer contributions - street trees - August	620400-2103	46,970	597,450
Developer contributions - street trees - August	620400-2103	(46,970)	550,480
Department of Education - Central Kinder planning grant	63400-1937	150,000	700,480
Department of Education - Central Kinder planning grant	63400-1937	(150,000)	550,480
VicRoads - 23/24 community road safety grants	523500-3035	18,003	568,483
VicRoads - 23/24 community road safety grants	523500-3035	(18,003)	550,480
Department of Transport - extra grant income for 3 new school crossings	236000-1351	26,413	576,893
Department of Transport - extra grant income for 3 new school crossings	236000-1351	(26,413)	550,480
Developer contributions - street trees - October	620400-2103	15,400	565,880
Developer contributions - street trees - October	620400-2103	(15,400)	550,480
Department of Government Services - Council Rapid Antigen Test grant, round 2	530300-1898	60,000	610,480
Department of Government Services - Council Rapid Antigen Test grant, round 2	530300-1898	(60,000)	550,480
Colac Otway Shire - contribution to CHSP study	531100-3342	29,455	579,935
Colac Otway Shire - contribution to CHSP study	531100-3342	(29,455)	550,480
Vichealth - 2024-25 Local Government Partnership funds	530300-3006	100,000	650,480
Vichealth - 2024-25 Local Government Partnership funds	530300-3006	(100,000)	550,480
Department of Education - Assessment for Learning/Transition to Kinder grants	530500-xxxx	9,184	559,664
Department of Education - Assessment for Learning/Transition to Kinder grants	530500-xxxx	(9,184)	550,480
DFFH - Child & Family Services Alliance - additional facilitator funds	536200-3016	62,091	612,571
DFFH - Child & Family Services Alliance - additional facilitator funds	536200-3016	(62,091)	550,480
DELWP - Maam Reserve grant funding	543000-3262	1,718	552,198
DELWP - Maam Reserve grant funding	543000-3262	(1,718)	550,480
Sustainability Victoria - Circular Economy Household Education Fund	522500-1491	67,200	617,680
Sustainability Victoria - Circular Economy Household Education Fund	522500-1491	(67,200)	550,480
Air BP - Airport monitoring	224000-3344	10,395	560,875
Air BP - Airport monitoring	224000-3344	(10,395)	550,480
Construction Engineering - Move from Hopkins & Merri Rivers to Jubilee Park Boat Ram	621600-2275	20,000	570,480
Construction Engineering - Move from Hopkins & Merri Rivers to Jubilee Park Boat Ram	621600-2019	(20,000)	550,480
Early Childhood Australia - 3 conference scholarships	313500-1044	8,985	559,465
Early Childhood Australia - 3 conference scholarships - wages & vehicle costs	313500-1014	(5,050)	554,415
Early Childhood Australia - 3 conference scholarships - conference fees & meals	119000-1042	3,935	558,350

10. Budget/Forecast Variations continued

`	Ledger No.	Budget Variation $	Cumulative Total $
Internal budget variations - transfers between cost centres			
October to December variations			
Increase in DAMA revenue budget due to additional fee income	540000-3183	13,500	563,980
Increase in DAMA expense budget due to additional fee income	540000-3183	(13,500)	550,480
Civic Centre refurbishment project moved to Accommodation Strategy	624000-2202	300,000	850,480
Civic Centre refurbishment project moved to Accommodation Strategy	520000-3221	(300,000)	550,480
Return of Community Development funds due to projects not proceeding	329700-1398	10,000	560,480
Return of Community Development funds due to projects not proceeding	329700-1398	(10,000)	550,480
Community Development Funds returned from community organisations	329700-1398	10,000	560,480
Community Development Funds returned from community organisations	329700-1398	(10,000)	550,480
General Recreation - SRV Minor Facilities funds moved to Brierly Masterplan	631000-2084	500,000	1,050,480
General Recreation - SRV Minor Facilities funds moved to Brierly Masterplan	631000-2249	(500,000)	550,480
Library - Adaptive Technologies - from Capacity Access and Inclusion Accessibility Fund	630100-3123	13,000	563,480
Library - Adaptive Technologies - from Capacity Access and Inclusion Accessibility Fund	536500-1939	(13,000)	550,480
General Recreation - Davidson Oval cricket nets from Country Football Netball parent account	631000-1938	40,000	590,480
General Recreation - Davidson Oval cricket nets from Country Football Netball parent account	631000-3084	(40,000)	550,480
Belfast Coastal Reserve - move from Environment Manaagement to City Sustainability	623800-2262	(15,000)	535,480
Belfast Coastal Reserve - move from Environment Manaagement to City Sustainability	623800-2262	35,400	570,880
Belfast Coastal Reserve - move from Environment Manaagement to City Sustainability	642250-2262	15,000	585,880
Belfast Coastal Reserve - move from Environment Manaagement to City Sustainability	642250-2262	(35,400)	550,480
Internal budget variations - transfers to/from cash reserves			
October to December variations			
Transfer new drainage construction income to drainage reserve	623400-1010	43,090	593,570
Transfer new drainage construction income to drainage reserve	614000-2010	(43,090)	550,480
Transfer new public open space income to other reserve	614000-2012	43,000	593,480
Transfer new public open space income to other reserve	614000-2010	(43,000)	550,480
2021-22 developer contributions for street trees/raingarden from other reserve	614000-2010	93,855	644,335
2021-22 developer contributions for street trees	624000-2103	(85,818)	558,517
2021-22 developer contributions for raingarden	624000-2111	(8,037)	550,480
Playground renewal - from renewal reserve	614000-2010	231,488	781,968
Playground renewal - to playgrounds	622400-2147	(231,488)	550,480
South of the Merri - transfer from other reserve	614000-2010	43,274	593,754
South of the Merri - 2023 rollovers from 623600-2221, 623600-2019 & 621600-2298	623600-2221	(43,274)	550,480
Horne Road - adjustment for incorrect invoice raised in 2021-22	624600-1010	252,551	803,031
Horne Road - transfer from other reserve	614000-2010	(252,551)	550,480
Brierly Reserve - asbestos removal out of scope funded from reserve	614000-2010	148,408	698,888
Brierly Reserve - asbestos removal out of scope funded from reserve	631000-2249	(148,408)	550,480
Pavement & car park renewal additional works - transfer from reserve	614000-2010	650,000	1,200,480
Car park construction - additional works funded from reserve	623200-2285	(250,000)	950,480
Road construction - additional works funded from reserve	622600-2029	(400,000)	550,480
Transfer new public open space income to other reserve	614000-2012	197,500	747,980
Transfer new public open space income to other reserve	614000-2010	(197,500)	550,480
Playground renewal - from renewal reserve	6140002010	81,548	632,028
Playground renewal - to playgrounds	622400-2147	(81,548)	550,480
Hopkins Heights Stage 8 Developer Contribution to reserves	624200-1010	80,000	630,480
Hopkins Heights Stage 8 Developer Contribution to reserves	614000-2010	(80,000)	550,480
Forecast Budget Surplus/(Deficit)			**550,480**


urban enterprise
planning economics+tourism
FLAGSTAFF HILL
RE-IMAGINED
Vision and opportunities plan
January 2024
Prepared by Urban Enterprise for Warrnambool City Council

Warrnambool City Council acknowledges the Peek Whurrong and Kirrae Whurrung Peoples of the Gunditjmara, Eastern Maar Nations as the Traditional Owners of the land, waterways and skies within Warrnambool municipality. We acknowledge and pay our respects to Elders, past, present and emerging.

Urban Enterprise would like to acknowledge the contributions made by Warrnambool City Council and members of the Project Reference Group in preparation of this report:

Warrnambool City Council

- Paul Thompson, Manager, Tourism, Warrnambool City Council
- Luke Coughlan, Director City Growth, Warrnambool City Council

Project Reference Group:

We acknowledge the contributions made by the Project Reference Group throughout the project, including Councillors (Cr Debbie Arnott, Cr Richard Ziegla, Cr Otha Akoch), Great Ocean Road Regional Tourism (Liz Price, CEO, Great Ocean Road Regional Tourism), Department of Jobs, Skills (Nick Byrne, Manager Tourism and Investment Facilitation), Industry and Regions and Friends of Flagstaff Hill, and other stakeholders throughout.

The project was made possible by funding from the Victorian State Government, through the Department of Jobs, Skills, Industry and Regions (DJSIR) and Warrnambool City Council.

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Version: Final

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EXECUTIVE SUMMARY

OVERVIEW

Flagstaff Hill is a ticketed tourism attraction located in Warrnambool, in south west Victoria within the Great Ocean Road tourism region.

Warrnambool City Council manages the site and the attraction, which includes a museum, maritime village and sound and light show.

Now, **50 years since the village was constructed, a new future for the site is being imagined** to both address critical issues, respond to project objectives and drive longer term economic, tourism and social benefits to the region.

The **aim of the Flagstaff Hill Re-Imagined project is to explore the future precinct development opportunities and options for the Flagstaff Hill site, articulate a vision for the site and provide a framework that will guide the future directions and investment into the precinct.**

PROJECT OBJECTIVES

1. Set a vision and future direction for the site that is strategic, and evidence based.
2. Enable future public and private investment opportunities into the site to be realised.
3. Identify suitable product and experience development opportunities for the site that appeal to regional target markets and support financial and economic sustainability.
4. Grow visitation and visitor yield to Warrnambool through enhanced tourism experiences.

COMMUNITY & STAKEHOLDER ENGAGEMENT

Community engagement included an online survey (attracting 506 responses), community drop-in sessions at Flagstaff Hill as well as a visitor survey.

In addition, a range of stakeholders were engaged to discuss the project, including:

- Warrnambool City Council
    - Economic Development & Tourism
    - Community Development
    - Infrastructure and Planning
- Flagstaff Hill and VIC Staff and volunteers
- Great Ocean Road Regional Tourism
- Department of Jobs, Skills, Industry and Regions;
- Eastern Maar Aboriginal Corporation
- Great Ocean Road Coasts and Parks Authority
- Peninsula Hot Springs & Loyly Studio

WHAT ARE THE CRITICAL ISSUES?

1. **Visitation to the attraction has been declining over the long term,** with a loss of around 30,000 annual visitors from FY09 to FY19.
2. **Council provides ongoing subsidies** to operate the attraction, equating to an average cost of **$720K per annum or $7.2 million over the past ten-years (including operation of the visitor information centre).**
3. **Investment and re-investment into the Sound and Light Show has not resulted in the creation of additional visitation to the site or improved the financial operating performance of the attraction.**
4. Without progress towards a re-imagined site, it is likely that **incremental capital investments will continue to be required to keep the attraction operating at a functional level.**
5. The **positioning, breadth and quality of the current offering** results in a **failure to drive significant visitation, yield and value add from the visitor market.**
6. **The attraction is located on a prominent and strategic site within Warrnambool,** the current attraction and existing infrastructure mean **the favourable aspects of the site are not being leveraged,** leading to **an underutilisation of the asset.**
7. There are several current infrastructure and operational challenges, such as a **lack of universal accessibility; village buildings requiring re-investment to provide for adaptive re-use opportunities; limited foot traffic through the village** to provide sufficient demand for adaptive re-use of village buildings.
8. The site is Crown Land, which generally provides opportunity for leases of up to 21 years. **Lease terms of greater than 21 years are reserved for large scale projects of regional or state significance, where the associated costs are higher and a longer lease term is required.**
9. **Major investment is required to re-position and re-imagine the site with private sector investment. Facilitation of major private sector investment will require securing a lease term over 21 years, which will require ministerial approval.**
10. **The site contains State Significant Heritage assets, which require preservation, conservation and management.** Specific heritage advice is required to determine development and management requirements.

-4.7% per annum
Average visitation decline between FY09 – FY19

-30,000
Total loss of visitors based on FY09 performance vs FY19 performance

$720K per annum
Total average operating subsidy between F14-FY23
(including Flagstaff Hill & Visitor Services)

$7.2 million
Total operating subsidy between F14-FY23

TOURISM STRATEGY (KEY POINTS)



Focus Areas:

- First Peoples led experiences.
- Wellness.
- Arts and culture.
- Food and drink.
- Nature.

Target markets:

- Lifestyle leaders (domestic)
- High value travellers (international)

Other:

- Motivate visitation.
- Invest in projects.
- High quality and personalised visitor servicing.
- First Peoples focused.
- Valuable for communities.
- Unique to place.
- Drive economic growth.
- Inclusive and welcoming.



- Deliver product that responds to consumer needs and changing behaviours.
- Drive additional length of stay, visitor yield.
- Attract new higher yielding markets.
- Deliver and address gaps in accommodation (+2,700-3,800 rooms across GOR);
- Address product gaps in attractions and experiences, including the night time economy.
- Promote Warrnambool as a tourism hub, under a hub and spoke model.
- Flagstaff Hill noted as a key investment opportunity.



- Growing geothermal and wellness product and experiences within the Great South Coast.
- Opportunities for Flagstaff Hill to deliver a Geothermal Water Park, Bathing and Accommodation.
- Target lifestyle leaders and international visitors.
- Major capital investment.

OPTIONS CONSIDERED

Having considered a range of factors (attraction performance, site, stakeholder and community views, and the visitor economy), three strategic options were formulated and presented to the Project Reference Group and Warrnambool City Council. There was general consensus that a broader strategic approach was needed, resulting in option 3 being the preferred approach.

	1. Enhance the current experience (Business as usual)	2. Re-think the experience, considering new strategic investment opportunities.	3. Integrated precinct development, considering public and private sector investment opportunities.
Summary	• Maintain the site in its current format; • Select experience and infrastructure upgrades and enhancements • Council managed.	• Re-positioning of the offering. • Exploration of new value add experiences (village activations, night experiences, functions and events, dining and hospitality and tour operators etc). • Council managed. • Potential to involve other commercial operators and partners (F&B, tours operators)	• Major re-visioning and re-positioning of the site. • Open and integrated visitor and community precinct. • Private and public sector investment opportunities.
Possible Uses and Activities (examples)	• Museum and visitor servicing • Maritime Village (with additional • activations). • Upgraded/new sound and light show production. • Dining and hospitality. • Broader use for events and functions.	• Museum and visitor servicing. • Village (re-positioned offering / new activations); • New night experiences (e.g. light festival events); • Event/amphitheatre space (festivals, events), • Expanded dining and hospitality offerings; • Spaces for tour operators; • Food and beverage.	• Geothermal/wellness; • Accommodation; • Functions and events; • Museum, retail/shop, tour operators and visitor servicing; • Integrated First Nations experience • Hospitality and dining (brewery, distillery, café etc); • Functions and events;
Capital investment	Low-Medium	High	Major
Capital Funding	Public	Public	Private / Public
Operational Funding	Council	Council	Private / Public
Implementation Risk	Low	Low	High
Re-imagining	None	Medium	High
Tourism Impact	Low	Low-Medium	High
			Preferred option.

SETTING A NEW VISION FOR FLAGSTAFF HILL

The following vision has been developed to support the re-imagining of Flagstaff Hill:

Flagstaff Hill is a thriving integrated community and major tourism precinct in Warrnambool.

Set amongst layers of historic buildings and regenerated landscape, visitors can engage with a range of activities and experiences (geothermal bathing, accommodation, contemporary approach to the display and interpretation of the museum artefacts, food and beverage, First People's led experiences, wellness, history and heritage, functions and events).

The precinct and its experiences recognise and are responsive to First Peoples culture, State significant heritage assets, museum artefacts and the sites unique attributes and landscape.

GUIDING PRINCIPLES

The following guiding principles have been utilised in considering strategic directions and opportunities for the site, and to assist with future planning for the site.

01
Respond to Place

02
Foster Regeneration

03
Enable Transition and Evolution

04
Promote Economic Development

05
Establish Strategic Partnerships

06
Inclusive and accessible

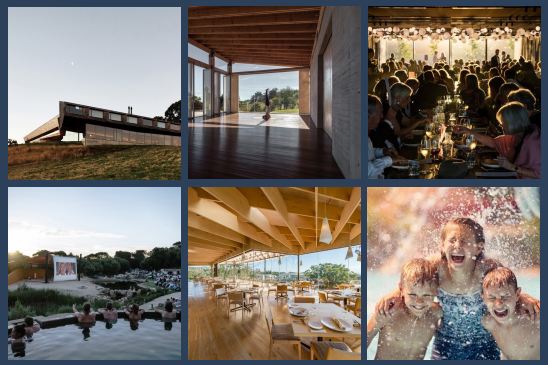
STRATEGIC DIRECTIONS

01. Create a demand driving destination.



a) Create a major tourism precinct.
b) Revitalise the visitor experience.
c) Encourage a mix of activities.
d) Leverage the sites unique attributes.
e) Attract year-round and repeat visitation.
f) Respond to regional product gaps and investment opportunities.
g) Target regional growth markets.

02. Facilitate investment.



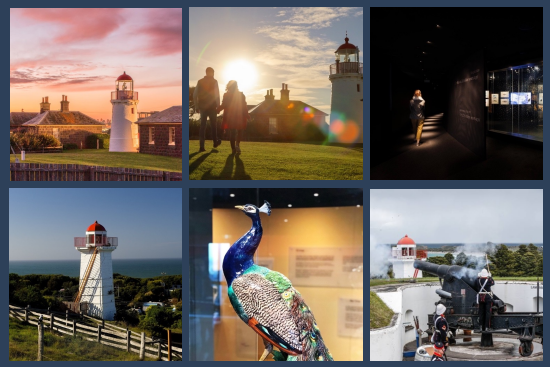
a) Leverage new investment in tourism experiences and infrastructure.
b) Unlock private sector investment.
c) Advocate for public sector investment to unlock development opportunities and realise the vision.
d) Establish partnerships.
e) Renew infrastructure.

03. Integrate First People's led experiences.



a) Recognise and integrate First People's history, cultural and tourism experiences into the site (as appropriate and advised).
b) Consider First Nations tourism opportunities (commercial investments, tour operators, events, food and beverage, wellness, language and naming, signage, welcome to Countries for events and gatherings).

04. Protect state significant heritage.



a) Preserve and protect State significant heritage assets.
b) New experiences and development should be sensitive and sympathetic to heritage assets.
c) Interpret heritage assets.
d) Consider a contemporary approach to the display and interpretation of the museum artefacts.
e) Provide for selective and sensitive adaptive re-use of heritage buildings.

05. Leverage the sites unique attributes.



a) Capitalise on the site's prominent location.
b) Leverage the sites views.
c) Celebrate heritage.
d) Enhance the sites landscape, connection to the coast and connection to places of cultural significance (including views to Moyjil).

06. Renew, re-use and adapt infrastructure



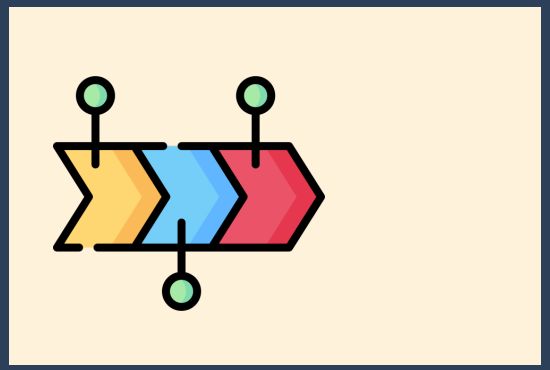
a) Enable selective re-use and adaptation of facilities and infrastructure.
b) Invest in new infrastructure to regenerate the tourism experience.
c) Consider the decommissioning of infrastructure where it is not required or fit for purpose.

07. Improve access and accessibility.



a) Better connect the precinct with its surrounds.
b) Improve access into and around the site.
c) Create universal accessibility and inclusive experiences.

08. Allow for staged development.



a) Consider how the vision for the site can be realised over time, recognising the sites complexities and challenges in implementing the vision.

PRECINCT OPPORTUNITIES

Geothermal Water Park*

A year-round geothermal family attraction for Warrnambool catering to both visitors and locals. Uniquely integrated into the village area and opportunities to reflect First People's culture or maritime themes. The geothermal waterpark would provide opportunities for geothermal bathing, kids activities, village experiences (F&B, picnics, and pop-up events).

Geothermal Bathing & Relaxation*

Building on the sites geothermal opportunity is the potential to incorporate geothermal bathing and wellness for adults.

Geothermal bathing and relaxation areas provides a major private sector development opportunity, which could be packaged with other geothermal facilities, on-site accommodation, food and beverage facilities and wellness.

Accommodation
(with co-located facilities including F&B, wellness and function facilities)

The site's strategic location and commanding views provide opportunity for the consideration of development of visitor accommodation, which would be complementary to geothermal experiences on site.

Two key accommodation opportunities could be explored, including:

- A 60-80 room hotel complex, complementary to the geothermal water park, offering accessible accommodation, as well as catering to functions and small-medium size conferences; and
- A boutique and high quality hotel of approximately 40-60 rooms, targeting State tourism target markets (the lifestyle leaders and high value international travellers). The hotel could include incorporation of new wellness facilities and experiences (spa, massage, yoga/Pilates) and an onsite boutique restaurant and bar serving local produce and fine wine and drinks.

Food and beverage

There is opportunity to enhance the food and beverage offerings across the site, including consideration of:

- A **destination food and beverage offering**, targeting locals and visitors such as an integrated brewery/distillery, serving quality pub fare. The offering could include a produce store, indoor and outdoor dining, private functions and views across the coast.
- **Village food and beverage offer**ings, to cater to on site visitors, events and functions. Existing village food and beverage offerings require upgraded facilities to improve their operations and offerings. Key areas where an upgrade could be considered include the Steam Packet Inn (pub) and tearooms.









*Opportunities identified in the the Great South Coast Economic Futures Geothermal Tourism Prospectus (2023).

Drawing by Loyly studio

PRECINCT OPPORTUNITIES

Museum

The site holds a number of unique artefacts, alongside state significant heritage buildings, and a strong connection to the coast.

There is opportunity to revitalise the museum space (considering opportunities for how the collection is displayed and stored).

Changes to the way the museum experience is delivered could include co-location with Warrnambool's visitor servicing (incorporating merchandise, new displays and interpretations as well as space for tour operators).

Functions and Events

The site currently hosts a limited series of events, with opportunity to expand this offering by addressing infrastructure and access constraints (such as location of and limited food and drink preparation areas, quality of function spaces, and site accessibility).

A re-imagining of the site provides opportunity to consider a greater program of function and events on site, which could include consideration of:

- Private functions (birthdays, weddings, corporate events and conferences);
- Open air cinemas;
- Food events;
- Cultural events (including First People's led events);
- Health and wellness events;
- Arts and cultural events;
- Music and performances;
- Markets.

Access & Accessibility

The site faces a number of access and accessibility constraints that hinder activation opportunities within the Village. There is opportunity to address these challenges through improved infrastructure that can enhance the visitor experience and functionality of the site. This can include consideration of:

- New lift access into the village, that could also double as an observation deck and storm viewing lookout, leveraging the sites elevated position and extensive coastal views, which would provide an attraction in its own right.
- Upgraded and improved pathways and boardwalks throughout the village (addressing steep gradients).
- Better connecting the site with its surrounds, including new pedestrian connections to the Lake Pertobe precinct and Cannon Hill.
- A new train platform to the south (providing opportunity for mass transit of visitors on the doorstep of the site), improving conditions for private sector investment.









IMPLEMENTATION APPROACH

The opportunities presented are intended to provide a vision that will guide planning and development of the site over the long term.

The site is highly complex. There are specific conditions and risks associated with attraction of private sector investment that requires lease terms above 21 years, with projects required to be of regional or state significance and requiring ministerial approval.

The conditions under which opportunities can be realised differs based on the type and scale of investment and the who the lead proponent is (ie. private or public).

In addition, the contribution towards re-imaging the site and the overall tourism and economic impact will differ based on the opportunity and how it is realised. Major private sector investment opportunities will have the biggest impact (both in terms of re-positioning of the site and tourism impact) but these are the more complex opportunities to deliver.

A phased implementation approach is recommended that will enable some change to occur on site in the interim (whilst planning is progressed on unlocking private sector investment opportunities).

Interim investments would improve the operational and tourism performance of the site without compromising future major investment opportunities.

Phase 1 (0-2 years):	Phase 2 (3-5 years):		Phase 3 (5+ years):
Detailed site masterplan, including detailed designs for interim capital works. Progress planning to unlock investment opportunities including First People's led experiences.	**Deliver interim capital works**	**Progress planning related to commercial investment opportunities and and Implement Planning Framework**	**Progress investment attraction and commercial investment opportunities.**

Interim capital works could include:

- Lookout corridor / storm viewing tower / lift.
- Select upgrade of village buildings (improved F&B/functions/event)
- Improved accessibility (accessible pathways, platforms, lift).
- New pedestrian connections into the Precinct (Lake Pertobe, Cannon Hill).
- Expanded function and event offerings.

Consider changes to operations and governance alongside any capital investment, to improve operating performance and deliver new tourism experiences.

See Section 8 for further details.

IMPLEMENTATION APPROACH (DETAILED MASTERPLAN)

A greater level of planning is required to realise the vision and change of this magnitude. This will require time and investment into the planning process.

Further advice is required to inform a detailed masterplan for the site and expand on other considerations.

Future planning requirements to inform a detailed site masterplan include:

- Engagement with stakeholders
- Site survey
- Heritage assessment
- Geotechnical investigations
- Infrastructure and services advice
- Statutory planning advice
- Traffic assessment
- Legal advice and investment/implementation strategy
- Private sector specialist advice / market sounding (relating to investment opportunities)

Other:

- Business cases for private sector investments
- Changes to site governance

PROJECT BENEFITS

A re-imagining of the site has the potential to generate a range of benefits for Warrnambool, the region and the state of Victoria:

Delivering a major tourism precinct.

Investing in projects and experiences that address regional product and experience gaps and create destination driving experiences.

Delivering economic benefit.

Attracting additional visitors, extended length of stay and visitor spend, translating into new business opportunities and employment growth.

Growing Warrnambool's tourism brand.

Supporting the regions tourism brand, and growing its standing as visitor destination.

Aligning to regional strategic priorities.

Addressing product and experience gaps, attracting new markets, driving visitation and yield, promoting hub and spoke visitation.

Heritage protection and conservation.

Ensuring ongoing management and maintenance of state significant heritage assets.

Aligning to state tourism priorities.

Facilitating investments that align to state tourism priorities.

Improved financial outcomes.

Reduction in recurring financial subsidies provided by Council. This expenditure could be re-allocated (within the precinct or externally to other tourism and community initiatives).

Integration of First Peoples culture.

Integrating First Peoples culture into the precinct through redevelopment.

1.

BACKGROUND

This section provides an outline of the project, its aims and objectives and the process undertaken.

BACKGROUND

INTRODUCTION

Flagstaff Hill, is located on the land of the Peek Whurrong and Kirrae Whurrung Peoples of the Gunditjmara and Eastern Maar Nations, in Warrnambool, overlooking lady bay and within walking distance to the Warrnambool CBD (see study area at Figure 1).

The site is managed by Warrnambool City Council as a ticketed tourist attraction, offering a museum showcasing shipwreck artefacts, a re-created maritime village, a State significant heritage precinct, a nightly sound and light show, and hireable short stay accommodation (converted house).

The maritime village was first developed through a joint community and Council project in the 1970's with the aim to preserve the city's links to its maritime heritage, and to create a year round visitor attraction.

The site includes the 1858 state heritage listed Lady Bay Lighthouse complex, including the Warrnambool Garrison containing some of the world's rarest and most significant cannons. The museum is home to Victoria's largest publicly accessible shipwreck artefact collection, including the prized Loch Ard Peacock.

Now, approximately 50 years since the maritime village was first constructed, this project is being undertaken to re-imagine a new future for the site, which aims to address underlying issues in regard to the sites financial and economic sustainability and deliver new benefits to the region.

Warrnambool City Council engaged Urban Enterprise, in collaboration with Cumulus Studio to deliver the project.

The project was made possible by funding from the Victorian State Government, through the Department of Jobs, Skills, Industry and Regions (DJSIR) and Warrnambool City Council.

A new future for the site is being imagined, 50 years since the maritime village was first constructed.

Figure 1: Study Area



INVESTMENT LOGIC MAP

This project builds on previous work, including an investment logic mapping (ILM) process completed by Warrnambool City Council that identified three key problems, including:

1. **The breadth and quality of FHMV's current offering results in a failure to drive visitation and yield from domestic and international visitors to Warrnambool.**

2. **The current return on investment from FHMV, coupled with a lack of community ownership and engagement does not sustain continuation of the current investment by WCC.**

3. **The limitations of the FHMV site result in underutilisation of the asset.**

A key strategic response identified through the ILM process was the need to consider development of the site both through public and private investment.

A number of ideas were generated through the ILM process including development of an accommodation complex, events/exhibition space, tech-based playground, better linking FHMV to the Lake Pertobe precinct, enhanced community services, development of a regional hub Visitor Information Centre, links to the CBD and cultural precinct, and the telling of the Moyjil story.

This project builds on and aims to respond to these key problems.

PROJECT AIM

This project aim is to:

Explore the future precinct development opportunities and options for the Flagstaff Hill site, articulate a vision for the site and provide a framework that will guide the future directions and investment into the precinct.

PROJECT OBJECTIVES

The project objectives are:

1. Set a vision and future direction for the Precinct that is strategic, and evidence based.

2. Enable future public and private investment opportunities into the Precinct to be realised.

3. Identify suitable product and experience development opportunities for precinct that appeal to target markets and support the financial sustainability of the site.

4. Grow visitation and visitor yield to Warrnambool through enhanced tourism experiences.

PROCESS

The following provides an outline of the components and process that has been undertaken to guide the project. The project has been overseen by a Project Reference Group (PRG), who have provided ongoing review and advice at key project milestones.

01	02	03	04	05	06	07
Site visits, stakeholder and community engagement. • Site visits, • Meetings with stakeholders. • Community engagement (online survey and drop-in-sessions).	**Site analysis and attraction assessment.** • Product and experiences. • Visitation. • Financial performance. • Statutory and physical conditions.	**Strategic Review and Tourism Context.** • State, regional and local strategy. • Tourism economy.	**Strategic options** • Definition and tabling of strategic options to be considered.	**Scenario mud-mapping** • Preparation of high level mud map scenario options.	**Investment opportunities.** • Compilation of research and analysis in regard to key investment opportunities.	**Vision, principles and strategic directions** • Articulation of a vision, principles and strategic directions for the site.
Meeting with PRG.			**Meeting with PRG. Presentation to EMT and Council.**	**Meeting with PRG.**		**Meeting with PRG.**

2.
SITE OVERVIEW

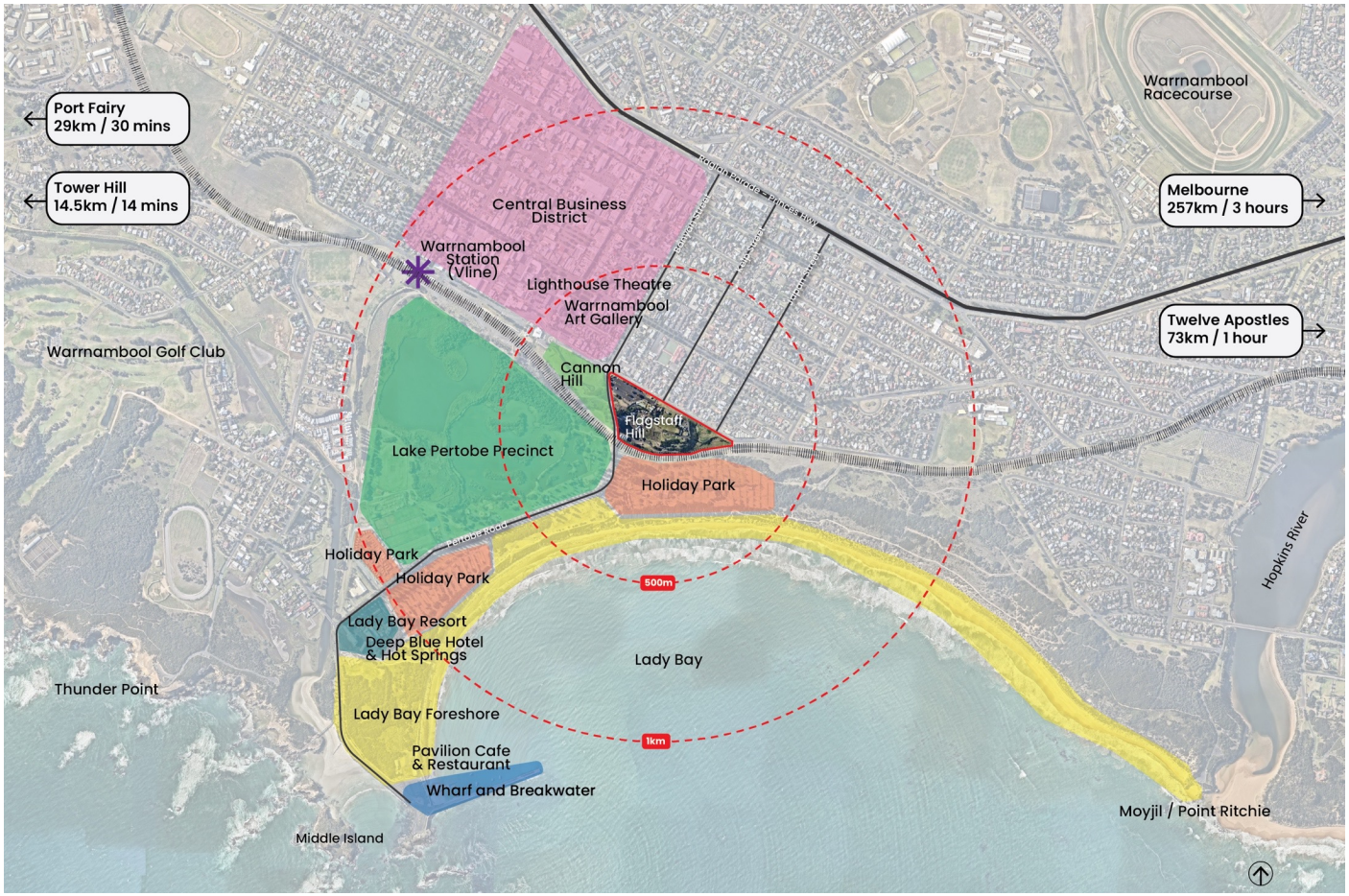
This section provides an overview of the site, considering its locational, physical, statutory and regulatory attributes.

LOCATION

Flagstaff Hill Maritime Village is located at 89 Merri Street Warrnambool, on Gunditjmara Country.

The site occupies a prominent position within Warrnambool over a site of 4.67ha, located at the juncture of the central business district (CBD), the Lake Pertobe Tourism and Recreation Precinct and the Lady Bay Foreshore area (see Figure 2).

Figure 2: Location Context



CAPITAL IMPROVEMENTS

The site contains a significant number of capital improvements that vary in terms of asset life, condition and build quality, scale, functionality and heritage significance.

The village buildings were primarily constructed through the 1970s. These buildings range from small, single room, single storey buildings to larger, two storey buildings. The buildings are generally not fit for commercial occupation, posing some current challenges to operations due to limitations on services.

The most significant improvement on site is the main visitor building, which includes Warrnambool's Visitor Information Centre and Flagstaff Hill reception and ticketing, gift shop, restaurant – Pippies by the Bay (leased to third party), museum (located at the lower levels) and administration/office area.

This building has undergone a number of redevelopments and refurbishments over time, which is evident in the buildings presentation and structure.

Figure 3: Existing Buildings on Site



ACCESS & MOVEMENT

The site car park is accessed via Merri Street, which connects to Banyan Street (a key north south arterial), connecting to the Princes Highway and Pertobe Road (providing direct access to the foreshore and Lake Pertobe).

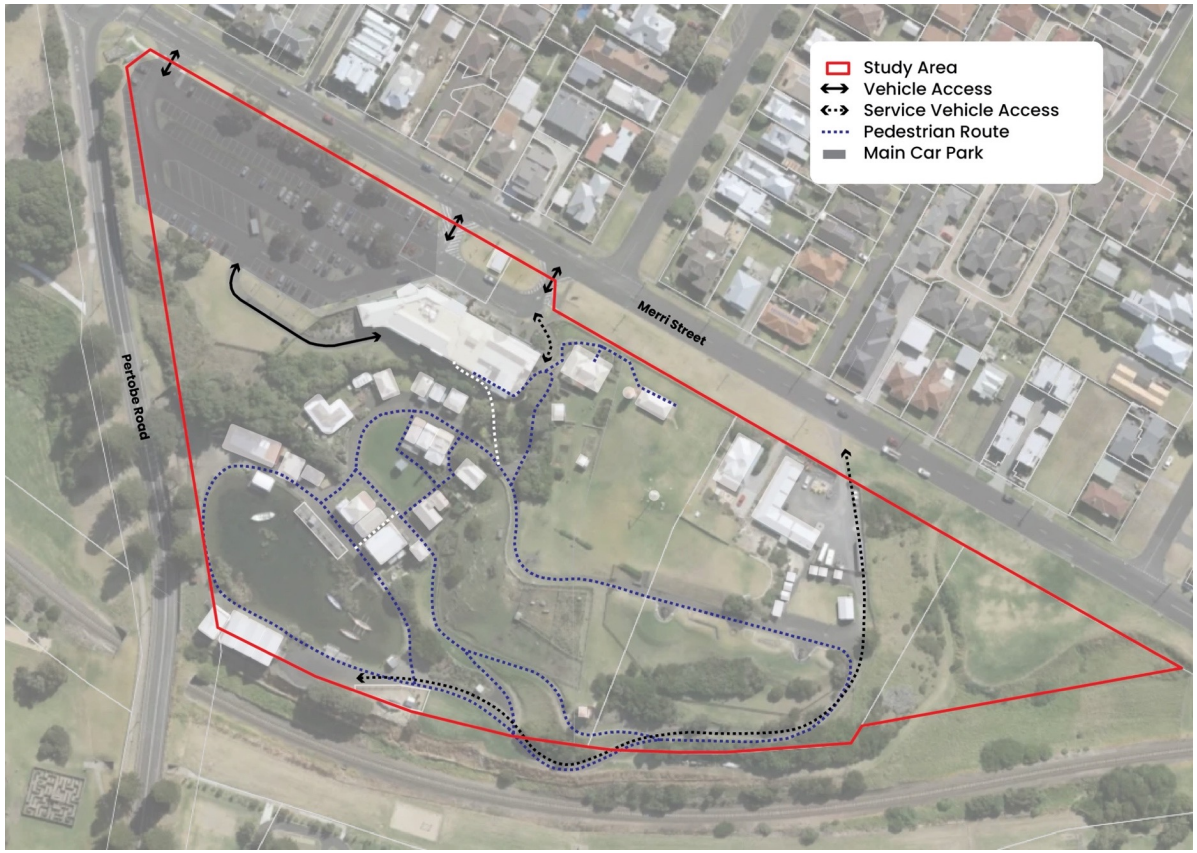
The CBD, Lake Pertobe and Train station are all generally within a walkable distance from the site.

Pedestrian access to the site is via the main visitor centre.

The site is navigable via bluestone pathways throughout the village area and bitumen pathways elsewhere.

The main pathway between the visitor centre and village is quite steep, limiting access for some visitors and creating universal accessibility issues.

Figure 4: Access and Movement Around the Site



CROWN LAND

Flagstaff Hill is Crown Land, reserved for the purposes of "Public recreation and for facilities and services for tourists".

Crown Allotment 5, is unreserved Crown land.

Warrnambool City Council has been appointed as the Committee of Management under the Crown Land Reserves Act 1978 (CLRA) with responsibility for the management of the land (Crown Land Allotments 2, 3 and 4, Section 5A, Township of Warrnambool, Parish of Wangoom).

The use, management, lease and sale of Crown land is highly regulated in terms of legislation and government policy.

Council has been provided the power under Section 17D, to lease any part of the land for any purpose approved by the responsible Minister, for a specific term of not more than 21 years. However, only the Minister can enter into a lease for a term greater than 21 years.

If the Site is to be sold or leased, the framework established under the Crown Land (Reserves) Act 1978 (Vic) (CLRA), the Land Act 1958 (Land Act) and various policies of the Victoria Government, will be relevant for the purpose of managing the process for the granting of lease(s) and/or determining whether the Site is surplus to government needs and suitable for sale.

Further information is provided on the following pages.

Figure 5: Crown Land Allotments



LEASING POLICY FOR VICTORIAN CROWN LAND 2023

The Leasing Policy for Victorian Crown Land 2023 applies to the Crown Land (Reserves) Act 1978, the Forests Act 1958 and the Land Act 1958.

The policy provides a consistent framework to the leasing of Crown Land by formalising Crown Land Leasing Principles at a State wide level, including:

- Principle 1 – to provide benefits to the public through leasing including Traditional Owner rights.
- Principle 2 – to ensure consistency and transparency in leasing.
- Principle 3 – to manage leased Crown land in an environmentally sustainable manner.

The following guidance in regard to lease terms is provided under Principle 2.

21 year lease terms

The policy states that a term of 21 years is considered enough to accommodate the purpose of most leases. The primary considerations when determining the term of any lease are the community benefit that will accrue from the lease and the nature and significance of the proposed permitted use and development under the lease.

Factors that will be considered when assessing the term of a lease include:

- The ability of the prospective tenant to fund, resource and manage the lease;
- The community benefit that will accrue from the lease;
- The level of investment to be made by the tenant under the lease;
- Alignment with any existing agreements or tenure over adjacent land;
- The purpose of the lease and activities proposed under the lease; and
- The minimum term permitted under the Retail Leases Act 2003 if the lease is for the retail purposes.

Lease terms greater than 21 years

It is recognised that for large-scale projects of regional or state significance, where the associated costs are inevitably higher, a longer-term lease may be required. The term granted must be appropriate to that use and not necessarily the maximum lease term permitted under the relevant Act.

The Minister will only consider departures from the 21-year maximum term of lease under the Crown Land (Reserves) Act 1978 and Forests Act 1958 in accordance with the criteria specified in these Acts. These Acts provide that the Minister may grant leases for a term of more than 21 years, but not more than 65 years, if the Minister is satisfied that:

- The purpose of the lease is not detrimental to the reserve purpose;
- The proposed use, development, improvements or works specified in the lease are of a substantial nature and of a value which justifies a longer-term lease; and
- The granting of a longer-term lease is in the public interest.

Business case requirements for lease terms greater than 21 years

To enable the Minister to assess lease terms greater than 21 years under the Crown Land (Reserves) Act 1978, Forests Act 1958 and Land Act 1958, a business case must be prepared which provides comprehensive details of:

- The strategic importance (state or regional significance, or provision of essential services) of the proposal;
- The environmental, social and economic costs and benefits of the lease proposal;
- The capital outlays proposed, and term proposed to amortise investment;
- Any reasons why the investment cannot be amortised within a 21-year term; and
- Any other matters relevant to the Minister's assessment.

The onus will be on the prospective tenant to provide the information in a business case

DEECA advise that any lease over 21 years would transfer site management from Council to the Minister for Environment.

SALE OF CROWN LAND

The Department of Energy, Environment and Climate Action (DEECA), noted that a sale of the site to Council could be considered.

The Victorian Government Landholding Policy and Guidelines, together with the Victorian Government Land Transactions Policy and Guidelines and the Victorian Government Strategic Crown Land Assessment Policy and Guidelines, provide the overall framework for the management of land assets by Victorian Government agencies.

The Victorian Government Landholding Policy and Guidelines (2017) outlines the circumstances in which government agencies may purchase and retain land.

The Landholding Policy and Guidelines define land as being 'surplus' if it no longer contributes to an agency's current or future service delivery needs.

Before being listed for public sale, surplus land is offered through a 'first right of refusal' process to local government and other Victorian Government departments, agencies and the Commonwealth Government. This process allows for surplus government land to be considered for community use, or for an alternative public service need, before it is released for sale on the open market.

Before Crown land is transacted, a strategic Crown land assessment must be undertaken by DEECA in accordance with the Victorian Government Strategic Crown Land Assessment Policy and Guidelines (2016. The Strategic Crown Land Assessment would ensure the land is surplus to Government requirements, ensure the protection of public land values and determine the status of traditional owner and / or native title rights for Crown land.

The navigational aids on site, including the Lighthouse, would need to be considered when determining if the land would be surplus to Government needs.

If the land was deemed to be surplus to Government requirements, the Department of Treasury and Finance (DTF) would manage the sale.

Prior to offering land for sale by a public process, agencies must have in place the most appropriate planning provisions (including zoning) so that the land can be sold on the basis of its highest and best use.

If an agency considers that putting in place the most appropriate zoning is not required prior to offering land for sale by public process, it must obtain an exemption in accordance with section 2(d) of the Policy. If an exemption is obtained, the agency may conduct the sale based on the existing zoning, however the valuation must reflect the appropriate zoning taking into account the planning risk being transferred to the purchaser.

Re-imaging the site will require an appropriate investment strategy aligned to the opportunities (and constraints) presented by the sites Crown land status.

Specific legal advice and further work may be required to determine an appropriate investment pathway in consultation with DEECA and other key stakeholders.

PUBLIC LAND ACT

DEECA advise that the Victorian Government is currently developing legislation to renew Victoria's public land legislation.

A consultation paper was released in 2021, which outlines intention to improve the framework through which public land can be managed effectively for the benefit of the whole community. This will:

- Enable Traditional Owners' self-determination in relation to public land, including providing greater opportunities for Traditional Owners to manage public land and apply their cultural knowledge and practice.
- Introduce a new Public Land Act to support communities to realise the value of public land – for example, through streamlines processes for granting tenures and other approvals, guided by clear principles and subject to proportional checks and balances to ensure appropriate use of public land, and assisting regional economies by enabling appropriate use of public land.
- Provide appropriate tools to support the management of public land.

DEECA advise that the legislation is expected to be realised by 2025, which may include implications for management of Flagstaff Hill.

PLANNING CONTROLS

ZONING

The site is zoned Public Park and Recreation Zone (PPRZ).

The purposes of the PPRZ is to:

- Recognise areas for public recreation and open space;
- Protect and conserve areas of significance where appropriate; and
- Provide for commercial uses where appropriate land is subject to the provisions of the Warrnambool Planning Scheme.

Commercial uses such as retail are permitted on the site, subject to the planning permit approval process.

OVERLAYS

The Heritage Overlay (HO) applies to the site for the protection of the Lighthouses and Garrison areas.

HO125 covers majority of the Flagstaff Hill site, and HO126 controls the Victorian Heritage Listed Lady Bay Lighthouse Complex and Warrnambool Garrison areas.

Under the Heritage Overlay, a permit is required for any development, demolition, subdivision, construction, signage, external or internal painting and finishes and repairs and maintenance which would change the appearance of the heritage place.

The parcel of vacant Crown land to the east is not affected by any overlays.

Figure 6: Site and Surrounds Zoning

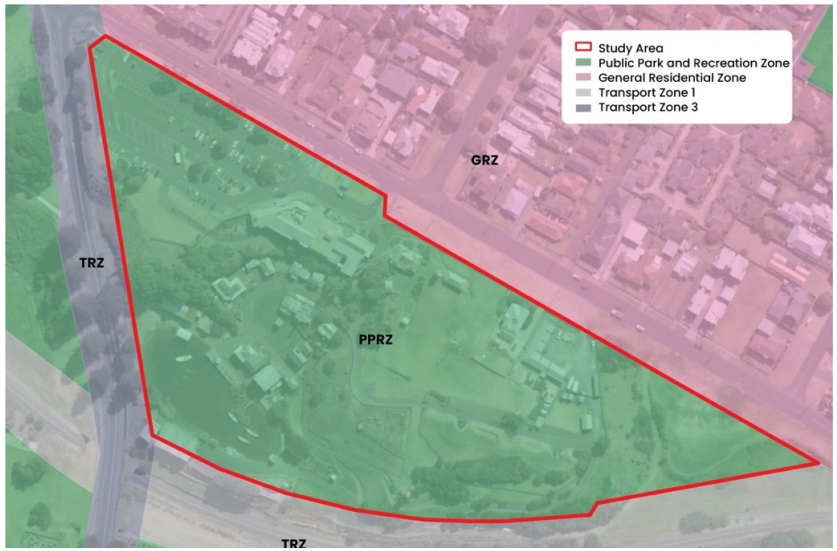
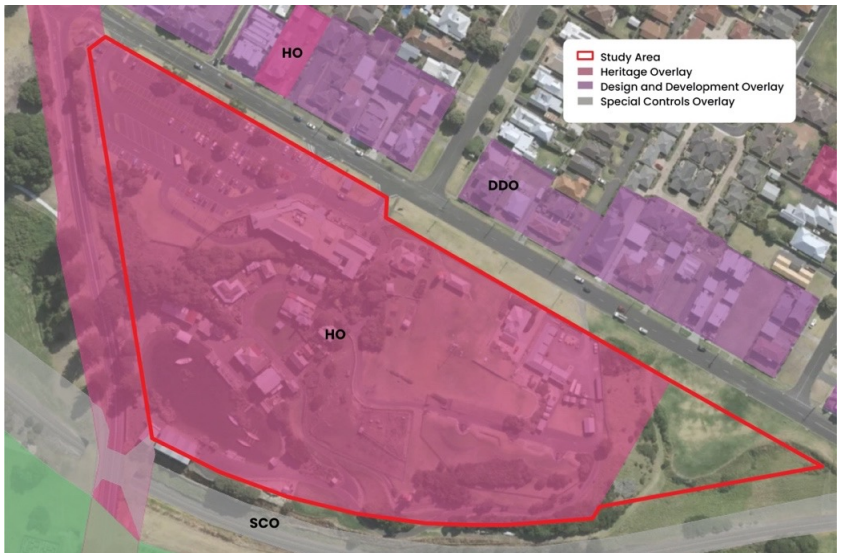


Figure 7: Site and Surrounds Overlays



HERITAGE

The Lady Bay Lighthouse Complex is listed on the Victorian Heritage Register (H1520).

STATEMENT OF SIGNIFICANCE[1]

What is significant?

The Lady Bay Lighthouse Complex was originally built in 1858-9 of basalt quarried on the Salt Water (Maribyrnong) River, Melbourne.

The upper tower, chartroom, cottage and privy were originally located on Middle Island, and the lower light was formerly located on a timber tower on the beach. In 1871 the lights were moved to Flagstaff Hill as leading lights for the entry to the treacherous and shallow Warrnambool Harbour.

The lower light was placed on a bluestone obelisk that had been erected there as a navigation marker in 1854. A flagstaff had been erected on the hill as early as 1853.

The battery of two 80 pounder rifled, muzzle loading guns was added in 1887 as part of a general upgrade to the defences of Victoria which saw Port Phillip Bay transformed into a fortress and the nearby ports of Belfast (Port Fairy) and Portland receive a similar armament to Warrnambool.

The fortifications and guns were in a derelict condition until they were restored after the complex was integrated into the Flagstaff Hill Maritime Museum in the 1970s.

How is it significant?

The Lady Bay Lighthouse Complex is of historical, scientific (technological) and architectural significance to the State of Victoria.

Why is it significant?

The Lady Bay Lighthouse Complex is of historical significance as a reminder of Victoria's maritime heritage and the important role played by regional ports in the process of colonial expansion.

When Warrnambool was first established, in 1847, its bay was considered to provide a safe harbour. This opinion changed after shipping first began to use it and the need for navigational aids was soon realised. Lighthouses were a vital part of the maritime infrastructure of a colony that was largely dependent on shipping for its communication with the metropolis, for its migrant intake and for its trade with the other Australian colonies and the rest of the world.

These lighthouses provide an excellent example of the kind of navigational aids constructed in the early years of regional expansion in Victoria.

The Lady Bay Lighthouse Complex is of historical significance for its intact battery and guns, a strong reminder of Victoria's wealth and determination to protect itself from the perceived threat of invasion in the 1880s. The remaining guns are scientifically (technologically) significant as physical reminders of a time when these weapons represented advanced design in artillery.

The Lady Bay Lighthouse Complex is of architectural significance as a fine example of Public Works Department architecture of the 1850s and 1880s. The modest but dignified and sturdy lighthouse structures are indicative of the importance of lighthouses to the communities that relied upon them to facilitate safe passage for shipping, at a time when such transport was crucial to relatively isolated towns like Warrnambool. The battery revetments and mounds and the magazine chambers are typical of this specialised form of design.

1. Heritage Council, Victorian Heritage Database

Generally, any proposed works of significance that do not fall under a permit exemption would require approval from Heritage Victoria.

Generally permit is required for the following works:

Extensions, interior works, demolition or relocation of buildings and structures.

Changes to colour schemes and signage.

Construction of new buildings and garden structures like fences, decks, pathways, driveways.

Works to registered trees and gardens which are not regular maintenance works.

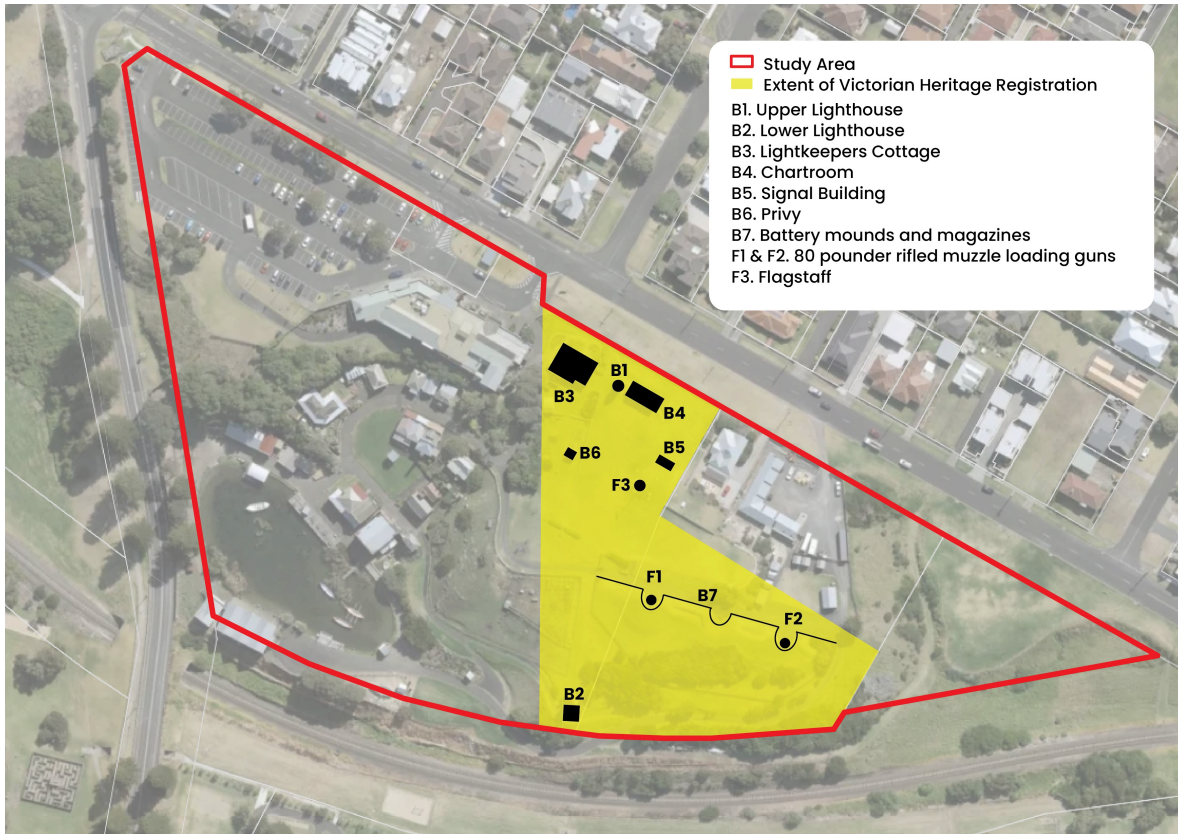
Excavation including damage or alteration to an archaeological artefact.

Relocation or repair of objects.

Any substantial redevelopment of the site would require consideration of the heritage listing and heritage structures.

It is likely that the extent of the Victorian Heritage Registration area (as shown in the map to the right) will pose development limitations. Further specialist heritage advice should be sought to provide further guidance in relation to development opportunities and constraints, and ongoing management responsibilities.

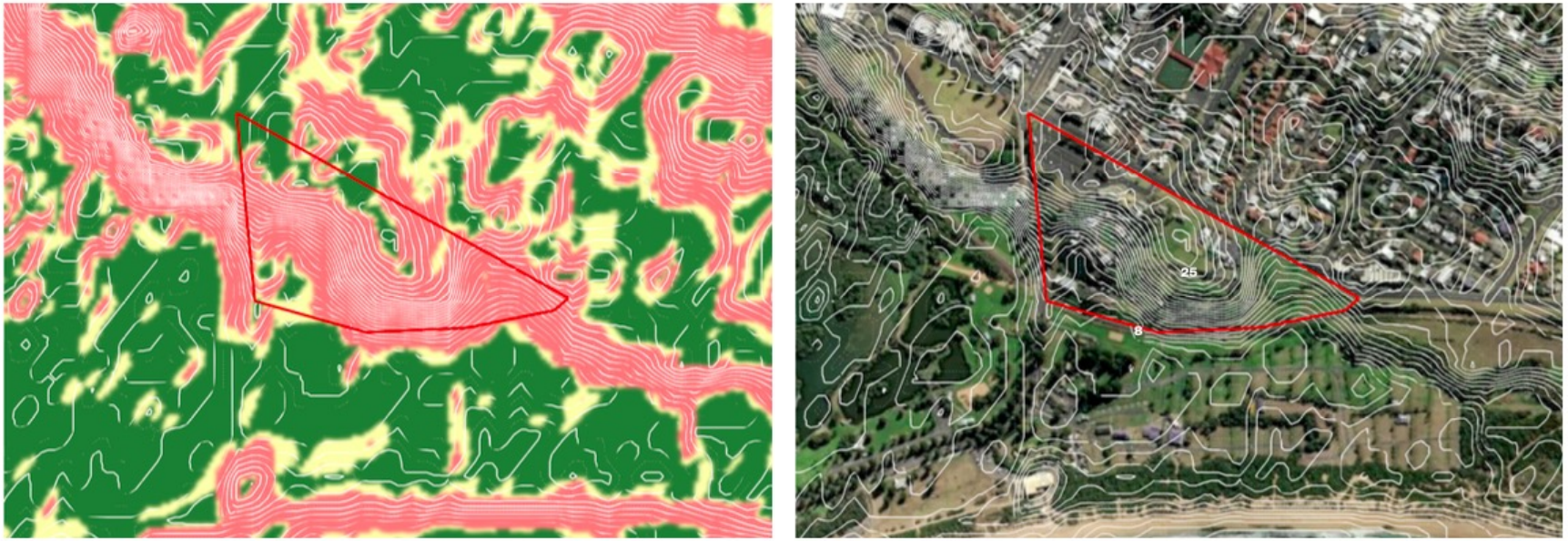
Figure 8: Extent of Heritage Registration and Significant Buildings



TOPOGRAPHY & SLOPE

The site slopes from north (Merri Street) to the south railway line, forming a natural amphitheatre around the village. The slope creates access challenges.

Figure 9: Site Slope and Contour Diagrams



Slope < 1:20 (5%)

Slope: 1:20 - 1:14

Slope > 1:14 (7.14%)

Indicative site boundary

VIEWS

The site is located along a ridge line, offering exceptional views toward Lady Bay, Lake Pertobe and out toward the Southern Ocean. There is opportunity to further capitalise on the aspects of the site.

Figure 10: View Points and Corridors



SUB-PRECINCTS

Having considered the sites conditions, the following plan segments the site into sub-precincts and comments on development suitability.

Figure 11: The Site Segmented into Sub-Precincts



1. Existing Car Park

Existing infrastructure, suitable for re-use, re-configuration and upgrade as required.

2. Ridge

Ridge line and primary location to capture site views. Suitable for redevelopment.

3. Village

Main village precinct, suitable for adaptive re-use and activation.

4. Heritage

State significant heritage area. Not suitable for major redevelopment. Potential for temporary activations and pop-ups.

5. Eastern Zone

Suitable for redevelopment and activation, integrating with the heritage precinct and capturing coastal views.

KEY POINTS

- Flagstaff Hill is located on a highly strategic and prominent site within Warrnambool, which provides spectacular coastal views from its elevated position.
- The site topography and current access arrangements limit universal accessibility, which impact operations (e.g. transport required to sound and light show).
- The site has State heritage significance. Redevelopment opportunities would be limited within the heritage area. There is a need to ensure the heritage assets are maintained in perpetuity (including associated costs).
- The village buildings in their current form are generally not suitable for commercial occupation (e.g. food and beverage operators), due to the small scale of some buildings and limited existing services).
- Some buildings present more suitable re-activation options than others. Re-investment into the assets would be required to make them fit for alternative re-use.
- The site is Crown Land, reserved for the purposes of "public recreation and for facilities and services for tourists". The use, management, lease and sale of Crown land is highly regulated in terms of legislation and government policy. Crown Land generally carries lease terms of up to 21 years, with lease terms of greater than 21 years reserved for large scale projects of regional or state significance, where the associated costs are higher and a longer lease term is required. Facilitation of major private sector investment will require securing a lease term over 21 years. Lease terms greater than 21 years are subject to ministerial approval.

3.

ATTRACTION OVERVIEW & PERFORMANCE

This section provides a summary of the attraction and its performance, considering visitation and financial performance.

PRODUCT & EXPERIENCES

Flagstaff Hill tells the tales of the Shipwreck Coast through a museum, village and sound and light show.

A summary of the sites primary and secondary offerings and ancillary services and experiences is shown below, with further discussion provided on the following pages.

Primary Experiences	Secondary Offerings	Heritage Precinct	Food and Beverage	Visitor Servicing / Retail
• Re-created maritime village • Museum • Sound and light show	• Events • Boatbuilders yard • Private Functions • Maremma Dogs	• Lady Bay Lighthouse • Keepers Cottage • Chartroom • Garrison Artillery Battery).	• Tea Rooms • Restaurant (Pippies by the Bay)	• Visitor Information Centre • Gift Shop • Accommodation (lighthouse lodge)

THE MUSEUM

The Museum, located in the visitor centre building, is home to Australia's richest collection of shipwreck artefacts from some of the 200 ships known to have been wrecked along the coast.

The Collection is made up of over 8,000 catalogued objects, of which around 30% is a significant collection of Shipwreck Relics. There is also a significant collection of documents, paintings and archives. Key items in the Collection include:

- The Loch Ard Peacock;
- Items belonging to Tom Pearce and Eva Carmichael such as Tom's binoculars and the Carmichael Watch; and
- The Schomberg Diamond.

The Loch Ard Peacock is valued at over $4 million and considered Australia's most valuable shipwreck artefact. The Loch Ard Peacock was being transported by the Loch Ard ship when it ran into the cliffs at Loch Ard Gorge.

The museum also includes items on loan from the Warrnambool Art Gallery, including the Scene of The Wreck of The Lock Ard by Frederick Horatio Bruford (1878), which features the Loch Ard Peacock in the foreground of the painting.

The museum includes a theatrette space, which shows a video of Warrnambool's early history and samples of the stories on offer in the village.

Museum entry includes a 40 minute guided tour (offered once daily) led by a guide in costume. The guides provide interesting facts about the museum's collection and life in the 19th century.

The strength of the museum experience is the activation by the guides and quality of some of the existing artefacts. However, generally the museum experience and displays are becoming dated. The Museum mostly relies on static displays of information which is becoming increasingly limited in its appeal and engagement.







THE VILLAGE

The Village experience includes heritage and recreated buildings, built in the 1970s to replicate the experience of a maritime village.

The village includes cobblestone streets and over 40 period-style buildings including a school, church, fire station, blacksmith, inn and many more.

Visitors are provided with a map of the village, which summarises the history of the village and identifies each of the historic and recreated buildings. The village and museum is open daily from 9am-5pm.

The cobblestone streets wind through the village to the Ornamental Lake (fed by bore water) and Wharf located in the south-west corner of the precinct.

The lake is also used to provide the waterwall for Sound and Light Show projections.

The village buildings were originally constructed as props and therefore would require re-investment and upgrade to make them suitable for commercial occupation.

There are also a number of authentic heritage buildings on site that are on the Victorian Heritage Register, located around the Lighthouse Complex, these include the Lady Bay Lighthouse, Chart Room, Lighthouse Keepers Cottage and the Warrnambool Garrison Artillery Battery.

The Lighthouse Keepers Cottage is furnished with original furniture to recreate what the cottage would have looked like, whilst the Chart Room is vacant, but has been utilised for school group activities in school holiday periods. The Lighthouse is also publicly accessible, providing views across Lady Bay.

Within the village, the Tea Rooms is run by paid staff and serves light lunches and snack (toasted sandwiches, soups), Devonshire tea, coffee and other beverages.

The Steam Packet Inn, located along the wharf area is a licensed venue, catering for private functions and events, however, it is not open on a regular basis.

The Lolly Shop within the village is typically staffed by volunteers and offers sweets and confectionary for purchase.

DISCUSSION

There are issues in establishing a viable commercial food and beverage operator within the village due to the limited and periodic foot traffic through the village. Visitation numbers would need to significantly increase in order to enable the attraction of a viable operator. In addition, buildings such as the Tea Rooms and Steam Packet Inn lack the required facilities to introduce a more substantial F&B offering.

A key issue faced by FHMV is ensuring the ongoing activation of the buildings to enhance the visitor experience. Key buildings, such as the Blacksmith and Steam Powered Workshop are activated by volunteers from time to time. As expressed through consultation, it is difficult to maintain real life activation of these assets on an ongoing basis through the use of volunteers and financial limitations in utilising paid staff. To combat a lack of activation, digital displays were installed 3-4 years ago in some of the key village buildings to provide interpretive content. The digital displays assist in providing some level of activation, however, are generally limited in application across the village.


CONFECTIONERY








B.C. JEWELL'S
STEAM PACKET INN



SOUND & LIGHT SHOW

The Sound and Light show is the most recent addition to the core experience offering of Flagstaff Hill. The visitor centre is used as the staging point for the Sound and Light Show. Visitors are guided through the museum and village carrying lanterns before the show. The guide talks of maritime history and the history of the village.

Named "Tales of the Shipwreck Coast" the Sound and Light Show combines three stories, including local Aboriginal creation stories, the Loch Ard shipwreck experience and the recently introduced 'Harpooned' experience telling the tale of Warrnambool's Whaling History. The original idea was to produce three separate shows, leveraging these themes, however, budget constraints forced the stories to be combined into one.

Light is projected from the wharf area onto a water wall within the ornamental lake. Visitors are seated within the wharf theatre, which includes seating which moves/shakes in line with the show. There is also a secondary projector screen for part of the story.

Shows begin nightly at dusk, with start times changing seasonally. The Sound and Light show runs for approximately 70 minutes. In Summer, screenings of the show can often commence quite late due to a late sunset.

The same presentation is presented nightly, with limited ability to update or augment the production without significant expense. Presenting the same show nightly would reduce opportunities for repeat visitation, and may limit the ability of the attraction to drive new nigh time patronage.



VISITOR INFORMATION CENTRE

The Visitor Centre is the main entrance and hub for visitors to FHMV. The Centre includes the Warrnambool VIC; FHMV ticketing, museum, retail shop, toilets and staff offices. Pippies restaurant is also contained within this facility, however, has a separate entrance accessible via the car park.

The visitor centre is accessed from the car park, which includes space for approximately 180 vehicles, 8 long vehicle spaces and bus drop off areas.

The Warrnambool VIC is an accredited VIC, which provides a booking service for accommodation, transport, tours and other visitor needs. The co-location of the VIC with FHMV provides advantages and efficiencies in operations and assists in driving incidental visitation through the FHMV attraction.

The visitor centre is used as the staging point for tours (both day and night), with seating provided for visitors while they wait.

The gift shop offers a significant amount of merchandise, objects and tourist souvenirs for purchase.

FOOD & BEVERAGE

There are two key F&B offerings within the precinct. This includes Pippies Restaurant, located within the main visitor centre building and accessible via the main car park. The restaurant is leased to a third party operator. The restaurant offers a seafood inspired menu.

The second offering is The Tea Rooms, located within the central village area, serving light lunches (toasted sandwiches, soups), devonshire tea, coffee and other beverages.

ACCOMMODATION (LIGHTHOUSE LODGE)

Accommodation is offered at the Lighthouse Lodge , which is located between the Chartroom and Maintenance and Storage area, the Lodge provides accommodation in the original Warrnambool Harbour Masters house.

The accommodation was set up with three rooms, each with their own ensuite facilities, so that it could be used as shared accommodation. More recently, exclusive use of the Lodge has been offered to visitors for rates starting from $250 per night. In peak times a minimum 3 night stay is required.

The Lodge provides access to the lawn area of the Flagstaff Hill village, offering outstanding views across the Southern Ocean.

EVENTS

Key events at FHMV include a school holiday series of themed events for children and events on the hill area including 'Day on the Hill', 'NYE on the Hill' and 'Chill on the Hill' (selected evenings in January), which offer friendly events with live music, family entertainment, and food offerings.

The NYE on the Hill attracts over 1,000 people and offers family friendly entertainment and food. Visitors can enjoy fireworks from the hill as part of the NYE celebrations.

The Chill on the Hill event occurs on select Wednesday nights in January at the Steam Packet Inn. Kids are free to explore the village, whilst adults can enjoy a drink or meal from the various food stalls dotted around the village. Visitors can bring a picnic rug, chair or relax on the grass.

School holiday programs have included a variety of themed activities for kids, including arts and crafts.

Consultation suggests that the running of the events typically requires a substantial labour effort, in part because FHMV was not purpose built for this use. Operational constraints include limitations on plant and equipment, proximity of storage areas to function and event spaces and labour requirements.

PRIVATE FUNCTIONS

Select facilities of FHMV can be hired out for private functions and events, including use of the outdoor grassed area on the hill and indoor facilities.

Generally, there is scope for improvement of the function venues to attract greater patronage. Currently a significant labour effort is required to facilitate private functions.

Types of functions held at FHMV include wedding ceremonies, private and corporate functions.

A summary of the available function venues is outline in the Table 2.

Table 2: Function Spaces

Venue	Capacity
Indoor Venues	
Great Circle Gallery Theatrette	60 seated
Mission to Seamen's Chapel	50 seated
Steam Packet Inn	45 standing / 25 seated
The Sailmakers Loft	70 seated / 80 standing
Tearooms	40 seating, 50 standing + 30 seating outside / 70 standing
Wharf Theatre (Covered)	120
Outdoor Spaces	
Flagstaff Hill	300
The Village Green	300
The Wharf in front of Steam Packet Inn	200

MANAGEMENT & OPERATIONS

SITE MANAGEMENT

Warrnambool City Council is the appointed manager of the site and is responsible for the management of the land (Crown Land Allotments 2, 3 and 4). Crown Allotment 5, (at the eastern end of the precinct) is unreserved Crown land.

Flagstaff Hill is managed and operated within the Visitor Economy unit of Council's City Growth department. Overarching guidance and management is provided by the Director for City Growth, with Site operations and activities managed by the Flagstaff Hill Service Manager.

Council is responsible for all aspects of precinct operation. This includes:

- Ticket sales and revenue generation;
- Day to day operations;
- Staffing and volunteers;
- Maintenance and capital investment;
- Marketing and promotion.

STAFF AND VOLUNTEERS

Council employs close to 14 FTE staff to operate and manage Flagstaff Hill. The majority of these staff members are employed within Village Activations and Visitor Experience roles, including maintenance. The management and co-ordination team includes 5 staff members (5 FTE).

There are 109 volunteers assisting with the operation of the FHMV, however, only around 20 of these are considered to be active volunteers. Flagstaff Hill relies on volunteer contributions to ensure the Visitor information Centre is adequately staffed, to operate the village activations, for the Garrison Activation and for Administration Collection Maintenance.

The majority of volunteer hours are attributed to the village activations.

Council employs a volunteer coordinator position to assist in managing volunteers.

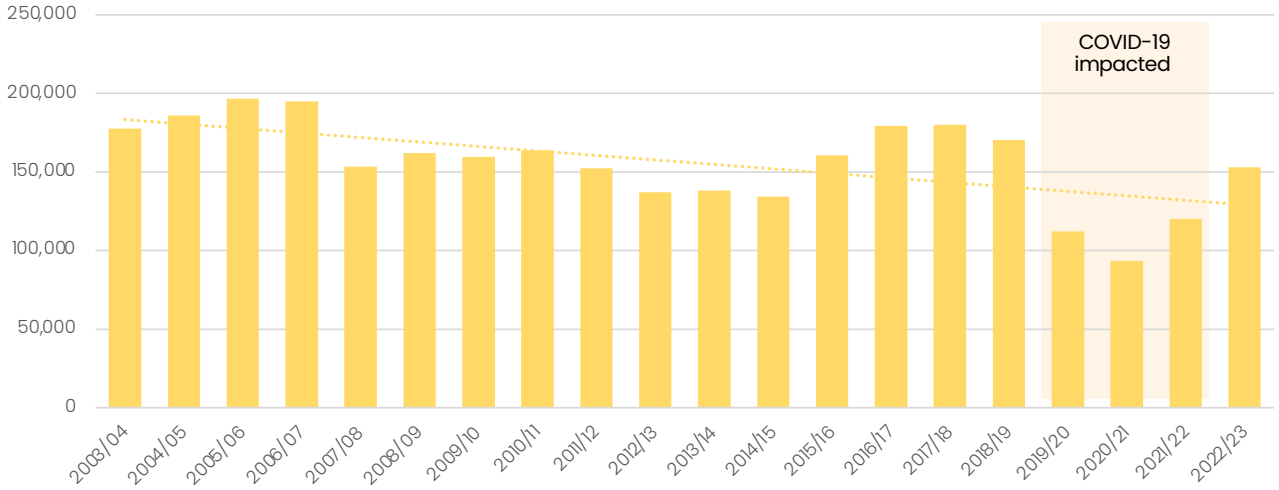
VIC VISITATION

Figure 12 shows the estimated number of visitor walk ins to the visitor information centre / Flagstaff Hill. Prior to covid-19, there were around 170,000 walk ins to the site in FY19, which reduced to around 153,000 walk ins as of FY23.

Some caution should be exercised when relying on this data, as it is derived from door counters, which may overstate unique visitors, however, the general trends and year on year variations provide useful insights when comparing trends to paid Flagstaff Hill visitors (see Figure 13).

Approx. 170,000 walk in visitors to the site in FY19.

Figure 12: Visitor Walk In Estimates to the VIC/Flagstaff Hill



Source: Warrnambool City Council, analysed by Urban Enterprise, 2023

ATTRACTION VISITATION

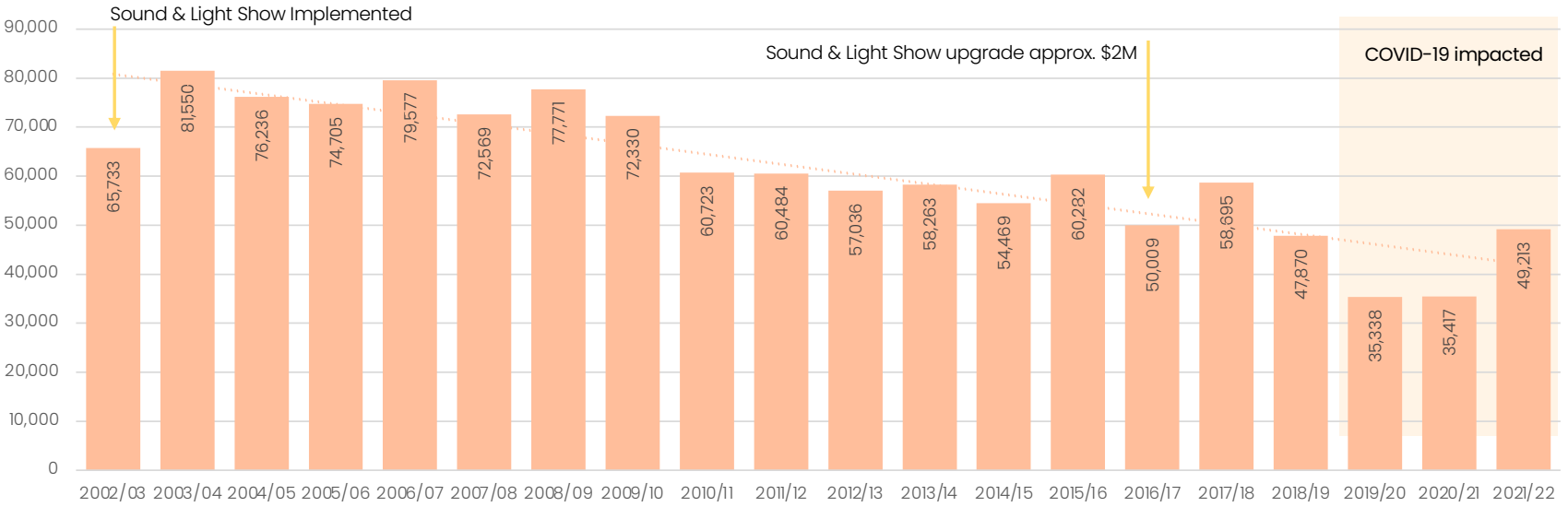
Figure 13 shows total visitation to Flagstaff Hill between FY03 and FY22. Visitation peaked in FY04 at 81,550 visitors, declining to 47,870 in FY19 (pre-covid).

In the ten years to FY19 (i.e. pre-covid), the attraction experienced an average decline in visitation of 5% per annum.

In FY19, Flagstaff Hill visitors equated to 31% of on site visitors (ie. people who walked through the door). Over the ten years FY09 to FY19, this rate was equivalent to 37%.

-4.7% p.a. average decline in visitation between FY09 – FY19

Figure 13: Visitation to Flagstaff Hill FY03-FY22



Source: Warrnambool City Council, analysed by Urban Enterprise, 2023

ATTRACTION VISITATION BY PRIMARY EXPERIENCES

Figure 14 shows visitation to Flagstaff Hill split between the key experiences (the village and the sound and light show).

Visitation has been trending down across both experiences. When first implemented, the sound and light show was attracting in the order of 30,000 visitors per annum between FY04 and FY09, which has reduced to around 15,000-20,000 in more recent years (FY15 to FY19), despite re-investment into the sound and light show in FY17.

A similar trend is observable for village visitation, which peaked in FY04 at 49,655 visitors and declined to 34,004 in FY19. **It is apparent that investments into the attraction, including the upgrade to the sound and light show in 2017 has not led to additional visitor growth.**

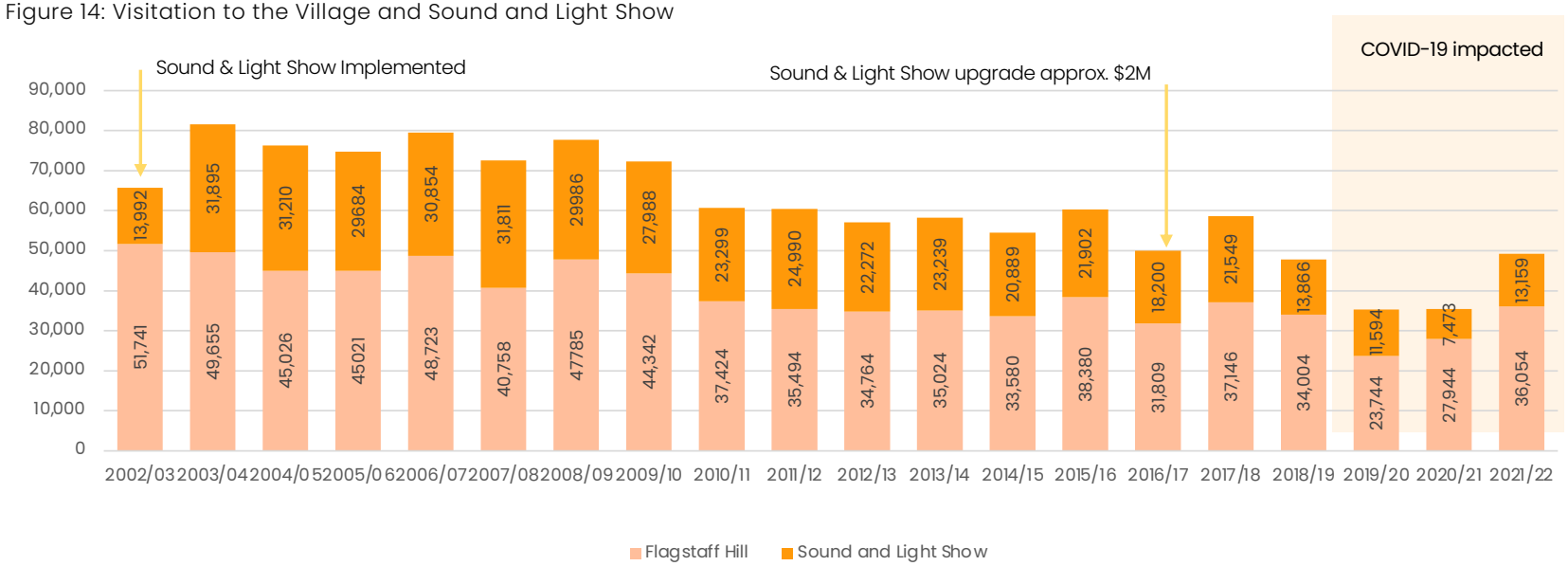
Village

Average visitation loss of -3.3% per annum between FY09 – FY19

Sound & Light Show

Average visitation loss of -7.4% per annum between FY09 – FY19

Figure 14: Visitation to the Village and Sound and Light Show



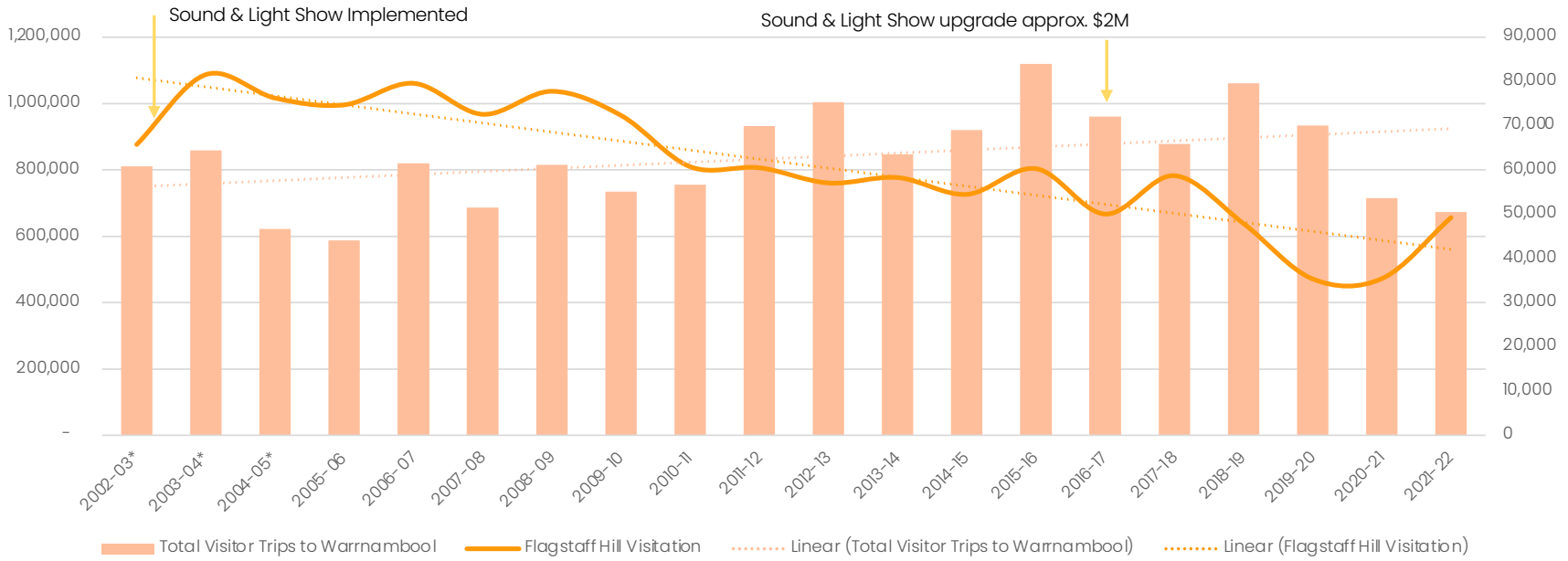
Source: Warrnambool City Council, analysed by Urban Enterprise, 2023

VISITATION COMPARISON

Figure 15 shows visitation to Flagstaff Hill alongside visitation to Warrnambool (sourced from Tourism Research Australia's National and International Visitor Survey).

The chart shows that whilst visitation to Warrnambool has generally been trending upwards (at a rate of around 3% per annum), visitation to Flagstaff Hill has been trending down. This indicates that Flagstaff Hill's capture rate of the available visitor market has been declining.

Figure 15: Regional Visitation to Warrnambool & Visitation to Flagstaff Hill



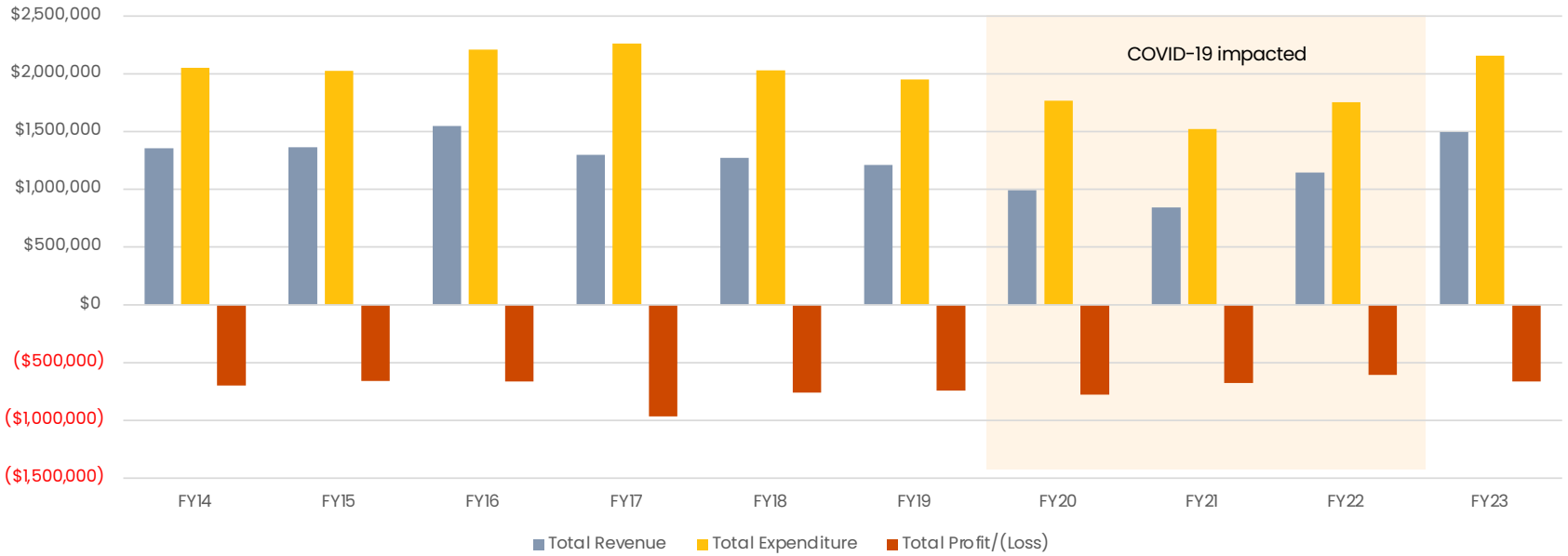
Source: Warrnambool City Council, Tourism Research Australia, analysed by Urban Enterprise, 2023

OPERATING RESULTS

Figure 16 shows total site revenue and expenditure between FY14 and FY23. Over the ten (10) financial years **Council has been required to subsidise $7.2 million in operating costs, an average of $720,000 per year.** This includes both the operation of Flagstaff Hill and the Visitor Information Centre. Council estimate that around 37% ($272K) [1] of this cost can be attributed to the Visitor Services aspects of the site, resulting in around 63% ($448K) attributed cost to Flagstaff Hill.

$720k per annum
average operating subsidy between F14-FY23
(approximately 63% attributed to Flagstaff Hill and 37% to visitor services)

Figure 16: Site Profit and Loss FY14 – FY23



Source: Warrnambool City Council, analysed by Urban Enterprise, 2023

1. Based on a 40% allocation of payroll and admin costs and 20% of property and operating costs.

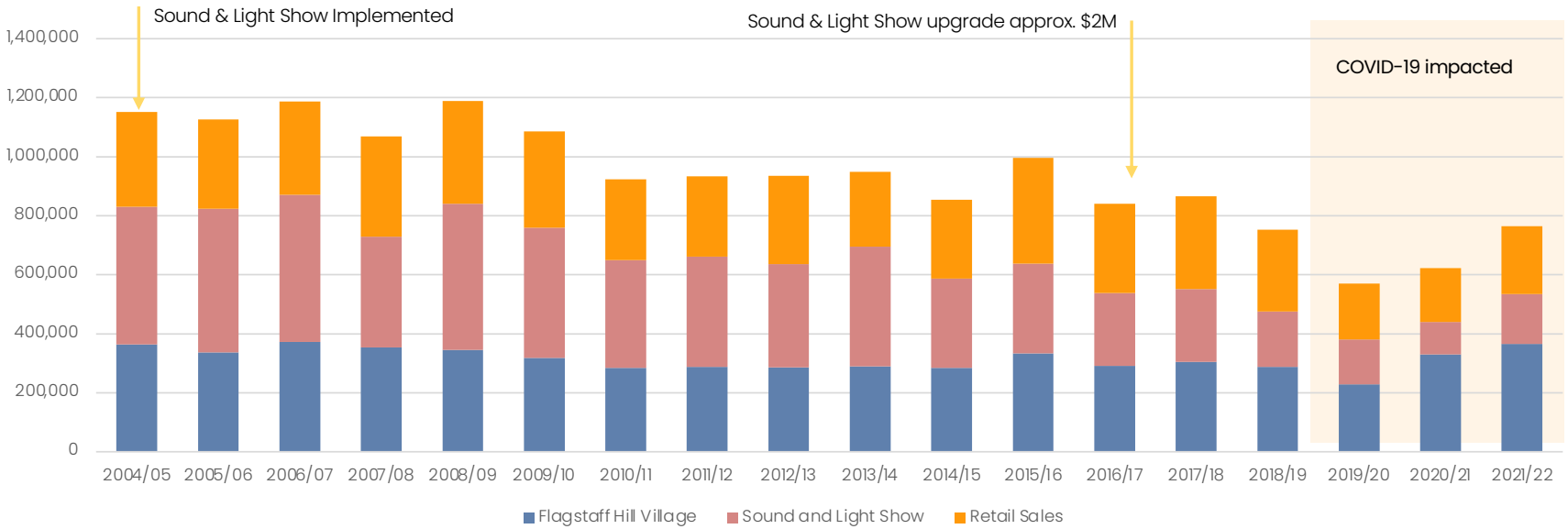
PRIMARY REVENUE STREAMS

Figure 17 shows the core revenue streams of the site between FY05 and FY22 (including the village, sound and light show and retail sales).

Revenue from the village and sound and light show has followed a similar declining trend to visitation.

The major investments into the site including the Sound and Light Show and its subsequent upgrade do not appear to have improved the financial performance of the attraction.

Figure 17: Revenue by key revenue streams FY05-FY22



Source: Warrnambool City Council, analysed by Urban Enterprise, 2023

COMPETITOR ATTRACTIONS

Table 3 provides an analysis of the predominately Victorian competitor attractions framework, with consideration to maritime heritage attractions, general heritage attractions and family attractions.

Flagstaff Hill is facing increasing competition from both heritage attractions and large commercially operated attractions.

There are ten maritime museums in Victoria, three of which are in regional Victoria being Queenscliff, Warrnambool and Port Albert.

Key maritime heritage attractions include the Australia National Maritime Museum (Sea Museum) and Polly Woodside, Port of Echuca and Pioneer Settlement.

Almost all heritage attractions assessed are ticketed, charging a small fee for entry. Entry to Flagstaff Hill is at the mid-upper scale of the ticket prices, however, is comparable with similarly sized attractions.

There are a range of historic maritime assets across the region, including Otway Lighthouse Station, Cape Nelson Lightstation near Portland, Split Point Lighthouse at Aireys Inlet, and Portland Maritime Discovery Centre.

Cape Otway Lightstation is a significant tourist attraction for the Great Ocean Road region, attracting 150,000 visitors in 2018/19.

Other major heritage attractions within regional Victoria include Sovereign Hill and Bendigo Heritage Attractions.

Sovereign Hill operates an outdoor village experience and an indoor Museum. Sovereign Hill attracted over 500,000 visitors per annum pre-covid, however, visitation has been impacted due to the loss of international travellers resulting from the covid-19 pandemic. Sovereign Hill operated from a much larger site and offers a greater number of activities and more immersive experiences. In addition, Ballarat is located within an easy daytrips distance from Melbourne, Ballarat, Bendigo and Geelong.

Bendigo Heritage Attractions core offerings of heritage tramway tours and gold mine tours attract similar levels of visitation to FHMV.

Family attractions are all ticketed experiences, however almost all attractions provide at least three or four hours' worth of activities to engage families and children.

Discussion

With the exception of Sovereign Hill in Ballarat, heritage attractions across Regional Victoria attract relatively low level of visitation (<50,000 annual). This suggests that market appeal for attractions with a purely heritage-based offering may have limited market and growth potential.

This evidence lends support for heritage attractions to diversify the product and experience offering to appeal to a broader range of market segments and attract repeat visitation.

Table 3: Attraction Benchmarking

	Core offer	Location	Ownership	Ticketed	Adult Ticket Price	Kids Ticket Price	Visitation (2018/19)
Flagstaff Hill Maritime Village	Museum, Sound and Light Show, Village	Warrnambool	Council	Yes	$19.50 Day $32 Night	$9.30 Day $17.60 Night	47,870
Maritime Heritage Attractions							
Australia National Maritime Museum (Sea Museum)	Museum	Sydney	Not-for-Profit	Yes	$25	$15	236,832 (ticketed) 781,187 (unpaid)
Polly Woodside	Ship, Museum	Melbourne	National Trust	Yes	$16	$9.50	-
Seaworks Maritime precinct	Events, Museum	Williamstown	Not-for-Profit	Museum	$5 (museum)	$10 (family)	100,000 (event visitors)
Queenscliffe Maritime Museum	Museum	Queenscliff	Committee of Management	Yes	$10	$5	-
Port of Echuca	Discovery Centre, cruises, events	Echuca	Council	Yes - Partly	$10.50 (tour)	$6 (tour)	30,000 (Discovery Centre)
The Mission to Seafarers	Tours, venue hire, events	Melbourne	Charitable Organisation	Yes	$15 (tour)	-	-
Pioneer Settlement	Village, museum, sound and light show	Swan Hill	Council	Yes	$30.50	$21.50	45,000 (light show)
Cape Otway Lightstation	Precinct, tours, walks, accommodation	Cape Otway	Private	Yes	$19.50	$7.50	150,000
Portland Maritime Discovery Centre	Museum, Visitor Information Centre	Portland	Council	Yes	Free	Free	-
Port Welshpool Maritime Museum	Museum	Port Welshpool	Council	Yes	$5	$10 (family)	200
Port Albert Maritime Museum	Museum	Port Albert	Council	Yes	$8	$2	-
Heritage Attractions							
Sovereign Hill	Open-air museum, museum, night show, tours, events, education program	Ballarat	Not-for-Profit	Yes	$49	$29	527,100
Old Melbourne Gaol	Tours	Melbourne	National Trust	Yes			
Central Deborah Gold Mine (Bendigo Heritage Attractions)	Tours	Bendigo	Not-for-Profit	Yes	$35 (mine tour)	$25 (mine tour)	50,000
Bendigo Tramways (Bendigo Heritage Attractions)	Tours, private functions	Bendigo	Not-for-Profit		$12.50	$7.50	54,272
Family Attractions							
Puffing Billy Railway	Tours, museum, events, private and corporate functions, visitor centre (under construction)	Belgrave	State Government Entity	Yes	$62	$31	487,543
Melbourne Museum	Museum, IMAX 3D cinema	Melbourne	State Government Entity	Yes	$15	Free up to 16 years	N/A
Melbourne Zoo	Zoo	Melbourne	State Government Statutory Authority	Yes	$46	Free weekends and holidays* $23 weekdays	1,537,000
Sea Life Melbourne Aquarium	Aquarium, Tours	Melbourne	Private	Yes	$32-42	$25-28	N/A
Otway Treetop Adventures	Treetop walks, zip lines, tours	The Otways	Private	Yes	$27.50 (walk)	$21.50(walk)	N/A
Gumbuya World	Theme Park	Tynong	Private	Yes	$39	$34	N/A
Geelong Adventure Park	Theme Park, events	Wallington	Private	Yes	$52.50	$42.5o	N/A
Funfields Whittlesea	Theme Park	Whittlesea	Private	Yes	$49.50	$41.50	N/A

KEY POINTS

- Flagstaff Hill offers a museum, village and sound and light show as its core experiences.
- The attraction has changed and expanded over the years. The most significant experiential and operational change being the addition of the sound and light show.
- Visitation and financial data suggests that investment (and re-investment) into the Sound and Light Show has not resulted in additional visitation or improved the operating performance of the attraction.
- Visitation and revenue generation has been declining over the long term (despite re-investment into the site).
- Due to a lack of financial capacity (due to patronage), ongoing and extensive activations of the village are not viable, whilst limited footfall through the village means on site food and beverage options are limited.
- Ongoing financial subsidies are required on an annual and ongoing basis, totalling $7.2 million (average of $720K per annum) over the previous ten years. This presents an opportunity cost to Warrnambool City Council.

4.

TOURISM CONTEXT

The following provides a summary of the local and regional tourism context, as well as a summary of tourism strategy relevant to planning for the future of Flagstaff Hill.

TOURISM CONTEXT

Warrnambool is located approximately 3 hours south west of Melbourne and forms part of the Great Ocean Road Tourism Region, which stretches from Torquay to the South Australian Border and includes coastal and hinterland destinations.

The Great Ocean Road region offers state and nationally significant natural attractions, touring, coastal and hinterland attractions and activities. Drawcard attractions include the Shipwreck Coast, with the twelve Apostles, the Otway National Park, beaches and rugged coastline, and agricultural hinterland.

The natural attractions provide a variety of activities including coastal and inland walks, swimming and boating and wildlife. The hinterland offers emerging farmgate experiences, as well as natural reserves and rail trails.

The many towns, cities, villages and hamlets of the region celebrate local history and heritage, provide local experiences and accommodate varying levels of tourism product and infrastructure.

As a regional City, Warrnambool is the major service centre for the western region of the Great Ocean Road region (the Great South Coast), attracting residents for retail, hospitality, health, education and employment.

Tourism product strengths include coastal attractions and recreation activities (Lady Bay Foreshore), family activities and accommodation (Lake Pertobe precinct), nature based assets (Tower Hill Indigenous Nature Reserve, Middle Island - home to breeding colonies of little penguins) and other attractions, including Flagstaff Hill, Warrnambool Art Gallery, and the Lighthouse Theatre.

Point Ritchie and the Moyjil story is also a significant Indigenous site and emerging attraction.

There are also several destinations and attractions close to Warrnambool that can be done as part of a day trip, including Port Fairy, Budj Bim and the Twelve Apostles.

Tourism is an important driver of Warrnambool's economy, however, its performance has been impacted by the covid-19 pandemic.

Pre-pandemic, tourism contributed $227 million in economic output to the Warrnambool economy (accounting for 5% of total output pre-covid). This has reduced to $165 million as of 2023 (3.3% of total economic output).

In 2019, Tourism also supported 1,285 jobs, accounting for 7.7% of total employment. As of 2023, it is estimated this has reduced to 1,082 jobs (5.8% of total jobs).

Pre-covid (2019)	$227 million tourism output (5.0% of Warrnambool output)	1,285 tourism jobs (7.7% of Warrnambool jobs)
2023	$165 million tourism output (3.3% of Warrnambool output)	1,082 tourism jobs (5.8% of Warrnambool jobs)

Source: Remplan, 2019 & 2023

TOURISM CONTEXT

Figure 18: Map of the Great Ocean Road Region



Source: Great Ocean Road Tourism, Visitor Economy Masterplan, 2021

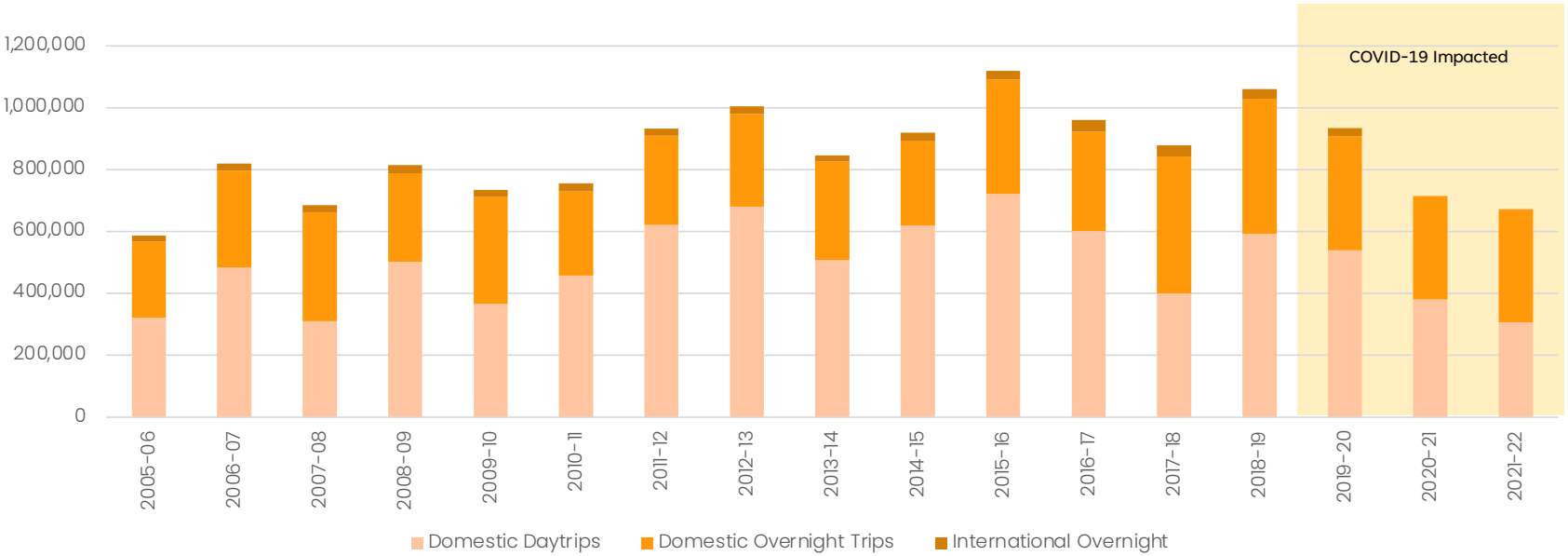
TOURISM CONTEXT

VISITATION

Pre-covid (2018-19), Warrnambool attracted over 1 million visits, with the majority of the market consisting of domestic daytrip visitors (56%), followed by domestic overnight visitors (41%). International overnight visitors comprised 3% of visitation.

In the ten years pre-pandemic, visitation grew at a rate of 2.7% per annum, with growth highest for domestic overnight visitors (4.3% p.a.), followed by international overnight (2.1% p.a.) and domestic daytrips (1.7% p.a.).

Figure 19: Historicall Visitation to Warrnambool (2005/06-2021/22)



Source: Tourism Research Australia, NVS and IVS, 2005-06 to 2021-22

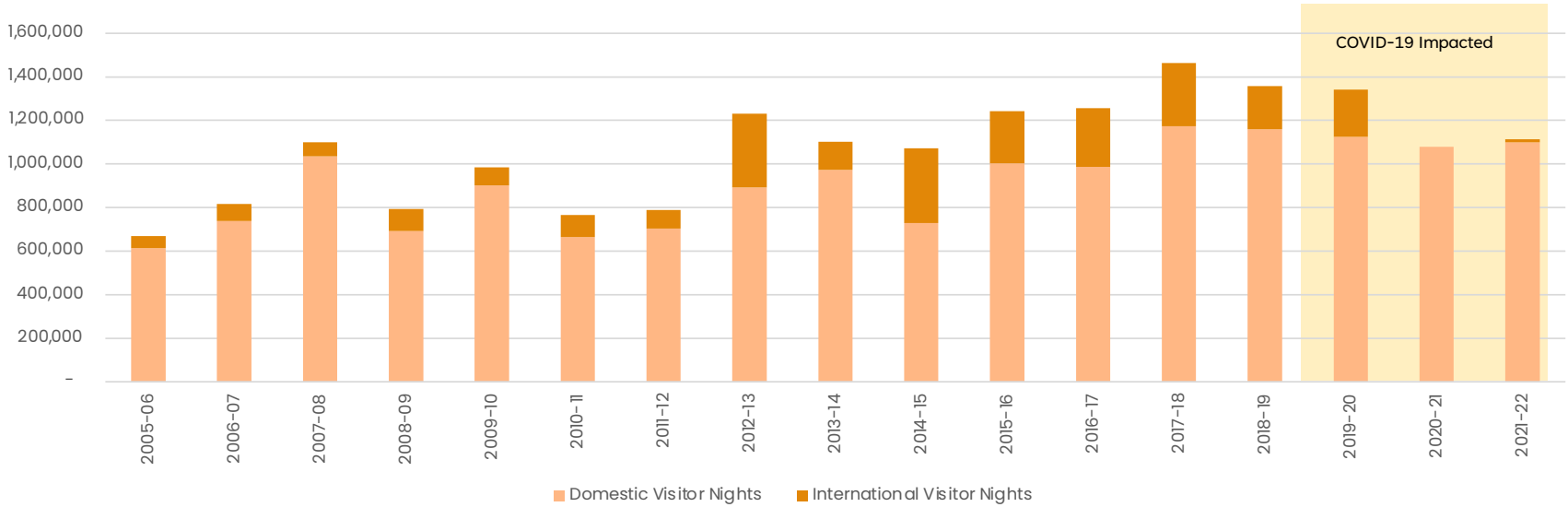
TOURISM CONTEXT

VISITOR NIGHTS

Pre-covid (2018-19), Warrnambool attracted close to 1.4 million visitor nights, 85% of which were from domestic visitors, with 15% from international visitors.

In the ten years pre-pandemic, domestic visitor nights grew at a rate of 5.3% per annum, whilst international visitor nights grew at a rate of 6.8% p.a.

Figure 20: Historical Visitor Nights to Warrnambool (2005/06-2021/22)



Source: Tourism Research Australia, NVS and IVS, 2005-06 to 2021-22

TOURISM CONTEXT

DOMESTIC VISITOR SNAPSHOT

The main reason visitors travel to Warrnambool is for holiday and leisure activities.

The high level of 'other' day trip visitation confirms Warrnambool's role as a regional centre in the Great South Coast region, welcoming regional visitors for purposes such as employment, shopping, hospitality, medical etc

The most common overnight travel party to Warrnambool are lone travellers and adult couples, with a lower proportion of families.

The distance from capital city markets of Melbourne and Adelaide discourages day trip and 'weekend escape' visitation.

Warrnambool relies on visitation from regional Victoria and regional South Australia.

Social activities and outdoor/nature-based activities are most commonly undertaken by visitors.

The majority of overnight visitors stay in commercial accommodation.

Table 4: Domestic Visitor Profile (Snapshot)

Domestic Visitation	Daytrips	Overnight trips
Purpose of Visit	48% Holiday 23% Other 18% VFR 10% Business	42% Holiday 33% VFR 19% Business 6% Other
Travel Party	N/A	32% Lone Travellers 23% Adult couples 21% Family groups 18% Friends or relatives travelling together
Activities	61% Social activities 16% Outdoor/nature activities 7% Active outdoor/sports	39% Social activities 22% Outdoor/nature activities 10% Active outdoor/sports
Origin	80% Regional Victoria 14% Metropolitan Melbourne 6% South Australia	43% Regional Victoria 39% Metropolitan Melbourne 6% South Australia
Accommodation	N/A	63% Commercial accommodation 37% Private accommodation

Source: Tourism Research Australia, NVS and IVS, based on 5 year average of calendar year data 2015-2019

TOURISM STRATEGY

EXPERIENCE VICTORIA 2033

The Victorian State Government recently released Experience Victoria 2033, a tourism plan for the state, which provides a roadmap for how government and the tourism sector can work together to maximise the benefits of tourism.

The Plan takes an experiential approach to developing the visitor economy and sets out priorities for product and experience development.

The vision as outlined in the plan is:

> "We will work together to make Victoria a leader in the delivery of exceptional, diverse, and connected experiences for visitors. We will invest in bold, innovative, and inspiring tourism products and experiences that attract more visitors to come to Victoria, stay longer, and spend more. We will ensure Victoria maximises the social and economic benefits of domestic and international tourism. We will – by creating a strong, resilient visitor economy – build a prosperous, sustainable future for Victoria."

The Plan outlines the products and experiences areas that will be focused on to drive growth, these are shown bat Figure 21.

Figure 21: Product and Experience Focus Areas for Growth



Delivery of the plan will include consideration of:

- Building a highly skilled, local workforce;
- Inspire travellers to visit and return;
- Make it easier to get in and around the state;
- Investment facilitation in projects;
- Build a strong and resilient industry;
- Digital connectivity;
- Community engagement;
- High quality and personalised visitor servicing;
- Provide high quality data and insights;

The plan will focus on delivering the following outcomes:

- First Peoples focused;
- Valuable for our communities;
- Unique to place;
- Driving economic growth;
- Innovative and outstanding;
- Sustainable and regenerative;
- Inclusive and welcoming.

VICTORIA'S TARGET VISITOR MARKETS

Victoria's key target markets for demand-driving marketing activity are High-Value Travellers (HVTs) in international markets and Lifestyle Leaders in the domestic market.

HIGH VALUE TRAVELLERS (INTERNATIONAL)

HVTs are empowered and increasingly knowledgeable about the world around them.

HVTs view knowledge about a destination as fundamental to an enriching travel experience. HVTs prefer authentic holidays where they experience the local culture and everyday life. They want to experience everything from the local cuisine to the natural surroundings.

HVTS can be leisure tourists, working-holiday makers, visiting friends and relatives, or business travellers

LIFESTYLE LEADERS (DOMESTIC)

Lifestyle Leaders represent more than 30 per cent of the Australian population (5.95 million Australians). They are professionals or managers and have an average annual household income of $130,160. They spend more when they travel and travel more than the average population.

They like to shop, particularly online, and are open to trying new things. When they travel, they like to stay active, experience the local culture and see nature.

They are less likely to prefer to have their trips organised for them.

Lifestyle Leaders can be leisure tourists, working-holiday makers, visiting friends and relatives, or business travellers.

GREAT OCEAN ROAD VISITOR ECONOMY MASTERPLAN

The Great Ocean Road Visitor Economy Masterplan (Great Ocean Road Regional Tourism, 2021), provides a strategic framework for the growth and development of the regional tourism economy.

The Plan outlines

...By 2030, the Great Ocean Road Region visitor economy will be Australia's leading responsible tourism region, achieving balanced socio economic, environmental and cultural outcomes, represented by:

A significant upgrade and development of public and private infrastructure to meet demand and support the region's communities;

- Increased visitor yield and dispersal contributing to a thriving economy
- Effective management of visitation pressures
- Active and supportive community engagement
- Engaged participation by traditional owners
- Effective, efficient and collaborative regional governance
- High standards of visitor experiences and services providing seamless visitor satisfaction
- Development of destinations, experiences and services which support communities and respond to market demand.

The Plan aims to **Grow a balanced, managed and thriving visitor economy.**

Achieved by growing key objectives outlined below.

Visitor length of stay and expenditure	**Visitor dispersal (geographic, seasonal and mid-week)**	**visitor satisfaction**	
Jobs	**Product, experiences and services**	**Visitor and community amenity**	**Community engagement and support**

The Great Ocean Road Visitor Economy Master Plan has a focus on addressing supply side issues and opportunities, as outlined below. Re-imagining Flagstaff Hill can respond to these needs.

SUPPLY SIDE FOCUS OF THE GOR VISITOR ECONOMY MASTERPLAN

1.

New and improved product.

Product development is key to changing consumer behaviour – driving increased length of stay, dispersal and yield and attracting new higher yielding audiences.

2.

Address product gaps.

The region has a strong investment pipeline but significant product gaps remain.

3.

Products that enhance and enrich the visitor experience.

Critical is ensuring that the focus is not solely on large scale game changing infrastructure projects but that products, services and experiences support visitor needs.

4.

Build competitiveness.

The region has significant gaps in accommodation, attractions, experiences and food to compete with other key Victorian and interstate destinations. Whilst some product development has occurred in recent years, more is needed.

5.

Enhance overnight value proposition.

Critical are products that support the night-time economy and drive overnight stays and non-weather dependent activity that supports year-round visitation.

6.

Maintain and grow signature event base.

Events continue to play a key role in driving visitation, although the capacity of communities to continue to drive events is diminishing with event funding becoming increasingly difficult to obtain.

The Plan outlines product gaps in attractions, experiences and events in Warrnambool, noting the following specific opportunities.

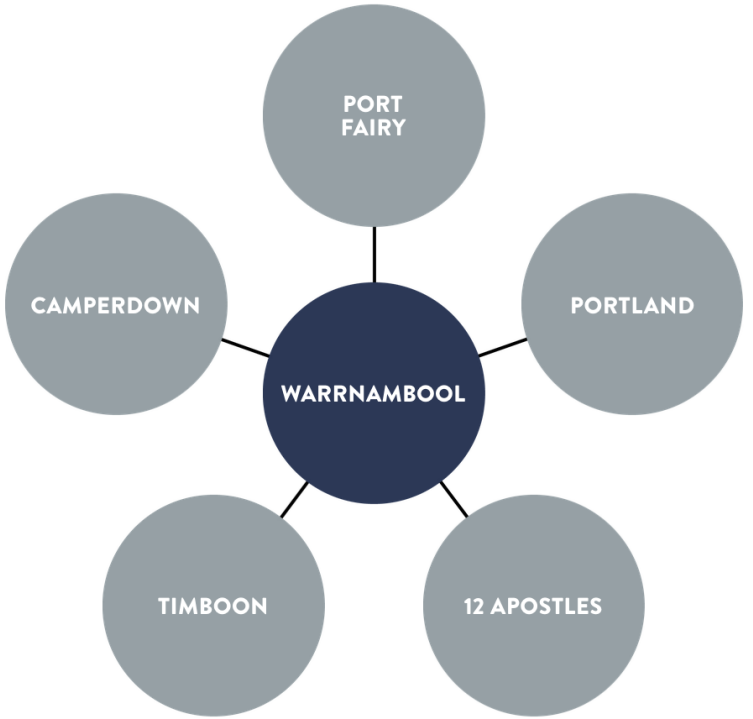
"The enhancement and revitalisation of the Flagstaff Hill Precinct and the cultural offering in Warrnambool presents an opportunity to appeal to new higher yielding markets outside of summer peak."

Other product and experience development opportunities noted include:

- Events
- The foreshore
- Whale watching
- Wellness
- Agri-tourism
- Food
- Night-time economy

There is also a focus on developing a hub and spoke visitation model for the region, which can be leveraged across destination, products and experiences.

Warrnambool presents a strong destination based hub, where daytrips and other experiences can be undertaken.



Re-imagining Flagstaff Hill should recognise the tourism brand of Warrnambool.



Archetype	Core Audience	Value Proposition	Personality	Tone of Voice	Key Offering
The Jester	Creative opinion leaders & Inspired by Nature	Warrnambool offers city lifestyle experiences wrapped up in the spectacular beauty and wild nature of the raw Southern Ocean. This combination offers opportunities for relaxation, refined refreshment and brings a new sense of playfulness, adventure and rejuvenation.	• Free spirited • Playfully adventurous • Welcoming	If the Warrnambool brand could speak, it would be playful, fun and welcoming. It would make you laugh with its humour and smile with its optimism. It would speak with a sense of wonder and come alive when talking about nature. More than anything, Warrnambool shows life through the eyes of a child	• Nature in action • Breathtaking coastal scenery • Outdoor fun for kids • Urban experiences for the whole family • Preserved heritage for history lovers • Maritime history

KEY POINTS

- Tourism is strategically important to the regional economy and its future growth.
- As the largest regional centre in the Great South Coast, Warrnambool has a role to play in supporting higher order services and infrastructure to service the regional visitor economy.
- Visitation to Warrnambool was steadily climbing pre-pandemic attracting over 1 million visitors in 2018-19. The majority of the market comprise domestic daytrips and domestic overnight visitors, visiting for a holiday, to see friends and family or business.
- The daytrip market is comprised primarily of visitors from regional Victoria whilst the overnight market consists of both regional Victorian and metropolitan Melbourne visitors.
- Victoria is focussing on attracting high value international travellers and the lifestyle leader market as the key growth opportunities. In addition, focus areas for product ad experience growth include First Peoples led experiences, food and drink, wellness, arts and culture and nature.
- The Great Ocean Road Visitor Economy Masterplan identifies a number of considerations relevant to the re-imagining of Flagstaff Hill, these include:
    - There is a need for new product development that responds to changing consumer behaviour.
    - There is a need to drive additional length of stay, visitor yield.
    - There is a need to attract new higher yielding markets.
    - There is a need to deliver address gaps in accommodation, attractions and experiences to ensure the region remains competitive with other destinations.
    - There is a need to deliver products and experiences that enhance the nigh time economy.
    - There is opportunity to encourage Warrnambool as a hub for regional touring.
    - Flagstaff Hill; presents significant opportunity to drive off-peak visitation and appeal to new markets, and address product gaps in food, night time economy, wellness and others.

5.
INSIGHTS

Engagement with stakeholders, the community and on site visitors has assisted with framing issues and opportunities for the site. The following presents a summary of key insights.

STAKEHOLDER ENGAGEMENT

A range of stakeholders were engaged to discuss the project, including:

- Warrnambool City Council
  - Economic Development & Tourism
  - Community Development
  - Infrastructure and Planning
- Flagstaff Hill and VIC Staff and volunteers
- Great Ocean Road Regional Tourism
- Department of Jobs, Skills, Industry and Regions;
- Eastern Maar Aboriginal Corporation
- Great Ocean Road Coasts and Parks Authority
- Peninsula Hot Springs & Loyly Studio

The following provides a summary of key points raised during consultation relevant to the project

The Attraction

- Attracts mainly adult couples and families.
- The attraction arrival experience is confusing.
- There is a lack of ongoing activation of the village.
- There is a perception issue for visitors (some think it's a museum, others a theme park).
- A number of the facilities need updating, including toilets, repairs and maintenance to village buildings.
- There is a need to tell the story of First Nations people better throughout the experience.
- A lot of people come to town and are looking for something to do and Flagstaff Hill provides an experience that people can do.
- Many visitors that attend the sound and light show don't know what to expect but enjoy the experience.
- The business model of the attraction hasn't changed much since the 1970s, but the market has changed. There is a need to think about what the modern visitor wants.
- There is limited refreshment of the story, people go once and then don't have to go again.
- The site offers some of the best views in Warrnambool.
- There could be a focus on selling more local produce and products.
- The space could be used more for events.
- Hard to run functions and events, due to clashes with nightly sound and light show and structure, location and quality of BOH facilities.
- There is a need to refresh the product and experience so that it is relevant to consumers.
- There is a need to offer more value-add experiences that can be charged for. This could include considering free entry, with value add products and experiences that are charged for.

Museum

- The museum is accredited through Australian Museums and Galleries Association. Accreditation required to be renewed every 5 years.
- The museum has a collection of over 10,000 objects, of which around 8,500 are on Victorian collections online. Approximately 1,500 objects aren't significant.
- The attraction is a museum first and foremost.
- The museum collection can't be sold.
- There is a need for improved facilities to store and manager the collection. Current facilities are inadequate.
- The main museum gallery space, which was updated in 2017, is in need of a major update.
- In addition, an exhibition space would enable the attraction of touring exhibitions such as from the National Maritime Museum.
- The museum story could be broadened beyond shipwrecks and include more of the story of the sea.

Visitor Economy

- Distance from Melbourne means Warrnambool is primarily an overnight destination. Daytrip visitors are originating in regional Victoria.
- There is a need for more tourism products and attractions, places where visitors can spend time and money.
- Warrnambool is a city by the sea. As a regional city it can provide higher order infrastructure and services for visitors yet maintain a sea-side village feel. The city is a point of difference for Warrnambool, this plays into the potential for Warrnambool to be a hub and spoke destination.
- Events are a good driver of visitation to the region.
- Summer is peak season, whilst visitation in winter is limited. There is a need to drive visitation in the winter months.
- There is a lack of conference and functions spaces with breakout spaces.
- Limited live music venues.
- Need for useable indoor winter spaces (e.g. places selling local food, beer and wine, by the fire, storm viewing).
- A redevelopment of the Twelve Apostles Visitor Centre is planned, which may tell the Lochard story, a key story currently told at Flagstaff Hill. Potential to be a competitor in the future so there is a need to consider how the museum and other experiences at Flagstaff Hill are positioned.
- The CBD has its back to the coast, there is opportunity for Flagstaff Hill to better connect the CBD with the coast.
- Opportunity for more destination hospitality, showcasing local produce.
- The rail connection to Warrnambool is an access advantage. With the introduction of $10 adult fares and $5 for children, there may be greater opportunity to attract daytrips from Melbourne, Western Metropolitan Melbourne, Geelong and other origin destinations.
- During project consultation a redevelopment of the Warrnambool Art Gallery was being investigated for the Cannon Hill site, adjacent to Flagstaff Hill. At the time of writing, the Art Gallery is progressing with a development on their existing site.
- There is an opportunity to connect the Cannon Hill site with Flagstaff Hill via a pedestrian walkway.

First Nations

- Historical hesitancy towards Flagstaff Hill due to the maritime colonial village and aspects of the sites.
- A repositioning of the site or a “clean slate” would open up greater opportunity for First Nations involvement.
- Opportunities to support the site hosting various activities promoting it as an integrated and central cultural, visitor and community precinct in Warrnambool.
- It was noted that the site could support a variety of commercial uses and that First Nations involvement in hospitality, accommodation, conferencing etc could be explored, subject to further considerations.

Commercial Development

- A 21 year lease is typically not adequate to attract commercial investment. There would need to be a change to the lease terms to facilitate commercial investment.

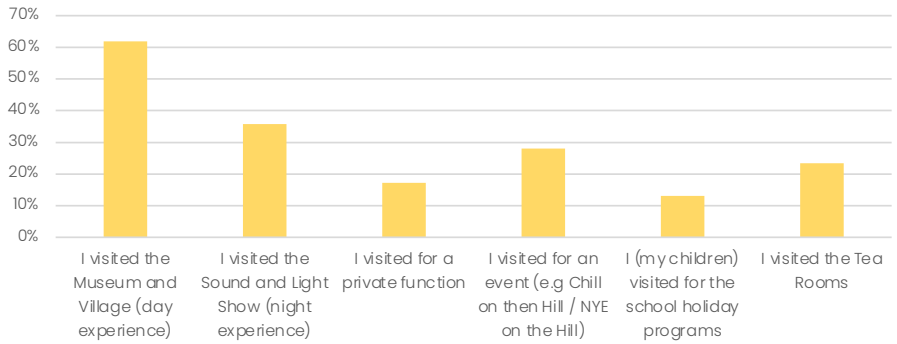
COMMUNITY ENGAGEMENT

A community engagement process was undertaken which included an online survey and drop-in sessions with residents. Project engagement opportunities were advertised on Council's Have Your Say page. The following presents the key insights through the survey and drop-in-sessions.

Table 5: Survey Respondent Profile

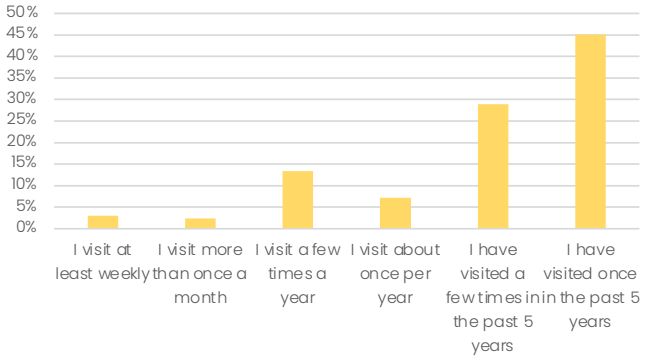
506 Respondents.	**64% Female** **34% Male** 2% prefer not to say
89% live in Warrnambool 11% outside of Warrnambool	**87% of respondents have visited the site.** 6% are volunteers 3% employees

Figure 21: Experiences Undertaken by the Community



Q: The following question relates to the paid ticket area of Flagstaff Hill only (ie. museum, village, sound and light show). Which of the following statements applies to you? Please select all that apply. N=506

Figure 22: Frequency of Site Visit

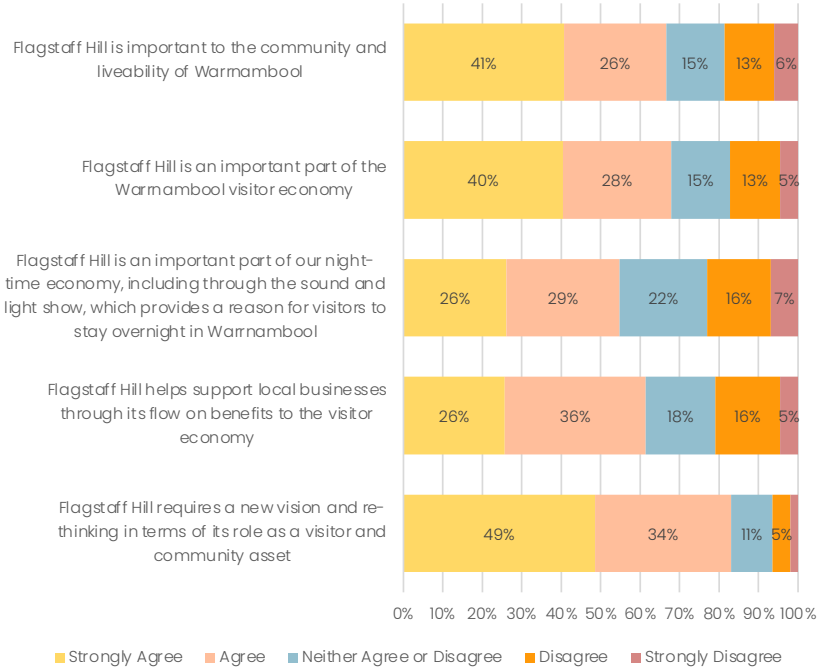


Close to 75% of respondent have only visited FHMV once/or a few times in the past 5 years, indicating a lack of repeat visitation.

Q: Please indicate how often you have visited the paid ticket area (ie. museum, village, sound and light show) of Flagstaff Hill in the past 5 years? N=428

83% of survey respondents agreed with the statement "Flagstaff Hill requires a new vision and re-thinking in terms of its role as a visitor and community asset"

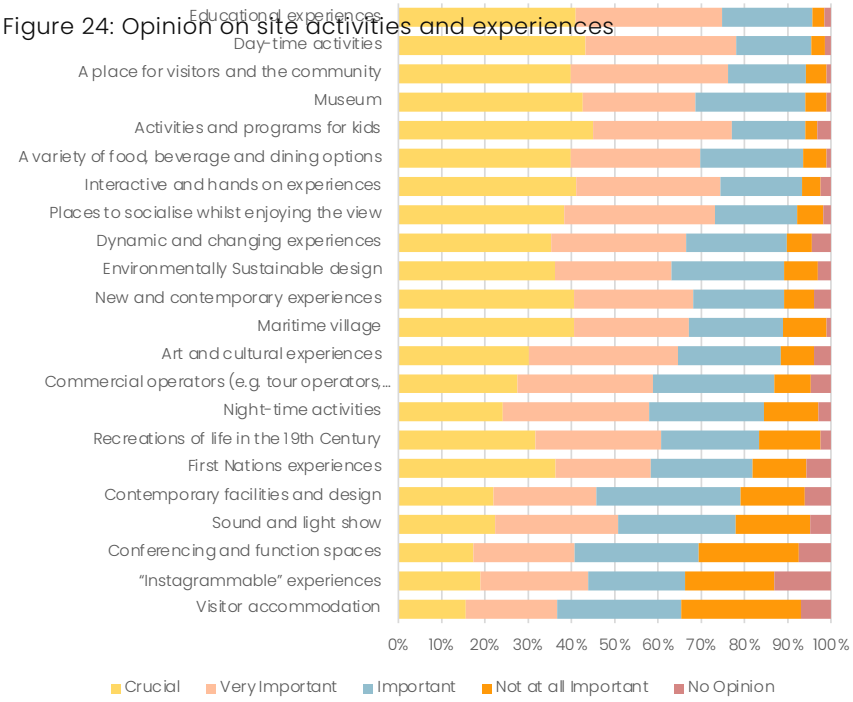
Figure 23: Sentiment



Q: Thinking of Flagstaff Hill, please indicate the extent to which you agree with the following statements. N=482

There was a strong response in regards to the importance of delivering a range of experiences and activities.

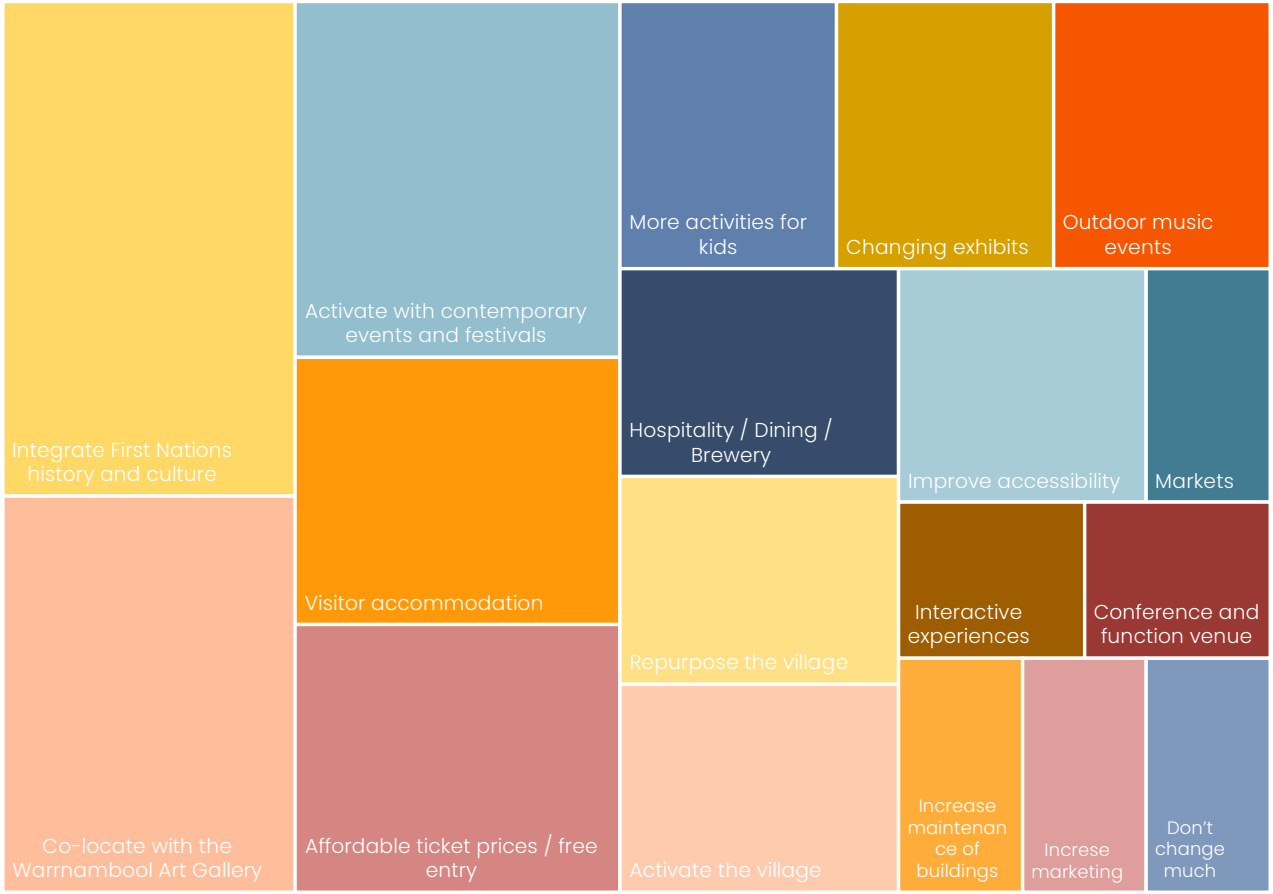
Figure 24: Opinion on site activities and experiences



Q. Please tell us how important you believe the following items are when considering the future of Flagstaff Hill. N=406

A range of open ended ideas and opportunities were recorded by survey respondents. Some key themes are highlighted in Figure 25.

Figure 25: Ideas and Opportunities (open ended responses summary of themes)



Q: Please tell us about any specific ideas or opportunities you think should be explored as part of re-imagining Flagstaff Hill.

VISITOR SURVEY

In order to understand more about visitors to Flagstaff Hill, an online visitor survey was conducted, which ran between late December 2022 and mid-March 2023. The survey was accessible on mobile devices by scanning a QR code on site.

Key results are summarised below. Generally, those that responded to the survey had an enjoyable experience on site. Although there is a broader market and financial sustainability issue at play as evidenced by declining long term visitation and revenue, the experience is still enjoyable, as evidenced from those that responded to the survey. Generally positive Trip Advisor reviews support this finding.

Number of Respondents

116 Respondents

Place of Residence

- 64% live in Victoria (15% in Warrnambool)
- 34% live interstate
- 2% live overseas

Reason for visiting Warrnambool

- 60% for a holiday
- 14% locals
- 11% VFR
- 12% Passing through
- 1% to attend a specific event
- 1% to visit Flagstaff Hill
- 1% on a group tour

Overnight Stay

74% of respondents staying overnight*

Average length of stay of 3.2 nights

Age

70% of respondents aged 30-54 years

Frequency of Visit to Warrnambool

- 43% first time visitors to Warrnambool
- 29% had visited Warrnambool before (but not regular visitors)
- 15% regular visitors.

Top activities undertaken on site

- Museum and village (56%)
- Museum, Village and Sound and Light Show (17%).
- Function or event (17%)

Village Experiences undertaken

- Self-guided walk around the village (90%).
- Museum (84%)
- Gift shop (49%)
- Lolly shop (47%)
- Tea Rooms (35%)

Time Spent on site

- 44% between 1 & 2 hours
- 38% between 2 & 3 hours

Motivations for visiting Flagstaff Hill

- I like to visit local attractions when I'm on holiday (53%)
- I'm generally interested in history and heritage (44%)
- I was looking for a place to entertain the kids (30%)
- I was looking for something to do during the day (22%)
- I'm passionate about maritime history (16%)
- I'm visiting for a specific function or event (15%)

Value for Money

- Very good 57%
- Good 29%
- Neutral 11%
- Poor 3%

6. STRATEGIC OPTIONS CONSIDERED

Three strategic options tabled and considered for the future of the site.

STRATEGIC OPTIONS

Having considered a range of factors (attraction performance, site, stakeholder and community views, and the visitor economy), three strategic options were formulated and presented to the Project Reference Group and Warrnambool City Council. There was general consensus that a broader strategic approach was needed, resulting in option 3 being the preferred approach.

	1. Enhance the current experience (Business as usual)	2. Re-think the experience, considering new strategic investment opportunities.	3. Integrated precinct development, considering public and private sector investment opportunities.
Summary	• Maintain the site in its current format; • Select experience and infrastructure upgrades and enhancements • Council managed.	• Re-positioning of the offering. • Exploration of new value add experiences (village activations, night experiences, functions and events, dining and hospitality and tour operators etc). • Council managed. • Potential to involve other commercial operators and partners (F&B, tours operators)	• Major re-visioning and re-positioning of the site. • Open and integrated visitor and community precinct. • Private and public sector investment opportunities.
Possible Uses and Activities (examples)	• Museum and visitor servicing • Maritime Village (with additional • activations). • Upgraded/new sound and light show production. • Dining and hospitality. • Broader use for events and functions.	• Museum and visitor servicing. • Village (re-positioned offering / new activations); • New night experiences (e.g. light festival events); • Event/amphitheatre space (festivals, events), • Expanded dining and hospitality offerings; • Spaces for tour operators; • Food and beverage.	• Geothermal/wellness; • Accommodation; • Functions and events; • Museum, retail/shop, tour operators and visitor servicing; • Integrated First Nations experience • Hospitality and dining (brewery, distillery, café etc); • Functions and events;
Capital investment	Low-Medium	High	Major
Capital Funding	Public	Public	Private / Public
Operational Funding	Council	Council	Private / Public
Implementation Risk	Low	Low	High
Re-imagining	None	Medium	High
Tourism Impact	Low	Low-Medium	High
			Preferred option.

Note, the potential to co-locate the Warrnambool Art Gallery on Flagstaff Hill was explored as part of development of these strategic options. The Gallery is progressing with an option to deliver an improved gallery on its existing site and therefore, the concept was not progressed further.

7. INVESTMENT OPPORTUNITIES

Having identified an integrated precinct development model as the preferred strategic direction for the site and attraction. Key commercial investment opportunities, including accommodation, geothermal and wellness, food and beverage and functions were analysed at a high level, to assist in framing a future vision for the site.

This section includes compilation and analysis of select market research and evidence to support the assessment and vision.

ACCOMMODATION

ACCOMMODATION SUPPLY: WARRNAMBOOL

Urban Enterprise completed an audit of the commercial accommodation offering in Warrnambool (excludes Airbnb) to identify the overall accommodation mix, and potential gaps and opportunities.

Warrnambool's accommodation offering primarily includes a mix of hotels and motels located in the CBD, as well as caravan and camping facilities, and two resorts/hotels in the foreshore precinct.

In total, there are 88 commercial accommodation establishments, with a total capacity of 1,328 rooms / sites.

Key observations:

- Motels/Motor Inns account for 39% of room capacity, followed by caravan and camping (22%) and hotels (15%).
- Most existing accommodation is concentrated to central Warrnambool and the foreshore.
- Deep Blue Hotel and Lady Bay Resort on the foreshore are both 4-star establishments that are popular and well-visited.
- There are very limited examples of new, contemporary accommodation that has been delivered in Warrnambool.

Table 6: Commercial Accommodation, Warrnambool (2022)

	Total	%	Rooms	%
Motel / Motor Inn	24	27%	523	39%
Caravan, Camping and Holiday Park	14	16%	291	22%
Hotel	10	11%	200	15%
Self-contained house/apartment/unit	26	30%	176	13%
Resort	1	1%	85	6%
Serviced Apartment	7	8%	24	2%
Backpacker / Hostel	2	2%	19	1%
Bed and Breakfast / Guesthouse	4	5%	10	1%
Experiential Accommodation (e.g. farmstay, glamping, tiny homes etc.)	0	0%	0	0%
Total	88		1,328	

Source: Urban Enterprise, 2022

ACCOMMODATION GAPS

3-to-3.5-star standard hotel/motor inns are the most utilised types of accommodation in Regional Victoria, followed by caravan parks and commercial camping grounds. This reflects the overwhelming majority of accommodation stock, which is weighted towards these types of accommodation.

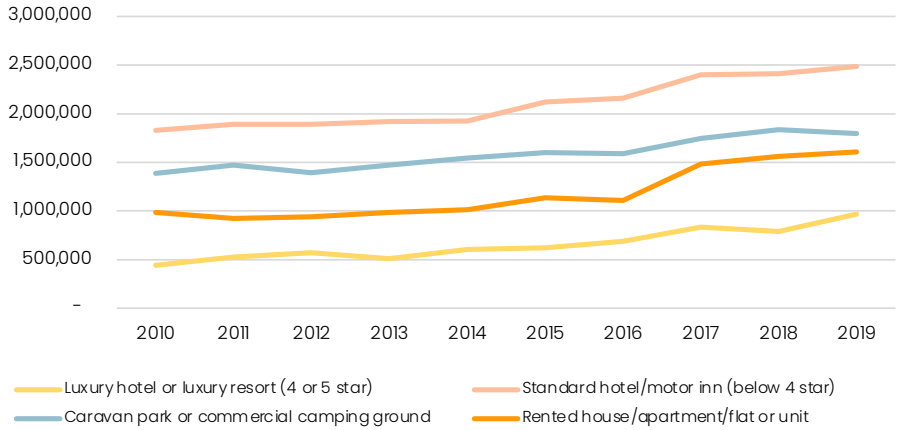
The popularity and utilisation of luxury hotels or resorts (4-5 stars) and short-stay rental accommodation (house or apartment) recorded strong growth in the 5-years prior to COVID-19, which could be a result of changing consumer preferences.

Visitors staying in luxury hotels or resorts (4 or 5 star) in Regional Victoria is significantly underrepresented compared with Regional NSW and Regional QLD, which more likely reflects the unavailability of stock as opposed to weak market appeal.

It is apparent that there is expressed demand in Regional Victoria for standard hotel/motel, caravan and camping accommodation, and that demand for this accommodation is well met due to the availability of supply.

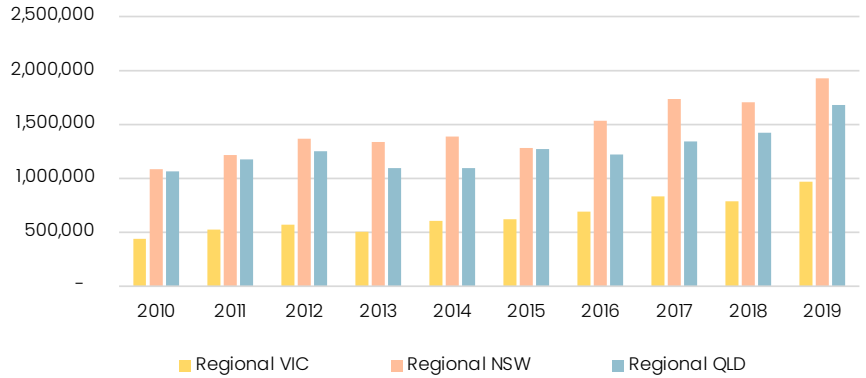
With the exception of a few higher quality accommodation providers, the accommodation stock in Warrnambool is not particularly well-matched to Victoria's key target markets, which include "lifestyle leaders" in the domestic market.

Figure 26: Visitors by Accommodation Type, Regional Victoria (2010-2019)



Source: Tourism Research Australia

Figure 27: Visitors Staying in Luxury Hotel or Resort (4 or 5 stars) (Regional Vic, NSW and QLD)(2012-2019)



Source: Tourism Research Australia

ACCOMMODATION DEMAND: VISITOR FORECASTS

The Great Ocean Road Visitor Demand and Accommodation Forecast Report, prepared by Deloitte in 2020, provides visitor projections for the Warrnambool region, which encompasses Warrnambool municipality and the eastern portion of Moyne Municipality.

The Report estimates that the region attracted around 1.25 million visitors in 2019 prior to the COVID-19 pandemic. Total visitation is projected to reach approximately 1.77 million by 2030, growing at an average rate of 3.2% per annum.

Overnight trips are projected to increase from around 492,000 in 2019 to 719,000 in 2030, representing 46% growth (+3.5% per annum).

The increase in overnight visitation to Warrnambool will generate additional demand for commercial accommodation rooms. The report estimates that there will be demand for an additional (+2,715-3,869 rooms across GOR by 2030).

With limited development of new commercial accommodation stock in Warrnambool in recent years, there is a strategic opportunity to provide new accommodation that:

- Serves the projected increase in visitor demand over time;
- Addresses current gaps in the type of accommodation available;
- Meets visitor market preferences; and
- Contributes to the creation of an integrated tourism precinct.

+46%

(+227,000) projected increase in domestic overnight visitors to the Warrnambool region between 2019 and 2030

Demand for between +2,715 and +3,869 accommodation rooms across the Great Ocean Road Region by 2030.

Table 7: Visitor Projections, Warrnambool Region, 2019-2030

	2019	2030	Change	Change %	AAGR
Total Domestic Visitation	1,206,000	1,768,000	+562,000	+47%	+3.5%
Overnight visitation	492,000	719,000	+227,000	+46%	+3.5%

Source: Great Ocean Road Visitor demand and accommodation forecast Report, Deloitte, 2020

GEOTHERMAL & WELLNESS

Victoria is fast becoming the nations hot springs state, taking advantage of the geothermal water along the southern coast. Hot Springs and Wellness centres focus on providing services aimed at renewing the body, mind and spirit, through various treatments and professional services.

Visitation to health spas/wellness centres in Victoria has grown by 200% between 2010 and 2022 across day, overnight and international visitors; growing at a rate of 14% per annum pre-covid.

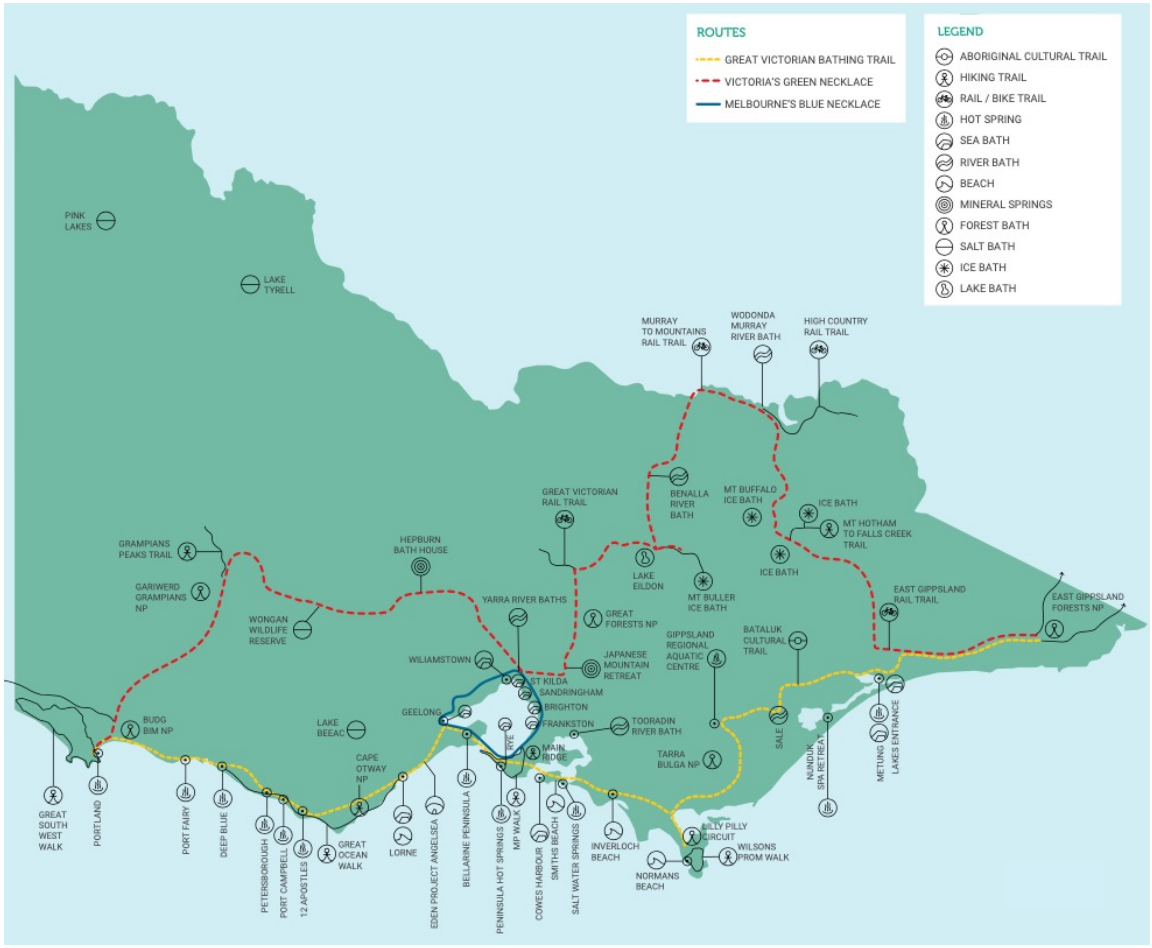
2022 saw a return to pre-covid visitation to health spa/ wellness centres with approximately 600,000 visitors. Indicating the markets rebound from covid and rising demand.

The key target market for wellness tourism is the "lifestyle leaders" market, aligning to Victoria's key target market for the state. The promotion and development of geothermal facilities in the region provides potential to grow visitation from this market segment.

The Great Victorian Bathing Trail is a vision for a tourism route connecting Hot springs, mineral springs and sea baths throughout Victoria (see Figure 28.

The trail seeks to connect visitors with experiences in wellness spas, nature trails, mindfulness and yoga, arts and first nations experiences, farmgate food and wine, and accommodation.

Figure 28: The Great Victorian Bathing Trail



Source: The Great Ocean Road & Southern Grampians Geothermal Investment Prospectus, Great South Coast Economic Futures, 2023

Warrnambool is noted as a location for geothermal and wellness on the Great Victorian Bathing Trail, further, the recent Great South Coast Economic Future project (2023), proposes a number of concepts for new geothermal opportunities in the region, including at Flagstaff Hill.

The report notes the potential for hot spring bathing, paired with accommodation to provide an all season, all year activation, including offerings for both adults and families.

Considerations:

- The health and wellness tourism sector has experienced significant growth in the past decade.
- Warrnambool is well placed being along the Great Victorian Bathing Trail.
- Its geographic location is highly suited to hot springs, due to the land's geothermal properties.
- Deep Blue Hotel and Springs currently operates in Warrnambool already, offering a wide variety of wellness packages and there is potential to further grow this market by catering to different market segments.
- A potential Hot springs and wellness centre on the site could seek to differentiate its offering by catering toward a family-oriented market leveraging proximity to the Lake Pertobe Precinct and caravan park accommodation.
- The concept for geothermal facilities on site is supported by the Great South Coast Economic Futures project.

"We propose having two main types of hot springs on the site. A relaxation hot springs for guests coming to experience tranquillity and escape for adults and people seeking relaxation. And a thermal hot springs water park designed for families and youth to enjoy water slides and fun activities that are suitable for all seasons of the year."

Figure 29: Artist's impression of geothermal bathing at Flagstaff Hill



Source: The Great Ocean Road & Southern Grampians Geothermal Investment Prospectus, Great South Coast Economic Futures, 2023. Drawing by Loyly Studio.

FOOD & BEVERAGE

Victoria has a strong reputation for food, wine, brewing and distilling. At the heart of Victoria's reputation is a prominent agriculture and agribusiness industry that underpins high quality fresh produce and "paddock to plate" experiences.

Food and Drink is one of Experience Victoria's (2023) key pillars to drive growth in the visitor economy.

Food, drink and eating out is one of the primary activities undertaken by domestic and international visitors across Regional Victoria. Figure 30 shows that in 2019, more than 29 million visitors to Regional Victoria ate out as part of their trip. This level of visitation has almost doubled since 2010.

In Warrnambool, the CBD is the prime location for hospitality. There is a mix of casual, takeaway, restaurant, pub and café dining, including both day and night-time establishments that are generally concentrated along Liebig Street, Kepler Street and Timor Street.

Although the foreshore and waterfront precinct performs an important tourism role, there are limited hospitality offerings on the waterfront with views, apart from the Pavilion and Simon's Waterfront. Other dining opportunities with views include Pippies by the Bay (at Flagstaff Hill) and the Warrnambool RSL.

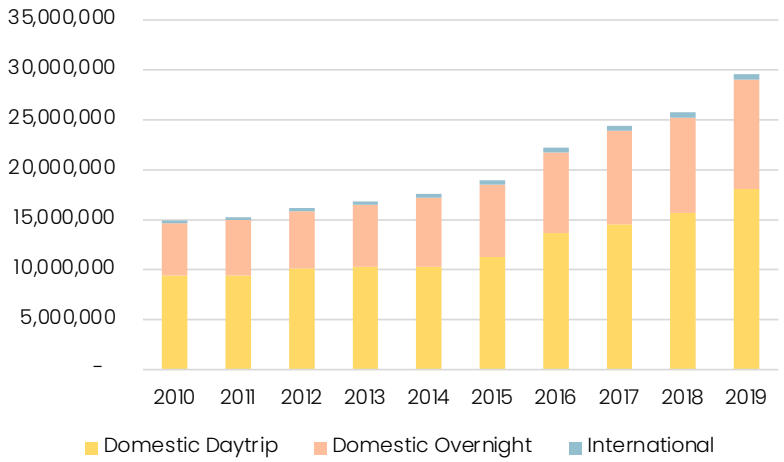
There is an opportunity for the site to assist in diversifying the local and regional food and drink offering and broaden the range of markets that the site caters to. This could include a destination dining facilities (such as an integrated café/ brewery/ distillery/ restaurant/ produce store), boutique dining as part of accommodation providers and smaller takeaway/kiosk options.

Importantly, hospitality is needed to drive visitation, diversify the product offering and ultimately promote a cohesive and integrated visitor experience.

+98%

increase in total visitors to Regional Victoria who ate out as part of their trip.

Figure 30: Visitors who eat out, regional Victoria (2010-2019))



Source: Tourism Research Australia

FUNCTIONS

Table 8 provides a summary of conferencing and event venues in Warrnambool. There are a number of facilities to choose from, however, there is a gap in the provision of medium-large conferencing and event venues which capitalise on Warrnambool's coastal setting.

Simons Waterfront/Surf Life Saving Club (capacity for up to 200 seated guests) and the Pavilion (capacity for up to 100 guests) are examples of venues with water views.

Functions and events cater for both the resident and visitor market, and can be a key driver for regional visitation.

Warrnambool has attracted consistent population growth over time. As of 2022, the Warrnambool LGA had an estimated resident population of approximately 35,520 residents, growing by close to 2,500 residents since 2012 (+0.7% p.a.). Warrnambool's population is forecast to reach approximately 40,000 residents by 2036, which will create an organic growth in demand for function and event spaces.

Select facilities at Flagstaff Hill can be hired out for private functions and events, including use of the outdoor grassed area on the hill and indoor facilities. Functions held at FHMV include wedding ceremonies, private and corporate functions. However, several operational challenges and constraints limit function hire and event use. This includes clashes with the sound and light show, sub-par facilities, limitations on plant and equipment, proximity of spaces to preparation and storage areas, and labour requirements.

Nonetheless, the unique setting, as well as the highly accessible and advantageous location that is adjacent to the foreshore precinct and CBD builds the case for functions and events to prevail at the site in future, as long as facilities are enhanced and well positioned to accommodate such activities.

Importantly, the potential to host functions and events at the site alongside the potential for other investment opportunities (accommodation, hospitality and other key products and attractions) will complement one another, and promote an integrated visitor experience.

This would include consideration of:

- High quality functions and events spaces (which can be multi-purpose and flexible, e.g. a restaurant with capacity to host events), providing outstanding coastal view.
- Leveraging on site accommodation and packaged with other on site activities (e.g. geothermal, museum pass, dining).
- Leveraging the sites location, proximity to the CBD, train station and foreshore.

Table 8: Function Venues in Warrnambool

	Max. Capacity Banquet
Archie Graham Community Centre	120
Best Western Olde Maritime Motor Inn	90
Brother Fox catering and Events	350
The Cally Hotel	NA
City Memorial Bowls Club	350
Deakin University	NA
The Emmanuel Centre	650
Flagstaff Hill	250 (Marquee)
The Flying Horse	100
Hotel Warrnambool	120
Lady Bay Resort	200
Lighthouse Theatre	220
Mid City Warrnambool	200
Quest Warrnambool	NA
Raffertys Tavern	160
The Stage at Emmanual College	NA
Simons Waterfront + Surf Club	200
South West Tafe	60
The Pavilion	100
The Whalers Hotel	80
Warrnambool Art Gallery	80
Warrnambool Bowls Club	160
Warrnambool Football Club	200
Warrnambool Golf Club	150
Warrnambool Greyhound Racing Club	300
Warrnambool Racing Club	250
Warrnambool Stadium	200

8. PRECINCT VISION & OPPORTUNITIES

The following provides a vision, guiding principles, strategic directions, precinct opportunities and considerations relating to delivery and implementation.

VISION

The following provides a vision to guide Flagstaff Hill's future:

Flagstaff Hill is a thriving integrated community and major tourism precinct in Warrnambool.

Set amongst layers of historic buildings and regenerated landscape, visitors can engage with a range of activities and experiences (geothermal bathing, accommodation, contemporary approach to the display and interpretation of the museum artefacts, food and beverage, First People's led experiences, wellness, history and heritage, functions and events).

The precinct and its experiences recognise and are responsive to First Peoples culture, State significant heritage assets, museum artefacts and the sites unique attributes and landscape.

GUIDING PRINCIPLES

The following guiding principles have been utilised when considering strategic directions and opportunities for the site, and to assist with future planning for the site.

01 Respond to Place

Protect and conserve State significant heritage.

Respond to site conditions (heritage, topography, climate, infrastructure, assets, access).

02 Foster Regeneration

Revitalise the visitor experience.

Integrate First People's history, culture and tourism experiences.

Protect and establish landscape and environmental values.

Reuse assets and infrastructure where practical.

03 Enable Transition and Evolution

Allow for the site to be developed in a deliberate and staged manner.

Recognise transition will require further planning, time and investment.

Provide opportunity for the site to evolve over time (short, medium and long term) in line with market opportunity and investment capacity.

04 Promote Economic Development

Create a demand driving visitor destination.

Drive additional visitation and yield.

Facilitate investment into the site (including private and public sector investment).

Improve financial and economic outcomes.

05 Establish Strategic Partnerships

Recognise that transition requires engagement and strategic partnerships with Government, stakeholders, community and the private sector.

06 Inclusive and accessible

Inclusive and accessible infrastructure and tourism experiences

STRATEGIC DIRECTIONS

01. Create a demand driving destination.



The site's location and attributes lend it to becoming a major demand driving tourism precinct, with the opportunity to provide high levels of economic value-add to the region.

A mix of experience, activities and infrastructure is required, which leverage the sites unique attributes and advantages (location, views, heritage assets).

a) Create a major tourism precinct.
b) Revitalise the visitor experience.
c) Encourage a mix of activities.
d) Leverage the sites unique attributes.
e) Attract year-round and repeat visitation.
f) Respond to regional product gaps and investment opportunities.
g) Target regional growth markets.

02. Facilitate investment.



Revitalisation of the vision requires new investment in demand driving experiences and activities.

Re-imaging the site as an integrated and mixed use tourism precinct will require private sector investment in demand driving tourism experiences and infrastructure.

Private sector investment will require lease terms of over 21 years to provide commercially attractive investment opportunities.

a) Leverage new investment in tourism experiences and infrastructure.
b) Unlock private sector investment.
c) Advocate for public sector investment to unlock development opportunities and realise the vision.
d) Establish partnerships.
e) Renew infrastructure.

03. Integrate First People's led experiences.



Future planning and development of the site should recognise and integrate First People's history, tourism and cultural experience into the site.

Working with Traditional Owners and First People's communities and businesses.

a) Recognise and integrate First People's history, cultural and tourism experiences into the site (as appropriate and advised through consultation with Traditional Owners and First Peoples).
b) Consider First Nations tourism opportunities (commercial investments, tour operators, events, food and beverage, wellness, language and naming, signage, welcome to Countries for events and gatherings).

04. Protect state significant heritage.



The sites state significant heritage assets including the lighthouses, lightkeepers cottage, chartroom, signal building and artillery cannons require ongoing protection, conservation and management.

Re-imaging the site will need to be sensitive to the core heritage precinct, including through locating and major redevelopments outside of the heritage precinct, and ensuring ongoing conservation and management of the heritage assets.

a) **Preserve and protect State significant heritage assets.**
b) **New experiences and development should be sensitive and sympathetic to heritage assets.**
c) **Interpret heritage assets.**
d) **Consider a contemporary approach to the display and interpretation of the museum artefacts.**
e) **Provide for selective and sensitive adaptive re-use of heritage buildings.**

05. Leverage the sites unique attributes.



Leveraging the sites competitive advantages will assist in supporting investment opportunities and a world-class visitor precinct.

The sites extensive views can be better capitalised on and provide a unique setting for tourism activities, whilst the sites well maintained gardens and open spaces provide a pleasant setting and amenity for visitor experiences.

Further landscape re-generation will provide an enhanced setting for proposed visitor activities, and where required provide internal landscape buffers between different land uses.

a) **Capitalise on the site's prominent location.**
b) **Leverage the sites views.**
c) **Celebrate heritage.**
d) **Enhance the sites landscape, connection to the coast and connection to places of cultural significance (including views to Moyjil).**

06. Renew, re-use and adapt infrastructure



There is a significant amount of existing infrastructure on site. Some infrastructure requires renewal, other may be suitable for re-use and adaptation.

Major infrastructure investment is required to deliver major tourism opportunities with some buildings providing opportunities for adaptive re-use such as buildings in the village and the use of the wharf theatre as a staging area for events and pop-ups.

There is also opportunity for infrastructure adaptation and renewal to be phased over time, in line with commercial opportunities and investment capacity.

For example, there could be a small adaptation to the current visitor centre to facilitate access to the geothermal water park etc, with future opportunity for wholesale renewal of this facility.

a) **Enable selective re-use and adaptation of facilities and infrastructure.**
b) **Invest in new infrastructure to regenerate the tourism experience.**
c) **Consider the decommissioning of infrastructure where it is not required or fit for purpose.**

07. Improve access and accessibility.



The sites topography and terrain poses challenges for access.

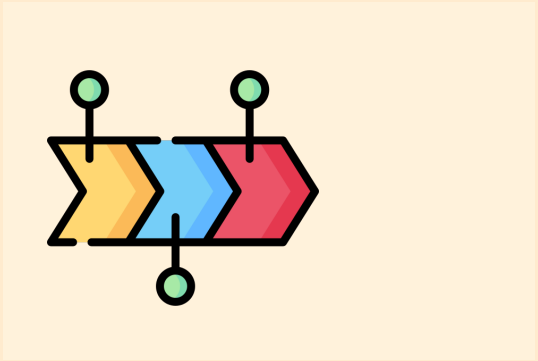
When re-imagining the site, better access could be incorporated through clever design that adds to the site experience and facilitates universal accessibility both in infrastructure and experience.

This could include the use of lifts that double as viewpoints, boardwalks, ramps and stairs and tiered landscapes which respond to the sites slope and topography.

In addition, there are opportunities to better connect the precinct with its surrounds including Cannon Hill and the Lake Pertobe precinct.

a) **Better connect the precinct with its surrounds.**
b) **Improve access into and around the site.**
c) **Create universal accessibility and inclusive experiences.**

08. Allow for staged development.



Realisation of the vision will occur over the long term. Development of the site should be allowed to occur over time in a deliberate but flexible manner, which responds to statutory, market, site and investment considerations.

a) **Consider how the vision for the site can be realised over time, recognising the sites complexities and challenges in implementing the vision.**

PRECINCT OPPORTUNITIES

The following present key redevelopment opportunities for the site. There is opportunity for commercial experiences to be First Peoples led, and/or developed in collaboration with First Peoples.

1. Geothermal Water Park

The site provides opportunity for consideration of a geothermal water park, providing a unique investment opportunity and potential to activate the site as a year-round tourism attraction.

The opportunity for a geothermal water park has been identified as part of the Great South Coast Economic Futures Geothermal Tourism Prospectus (2023).

The park could be uniquely integrated into the village area with opportunities to reflect First People's culture or maritime themes of the site. Activities could include geothermal bathing, kid's activities and co-location with village experiences (F&B, pop-up events, picnics).

The Geothermal Water Park would cater to both locals and visitors (including interstate and international markets). Positioned on the doorstep of caravan parks and camping sites, nearby hotels and the CBD. The attraction would appeal to families, groups, friends and relatives travelling together, and touring international visitors.

A geothermal water park provides a major private sector development opportunity, which could be packaged with other geothermal facilities, on-site accommodation, food and beverage facilities and wellness.

2. Geothermal Bathing and Relaxation

Building on the sites geothermal opportunity is the potential to incorporate geothermal bathing and wellness for adults.

The opportunity for geothermal bathing and relaxation pools has been identified as part of the Great South Coast Economic Futures Geothermal Tourism Prospectus (2023).

Geothermal bathing facilities could be discreetly located in the landscape with separation provided from the water park, allowing privacy and the ability to offer the experiences to different markets.

Geothermal bathing and relaxation areas provides a major private sector development opportunity, which could be packaged with other geothermal facilities, on-site accommodation, food and beverage facilities and wellness.

Adults geothermal bathing would be highly complementary to luxury accommodation, catering to overnight visitors.

3. Accommodation (with co-located facilities including F&B, wellness and function facilities)

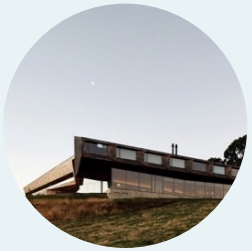
The site's strategic location and commanding views provide opportunity for the consideration of development of visitor accommodation, which would be complementary to geothermal experiences on site.

Two key accommodation opportunities could be explored, including:

- A **60-80 room hotel (or serviced apartment) complex of upper midscale quality** which would be complementary to the geothermal water park, offering accessible accommodation, as well as catering to **functions and small-medium size conferences**; and
- A **boutique and high quality hotel of approximately 40-60 rooms**, targeting State tourism target markets (the lifestyle leaders and high value international travellers). The hotel could include incorporation of **new wellness facilities** and experiences (spa, massage, yoga/Pilates) and an onsite **boutique restaurant** and bar serving local produce and fine wine and drinks.





Flagstaff Hill Re-Imagined

4. Food and Beverage

There is opportunity to enhance the food and beverage offerings across the site, including consideration of:

- A **destination food and beverage offering, targeting locals and visitors** such as an integrated brewery/distillery, serving quality pub fare. The offering could include a produce store, indoor and outdoor dining, private functions and views across the coast.
- **Village food and beverage offerings**, to cater to on site visitors, events and functions. Existing village food and beverage offerings require upgraded facilities to improve their operations and offerings. Key areas where an upgrade could be considered include the Steam Packet Inn (pub) and tearooms.





5. Museum

The site holds a number of unique artefacts, alongside state significant heritage buildings, and a strong connection to the coast.

There is opportunity to revitalise the museum space (considering opportunities for how the collection is displayed and stored).

Changes to the way the museum experience is delivered could include co-location with Warrnambool's visitor servicing (incorporating merchandise, new displays and interpretations as well as space for tour operators).





6. Functions and Events

The site currently hosts a limited series of events, with opportunity to expand this offering by addressing infrastructure and access constraints (such as location of and limited food and drink preparation areas, quality of function spaces, and site accessibility).

A re-imagining of the site provides opportunity to consider a greater program of function and events on site, which could include consideration of:

- Private functions (birthdays, weddings, corporate events and conferences);
- Open air cinemas;
- Food events;
- Cultural events (including First People's led events);
- Health and wellness events;
- Arts and cultural events;
- Music and performances;
- Markets.





7. Access and Accessibility

The site faces a number of access and accessibility constraints that hinder activation opportunities within the Village. There is opportunity to address these challenges through improved infrastructure that can enhance the visitor experience and functionality of the site. This can include consideration of:

- New **lift access into the village**, that could also double as an observation deck and storm viewing **lookout,** leveraging the sites elevated position and extensive coastal views, which would **provide an attraction in its own right.**
- **Upgraded and improved pathways and boardwalks** throughout the village (addressing steep gradients).
- Better connecting the site with its surrounds, including **new pedestrian connections to the Lake Pertobe precinct** and **Cannon Hill.**
- A **new train platform to the south** (providing opportunity for mass transit of visitors on the doorstep of the site), improving conditions for private sector investment.







Legend

1. Gateway / site landmark
2. Car park
3. Mixed use and integrated facility, including:
   - Accommodation (upper-midscale)(60-80 rooms)
   - Function space
   - Museum
   - Destination F&B
   - Storm viewing
4. Geothermal water park entry (incl. ticketing, admin, visitor services and amenities).
5. Water slide / water play
6. Lookout corridor and storm viewing tower, with lift access shaft to village.
7. Adaptive re-use and activation (café/kiosk, kids activities, lolly shop).
8. Open space for gathering, picnics and relaxation.
9. Geothermal water bathing and play.
10. Adaptive re-use for F&B & bath house.
11. Adaptive re-use for events (e.g. pop-up cinema, music).
12. Chill-out bungalows for Geothermal Water Park.
13. Reception (hotel and adults geothermal)
14. Wellness studio
15. Landscape buffers
16. Geothermal bathing (adults only)
17. Luxury boutique hotel (40-60 rooms)
18. Hotel car park and access boardwalk.
19. Heritage interpretation

View corridor
Heritage buildings
Landscape regeneration
Vehicular traffic
Pedestrian traffic
Future station & connection

DELIVERABILITY OF PRECINCT OPPORTUNITIES

The opportunities presented are intended to provide a vision that will guide planning and development of the site over the long term.

As outlined in this report, the site is highly complex. There are specific conditions and risks associated with attraction of private sector investment that requires lease terms in excess of 21 years, with projects required to be of regional or state significance and requiring ministerial approval.

Therefore, Table 9 (as follows) provides an outline of the deliverability of the precinct opportunities, considering:

- Major private sector investment opportunities; and
- Complementary private sector investment opportunities or publicly led opportunities.

The conditions under which these opportunities can be realised differs based on the type and scale of investment and the who the lead proponent is (ie. private or public).

In addition, the contribution towards re-imaging the site and the overall tourism impact will differ based on the opportunity and how it is realised, these considerations are noted in Table 9.

Table 9: Deliverability of Precinct Opportunities

Investment opportunities	Key investment proponent (public or private sector)	Likelihood of delivery within or under 21-year lease?	Degree of Planning and Delivery Complexity?	Estimated scale of capital investment required?*	Estimated Planning & Delivery Timeframe	Contribution to re-imagining Flagstaff Hill?	Tourism Impact
Major Private Sector Investment Opportunities							
Geothermal Water Park Geothermal Bathing & Relaxation Accommodation	Private	Low	High	High	5+ years	High	High
Comment	*These investments will be primarily reliant on the private sector, with potential to consider a public/private sector partnership.* *These investments could be packaged, acknowledging the complementary nature of the proposals.* *Further planning is required.*	*The ability to deliver these investments under a 21 year lease is low, with a longer term lease required to provide the necessary investment returns to justify private sector investment.* *The required lease term is subject to the scale of capital investment needed.* *Further examination of capital requirements and investment partnership opportunities would be needed to confirm the investment requirements.*	*There is a high degree of planning and delivery complexity associated with Crown Land leasing (above 21 years).* *There is a need for a business case, technical assessments, statutory planning framework, ministerial approval, investment attraction and establishment of strategic partnerships.*	*The scale of capital investment is dependent on the type and scale of the project.* *Further detailed planning and concept plans are required to provide robust estimates.*	*Planning and delivery timeframes estimated to be 5+ years related to major private sector investment.*	*These investments have strong potential to make a significant contribution to re-imagining flagstaff Hill, delivering major tourism infrastructure and facilities, activating the site and enabling other private sector investment opportunities to be realised.*	*Potential to attract new visitor markets, increase visitor length of stay and expenditure, contribute to destination awareness and marketing and stimulate further investment.*

Table 9: Deliverability of Precinct Opportunities (continued)

Investment opportunities	Key investment proponent (public or private sector)	Likelihood of delivery within or under 21-year lease?	Degree of Planning and Delivery Complexity?	Estimated scale of capital investment required?*	Estimated Planning & Delivery Timeframe	Contribution to re-imagining Flagstaff Hill?	Tourism Impact
Complementary private sector investment opportunities or publicly led opportunities							
Destination Food & Beverage Village Food & Beverage Offerings Museum Functions & Events Access and Accessibility	Private; or Public	Low (private led) High (public led)	High (private led) Low (public led)	Medium (private led) Medium (public led)	5+ years (private) 3-5 years (public)	High (private led) Low-Medium (public led)	High (private led) Low-Medium (public led)
Comment	*The planning pathway will be dependent on the lead proponent.* *If a private sector led approach is taken, these investments would be complementary to proposed major investments (i.e. geothermal and accommodation).* *Alternatively, opportunities could be delivered by the public sector as standalone or packaged investments. It would be important to ensure major private sector investment opportunities are not compromised through short term or interim developments. The Public sector would be responsible for leading the planning process and funding capital investment.*	*Under a private sector led development, it is likely a longer term lease would be required to provide the necessary investment returns to justify private sector investment (particularly when packaged with other major investments - geothermal, accommodation).* *Under a publicly led development, Council would own the infrastructure and manage additional operations. Some facilities or operations could be leased to a third party (e.g. destination food and beverage, functions).*	*There is a high degree of planning and delivery complexity, associated with Crown Land leasing (above 21 years), in seeking private sector investment.* *Planning and delivery complexity is significantly reduced under a publicly led approach.*	*The scale of capital investment is dependent on the type and scale of the project.* *Further detailed planning and concept plans are required to provide robust estimates.* *Under a private led approach, the facilities and offerings would likely be integrated into a larger redevelopment.* *Under a publicly led approach, the facilities would look to improve the current offering and create new experience opportunities and revenue generation.*	*Planning and delivery timeframes are contingent on whether the lead proponent is the private or public sector.* *Planning and delivery timeframes estimated to be 5+ years related to major private sector investment.* *Shorter timeframes anticipated for public led infrastructure improvements.*	*A private sector led development, packaged with other major investments would result in the highest overall impact.* *A publicly led development, would provide for a new F&B drawcard and activation of the site for locals and visitors, however, its impact would likely be much more limited without other major activations.*	*A private sector led development, packaged with other major investments would result in the highest overall impact.* *Under a publicly led approach, tourism impacts are anticipated to be modest, but subject to the ultimate experiences delivered.*

IMPLEMENTATION APPROACH

The following provides an outline of how the precinct vision can be implemented, having regard to Crown Land considerations and further planning requirements associated with major private sector investments. The implementation framework enables for some change to occur on site in the interim delivered by the public sector (whilst planning is progressed on unlocking private sector investment opportunities). Interim investments are aimed at improving the operational and tourism performance of the site without compromising future major investment opportunities.

Phase 1 (0-2 years):

Detailed site masterplan, including detailed designs for interim capital works. Progress planning to unlock investment opportunities including First People's led experiences.

Prepare a detailed masterplan for the site, that includes consideration of:

- Undertake technical assessments to inform planning (site survey; heritage assessment; traffic assessment; geotechnical investigations; infrastructure and services advice; statutory planning advice; legal advice; investment/implementation strategy).
- Identify a package of interim capital works (including detailed designs) that can be taken forward by Council (whilst progressing planning for private sector investment opportunities).
- Costings of interim capital works and other capital works to inform business case;
- Ensure masterplan allows for realisation of major private sector investment opportunities.

Phase 2 (3-5 years):

Deliver interim capital works

Deliver interim capital works (documented in the detailed masterplan, but the could include):

- New lookout corridor and storm viewing tower, with lift and stair access to village;
- Select upgrade/adaptive re-use of village buildings (café/tea rooms and Steam Packet Inn for improved F&B offering and improved capacity to cater to functions and events).
- Better and upgraded accessibility across the site (accessible pathways, platforms, lift), with a focus on the village area to address universal accessibility challenges.
- Improved pedestrian connections into the Precinct (southern connection to holiday parks/Lake Pertobe, pedestrian connection to Cannon Hill, train platform).
- Expanded on site function and event offerings (including night-time events).

Consider changes to operations and governance alongside any capital investment, to improve operating performance and deliver new tourism experiences.

Progress Planning and Implement Planning Framework

Implement a planning framework for the site that will enable and guide private sector development opportunities (note, subject to specialist statutory planning advice).

Phase 3 (5+ years):

Progress investment attraction and commercial investment opportunities.

Progress investment attraction for the site and commercial investment opportunities.

IMPLEMENTATION CONSIDERATIONS

A greater level of planning is required to realise the vision and change of this magnitude.

This will require time and investment into the planning process.

Further advice is required to inform a detailed masterplan for the site and expand on other considerations. The following will be required:

- **Engagement -** Ongoing engagement with government, First People's/Traditional Owners, site stakeholders, and the community will be needed as planning for the site progresses.
- **Site survey** – a site survey is required that will enable the preparation of a detailed masterplan for the site and preparation of detailed designs for interim capital works.
- **Heritage assessment** – specialist heritage advice is required to better inform redevelopment opportunities and management obligations in relation to state significant heritage assets.
- **Geotechnical investigations** – are required to inform development opportunities and constraints, as well as geothermal opportunities.
- **Infrastructure and services advice** – to inform capacity and requirements for services infrastructure upgrades.
- **Statutory planning advice** – Changes to the Planning Scheme may be required to facilitate investment and guide development outcomes. Specialist statutory planning advice is required to scope the level of change that may be required, the strategy to achieve desired investment and planning outcomes, and identify an appropriate pathway for implementation.
- **Legal advice and investment/implementation strategy** – Facilitation of private sector investment (where a lease term above 21 years is required) will require a specific investment strategy and targeted legal advice, having regard to Crown Land considerations.
- **Traffic assessment** – to inform traffic and transport requirements for the masterplan, including detailed investigation of an opportunity for a train platform to the south of the site.
- **Private sector / specialist advice in relation to private sector investment opportunities** – specialist private sector advice will be required in relation to key private sector development opportunities including geothermal facilities.
- **Governance** - Amendment to the current site governing arrangements will be required. How the site is governed and managed will depend on how planning and investment into the site progresses through the planning phases.
- **Investment Attraction** - Investment will be required into further planning, capital works and ongoing operations. This will require both public sector investment in the initial planning stages and any interim capital works, as well as private sector investment into new infrastructure, facilities and experiences.

PROJECT BENEFITS

Re-imagining the Flagstaff Hill site has the potential to create a range of benefits for the region. These are summarised as follows:

Delivering a major tourism precinct.

Investing in projects and experiences that address regional product and experience gaps and create destination driving experiences.

Aligning to regional strategic priorities.

Addressing product and experience gaps, attracting new markets, driving visitation and yield, promoting hub and spoke visitation.

Improved financial outcomes.

Reduction in recurring financial subsidies provided by Council. This expenditure could be re-allocated (within the precinct or externally to other tourism and community initiatives).

Facilitating Private Sector Investment.

Facilitating private sector investment into the region, generating new jobs through construction and ongoing operations.

Delivering economic benefit.

Attracting additional visitors, extended length of stay and visitor spend, translating into new business opportunities and employment growth.

Heritage protection and conservation.

Ensuring ongoing management and maintenance of state significant heritage assets.

Integration of First Peoples culture.

Integrating First Nations culture into the precinct through redevelopment.

Resident amenity and lifestyle benefits.

New amenities, facilities and experiences for resident use.

Growing Warrnambool's tourism brand.

Supporting the regions tourism brand, and growing its standing as visitor destination.

Aligning to state tourism priorities.

Facilitating investments that align to state tourism priorities.

urban enterprise
planning
economics+tourism

Flagstaff Hill Re-Imagined
Vision and Opportunities Plan

WARRNAMBOOL
CITY COUNCIL

Community Feedback

Below is the complete feedback we received, from 21 respondents. Most had positive and supportive aspects agreeing to the plan, with some having some unsupportive elements also which are noted below.

There was only 2 I would say that were totally unsupportive of the plan.

- Positive Feedback = 18 responses
  (primarily support for as is, but also support in general for improving site along the lines in the report)

- Supportive Feedback = 12 responses
  (General support along the lines of the general report, supportive by association of activity and / or not necessarily understanding the process moving forward in particular relation to First Nations and other improved activation of the village with new offerings but not necessarily obvious support
  (stating things we are not planning i.e "I would be very disappointed if the historical aspects of the maritime village were not maintained")

  We do intend to have a museum and maintain the heritage buildings. Some of the historical aspects of the village may or may not go depending on the outcome of private investment ambitions.

- Unsupportive Feedback = 13 responses
  (5 of these were primarily negative of development of Accommodation, F&B and Geothermal because we already have them in Warrnambool, and also potential competing interests for).
  (3 were along the lines of worries about Poor Design, Developers only in it for the money and High Risk and major costs).
  (1 proposing that better marketing would solve the current decline of numbers).
  (4 other various aspects of focus)

The unsupportive feedback was primarily concerned with potential competition with existing Warrnambool businesses, private partners to develop any of the Geothermal, Accommodation and F & B developments.

As a lot of the feedback relates to operations at FSH, the FSH Managers, Co-ordinators and staff have noted these suggestions and will be looking at them in more detail and forming a plan to implement those of merit and sustainability where possible.

All of those respondents offering feedback have been notified and thanked for their interest to date in this process and taking the time to offer their thoughts and / or suggestions for the better operation of the FSH precinct.

*Note; First Peoples led experiences (Tourism Victoria's terminology we have adopted) has come up

quite a bit throughout the process. FSH and WCC continue to work with Eastern Maar in this space and are assisting them where applicable across aspects of Visitor Economy activity they have planned in general for the region and also specifically for the FSH site. This is a long term ongoing process with Eastern Maar.

The following table is a breakdown of all the feedback from community;

	Positive & Supportive	Unsupportive	Officers Comments
1	Yes, supports • Better accessibility • F&B upgrades attracting young adults • Upgrade shops stocking more items • Workshops & Tour Operators • New entertainment in theatre & evening. • Event amphitheatre • First Peoples led experiences	Yes, somewhat • Duplication of Geothermal activity • Thinks the "Sound & Lightshow is integral to the whole village experience"	FSH team looking into, activations and events that may be suitable to be implemented within current operations Duplication of geothermal activity concern noted and established providers have been included in the process
2	Yes, supports • More events & activations like Wreckfest • Museum • Improve F&B • Encourage locals to be ambassadors by opening up the village to locals and / or groups	Not specifically	FSH team looking into, activations and events that may be suitable to be implemented within current operations FSH local free entry trial was successful and may be looked at as a permanent offer.
3	Yes, somewhat • Improve marketing that can re-imagine the entire image of FSH to market nationally • Supports, museum, guided tours, more activations etc	Yes, somewhat • "Pie in the sky dreams that may never be realised" • Dropping visitor numbers due to poor signage and poor marketing • Does not think Wellness will have a future, concerns about "stranded assets"	Improved marketing strategy is being implemented. Visitor numbers have been dropping for at least the past 20 years, at a time when FSH won awards with consistent marketing budgets etc. Wellness Industry is successful and are very keen to be involved in SW Victoria, including Deep Blue which is looking to expand.
4	Yes, somewhat • Good for economy • Good for tourist experiences • Seeks renewal through community • More activated, Rare Trades, F&B, tour operators • Authentic experiences that support small businesses • We have the chance to create something truly authentic and enduring • First Peoples led experiences	Yes, somewhat • Decision making cannot involve businesses which stand to profit by development of FSH – a cooperative or collection of individuals	FSH team looking into, activations and events that may be suitable to be implemented within current operations First Peoples led experiences- We are working with Eastern Maar on this. Coucnil will need to engage key industry leaders from private sector for EOI on any future public private partnerships.
5	Yes, somewhat • New activations • Live music, F&B, events • Improve Museum, retail/shop, tour operators & visitor servicing • Enthusiastic community groups, free entry	Not specifically	FSH team looking into, activations and events that may be suitable to be implemented within current operations FSH team looking into, activations and events that may be suitable to be implemented within current operations
6	Yes, somewhat • "FSH fundamentally is a fantastic concepts which needs to be enhanced with some commercial investments- including a high end accommodation funded and run by private sector has some merit"	Yes, somewhat, but contradictory to support..? • Thinks proposals would end up costing ratepayers more • "I would not be recommending major works and would prefer to see the current look and feel maintained	Any developed proposals would need to be managed to reduce the burden on ratepayers, with the private sector contributing the dollars required.
7	Fully supportive • I love the new ideas for FSH	NA	Noted, along with the young family demographic of the submission

	• Geothermal heated water park would be a great asset for locals and tourists • Accommodation onsite, F&B onsite, maybe even an indoor heritage themed kids play space would be great		
8	NA	Does not agree with the the need for more accommodation, F&B and increasing capacity at Deep Blue • "We already have hotels, restaurants and meeting rooms. They have Geothermal pools at Deep Blue. It looks like WCC wants to spend a lot of money demolishing something unique to duplicate stuff we already have. Leave it as it is"	Currently Warrnambool does not have enough accommodation capacity, and data tells us we are going to need more and better quality. The plan aims to create a destination and a major tourism drawcard for Warrnambool, which would grow the overall market (number of visitors to Warrnambool). The growth in the market would provide additional growth opportunities for current businesses and support the potential for new business opportunities in town". Wellness Industry is successful and are very keen to be involved in SW Victoria, including Deep Blue which is looking to expand.
9	NA	Yes, does not support change, visited in 1979 and loved it and took children in 2013	Noted, individual experience has been inconsistent.
10	Fully supportive • Put site out for EOI for development proposals • Improve accessibility within and to Lake Pertobe etc • Elevated Tourist experiences and activities for young families tapping into Holiday Parks customers	NA	Noted and supported most of the potential opportunities
11	Yes, somewhat • Create Not for Profit Org to run and obtain funding not accessible to council • First Peoples led experiences • Museum, historic buildings and accommodation • Improve F&B, events & functions • Open up whole site for free access • Improve accessibility onsite and to Lake Pertobe & Holiday Parks • Create signature "Drawcard Restaurant" • Update site with more tour options	Yes somewhat • Geothermal suggestions are a very bad idea. Why compete with an existing established operator. Where is the evidence that there is any demand for such an experience in SW Vic • There is no need for a slide, day spa, or accommodation at FSH because Warrnambool already has those things at Lake Pertobe, Deep Blue and other hotels and Air B&Bs	FSH team looking into, activations and events that may be suitable to be implemented within current operations First Peoples led experiences- We are working with Eastern Maar on this. Wellness Industry is successful and are very keen to be involved in SW Victoria, including Deep Blue which is looking to expand. Currently Warrnambool does not have enough accommodation capacity, and data tells us we are going to need more and better quality. The plan aims to create a destination and a major tourism drawcard for Warrnambool, which would grow the overall market (number of visitors to Warrnambool). The growth in the market would provide additional growth opportunities for current businesses and support the potential for new business opportunities in town".
12	Yes, somewhat • Maintain Museum • More community activity and Events • Upgrade Activations more interactive maritime education • First Peoples led experiences	Yes, somewhat • Geothermal contradicts the heritage and museum nature • Geothermal also already "just down the road"	FSH team looking into, activations and events that may be suitable to be implemented within current operations First Peoples led experiences- We are working with Eastern Maar on this.

			Wellness Industry is successful and are very keen to be involved in SW Victoria, including Deep Blue which is looking to expand.
13	Yes, somewhat • Museum important to preserve "community's rich history" • Surrounding landscape also important to preserve	Yes, somewhat • Having so many facilities in a concentrated area will cause chaos during the summer • Already have Geothermal, Storm Viewing at Thunder Point, Water Park at Aquazone, Markets at Lake Pertobe. • We should be supporting local businesses	FSH team looking into, activations and events that may be suitable to be implemented within current operations Good planning will ensure a great amenity during peak times and also in off-peak times Wellness Industry is successful and are very keen to be involved in SW Victoria, including Deep Blue which is looking to expand. All plans will be looking for local business engagement The plan aims to create a destination and a major tourism drawcard for Warrnambool, which would grow the overall market (number of visitors to Warrnambool). The growth in the market would provide additional growth opportunities for current businesses and support the potential for new business opportunities in town".
14	Yes, somewhat • Maintain historical aspects of maritime village • Museum upgrades • First Peoples led experiences • Accommodation onsite would attract more visitors • Interesting Tour packages developed	NA	FSH team looking into, activations and events that may be suitable to be implemented within current operations First Peoples led experiences- We are working with Eastern Maar on this.
15	Fully supportive • Support 6 Star Accommodation • Fine Dining and F&B • There have been some great ideas mooted"	NA	Comments are supported by the data we have on the need for better F&B and quality accommodation needed for Warrnambool
16	Fully supportive • Excited to see some great changes to happen • Free entry would bring more VFR • Improve F&B • Live music, kids activities make some magic happen • Wish all the people involved the very best. I'll look forward to this	NA	Comments supported by the data we have on the need for better F&B and quality accommodation needed for Warrnambool, and industries understanding of need for Events to promote & increase visitation
17	Yes, somewhat • Museum &exhibits should be maintained • More community activity • More events	Yes, somewhat • I would prefer to see money being funded to support FSH as it is today	FSH team looking into, activations and events that may be suitable to be implemented within current operations Noted submission would prefer increased Council funding to maintain
18	Yes, somewhat • Combine Historical Society & Family History Group to onsite • Build multi storey building south of carpark incorporating Lift and research and archiving facility • Improve accessibility for all • Maintain Museum	NA	Combining the Historical Society and Family History Group has not been considered to date. Maintaining the museum and improving accessibility major aspects of plan.
19	Fully supportive • "Time to move on with FSH" • "As an older resident FSH not user friendly and very uninspiring	NA	Comments supported by the data we have on the need for better F&B and quality accommodation needed for Warrnambool, and industries

	• "Time to move on to more exciting options for FSH site, that won't cost ratepayers a fortune to run • "Let's come up with something that will reinvent the site • Keep up the good work		understanding of need for events to promote & increase visitation. Improving accessibility for all is a major item in the plan
20	Fully supportive. • "Convert it into short term accommodation" • "Historic Air B&B" • "Plenty of room to build additional flats on the hillside" • "Of course you would want to have a replica Chinese Junk in the pond" • "WCC or a tenant would make a fortune"		Noted, some comments have not been considered but others are an opportunity under the proposed plan
21	Yes, somewhat • Should update it • Improve marketing • More Tour options & Events • Get volunteers involved in the process	Yes, somewhat • No need for a slide, day spa or accommodation, Warrnambool already has those at Lake Pertobe, Deep Blue and other hotels and Air B&Bs	Volunteers and staff will continue to be part of the ongoing process Currently Warrnambool does not have enough accommodation capacity, and data tells us we are going to need more and better quality. The plan aims to create a destination and a major tourism drawcard for Warrnambool, which would grow the overall market (number of visitors to Warrnambool). The growth in the market would provide additional growth opportunities for current businesses and support the potential for new business opportunities in town".

WARRNAMBOOL
CITY COUNCIL

WARRNAMBOOL EVENTS STRATEGY
2024-2028



Acknowledgement of Country

Warrnambool City Council acknowledges the Peek Whurrong and Kirrae Whurrung Peoples of the Gunditjmara, Eastern Maar Nations as the Traditional Owners of the land, waterways and skies within the Warrnambool municipality. We pay our respects to their Elders past and present.



Acronyms & Definitions

Community event	Events that are primarily for residents of Warrnambool and the surrounding Shires that Warrnambool serves as a service hub.
The City	Warrnambool City Council
Destination events	Events that attract visitors from outside the region. These may be sport, business or leisure events.
Fit for purpose events	Events that can help meet the City's aspirations for events and align to the values.
GORRT	Great Ocean Road Regional Tourism, the region's Regional Tourism Board (destination management organisation)
Next economy	The climate-safe global economy founded on renewable sources of energy that the world is transitioning to. Leveraging the transition offers many opportunities for a local economy that is proactive.
WAG	Warrnambool Art Gallery
NVS	National Visitor Survey



Executive Summary

This Events Strategy builds on the successes from implementing the Warrnambool Events Strategy 2018-2022, outlining how Warrnambool City Council can focus its resources on maximising benefits from events.

Based on analysis of Warrnambool's current events landscape, the Strategy recommends a focus on achieving the following aspirations for Warrnambool's events:



The four strategic priorities over the coming four years will be to

1. Identify and nurture fit for purpose events.
2. Maximise events' contribution to the local economy.
3. Empower and enable community and industry to deliver successful events.
4. Ensure events are socially, environmentally, and economically sustainable.

Guiding principles will support the identification of events to support the local economy, while identified measures of success will enable the City to identify progress on achieving the aspirations.

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PART A:
SETTING THE SCENE



1. Introduction

Warrnambool City Council (the City) is familiar with the economic value that events deliver, particularly by attracting visitors into the region: Warrnambool is home to the 150-year-old May Racing Carnival, Australia's foremost Speedway events, a regional art gallery and performing arts theatre, and an abundance of sporting events including women's AFL, car rallies, outdoor participation sports events, and Australia's oldest cycle race and the world's longest one-day women's cycling race. Innumerable community events also contribute their vibrancy to the quality of life in Warrnambool for the community, reflecting their diverse interests, and adding vibrancy for visitors.

A strategic review of Warrnambool's events industry and how it is supported by the City revealed that there is opportunity to grow the economic and social value of events held in the region. Different types of events have different purposes, achieve different desired outcomes for the City and the community, and support different community and organisational goals, as described in the table below.

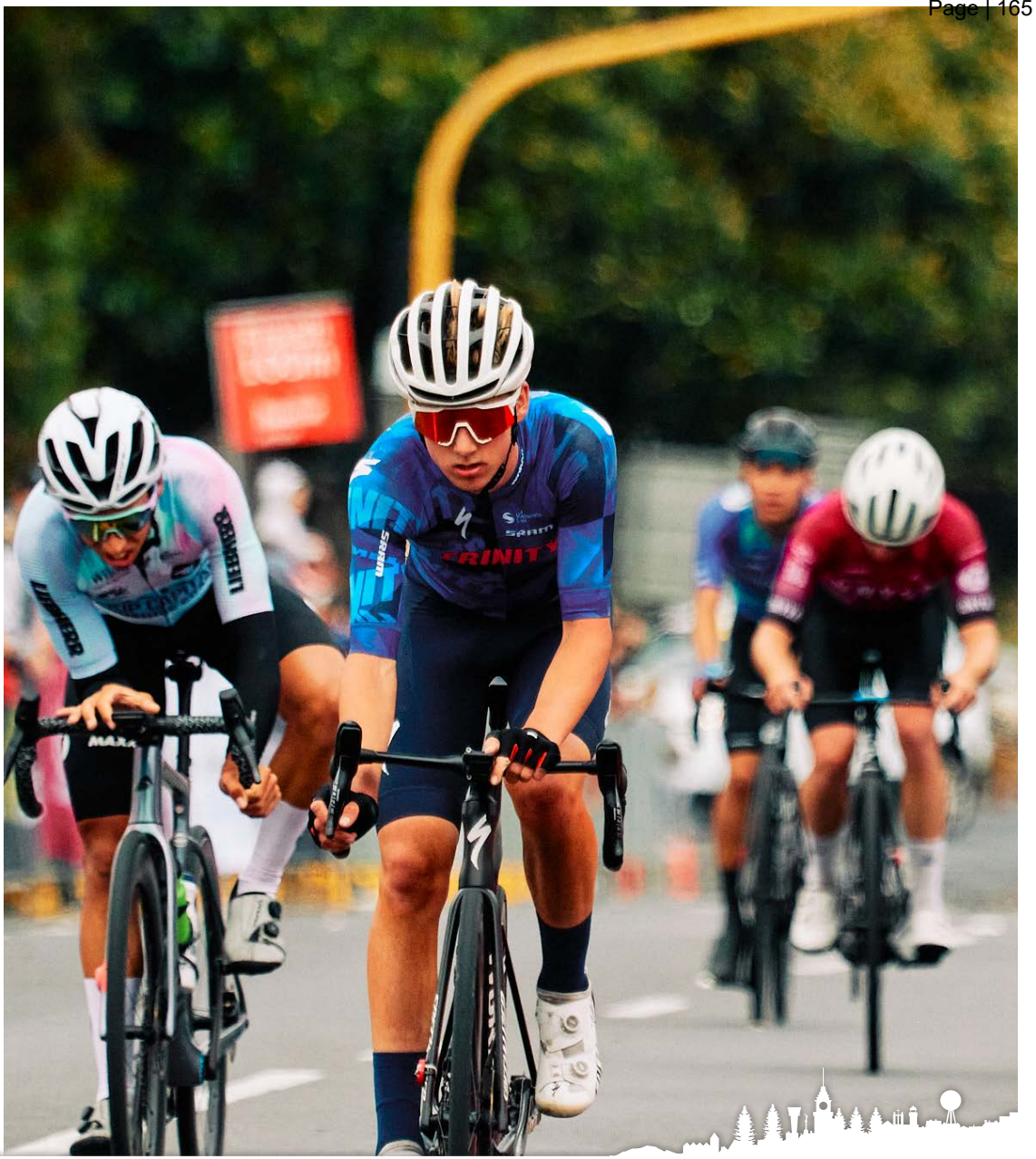
Types of value	Economic value	Social value	Environmental value
Examples of value	• Providing direct and indirect economic benefit, including attracting new money into the local economy • Supporting growth and skills development in local industries, including creative industries and industries connected with the next economy (the climate-safe economy) • Brand and marketing benefits by building a positive identity of Warrnambool, telling the story of the people and the place, and playing a role in changing perceptions. This supports attracting new residents, jobs and investment. • Adding to the vibrancy of the visitor experience	• Inclusively connecting community members and building social cohesion • Providing legacy outcomes that support community members, such as improved sporting and accessible infrastructure, and by building skills	• Connecting people to natural environments, supporting the desire to conserve and regenerate them • Educating people on environmental matters and their role in protection • Protecting fragile marine environments
Types of events that deliver these benefits	• Business events related to local industries • Destination events (sports, business and leisure events that attract visitors) • Events that attract grants and sponsorship from outside the region • Events that buy from local suppliers	• • Events that reflect the interests of locals, including sports events • Events that engage community members in team-building and volunteerism • Events that celebrate and showcase local culture and heritage	• Events held away from fragile natural environments • Events that do not impact nature, animals and plants • Events that have environmental policies • Events that educate and empower attendees to rethink waste and energy consumption • Businesses events aligned with the next economy

The events ecosystem is broad, including civic events, events primarily for the community, and events that attract visitors, whether spectator or participation sporting events, festivals and other leisure events, or business events.

Therefore, events touch on many City teams, and involve numerous types of stakeholders in the community. For this reason, there is a need to focus the City's resources in order to maximise the benefits that events deliver to the community and local economy.

There is a need for the City to delineate the support it provides to events that are primarily for community and deliver social benefits from those that attract visitors and deliver economic benefits to ensure that both can be maximised as per their purpose and strategic alignment. Within the limitations of human and financial resources, the City must be clear on its purpose to invest in events that are fit for purpose to achieve its aspirations for events. Focusing resources will help achieve the City's aspirations for events, in particular by leveraging the hard work of event organisers to help them maximise the benefits for the community from the events they are delivering.

Building on the successes of implementing Warrnambool Events Strategy 2018-2022, this Events Strategy focuses on enabling the City to maximise the benefits of events for the local community and its economy and environment.





2. The value of events

Events build community. They bring together young and old and disparate subcultures, enlarge social networks, and support social cohesion. Events provide communities with resilience during times of hardship, and events can support charities, providing opportunities to raise funds.

Events are catalysts for economic benefits, and are deceptively effective creators of local jobs. Events are a great strategy to grow the visitor economy, as they are important drivers of tourism into regional areas, and they can place a town on the map, being a great way to promote a destination. Three-quarters of event attendees would not have gone to a destination, if not for an event. For 57% of first-time visitors and 69% of repeat visitors to a destination, an event is the main reason for visiting – and most event attendees intend to return to the host destination in the future. Attendees become destination advocates with 59% providing positive word of mouth recommendations of the event to others, and 42% of the destination.

Delegates travelling to business events are particularly valuable for a local economy as they are high yielding with a high average spend per trip. Additionally, many take pre- and post-event tours, bring along companions, and return for leisure having experienced a destination for the first time through the event, further adding to their economic impact.

Business events also have value beyond attracting visitors; benefits that are enduring, substantial, and significant, including enhancing individual and organisational performance, and creating and circulating innovation and knowledge. Business events that reflect local industries and therefore attract locals as well as visitors deliver the greatest value.

[1] Events: Drivers of Regional Tourism, 2014, Tourism Research Australia
[2] Events: Drivers of Regional Tourism, 2014, Tourism Research Australia
[3] Role of Business Events, Business Events Council of Australia
[4] Role of Business Events, Business Events Council of Australia

3. Purpose of the strategy

This four-year Events Strategy outlines how the City's Events & Promotion team will focus on supporting the growth and attraction of destination events, as well as increasing the economic benefits of events, achieved through a suggested implementation framework.

The Strategy aligns with regional strategic plans, and has been developed in consultation with key events stakeholders, including a broad range of City staff, event organisers, venue managers, regional organisations, and Eastern Maar representatives.

The Strategy distinguishes between two types of events, as follows.

Type of event	Definition
Destination events	Events that attract visitors from outside the region. These may be sport, business or cultural/leisure events.
Community events	Events that are primarily for residents of Warrnambool and the surrounding Shires that Warrnambool serves as a service hub.



4. Informing the strategy

Desktop research and the development of an audit of sport and leisure destination events, and event venues

Consultations with a broad range of local and regional events stakeholders

Findings and Discussion Paper shared with Project Steering Group and Council's Executive Management Team

Draft Strategy shared with Project Steering Group and Council's Executive Management Team, and placed on public exhibition for feedback

Final Strategy delivered to Council for adoption

4.1 Forces Shaping Events



Building pressures on event viability

Events are risky, increasingly competitive, and resource intensive.

Costs to deliver events have skyrocketed in recent years, while grant and sponsorship opportunities have reduced; many events are dependent on annual grants to cover operational costs.

Attendee behaviour is changing, such as purchasing tickets last minute.

More Australians are interested in 'casual' volunteering within a defined (short) timeframe, rather than being willing to support the perpetuity of an annual event.



Quality over quantity

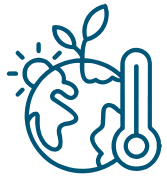
Today's event attendees want interactive and immersive experiences that connect them to locals and local culture, and provide them with a sense of place.

Destinations are focusing on attracting fewer visitors with higher per capita value and therefore lower negative impact, rather than trying to attract many attendees with lower value.



Travel with purpose

Today's travellers increasingly want to connect with our extraordinary planet. 2/3 of Australians are looking for purposeful travel where there are opportunities to give back to the destination, and are seeking experiences that bring self-discovery and growth, enriching their lives through experiences and learning. 3/4 of travellers are seeking out sustainable options.



Climate change and the next economy

Prioritising the longevity of a destination, and its ability to cope with the impacts of climate change, rather than prioritising short-term targets for visitor numbers will help meet travellers' expectations for sustainability, and reduce damage to sensitive natural environments.

Business events can help local businesses effectively navigate a local economy's transition during the global shift to the next economy.



Active lifestyles and wellbeing

People are embracing healthier lifestyles to maintain their physical and mental health.

Participation sports events have strong appeal to niche audiences who are willing to travel to take part in their sport.

Sports events are a key motivator for travel.



Inclusion

Hosting events that are inclusive is not a passing trend, and nor is it optional as events are all about building community.

Events should reflect the diversity of the community – on the organising committee, on stage, and amongst attendees.

[5] Consumer Insights Research, Tourism Australia, 2021
[6] Sustainable Travel Report 2023, Booking.com

4.2 Strategic Alignment

Warrnambool's overarching strategy is Warrnambool 2040: The community vision for the future (W2040).

Warrnambool 2040's vision	Warrnambool will be Australia's most resilient and thriving regional economy	Warrnambool will be a city where all people thrive	Warrnambool will be Australia's most liveable regional city	Warrnambool will be Australia's most sustainable regional city
How events can support this vision	Destination events will attract new money into the local economy by attracting visitors to Warrnambool. Business events will support innovation, business growth, and the transition of the local economy to the next economy through capacity building. Events will buy local to support local event suppliers, including the local creative industry. Events will apply for state and federal government funding and corporate sponsorship from outside the region.	Events will be proactively inclusive of all in Warrnambool's diverse community, and provide opportunities for healthy recreation, social connection, and connection with Eastern Maar culture.	Events will bring to life Warrnambool's public spaces, providing affordable and accessible recreation for the community. Events will leverage the City's investments into well-connected public and active transport to reduce emissions. Events will create positive marketing opportunities for Warrnambool and expose the city to potential new residents and investors.	Events will improve protections of and connections with Warrnambool's spectacular natural inheritance by proactively reducing emissions and waste, and impacts on the natural environment. Events have an opportunity to educate and change behaviour by connecting people with responsible choices.

Events do not happen in isolation; they should help achieve the organisational objectives of the City, and the strategic objectives for the region.



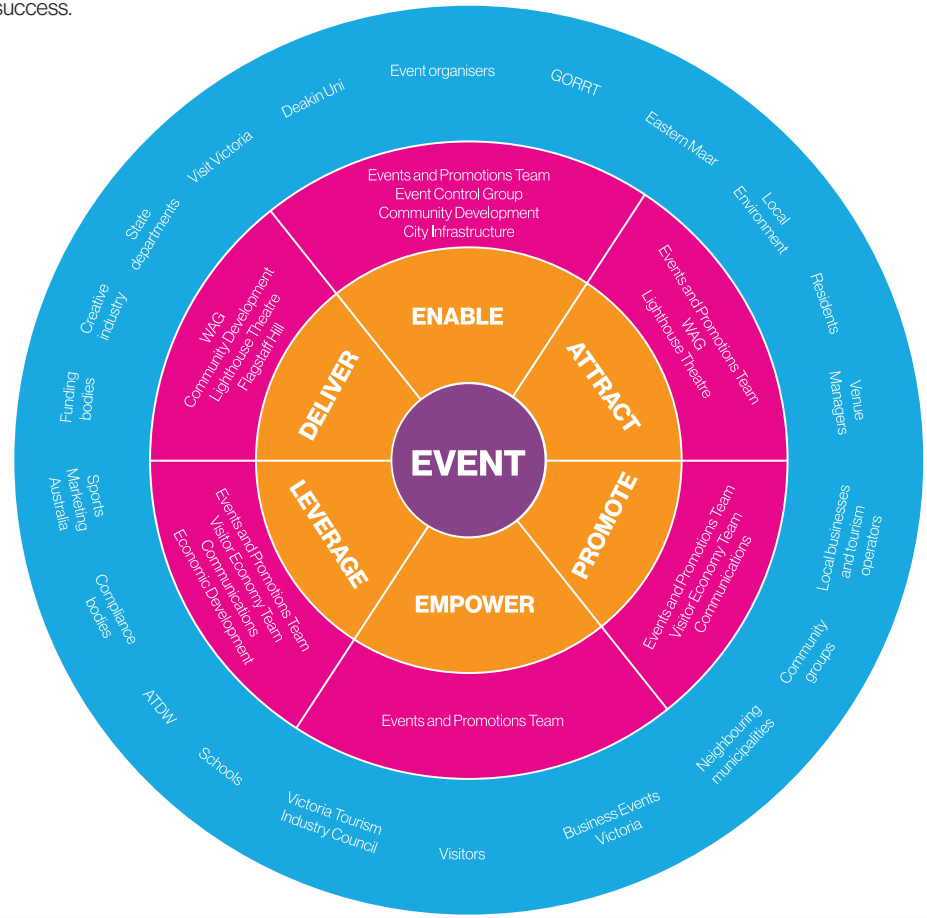
Strategic plan	Alignment
Warrnambool Economic Development Strategy 2023-2028	Economic development objectives that events will support include • Improve the social and economic prosperity of all residents. • Increase visitation and visitor spend, by driving visitor growth through destination awareness, and attracting a high-yielding visitor base through quality events. • Attract investment in public and private infrastructure, specifically event venues. • Support an environmentally sustainable economy, including by supporting growth in existing industry specialisations. Events can also be aligned with the needs and opportunities in this plan, such as to • Attract large scale tourism events to maintain growth in the visitor economy. • Improve destination branding and increase destination awareness as a key visitor attraction on the Great Ocean Road. • Attract working-aged residents and young families to support the local workforce and help sustain the local economy. • Support business diversity and sustainability to create a more viable economy and expand the jobs base. • Build regional collaborations and partnerships across the City, industry and government to achieve economic development outcomes.
The destination's brand promise	Events bring to life and showcase Warrnambool's value proposition: "Escape to a playful coastal city inspired by the beauty of nature and the Southern Ocean. Warrnambool offers city lifestyle experiences wrapped up in the spectacular beauty and wild nature of the raw Southern Ocean. This combination offers opportunities for relaxation, refined refreshment, and brings a new sense of playfulness, adventure and rejuvenation."

Strategic plan	Alignment
Active Warrnambool 2019-2030	The Events Strategy is aligned with opportunities and objectives in this Strategy, including • Renew sport and active recreation assets. • Maintain the strong culture of participation in sports clubs. • Support the sustainability of sporting clubs, recognising the importance of volunteers. • Encourage more diverse use of sporting reserves and open space. • Establish safe and functional walking and cycling connections to all facilities and spaces. • Promote the sustainable and responsible use of physical and environmental assets.
Visitor Economy Master Plan for the Great Ocean Road Region 2021-2030	The Events Strategy aligns with this plan's overarching goals to achieve economic, environmental and community priorities that deliver • A thriving, inclusive and resilient visitor economy. • Strong, sustainable communities. • A healthy natural environment. • An alignment of the vision of stakeholders, and new levels of collaboration.
The Great South Coast Regional Strategic Plan	The Events Strategy aligns with this plan's strategies to • Position the region for economic growth. • Improve connections. • Sustain natural assets. • Strengthen communities. • Increase collaboration.
Creative Industries Strategy for South West Victoria	The Events Strategy is aligned with this plan's goal to build beneficial and sustainable creative industries in South West Victoria, and achieve cultural, social and economic outcomes that benefit the community, local creatives, and the local economy.
The United Nations' Sustainable Development Goals (SDGs)	Actions in this Events Strategy are aligned with the Sustainable Development Goals of 8. Economic growth 9. Industry, innovation and infrastructure 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 14. Life below water 15. Life on land

The Events Ecosystem

Events are complex activities that touch on many different stakeholders, both within local government and without. They can be very resource intensive, and require close collaboration and communication across teams both internally and externally to achieve desired outcomes.

The following diagram highlights the various roles the City plays in events, and showing how events require a 'whole of local government' approach to gain maximum outcomes. The outer circle demonstrates that many external stakeholders are vital to a healthy events ecosystem, with strong leadership and collaboration required to drive success.



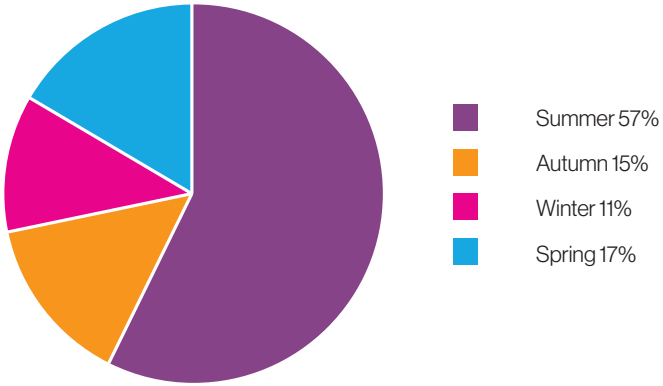
Role	Description
Enable	• Provide cash and in-kind support to events to help them achieve their full potential • Provide a concierge approach to help event organisers navigate event compliance • Ensure events meet regulations through event and development approval processes
	• Ensure the City's events venues are fit for purpose for target events and their audiences • Deliver infrastructure to support resource recovery, reducing emissions, and regenerative initiatives by event organisers and attendees • Reduce barriers for event organisers to deliver environmentally, economically and socially sustainable events
Attract	• Proactively bid for suitable business and sports events • Attract cultural events
Promote	• Create awareness of events with visitor markets • Create awareness of events within the community • Capture quality content at events to support future event and destination marketing • Use events to build Warrnambool's destination brand profile and raise awareness of the region and what it offers
Empower	• Empower event organisers, community groups and businesses to run successful events • Provide best practice information and event management templates for event organisers in an online events hub • Build the capacity of local event organisers • Facilitate collaboration between local event organisers and venue managers • Identify and share state and federal grant funding opportunities
Leverage	• Leverage events to increase their economic impacts (e.g., by increasing visitation, length of stay, visitor expenditure, event organiser spend with local suppliers, out of region grants, etc) • Encourage Eastern Maar procurement and authentic participation
Deliver	• Deliver events that achieve desired community development outcomes • Deliver cultural, leisure and tourism events



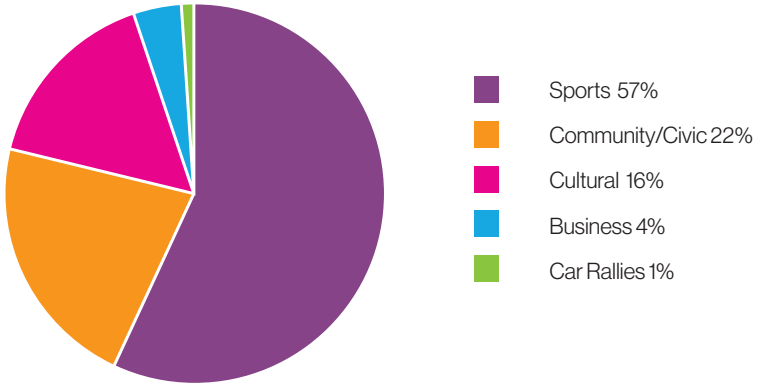
5. Events Snapshot

5.1 Event Activity

Events by season



2023 Council Funding By Event Type



Two events each draw significant visitation:

- May Racing Carnival attracts around 25,000 attendees, with 2/3 being visitors who double accommodation occupancy during the event.
- Grand Annual Sprint Car Classic in January attracts around 12,000 attendees, with 84% of attendees being visitors who increase accommodation occupancy by half (during peak tourism season).

[7] The audit of Warrnambool's events developed to support the development of the Events Strategy focused on destination events, and excluded events for the community, civic events and smaller activations.
[8] Localis



5.2 Event Venues & Infrastructure

City-managed and privately-owned venues

- 2 regional cultural centres (theatre and gallery)
- Variety of business event venues up to 350 delegates; largest with accommodation has capacity for 200 delegates
- Variety of open spaces for events; but a gap in a large-capacity all-weather venue

Warrnambool can host national or major events in

- BMX
- Cricket
- Surf lifesaving
- Speedway racing
- Indoor bowls
- Road cycling
- Horse Racing Events
- Golf

Warrnambool can host state level competitions in

- AFL
- Cricket
- Tennis
- Shooting
- Golf
- Triathlons
- Netball
- Pickleball
- Running

5.3 Community

Though Warrnambool's population is around 35,000, the regional city is the service centre for over 100,000 residents in nearby southwestern Victoria.

Warrnambool has a neutral SEIFA index of 961 for relative socio economic advantage and disadvantage.

- Highly engaged in participation sports
- 17.5% volunteer
- More vocationally trained workers and fewer professional workers compared to Victorian average, with high employment rates
- Fewer families compared with Victorian average
- Household incomes are 17.5% lower than Victorian average
- Older and aging population

The City aims to attract working-aged residents and young families to support the local workforce and help sustain the economy.

[9] Primarily sourced from Census
[10] Socio-Economic Indexes for Australia (SEIFA) 2021. 1,000 is the score the median Local Government Area, with numbers below this indicating more disadvantage.
[11] Warrnambool Economic Development Strategy



5.4 Visitors

At the western end of the Great Ocean Road, and its only city, Warrnambool attracts almost a million visitors a year, who stay around 1.3 million visitor nights.

Overnight visitors stay on average for 3 nights, and spend $379 per trip. Together, domestic overnight visitors spend $154 million per year in Warrnambool. Over a third (37%) of holidaymakers and over half (56%) of business visitors are domestic overnight visitors.

Most visitors to Warrnambool congregate in one small area over one short time of year: an estimated 800,000+ visit Warrnambool's beach, foreshore and Lake Pertobe area each year, with 36% visiting between November and February (peak tourism season).

5.5 Event Visitors

Domestic overnight event visitors to the Great Ocean Road visiting primarily to attend an event come principally from

- Greater Melbourne
- Greater Geelong
- Regional Victoria
- Interstate

New events appeal to overnight event visitors.

Warrnambool's major events tend to attract older males, revealing a gap of events for younger working age adults and their families, and youth.

5.6 Competitive Strengths

"Warrnambool offers city lifestyle experiences wrapped up in the spectacular beauty and wild nature of the raw Southern Ocean."

The destination's appeal lies in its

- Hero experience: big, healthy nature and landscapes – Country is the one thing all of the community's niche groups value
- Water, including the ocean, rivers, Lake Pertobe, Tower Hill, and whales in winter
- City lifestyle experiences by the sea, with quality eateries, quirky street art, and appealing streetscapes
- Cultural quarter between the beach and the CBD
- Eastern Maar culture
- Vibrant creative community

Key industries include health care, manufacture, construction, education, retail, and rental, hiring and real estate. Deakin University's hydrogen fuel cell research hub, Hycel, forms a key part of Warrnambool's preparations to leverage the next economy.

[12] Attracting this demographic by improving the City's liveability has been identified as an aim in the City's economic development strategy.

5.7 Gaps Analysis

A snapshot of the region's current capability in enabling and maximising the social, environmental and economic outcomes from events is as follows.

CURRENTLY ACHIEVING	• Variety of events year-round, particularly sporting events, which are Warrnambool's key event strength • Quality sports and business event venues • Event Control Group streamlines event approvals • Council provides funding and in kind support to events, including event management resources
GAPS	• Lack of weather protected venues pushes most events into summer • Gap of destination winter school holiday event, larger cultural and music events, and events for youth and younger adults • Event viability is declining with costs increasing, and volunteer burnout at a peak • Events are not currently contributing to achieving Council's sustainability goals • Limited four-star accommodation • Limited collaboration amongst event stakeholders, combined with reliance on Council • Lack of multi-year funding opportunities for events • No consistent and transparent process of measuring positive impact and ROI from events
RISK/IMPACT	• Destination events are not achieving their full potential benefits • Summer months are congested which causes social and environmental challenges, and reduced ability to leverage events • Reduced appeal of Warrnambool during winter • Loss of homegrown events to increased costs and other challenges • Events having negative impact on the environment • Reduced competitiveness of Warrnambool as a business events destination as other regional destinations invest in infrastructure

[13] Warrnambool's destination brand





6. Visitor markets

Great Ocean Road Regional Tourism (GORRT) has had customer profiles developed for a range of target markets for the wider region. For Warrnambool, the profiles Jess (professional mum) and Miriam (wealthy empty-nester) represent household decision makers when it comes to travel, engage with GORRT's marketing content, and form a large portion of current visitors.

Strong representation from other profiles includes

- Cameron – active family Dad
- Cathy and Michael – holiday park family
- VJ – heart of a multi-generational family in Melbourne's growing western suburbs (a growing market)
- Jim – retired regular road tripper (an age group that is growing in visitation)

Slightly different visitor profiles visit for Warrnambool's major events, such as the May Race Carnival and speedway events, however they were not identified as separate profiles during the development of GORRT's key customer profiles. Different profiles will be attracted to different kinds of events, such as Matthew the professional with a love of the outdoors who would visit Warrnambool to attend spectator and participant sports events, and Ashley the young professional who would visit Warrnambool to attend a cheese and wine festival.

To align with the City's Economic Development Strategy, an area of focus should be on attracting younger working-age attendees and young families to events, to experience Warrnambool, and be attracted to live here. There is also currently a gap in events for children, youth and younger adults.

[14] See https://greatoceanroadtourism.org.au/training-and-development/customerprofiles

PART B:
THE STRATEGY



7. Strategy on a page

Vision	Warrnambool has a diverse, vibrant and inclusive portfolio of events that attract overnight visitors, and have a positive impact on the local economy, community and environment.					
Values	We are a proud sporting community	We are creatives, entrepreneurs and innovators	We are connected through our appreciation of nature	We are collaborative and mutually supportive		
Brand proposition	City lifestyle experiences wrapped up in the spectacular beauty and wild nature of the raw Southern Ocean.					
Aspirations	Attract new revenue into the local economy, providing a boost to local businesses	Attract overnight visitors outside of peak visitation times, particularly in winter	Provide an appealing reason for visitors to stay longer and spend more	Showcase Warrnambool's destination brand of city lifestyle experiences wrapped in raw, wild nature	Inspire and empower environmental enhancements, and social benefits to improve liveability	
Visitor markets *	Jess (professional mum)	Miriam (wealthy empty-nester)	Cameron (active family Dad)	Cathy and Michael (holiday park family)	VJ (heart of a multi-generational family)	Jim (retired regular road tripper)
Strategic Priorities	Identify and nurture the fit for purpose events	Maximise events' contribution to the local economy.	Empower and enable community and industry to deliver successful events	Ensure events are socially, environmentally, and economically sustainable		

* Visitor markets (Refer Page 25)

8. Vision

Warrnambool has a diverse, vibrant and inclusive portfolio of events that attract overnight visitors, and have a positive impact on the local economy, community and environment.

9. Values

We are a proud sporting community	We are creatives, entrepreneurs and innovators	We are connected through our appreciation of nature	We are collaborative and mutually supportive
Our community loves participating in all kinds of sports, and proactively encourages female participation.	We are readying our local industries for the next economy, and building on the strength of our entrepreneurs, creative industries and diverse cultures.	Nature is important to our lifestyle and economy and we will continue to conserve and regenerate it.	We leverage our strengths by working together to maximise outcomes.

10. Aspirations



11. Strategic priorities

To enable and support Warrnambool's destination events, and to support the achievement of the aspirations, the recommended priorities for the City over the coming three years are as follows.

1. **Identify and nurture fit for purpose events.**
2. **Maximise events' contribution to the local economy.**
3. **Empower and enable community and industry to deliver successful events.**
4. **Ensure events are socially, environmentally, and economically sustainable.**

These priorities are within the circle of influence of the City's Events & Promotion team within the City Growth directorate, and other teams whose roles touch on events. Other actions which will support maximising outcomes from events, such as the provision of cycle paths and public transport to enable sustainable transport use by event attendees, have been noted in other strategic plans of the City.

For each of the strategic priorities, considerations have been provided. These are recommended actions to achieve the priorities with flexibility for the team in which are delivered as priority actions and which when resources permit.



Enablers

Empowering community and industry

Enabling the community's event organisers to deliver their events more efficiently, and more effectively achieve their desired outcomes through resource-efficient capacity building to empower them.

Support local businesses to leverage events to increase sales and visitor spending in the local economy.

Facilitate collaboration in the local events industry.

Building a strategic and well-resourced Events & Promotion team

With a clear focus on maximising the economic benefits of events, this team can concentrate its resources on achieving this aspiration.

Whole of local government approach

With the City having so many teams with touchpoints with events, it's key that there is a collaborative approach to supporting events to maximise outcomes from them, with clear responsibilities for teams so everyone knows their part to play in the events ecosystem.

Focused approach

The City has the authority and confidence to turn down requests that divert resources away from achieving its aspirations for events.

A focused approach will result in greater return on investment.





11.1 Identify and nurture the fit for purpose events

Current event trends are making it more costly and difficult to deliver events, making it even more important for local governments to think strategically about the events they support and how they support them, and to focus on leveraging what the region already has before looking to develop new events.

To support the local economy, a balanced portfolio of events delivered by local event organisers and attracted to Warrnambool, supported by multi-year funding and support programs will offer a greater return on the City's investment than providing many small annual grants to community events that have little economic impact. Attracting business events related to local industries will build local capacity and innovation.

Events that are aligned with the values and desirable principles of this Strategy will provide the most value to Warrnambool. A pragmatic and transparent assessment framework will enable the City to determine the events that are fit for purpose for the region, how those events should be supported, and the outcomes desired from the City's investment and support.

11.2 Guiding principles

Recommended overarching principles for determining events that are fit for purpose for Warrnambool are as follows.

These principles will be used to make future decisions on new events that are supported by the City and will empower existing supported events to improve in these areas, as part of a collective effort to achieve desired outcomes from events.

Principle	Description
Economic value	• Events that result in larger economic gain or leave a positive legacy for Warrnambool such as events that attract and encourage overnight visitation, run over multiple days, use local suppliers, provide opportunities for the local creative industry, leave behind legacy infrastructure, enable community organisations to fundraise, and/or develop local skills. • Regular events tend to provider greater cumulative economic impact than one-off events. • Events that attract potential new working-age residents.
Attract target visitor markets	Events that attract target visitor markets.
Calendar fit	• Events that fill gaps during off-peak and shoulder season, and outside of long weekends. • Events held March–November and mid-week, particularly events that disperse visitation over a longer period i.e., multi-day events will have the most value. • Events held in January or during the Easter school holidays contribute to overtourism rather than to the visitor economy.
Environmentally sustainable	Events that respect the environment, including events that: • Reduce and offset emissions • Have minimal impact on natural habitats • Encourage and enable the use of active and public transport • Purchase sustainably • Recover resources • Educate and engage attendees and suppliers in sustainable behaviours • Conserve waterway health
Inclusive and accessible	• Events that are held in accessible venues • Events that provide opportunities for social inclusion. • Sports events that increase participation by females.
Brand alignment	Events that align to (and activate) the destination brand: "Warrnambool offers city lifestyle experiences wrapped up in the spectacular beauty and wild nature of the raw Southern Ocean."
Community and cultural value	• Events that the community is proud of. • Events that offer positive value for residents of all ages. • Events that enhance the artistic and cultural diversity of Warrnambool. • Events that celebrate Warrnambool heritage and Eastern Maar culture.

There are different categories and types of events which can make it challenging for a local government to understand which they should support and enable, and when to say no to requests for help. To support the event principles outlined above, the following event categories have been recommended as fit for purpose for Warrnambool. These categories will enable the City to be strategic and transparent in what they support.



The table below provides insight into the priority principles for each category along with the recommended funding program and allocation, to ensure that the balanced portfolio of events across the year can be achieved. This framework is to be used to create the revised funding program for events and the evaluation criteria. It is important to note that not aligning with one principle or criteria does not exclude an event from funding as events will be assessed against each criteria using a rating system e.g. 2 points for high alignment with a category, 1 point for some alignment, and 0 points for not aligned.

Category	Homegrown destination events		Attracted destination events	Business events	Community and civic events
Sub category **Example events**	**Established** • Jericho Cup • Speedway events • May Racing Carnival • Melbourne to Warrnambool Cycling Festival	**Emerging** These are community events that have potential to become a destination event and reach the below criteria with support e.g. Warrnambool Multicultural Festival	• Yoga Festival • AFLW • Life Saving Victoria Junior Championships • Triumph National Rally • Austin 7 National Rally	• Great Ocean Road Regional Tourism Conference • Rotary District 9820 Conference • Pacific History Association Conference	• Markets • Warrnambool Multicultural Festival • Wunta Fiesta
Economic value	High		High	High	Low
Number of attendees	5,000+		2,000+	20-100 (typically 70-80)	
Origin	Over 60% from outside Warrnambool		Over 60% from outside Warrnambool	Over 80% from outside Warrnambool	Predominantly residents
Attract target visitor markets					N/A
Calendar fit	High		High	High	Low
Brand alignment	Medium		High	Medium	Low
Community & cultural value	Medium		Low	Medium	High
Environmentally sustainable	High		High	High	High
Inclusive & accessible	High		High	High	High
Funding streams	Destination Events	Pathway to Growth program	Event Acquisition Fund	Business Events & Conferences	Community Events





11.3 Event funding streams

The Festivals and Events Fund 2023 was developed in line with the City's previous Events Strategy and complements support for events available from the state and federal governments, corporates, and philanthropic organisations. Whilst it is sound, it is recommended that the program be refined to support this next phase.

The recommended funding streams include the following.

- Destination Events: This will replace the Tourism Events stream.
- Event Acquisition Fund: This is a new fund to support the acquisition of external sport and cultural events into Warrnambool.
- Business Events & Conferences: This stream will remain as per existing the existing fund.
- Pathway to Growth Program: This is a new multi-year funding stream to support community events that have potential to mature into a destination event (emerging homegrown destination event). Refer to details below on this recommendation.
- Community Events: This stream will remain as per the existing fund, but with a smaller budget allocation.
- Partnership Stream: A three-year partnership for Warrnambool's heritage major events with agreed benefits for both parties: the City and the sponsored event. The partnership agreement will be tailored to the event and should outline the desired benefits for Warrnambool, such as increased visitation, increased overnight visitation, increased destination awareness (via media reports on the event), or increased return visitation outside of the peak season (such as via sale of exclusive off-peak packages for attendees).

All events funded by the City must provide robust post event reporting, which includes the use of a consistent measurement of success using the following formulas.

Economic impact: Visitor nights x Average visitor spend (NVS) = Event value to local economy
Return on investment (ROI): Visitor nights x Average visitor spend (NVS) / Total grant value = XX:1 (economic impact output: input by the City)
Cost per visitor: Total annual grant value / Total annual visitation to funded events = $XX cost per visitor

12. Measures of success

The Strategy will be reviewed annually by the City to ensure the actions continue to remain relevant. The performance of the event portfolio in achieving the Strategy's vision and delivering on the aspirations will be measured and reported on as part of the annual review.

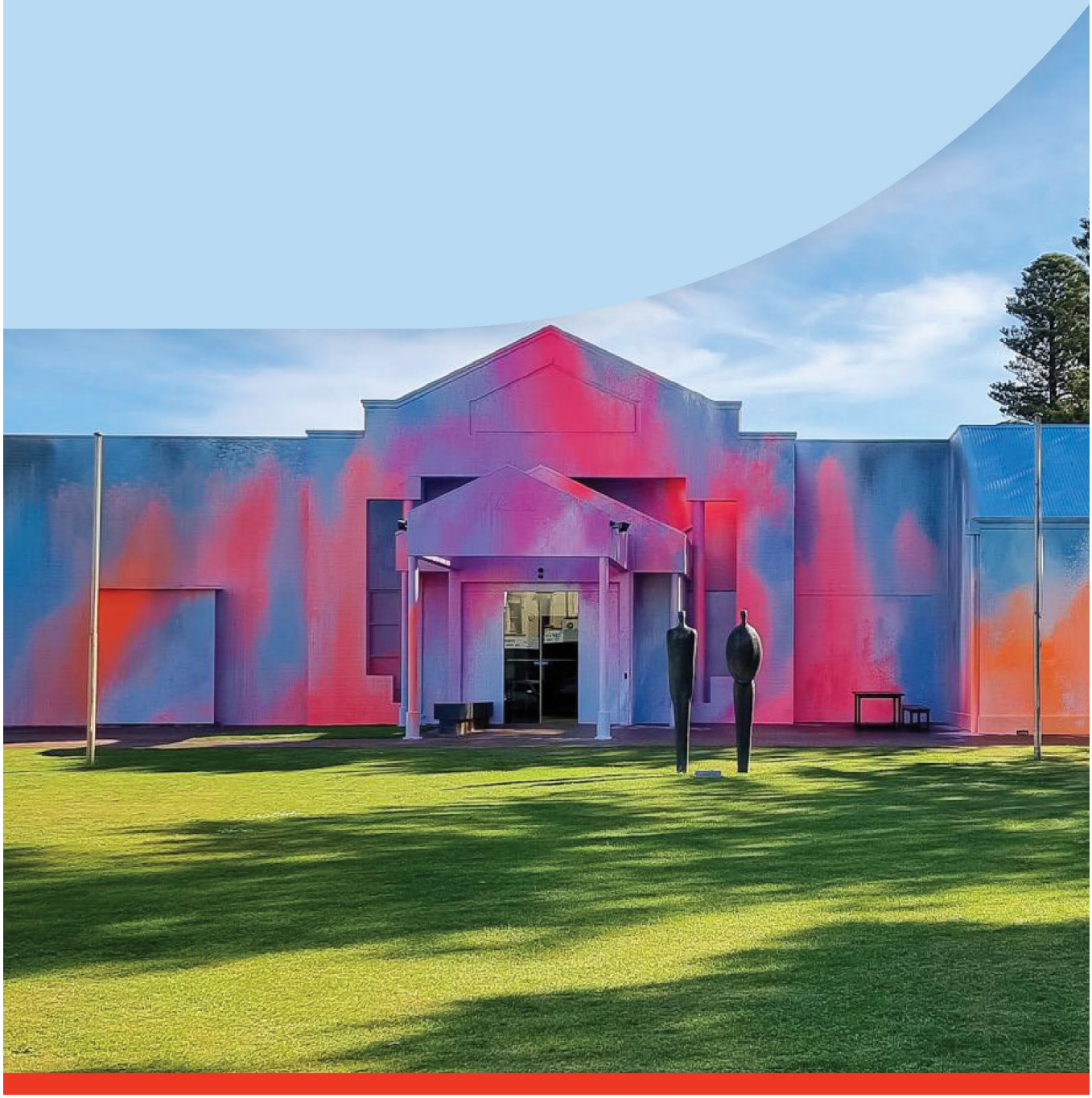
It is recommended measurable targets are set, for smaller achievements that demonstrate progress, as well as aspirational, action-inducing targets.

Outcome	Measure of funded events	Means of measurement
Visitation benefits	• Numbers of overnight visitors outside of the peak tourism season • Average length of stay • Average visitor expenditure	Attendee survey undertaken by event organiser
Economic benefits	• Total visitor expenditure • Visiting participant economic impact (e.g. expenditure by visiting entertainers and stall-holders) • Event economic impact • Return on investment (City's investment : Event economic impact)	Data from attendee survey undertaken by event organiser input into Economy ID algorithm
	• Total amount of grants and sponsorship secured from outside the Shire • Total amount of event organiser local expenditure	Event organiser budget
	• Number of local staff, artists, and business suppliers hired • Number of local Aboriginal staff, artists and Aboriginal-owned suppliers hire	Event organiser records
	• Average percentage of event budget spent with local suppliers across local events	Post event report
	• Enhanced individual and organisational performance • Innovation and knowledge created and disseminated	Number of business events connected with local industries
Social benefits	• Skill development of local event organisers	• Number of local event organisers participating in event management training • Net Promoter Score by participants of training
	• Inclusion of Eastern Maar community and culture • Improved accessibility of funded events • Opportunities for local creatives • Opportunities for youth • Community satisfaction with events (Net Promoter Score)	Post event report
Environmental improvements	• Reductions in waste to landfill per attendee	As part of their sponsorship agreement with the City, funded events must • develop a sustainability plan with measurable targets, including for waste reduction20 • report on outcomes achieved to the City
	• The number of event organisers estimating their event's emissions	Post event report
Brand building	• Events that showcase the region's appeal	Alignment with brand value proposition

RP INFRASTRUCTURE

Warrnambool Art Gallery

Updated Business Case



RP Infrastructure acknowledge the Traditional Owners of the land in and around Warrnambool, the Eastern Maar people and pay our respect to their Elders, past, present and emerging.

Date: 30/11/23

Revision Control

Document:				
Revision	Date	Prepared by:	Approved:	Remarks
A	10/11/23	NH	SH	Draft for WCC review
B	14/11/23	NH	SH	Slight changes to images/formatting/numbering
C	30/11/23	NH	SH	Minor changes from AK

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EXECUTIVE SUMMARY

Overview

Warrnambool City Council engaged RP Infrastructure to develop a Business Case for a new Warrnambool Art Gallery at the existing site on Liebig Street in Warrnambool in Victoria, Australia.

Warrnambool has long term ambitions to be '**Australia's most resilient and thriving regional economy and most liveable regional city'**[1]**,** and aims to achieve this by implementing a range of social, economic and cultural initiatives including aspirations for a new Warrnambool Art Gallery.

Need and Benefit

Warrnambool Art Gallery is currently located on Liebig Street in Warrnambool in a facility which was built in 1986 as a memorial to Sir (David) Fletcher Jones OBE. It houses an eclectic and extensive range of artefacts and artworks, which have accumulated since Warrnambool's first gallery opened in 1886. This amassed collection has culminated in approximately 5,000 items with an overall value of $12 million. The facility offers free entry with some special events and programs requiring paid admission.

The collection has grown over the years and coupled with the desire for Eastern Maar Aboriginal Corporation to have greater opportunity to represent their stories and artefacts, has meant the existing facility has not kept pace with its regional counterparts. **The potential of the Warrnambool Art Gallery as a cultural tourism destination is constrained by its existing building footprint, which limits operational flexibility, the opportunity to present larger more interactive exhibitions, and provide social and engaging spaces for public programs, events and functions.** The existing building does not provide sufficient storage for an expanded collection, safe loading of touring exhibitions or adequate administration space. The Gallery is the primary substantial visual art institution in Southwest Victoria. The size of the current facility does not reflect the potential catchment area (approx. 120,000 people), which could benefit from a stronger and expanded facility and exhibition offering.

Regional Art Galleries can significantly contribute to economic growth of regional areas, and accordingly several facilities across Victoria have recently been redeveloped including Shepparton Art Museum and Gippsland Art Gallery. Bendigo Art Gallery has plans for an expansion of their existing facility, which over the last three financial years has averaged annual attendances of 150,000 visitors with 49% of visitors from Melbourne, 30% local region, 10% interstate, and 1% international.

A new Warrnambool Art Gallery would support various policies and priorities across Federal, State and Regional level but **investment is required to continue to grow its connection with First Nations Peoples, develop its reputation as the cultural and creative destination of choice for the local community, and attract regional, interstate and national visitors and the economic impact this visitation brings to a region.**

A New Warrnambool Art Gallery – Creating a Cultural Destination with a Precinct

A redevelopment of the Warrnambool Art Gallery provides an extraordinary opportunity to create a cultural destination within the current Warrnambool central business district. The existing setting at Liebig Street sprawling across the Civic Green will allow for an ideal connection between open and indoor spaces and a vastly larger, state-of-the art contemporary building. This will improve the cultural infrastructure within Warrnambool, which together with the nearby Lighthouse Theatre, recently redeveloped Library and Learning Centre, and surrounding hospitality and retail offering**, creates a cultural precinct that can bring critical mass of attraction to the city centre**.

The **new Warrnambool Art Gallery can accommodate 3,100 square metres (sqm) of space including 884 sqm of exhibition space, front of house, Eastern Maar spaces, improved back of house and staff accommodation with underground carpark and loading**. The intention for a new Warrnambool Art Gallery is to utilise Liebig Street and Civic Green as part of the redevelopment to create diversity in its attraction. Four different massing studies were explored to test the opportunity for change. The preferred response comprises of three levels of a basement, ground and level 1 spread across the site from Smith to Timor Streets to bridge the transition from residential to major shopping strip and set back along Liebig Street. The redevelopment would retain the open space of Civic Green yet have a commanding presence to identify its location and significance within the Warrnambool civic precinct. The design allows for separation of the First Nations spaces and

[1] Warrnambool 2040

maximises the potential for public programs, exhibitions and food and beverage opportunities. Appropriate parking (ground level and basement) would be provided with access from Smith Avenue. The new building will be set back from the corner of Timor and Liebig Streets and maintain existing tree canopy where possible, whilst maximising vistas and a connection to the heart of Warrnambool's city centre, where there is diverse mix of professional services, retail, and dining experiences. The response will respectfully address the two existing heritage structures within the site. Having an established green space in front of the gallery will provide an effective forecourt, allowing for people to come and enjoy the space, new building and cafe/restaurant offers that could be incorporated within the gallery. The preferred option is Strategy 2 and is represented in the diagrams below.

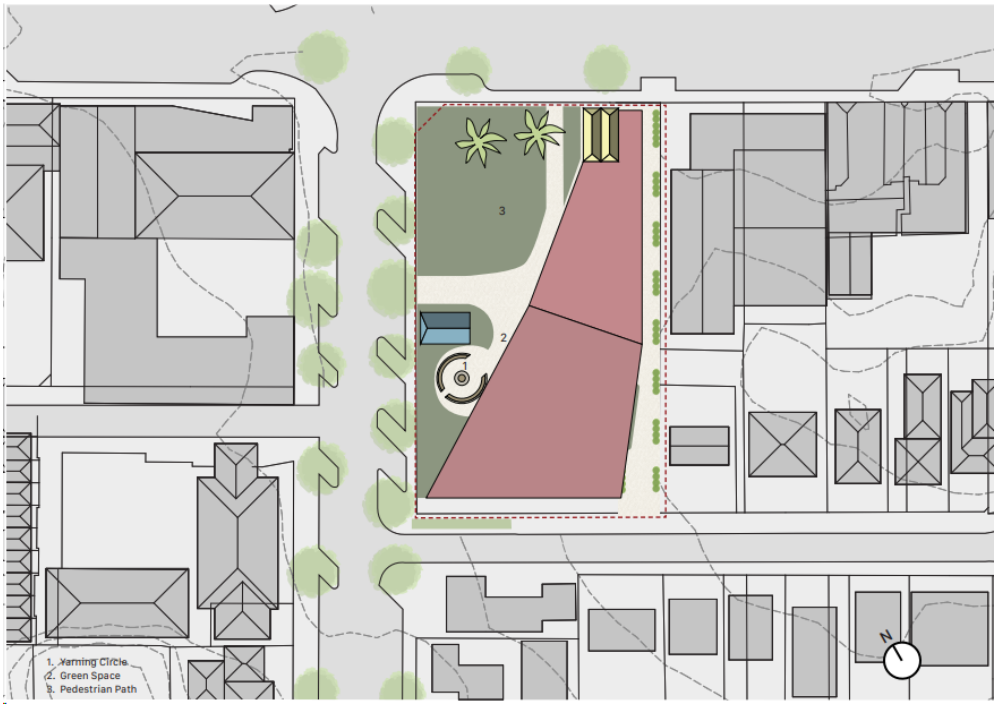


Figure 1: Strategy 2 Site Plan



Figure 2: Strategy 2 Massing Study

Visitation, Costs and Benefits

Visitation is a key metric for the economic impact of a new art gallery. The base case of visitors to the existing Warrnambool Art Gallery is an average of 55,100 visitors each year. The forecast estimated for the first year of operation of a new Warrnambool Art Gallery is **72,580 visitors**. Assuming a modest, locally based flow of visitors and an increasing awareness of the new facility among regional and metropolitan visitors, this estimate grows to **116,000 in Year 5.** Achievement of these visitation numbers is reliant upon Warrnambool Art Gallery being a landmark facility within a wider marketed Warrnambool cultural and civic precinct, delivers programs which invite participation from the wider Victorian, national and international community, provides quality food and beverage experiences, and has a program of attractions within the Civic Green. Extensive marketing campaigns will be vital to attracting greater visitor interest in Warrnambool as a tourist destination including the use of all types of media and creating a connection with the Great Ocean Road tourist operators.

The estimated **capital cost for the investment of a new Warrnambool Art Gallery is $52.5 million excluding escalation and GST.**

The potential economic benefits include the economic contribution generated through construction, additional operational expenditure of a new facility and additional tourist expenditure across both Warrnambool and Victoria. Through construction, **108 new positions will be created in Warrnambool with $75.7M in economic activity**. The economic activity through operational expenditure and visitor spending will support **81 positions in Warrnambool and $13.5 million of expenditure per year by 2030.The Benefit Cost Ratio** that monetises benefits and compares against the costs **indicates a positive rate of 1.16 and Net Present Value of $9,813,940**, which demonstrates an economically viable project.

Summary

A new Warrnambool Art Gallery at the Liebig Street site will **contribute to the economic growth of Warrnambool and the region through increased visitation, expenditure, and additional jobs to create a community asset that can become a landmark tourist destination within a wider civic and cultural precinct.** A new Warrnambool Art Gallery is a long-term investment that, together with the Lighthouse Theatre, new Library and Learning Centre, existing hospitality and retail offerings can create a hub of activity to provide critical mass to attract the Great Ocean Road tourist market and regional visitors.



Introduction

1 INTRODUCTION

1.1 Client

This Business Case is for Warrnambool City Council and will be shared with Regional Development Victoria and other Government stakeholders.

1.2 Purpose

The purpose of this Business Case is to identify the problems with the existing Gallery and to determine the need and viability of a new facility, to inform decision-making about the future of the Warrnambool Art Gallery. The design analysis and assumptions build upon the Feasibility Study by SMA Tourism and Lyons Architects in July 2021 and consideration of a facility at Cannon Hill in 2023.

The format of this document is based on the core principles of Department of Treasury and Finance (DTF) guidelines for a Business Case.

With Warrnambool Art Gallery being the "*primary visual art institution servicing south-west Victoria"*, the brief for this Business Case is to:

i. Identify the need for change;
ii. Establish social and economic benefits including cost benefit ratio, which could be realised through investment; and
iii. Undertake a massing study across the existing site.

1.3 Warrnambool City Council

Warrnambool is a picturesque and vibrant coastal city, situated close to the Great Ocean Road and 270km from Melbourne via the Princes Highway. It is the largest city in the Great Ocean Road region and Victoria's largest coastal city (outside of Port Philip Bay)[2]. Warrnambool City Council is the Local Government Area covering 120sqkm and contains the City of Warrnambool, which has a population of 35,406[3], and the small towns of Allansford, Woodford and Bushfield.

Warrnambool's population is growing consistently and is forecasted to expand to over 40,000 by 2040 – refer to Figure 3.

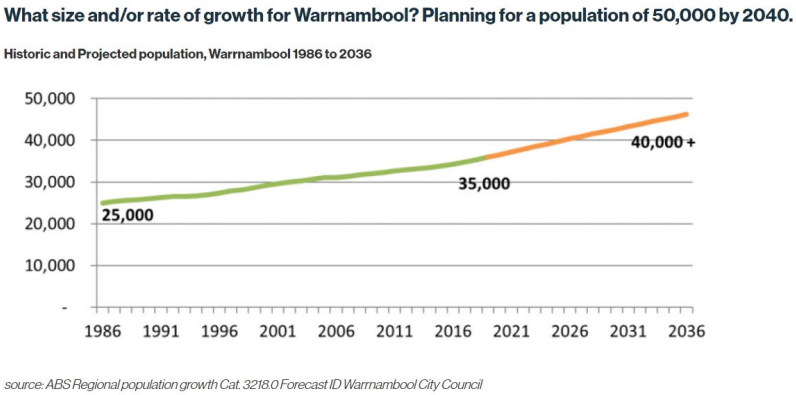


Figure 3: Warrnambool Historical and Forecasted Population Growth

Significant natural features include the estuaries of the Merri and Hopkins rivers and the expansive Lady Bay, which in winter and spring is a nursery for Southern Right Whales.

[2] https://www.warrnambool.vic.gov.au/city-information, 6 February 2023.
[3] ABS 2021

Prior to the arrival of Europeans, Warrnambool was home to a significant indigenous population of the Eastern Maar people, who identify as Maar, Eastern Gunditjmara, Tjap Wurrung, Peek Whurrong, Kirrae Whurrung, Kuurn Kopan Noot and/or Yarro waetch (Tooram Tribe), amongst others.

Warrnambool generates a gross regional product of circa $1.6 billion, which accounts for over 20 per cent of the Great South Coast region's economic output despite the municipality covering less than one per cent of the region's total area.

Tourism is another major driver of the city's economy. The city is positioned within the Great Ocean Road region and home to the popular Flagstaff Hill Maritime Village and Lake Pertrobe foreshore natural attractions. Warrnambool's coastal location leads to strong seasonal visitation that can see increases in visitors in the Christmas/New Year Eve holiday period in the order of an additional 10,000 people[4]. This seasonality can be an important factor for infrastructure investment as a permanent attraction that is available and activated all year round. This provides annual revenue throughout the year that is not reliant on weather and holiday periods.

Tertiary education providers Deakin University and South West TAFE have campuses in Warrnambool, which along with bringing students to the city, provide local people with opportunities to pursue education and vocational training.

Warrnambool City Council is also a major employer and provides a range of community facilities and services including the aquatic centre AquaZone, Warrnambool Art Gallery, Warrnambool Stadium, the Lighthouse Theatre, Surfside Holiday Park, Flagstaff Hill Maritime Village, and new Library and Learning Centre.

1.4 Proposed Site

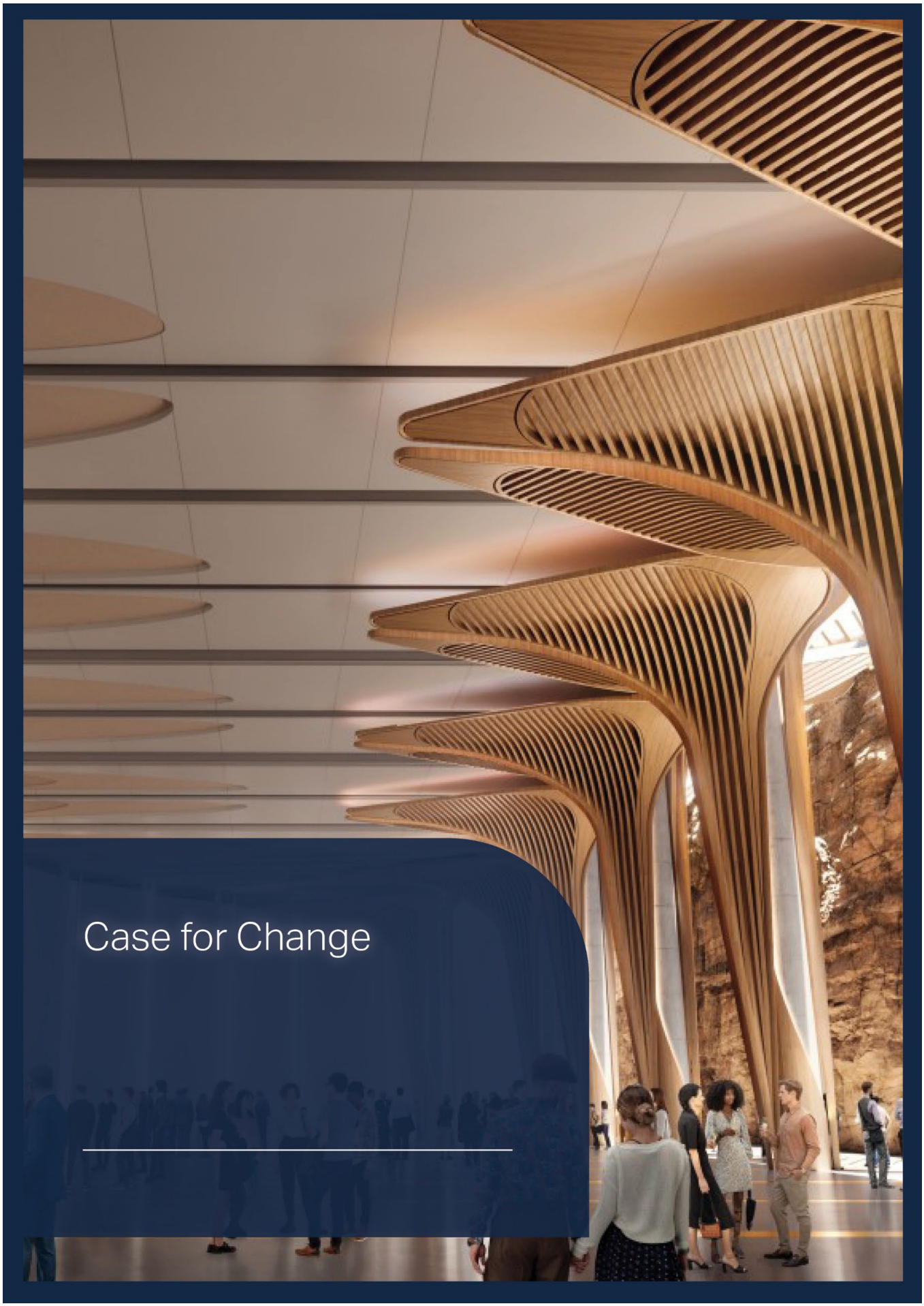
The previous work undertaken by SMA Tourism and Lyons Architects Feasibility Stage included an assessment of potential sites for establishment of a new Warrnambool Art Gallery. This is summarised as follows:

Table 1: Potential sites for a New Warrnambool Art Gallery

Location	Site Assessment
The former Warrnambool Post Office	limited adaptation possible
The Warrnambool Library	limited adaptation possible
Existing Facility	adaptation possible but does not drive best value in the medium to long term
Flagstaff Hill	overdevelopment and cultural heritage sensitivities
New build on existing Liebig Street site	new build in a key strategic location
New build on Cannon Hill site	new build with unique scenic location which defines Warrnambool

Based on the site attributes and following a series of community engagement programs, Council commissioned the development of a Business Case for a new Warrnambool Art Gallery at Cannon Hill. This work identified that the costs associated with a design that had minimal impact on the hill contour were significant and this impacted any positive return on investment. Based on this advice, Council agreed to exclude Cannon Hill as an option for a new Art Gallery and have pursued redevelopment of the existing site which includes the Civic Green as part of the overall site analysis

[4] The Standard, Massive population growth as peak tourist season hits. Dec 2018



Case for Change

2.1 Existing Warrnambool Art Gallery

The Warrnambool Art Gallery is a free public art gallery which is owned and operated by the Warrnambool City Council. The gallery program is presented with the assistance of the Victorian Government through Creative Victoria.

Established in 1886, the Gallery offers a diverse collection, from elegant European salon paintings to the Avant-garde modernism of the Angry Penguins. Artworks range from romanticised colonial landscapes of Eugene Von Guerard and Louis Buvelot, to contemporary Australian printmaking by Juan Davila, Barbara Hanrahan and Ray Arnold. Each step of the Collection mirrors a time of development and expansion. It shows a reverence for the landscape and the people, their aspirations, industry and endeavours, alongside contemporary installations and multi-media exhibitions presented by LGBTIQ+ artists and curators.

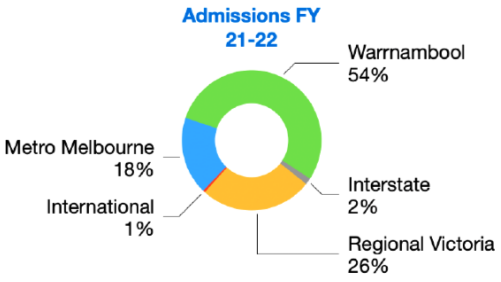
For the past 135 years, the Warrnambool Art Gallery has facilitated rich experiences for audiences both through its collection and through an inspired program of exhibitions and events in and beyond the Gallery. Presenting a professional program of local, Australian and international creative works and cultural stories, the Gallery's mission is to uphold and transform the cultural life of south-west Victoria. Importantly, the Gallery shares a mandatory obligation under the Aboriginal Heritage Act 2006 and Aboriginal Heritage Amendment Act 2016, to register Victorian Aboriginal collection items in its possession with Aboriginal Victoria. For this reason, Warrnambool Art Gallery is attracting significant donations of Aboriginal artefacts, which it needs to preserve and display in appropriate conditions.

Located on Liebig Street, the current facility was built in 1986 as a memorial to Sir (David) Fletcher Jones OBE. This amassed collection has culminated in approximately 5,000 items with an overall value of $12 million[5]. As the collection has grown over the years, the existing facility has not kept pace with its regional counterparts and investment is required to allow Warrnambool Art Gallery to compete for the economic benefits of regional tourism, continue to grow its connection with First Nations people and stories, and develop its reputation as the destination for the local community to visit.

2.2 Current Visitation Metrics

- It is estimated that around 25% of visitors to **Warrnambool visit the Warrnambool Art Gallery.**
- The local population generates over 50% of admissions to the Gallery. Based on observation, it is estimated about 20% of local admissions are people visiting more than once.
- People from **"regional Victoria"** generate around **25% of admissions to Warrnambool Art Gallery.**
- Interstate and International visitors generate a small share of visits. This level of international visitation is generally consistent with other cultural attractions / venues.

Figure 4: Current visitation



[5] Confirmed by Warrnambool Art Gallery

2.3 Stakeholder identification and consultation

Stakeholder consultation was limited to Warrnambool City Council and Warrnambool Art Gallery as part of this Business Case; however, consultation was undertaken in earlier studies and investigations into the future of the Warrnambool Art Gallery. This is discussed further below.

The key stakeholders identified under Figure 5 are those which have a regular involvement with the project and have been engaged to ensure current challenges and problems are captured; technical and sector data is collected; and historical information is included.

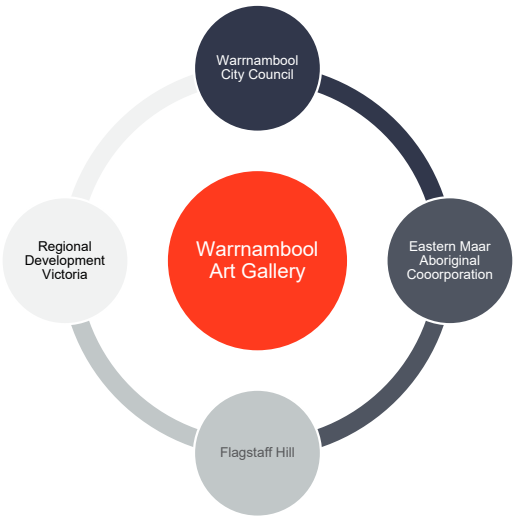


Figure 5: Stakeholder Identification

2.3.1 Warrnambool Art Gallery

The organisation needs to implement the vision for the future of the Art Gallery and ensure it is placed to act as an informed client in any future redevelopment. This will require a significant change management process to bring the organisation from its current state to one that is responsible for a landmark regional Art Gallery. Crucially, this will involve program development, marketing and engagement strategy that propels the new Art Gallery onto the interstate and international tourist trail and captures the required increase in visitation.

2.3.2 Warrnambool City Council

Warrnambool City Council as asset owners are responsible for the day-to-day operations and long-term success of the facility. The financial viability of a new asset is a critical success factor for Council, and they are leading the proposals for a new Art Gallery.

2.3.3 Easter Maar Aboriginal Corporation

In July 2011 the Eastern Maar and Gunditjmara peoples were recognised as the native title holders for an area of their Traditional Country in south-west Victoria between the Shaw and Eumerella Rivers, and from Yambuk in the South, to beyond Lake Linlithgow in the North. The Eastern Maar are Traditional Owners of land encompassing Warrnambool, Port Fairy and Great Ocean Road areas, stretching 100m out to sea from low tide and including the iconic Twelve Apostles. Eastern Maar is a name adopted by the people who identify as Maar, Eastern Gunditjmara, Tjap Wurrung, Peek Whurrong, Kirrae Whurrung, Kuurn Kopan Noot and/or Yarro Waetch (Tooram Tribe) amongst others.

Eastern Maar Aboriginal Corporation (EMAC) is the professional organisation that represents the Eastern Maar People of south-west Victoria and manages their Native Title rights and interests. The Registered Aboriginal Party for Eastern Maar Country is currently negotiating a Recognition and Settlement Agreement under the Traditional Owners Settlement Act 2010. EMAC has a Board of Directors of Traditional Owners and is a registered organisation under the Corporations (Aboriginal and Torres Strait Islander Peoples) Act 2006.

Eastern Maar Aboriginal Corporation are critical to the design, programming and storage of their artefacts and stories. Consultation has occurred throughout Council's feasibility stage assessment for a new Art Gallery.

A workshop was held in May 2021 with 18 members of the local Aboriginal community. The purpose was for Council to receive feedback from First Nations Peoples on the proposed options assessed under the feasibility study, but also to establish specific cultural considerations which First Nations peoples felt needed to be incorporated into a new Warrnambool Art Gallery. These reflections identified the current strengths which the existing Gallery had developed directly with Eastern Maar people specifically through engagement and thereby establishing strong positive working relationships into the future.

2.3.4 Regional Development Victoria

Regional Development Victoria has provided support, guidance, and funding to date for the project and will be central to secure any future funding for the project from State Government.

2.3.5 Flagstaff Hill Maritime Museum

Flagstaff Hill Maritime Village is currently developing proposals for a reimagination of the precinct due to declining visitation. Although the service offering is different to the Warrnambool Art Gallery, both facilities will provide opportunity for new food and beverage outlets and functions and event spaces. It is important the two cultural attractions collaborate to ensure they are providing complimentary attractions rather than competing for the same market audience.

Other Stakeholders

Other stakeholders will have an interest and potential to influence the outcomes for a new Warrnambool Art Gallery. These stakeholders include:

- Friends of Warrnambool Art Gallery; will be significantly interested in the outcome of Warrnambool Art Gallery Business Case, its potential new layout and capacity.
- Warrnambool Art Gallery Foundation; responsible for fundraising and will have critical role in the funding strategy for any new Warrnambool Art Gallery.
- Warrnambool local artists; potential to create advisory group in relation to the project, which consists of local artists that can review designs/programming as project develops.
- Great Ocean Road Regional Tourism; as official tourism destination for all things related to the Great Ocean Road.
- Regional Arts Victoria; has provided a Creative Strategy for the region and will be a long-term supporter of a new Warrnambool Art Gallery
- Creative Victoria; A new Warrnambool Art Gallery will need to support the actions expected of Creative State 2025.
- Local community: There is a strong community connection to the existing Art Gallery. Although preliminary community consultation identified support for a new gallery at Cannon Hill, subsequent feedback was that the existing site would be preferred.

A deliberative Community Engagement Strategy will be developed in accordance with the requirements of the Local Government Act 2020[6] (LGA) Community Engagement process as the project progresses.

2.4 Constraints of Existing Facility

The current facility is constrained and directly impacting the ability to deliver contemporary programming expected of a regional Art Gallery.

The issues faced at the existing facility are summarised at Table 2 below and described in detail at Appendix 2. This assessment uses an opportunity cost methodology to determine the scale of investment required before benefits could be realised. Table 2 summarises the existing problems, the missed opportunity and the intervention required to realise the opportunity. Only those with the highest intervention requirement are identified below.

The assessment considers a scale with 1 being minimal effort required before benefit is realised and 5 being extreme intervention needed to realise any benefit.

[6] Local Government Act 2020

Table 2: Current Constraints and Impact

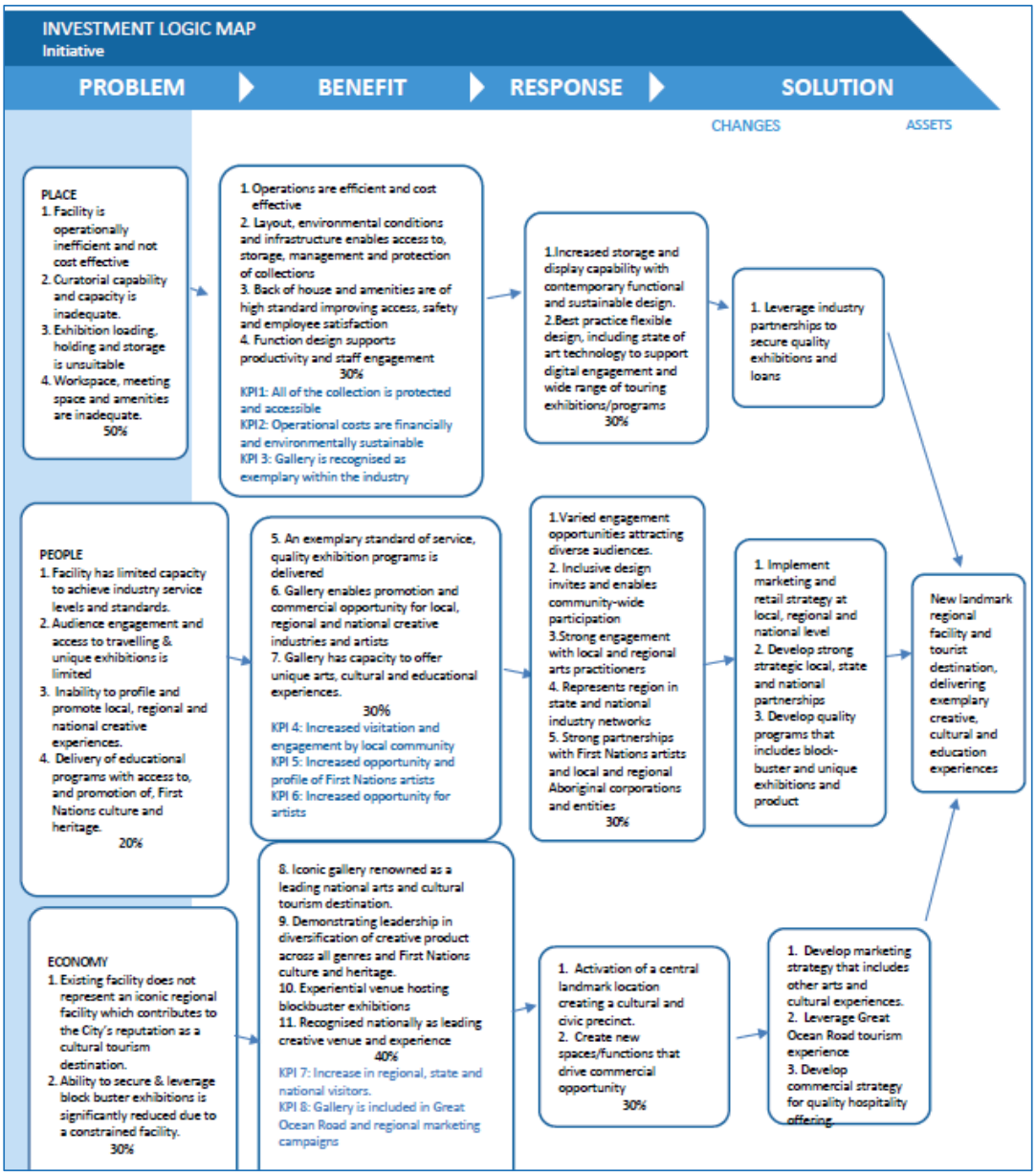
No.	Evidence of Problem	Opportunity Identification	Investment Required	Benefit Realised	Intervention Classification	Intervention Required to Existing Gallery (Retain or New) to Realise Opportunity
1	Civic Green acts as a central point for locals but Warrnambool Art Gallery doesn't have a strong frontage driving visitation	Existing building lacking in landmark frontage to attract visitors from Civic Green	5	5	E	New
2	Poor infrastructure and rigid layout	No flexibility or required functional layout to capitalise on touring shows to improve visitation	5	5	E	New
3	Lack of flexible spaces	Create opportunity for artist studio in residence and/or making spaces and/or programming spaces and/or educational spaces to provide exceptional interactive flexible functions	4	5	E	New
4	Uninviting arrival making for low experiential factor	Memorable experience due to high quality environment	4	5	E	New
5	Rigid and outdated climatic systems and controls	Quality climatic conditions to improve exhibition content potential	4	5	E	New
6	Severe back of house storage capabilities	Improved loading, storage, security and workshops to increase load capacity and Aboriginal Keeping Place	4	5	E	New
7	No airlock provisions	Obtain quality standards and certification	3	5	E	New
8	Parking restrictions for touring buses or school trips	Capture short stay tourist trips and provide platform for educational stays for local community	4	5	E	New

In additional to the facility constraints noted above and although strong connections have been made with Eastern Maar Aboriginal Corporation, meaningful Connection to Country and opportunity to place Aboriginal stories at the heart of Warrnambool are limited in the current layout.

Further to the existing facility constraints described above, wider operational impacts are affecting the success of the Warrnambool Art Gallery, and this is articulated in the Investment Logic Map (ILM) as the basis of the Case for Change included in Figure 6 below and provided in detail in Appendix 1.

The ILM analyses the current problems, identifies potential benefits, and how they can be realised through responses that relate to both an asset and operational change.

Figure 6: Investment Logic Map (ILM)



The output of the ILM process identified three prominent themes, **Place, People and Economy,** which further develops the problems facing not just the existing facility as outlined in the opportunity matrix, but overall operations of the Warrnambool Art Gallery and its ability to impact its community and visitor economy.



These three themes of **Place, People and Economy** are driving the need for investment in a new Warrnambool Art Gallery and the benefits associated with responding to these problems are described in Section 2.5.

2.5 Benefits to be delivered by a New Art Gallery

The collection held by the Warrnambool Art Gallery has a rich extended history, spanning three centuries. However, as detailed in the previous section, the current facility does not meet contemporary art gallery standards, either for display or conservation, and poses a serious risk to the safety of the existing collection.

Moreover, it is underserving as a core Council function within the city's cultural capital required to contribute to a thriving creative industry, connected community and attracting visitors.

For these reasons, Warrnambool City Council is investigating the potential for a new Warrnambool Art Gallery.

The advantages to delivering at the existing site are as follows:

- A central destination within the CBD with connection to well-loved public community space and existing fabric of the surrounding businesses.
- An expanded facility on the existing location that creates further growth opportunities for local and regional creative sector.
- A new landmark attraction to integrate with existing civic and cultural assets within Warrnambool to create a precinct that can generate visitation from regional, state and national tourists.

Public Galleries Association of Victoria prepared a submission to the Infrastructure Priorities for the Regions in 2020 that outlined how Regional Galleries are Transforming Economies and gave specific examples of Bendigo Art Gallery and the success of the Archibald Prize.

Bendigo Art Gallery has established a national profile for presenting high quality international exhibitions including the Golden Age of Couture in 2008, Grace Kelly: Style Icon in 2012, Marilyn Monroe in 2016, and more recently Tudors to Windsors: British Royal Portraits in 2019. The Elvis: Direct from Graceland exhibition in 2022 was the most successful exhibition for Bendigo Art Gallery with 219,000 visitors, 86% of ticket buyers were from outside of Bendigo[7]. Economic impact analysis indicates that through these 'blockbuster' exhibitions,

[7] https://www.abc.net.au/news/2022-07-13/elvis-exhibition-at-bendigo-art-gallery-attracts-200-000/101233804

the gallery has made a significant contribution to the Greater Bendigo and Victorian economies as seen in Table 3.

Table 3: Economic impact of Blockbuster Touring Exhibitions at Bendigo Art Gallery

Exhibition	Greater Bendigo	Victoria
Grace Kelly: Style Icon (2012)	$16.3M	$2.8M
Bendigo Art Gallery & Twentieth Century Fox Present Marilyn Monroe (2016)	$13.2M	$2.6M
Tudors to Windsors: British Royal Portraits (2019)	$5.5M	$3.1M

Over the last three financial years, Bendigo Art Gallery has averaged annual attendances of 150,000+. It has a growing regional and international audience, with on average 49% of visitors from Melbourne, 30% local region, 10% interstate and 1% international[8].

Geelong Gallery presented the Archibald Prize in 2018 and 2019. This highly popular exhibition tours to galleries across regional Victoria every year, with galleries bidding to secure presentation rights for two consecutive years. In 2018, Geelong Gallery welcomed 58,000 visitors to the Archibald Prize and generated $7.2m for the local economy. While in 2019, the Gallery welcomed 76,560 visitors to the Archibald Prize and generated $8.03 million for the local economy. Significantly, 87% of audiences in 2019 travelled to Geelong specifically to see the Archibald Prize.[9]

The infrastructure investment in a new cultural asset for the City of Warrnambool and wider South-West region will bring benefits to the community, city, regional and State. The benefits from the ILM with Key Performance Indicators to measure the desired outcomes for the local community, Warrnambool City Council and State Government are summarised below.

2.5.1 Benefits Summary and Key Performance Indicators

A thriving regional Art Gallery in a central location as part of a civic and cultural precinct with various attractions for tourists and locals alike can deliver a range of benefits as outlined in the ILM and detailed below:

Place

1. Operations are efficient and cost effective.
2. Layout, environmental conditions and infrastructure enables access to, storage, management and protection of collection.
3. Back of house and amenities are of high standard improving access, safety, and employee satisfaction.
4. Functional design supports productivity and staff engagement.

A new Warrnambool Art Gallery will require quality environmental controls throughout the exhibition spaces and importantly in the back of house storage and conservations areas, to ensure the collection is maintained to the level required for the collection to continue to acquire and improve partnering opportunities with exceptional collecting institutions by complying with the technical requirements of loan agreements. An efficient, flexible and functional layout will allow for easy install of variety of exhibition types including touring exhibitions/ program and digital programs.

The associated Key Performance Indicators for this theme of Place are:

KPI1: All the Collection is protected and accessible.

KPI2: Operational costs are financially and environmentally sustainable.

KPI3: Gallery is recognised as exemplary within the industry.

[8] Public Galleries Association of Victoria Submission, Infrastructure Priorities for the Regions, Page 4, 6 February 2022
[9] Public Galleries Association of Victoria Submission, Infrastructure Priorities for the Regions, Page 4, 6 February 2022

People

5. An exemplary standard of service, quality exhibition programs is delivered.
6. Gallery enables promotion and commercial opportunity for local, regional and national creative industries and artists.
7. Gallery has capacity to offer unique arts, cultural and educational experiences.

A new facility will provide best practice flexible design and technology to deliver programs and exhibitions that reflect First Nations and diverse communities. Collaboration with Eastern Maar Aboriginal Corporation to deliver culturally safe spaces and a keeping place will be critical to long term community engagement. The range of flexible spaces in the new Art Gallery will provide the local community with opportunities to engage with creative arts and have a connection with range of stories and programs being offered by the creative organisations. This is identified as critical in the Regional Arts Victoria South West Creative Industries strategy.

The associated Key Performance Indicators for this theme of People are:

KPI4: Increased visitation and engagement.

KPI5: Increased opportunity and profile of First Nations artists.

KPI6: Increased opportunity for local artists.

Economy

8. Iconic gallery renowned as a leading national arts and cultural tourism destination.
9. Demonstrating leadership in diversification of creative product across all genres and First Nations culture and heritage.
10. Experiential venue hosting blockbuster exhibitions.
11. Recognised nationally as leading creative venue and experience.

An investment in a new Art Gallery will provide functions that can contribute to commercial revenue and include car parking and food and beverage options expected of a cultural tourism destination. A new Warrnambool Art Gallery must attract both locals and tourists to drive the visitor economy.

The associated Key Performance Indicators for this theme of Economy are:

KPI7: Increase in regional, interstate and national visitors.

KPI8: Gallery is included in Great Ocean Road and regional marketing campaigns.

2.6 Strategic Alignment for a new Warrnambool Art Gallery

The development of a new Warrnambool Art Gallery is an opportunity to deliver upon Federal, State, regional and local priorities that focus on community well-being, growing the creative industries and in particular providing opportunities for First Nations participation and long-term economic growth.

There is strong alignment with varying public policies at Federal, State, regional and local level that contribute to the case for investment in a new Warrnambool Art Gallery.

2.6.1 Federal Context

Regional tourism is a vital sector of the Australian economy and key to the sustainability and vibrancy of many of our communities. Prior to flooding, bushfires and COVID-19, Tourism Research Australia reported that nearly half of the nation's tourism expenditure (44 cents in every tourism dollar) occurred in regional Australia. During the 2017-18 financial year this contribution provided $51 billion to regional visitor economies. At that time, this meant around one-third of tourism-related businesses, and more than half of the country's tourism workforce was employed in regional Australia. Tourism itself accounted for 4% of economic output and 8% of jobs in regional Australia[10].

[10] https://treasury.gov.au/sites/default/files/2021-05/171663_australian_regional_tourism_ltd.pdf

Tourism Australia's Corporate Plan 2021/22 - 2024/2511 has seven strategic priorities including no.4 to ***Elevate and champion indigenous tourism.***

In 2017, the Uluru Statement from the Heart called for three things: Voice, Treaty and Truth. In May 2022, Federal Labour was elected on a promise to implement the Uluru statement in full. Implementation of the Voice, Treaty and Truth will significantly increase interest in Indigenous understanding and storytelling. This is a key commitment across all levels of Government.

2.6.2 State Context

Creative Victoria

Creative Victoria is the State Government's body dedicated to championing, growing and supporting Victoria's creative industries. Creative Victoria has released its Creative State 2025 strategy post the Covid-19 pandemic to prioritise '…placing creativity at the heart of Victoria's recovery and prosperity.'

The strategy sets out 25 actions to deliver on its vision and five interconnected objectives over the next four years. The key actions of consideration for this investment are:

Table 4: Alignment of New Warrnambool Art Gallery with Creative State 2025

	CreativeState2025	Achieve	Contribution of a new Warrnambool Art Gallery
D	**Objective D: Equitable access to the creative industries – Victorians have access to high-quality and diverse creative and cultural experience, wherever they live; our world-class cultural attractions welcome all.**		
16.	Ensuring continued access to high-quality creative experiences across Victoria through regional and outer-metropolitan touring.	X	High-quality spaces that are capable of hosting touring exhibitions that would attract regional audiences
18.	Enhance regional Victoria's creative infrastructure.	X	Significant investment has been focused on Geelong, Bendigo, Shepparton and Ballarat; however, a new Warrnambool Art Gallery provides an opportunity to create a cultural hub in wider area of Western Victoria that has potential to connect with the Great Ocean Road attractions and the surround aboriginal attractions including Budj Bim cultural centre.

Creative State 2025 identifies several enablers to achieving these Goals and Actions including the Infrastructure Pipeline as noted below:

'Infrastructure pipeline Victoria's creative industries are enabled by a state-wide ecosystem of state-owned, local government-owned and privately held facilities. Creative State 2025 will leverage the investment in these cultural spaces by supporting the people and programs within them. In addition, Creative Victoria will develop a pipeline of state-wide infrastructure investment opportunities and, with partners across departments and agencies, embed creative industries spaces, programs and opportunities across major new civic and transport projects'12.

[11] https://www.transparency.gov.au/sites/default/files/reports/2021-22_corporate_plan_tourism_australia.pdf
[12] CreativeState2025, Creative Victoria, Page 26

2.6.3 Regional Context

Regional Development Victoria



Warrnambool is within the Great South Coast region of Victoria with five municipalities including City of Warrnambool. Regional Development Victoria (RDV) is the Victorian Government's lead agency responsible for rural and regional economic development.

Figure 7: Regional Development Victoria's Nine Regional Partnerships

The Great South Coast Regional Partnerships Roadmap for Outcomes in the region identifies five Outcomes the State is working towards; ***Economy, Education and Training, Environment & Culture, Health & Wellbeing, Transport Networks & Infrastructure*** as outlined in the Figure 8 below.

A new Warrnambool Art Gallery would contribute to three of the five Outcomes as outlined below:

Economy A **strong** and **diverse** Great South Coast economy with more local jobs and a growing workforce	**Economy** A new Warrnambool Art Gallery will contribute to local jobs during construction and once operational through the additional staff required to develop programs, manage events, collection, and exhibitions.
Environment & Culture A **thriving** arts and culture industry, and a **sustainable** environment with a celebrated natural beauty.	**Environment & Culture** A new Warrnambool Art Gallery will contribute to a thriving arts and culture industry through rotating program of exhibitions and potential for local and regional artists.
Health & Community Wellbeing A **healthy, safe,** and **resilient** Great South Coast Community.	**Health & Community Wellbeing** A new Warrnambool Art Gallery will be a central hub for the community to celebrate its culture and history as well as look to the future.

Figure 8: Outcomes achieved by a new Warrnambool Art Gallery

Regional Development Victoria provides funding for capital infrastructure projects throughout the nine regions it is responsible for through the Regional Infrastructure Fund and Investment Fast Track Fund, which is the subject of funding for works to date on this project.

Regional Arts Victoria

Regional Arts Victoria is an independent, not-for-profit, membership-based organisation working in long-term partnerships with every level of government, fostering contemporary and innovative regional cultural practice. They advise and impact on decision-making across multiple portfolios and levels of government.

Regional Arts Victoria engaged Future Tense in 2021 to develop a Creative Industries Strategy for south-west Victoria. This included consultation with many partners that are involved with the creative industries in the region.

Subsequent to this, Regional Arts Victoria and Future Tense developed a South West Creative Infrastructure Pipeline Report in April 2022 that identified a range of infrastructure needs for the region to support the South West Creative Industries Strategy.

The creative infrastructure needs identified through the Report are outlined below in Table 5:

Table 5: South West Creative Industries Strategy Infrastructure Pipeline report needs.

Need	Current Gaps	What's Needed
First Peoples cultural visibility	• Relationship between Traditional Owner group and Councils need to be strengthened. • There is limited support for promoting significant First Peoples events or initiatives. • Organisations are operating in silos with minimal or no support to connect with the wider sector.	Projects that actively promote and celebrate First Peoples' culture, raising awareness and encouraging engagement. This is an important step in addressing an enduring culture and cultural expression of the First Peoples of the region that has been historically overlooked. It also supports larger goal of establishing the south-west Victoria as a cultural tourism destination. This is also a direct objective of the South West Creative Industries Strategy.
Culturally safe spaces for Indigenous communities	• First Peoples run or led community and cultural spaces are extremely limited. • There is an absence of suitable governance protocols around cultural safety in non-Aboriginal run institutions.	For a space to be culturally safe it needs to be controlled and operated by Indigenous communities. Creating these spaces will allow Indigenous practices to flourish in a self-determined environment. This is also a direct objective of the South West Creative Industries Strategy.
Professional facilities for touring shows	• Facilities and equipment at the region's major cultural institutions don't meet industry standards. • This prohibits many major shows from coming to the region, impacting audiences and sector.	Projects that create or upgrade existing spaces to accommodate professional tours (across all practice types). This is essential for establishing a viable touring circuit in south-west Victoria.
Visual Arts presentation spaces	• Council galleries are limited in their amount of local programming they can accommodate. • Limits private and community spaces available.	Projects that increase presentation opportunities for local artists.

A new Warrnambool Art Gallery will support the needs identified in the report through:

i. **First Peoples cultural visibility**: creating strong connection to the Eastern Maar community and establishing Great South West region as a cultural tourism destination.

ii. **Cultural safe spaces for indigenous communities'** inclusion of spaces for First Nations to participate in creative industries.

iii. **Professional facilities for touring shows:** inclusion of larger and flexible exhibitions spaces that offer high quality technical and environmental conditions expected of a touring exhibition program.

iv. **Visual arts presentation spaces**: increased capacity for local and regional artists to present work and engage with wider audiences.

v. **Professional storage and archival facilities**: back of house storage and conservation facilities that will ensure the important collection of works are maintained for future generations. This will also relate to storage of First Nations collections items.

vi. **Creative practitioner gathering spaces:** seminar and studio spaces that can be shared between creative artists.

vii. **Youth engagement spaces**: project spaces where youth can connect and create in a safe environment.

A New Warrnambool Art Gallery was identified in the South West Victoria Creative Industries Strategy as a priority project with the best opportunity to positively impact on the region's creative industries sector.

Figure 9: Extract of new Warrnambool Art Gallery South West Victoria Creative Industries Strategy Infrastructure pipeline.

4 New Warrnambool Art Gallery facility (Warrnambool)

TYPE: New opportunity
ABOUT: A new fit-for-purpose facility allowing the Gallery to expand its programming, better engage with the community, properly manage its collection, and establish a dedicated First Peoples gallery
NEEDS ADDRESSED: First Peoples cultural visibility, culturally safe spaces for Indigenous communities, professional facilities for touring shows, visual arts presentation spaces, professional storage and archival facilities, creative practitioner gathering spaces, and youth engagement spaces
DRIVING STAKEHOLDER: Warrnambool City Council
INDICATIVE COSTING: $40,000,000 (taken from feasibility study)
READINESS FOR FUNDING: 1–2 years
SOURCES OR MODELS OF FUNDING: Local, state and federal governments
NEXT STEPS FOR THE PROJECT: Confirmation of a preferred option and development of a business case for funding

Figure 4: Exterior of current Warrnambool Art Gallery



2.6.4 Local Context

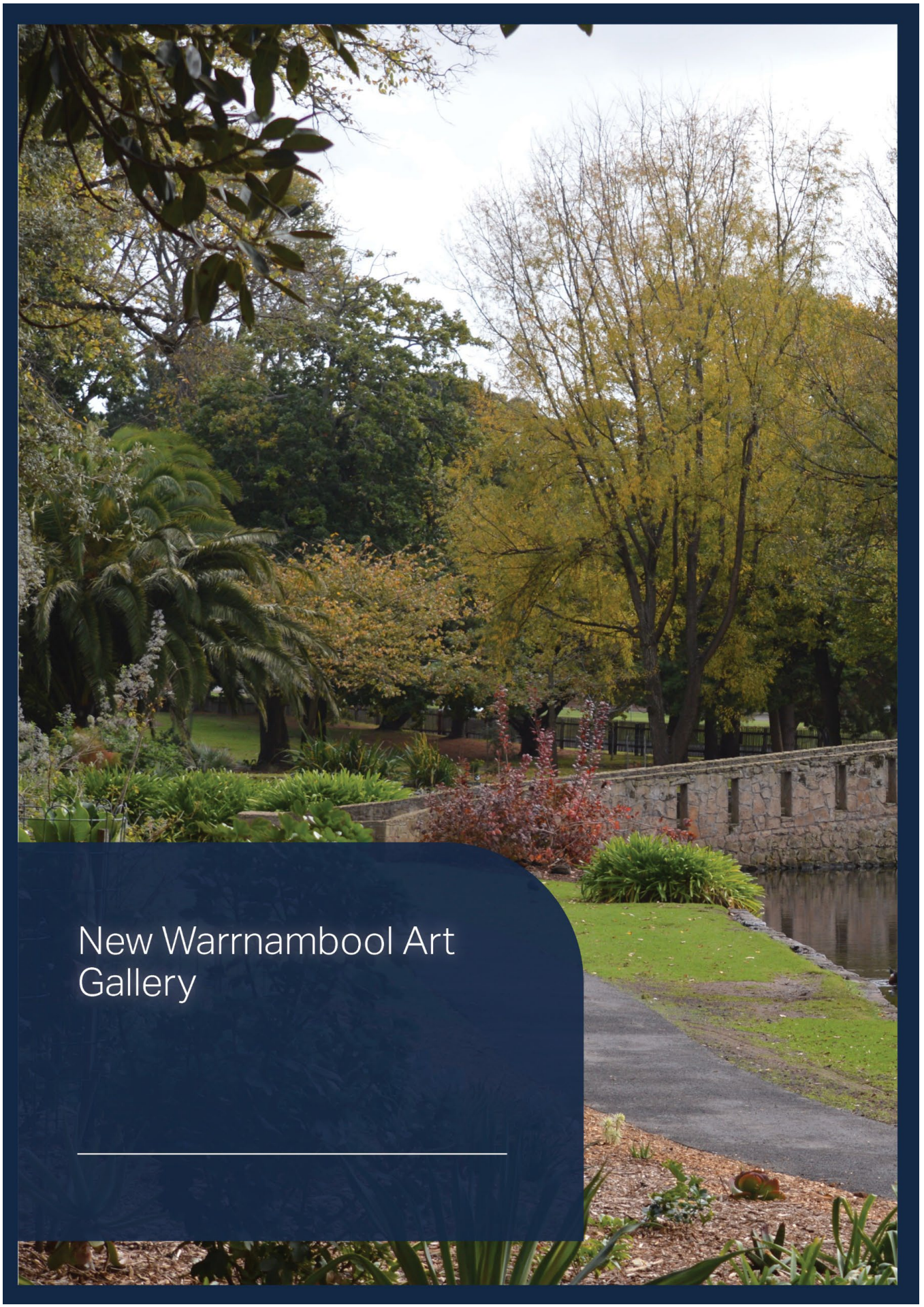
Warrnambool City Council Community Vision

Warrnambool City Council developed its long-term vision for the future – Warrnambool 2040 (W2040) - identifying four themes: Our Economy, Our People, Our Place and Our Environment, and nineteen Goals.

These guiding themes have been developed with the community and a new Warrnambool Art Gallery would contribute to a range of these goals as outlined in Table 6 below.

Table 6: Alignment of new Warrnambool Art Gallery with Warrnambool 2040 Goals

	Warrnambool 2024	Achieve	Contribution of a new Warrnambool Art Gallery
	Our People		
1	**A Welcoming and inclusive city**	✓	Additional spaces for diverse and inclusive programming that represents all people.
4	**Value local Aboriginal identity and culture**	✓	Additional opportunity for First Nations art, stories and celebration to be appreciated by local First Nations a wider audience.
5	**A learning community**	✓	Additional spaces for shared learning and educational programs across all ages and abilities.
	Our Economy		
7	**Grow a resilient and diverse economy**	✓	Additional jobs during construction, through operations and create new opportunities for creative industries across both Warrnambool and Victoria.
8	**Foster a creative and collaborative culture**	✓	Offer new and enhance opportunities for creative industries to connect with its community.
	Our Place		
13	**Has accessible, high-quality public spaces and facilities**	✓	Benchmark regional Art Gallery that represents the new Warrnambool as a destination to visit, work and live.
	Our Environment		
14	**ZERO WARRNAMBOOL – innovative solutions for zero net emissions**	✓	Deliver sustainable design, energy efficient operations and provide an opportunity to demonstrate the possibilities of Zero Carbon and all other sustainable goals of W2040



New Warrnambool Art Gallery

3 THE NEW WARRNAMBOOL ART GALLERY

3.1 New Warrnambool Art Gallery at Liebig Street Vision

The redevelopment of the Warrnambool Art Gallery is an opportunity to redefine the organisation and set new goals for its future direction.

The vision and aspirations that provide direction for a new Warrnambool Art Gallery at Liebig Street are:

- Increase visitation to Warrnambool by creating a civic and cultural precinct delivering critical mass of attractions;
- Provide an iconic architectural landmark that celebrates the cultural richness of the collections, connection to Civic Green, and the local history and creativity of visual art in all its forms;
- Deliver broader programs for the south-west region that engages with all communities;
- Place for local artists to work, promote local creative industries and display the work produced;
- Provide greater accessibility to the collections of Warrnambool Art Gallery and those of other lending institutions; and
- Contribute to ongoing First Nations reconciliation as a place for collection, stories and shared learning.

3.2 Functional Brief

3.2.1 Objectives

The objectives of the Warrnambool Art Gallery are:

1. To offer a relevant and diverse range of local, national and international exhibitions and public programs which engage new and existing audiences and provide a balance of themes that connect the community.
2. To make the Warrnambool Art Gallery a place for all artists for all genres and backgrounds including First Nations artists.
3. To develop, care and display the Warrnambool Art Gallery collection.
4. To improve financial sustainability through new revenue opportunities, organisational efficiency and effectiveness, and sustainable building solutions.
5. To improve the back of house storage to allow Warrnambool Art Gallery to continue to acquire new items and meet the technical requirements of loan agreements.
6. To explore and develop programming links with other arts organisations, festivals and business partners.
7. To provide security of exhibitions through appropriate display arrangements.
8. To provide fair and equitable access to all members of the community.
9. To ensure the safety of visitors and staff.
10. To support and develop staff so that they have the skills, leadership, and knowledge to deliver the Warrnambool Art Gallery's purpose.
11. To provide important public relations and information functions for the community.
12. Connection with Eastern Maar community and provide a place for collection, storage, and reflection.
13. To deliver a food and beverage offering that attracts locals and wider community.

14. To embrace the connection to existing businesses and attractions and maximise opportunity for connection to the Civic Green.

15. To provide necessary on-site parking for coaches, loading vehicles, buses and cars that maximise operations and accessibility.

3.2.2 Functional Areas

Based on research, best practices and comparative analysis, a contemporary Art Gallery is expected to provide the following key functional areas:

- **Back of House:** storage, workshops, loading bay, security, staff administration and amenities
- **Front of House:** entry, food and beverage, retail, bookable public spaces
- **Gallery spaces:** galleries and ancillary programming spaces
- **External areas:** parking, external landscape, public art

The proposed functional areas required in the new Warrnambool Art Gallery are included below. This has been prepared by Francis-Jones Carpenter (FJC). The needs of the Eastern Maar Aboriginal Corporation are nominated separately as the intent for these areas may be designed with discrete access and security requirements, but subject to further consultation with stakeholders.

Table 7: Functional Spaces and Areas

Functional Requirement	Area m^2	+35% Gross space	% of Brief	Existing area m^2
External Spaces incl Civic Green	1950			1575
Front of House	607	819	26%	
Eastern Maar spaces	315	425	14%	
Exhibition spaces	655	884	29%	
Staff spaces and Back of House	719	971	31%	
Total Estimated Gross Floor Area	**2,296**	**3,100 (excluding external areas)**		1,590

3.2.3 Functional Layout – Arrival and Access

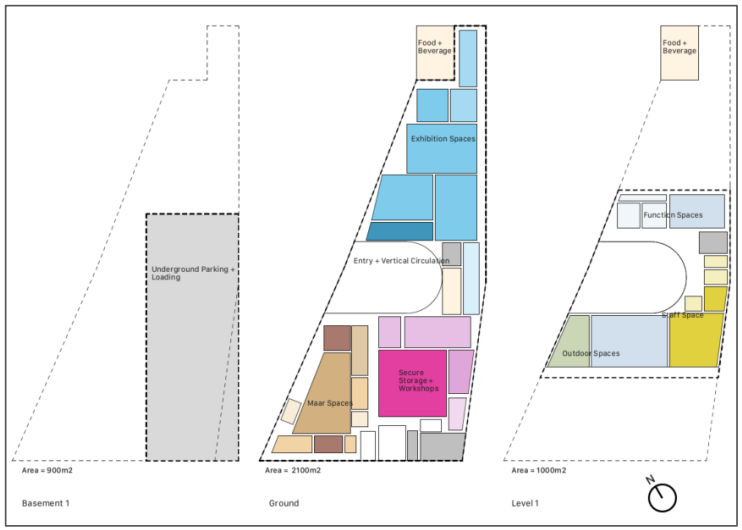
FJC has conducted site analysis and massing study for the existing site which is included in Appendix 5.

The typical functional layout has three levels comprising of underground basement parking and loading, ground level entry, exhibition, Maar spaces and secure storage and workshops with smaller footprint to level 1 for staff and functional spaces. Ground and level 1 would make a physical or visual connection with the outside. To either side of the vertical circulation between the levels, the functional requirement is for five core zones:

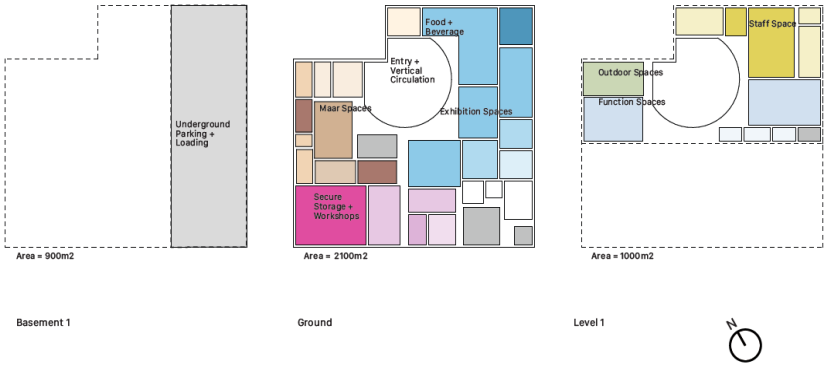
i. Maar spaces
ii. Exhibition spaces
iii. Secure storage & workshops
iv. Staff spaces
v. Function spaces

The layouts respond to the importance of connection to Civic Green and respects the main thoroughfare of Liebig and Timor Streets. Exhibitions and back of house would be at ground floor, together with Easter Maar space that allow for separate/discrete access. The staff amenities and function spaces would be on Level 1 overlooking Civic Green. Back of house access would be from Smith Avenue with car parking either at grade or to the basement via Smith Avenue.

Figure 10: Preliminary Functional Arrangement Plan for Strategy 1 and 2



Strategy 1



Strategy 2

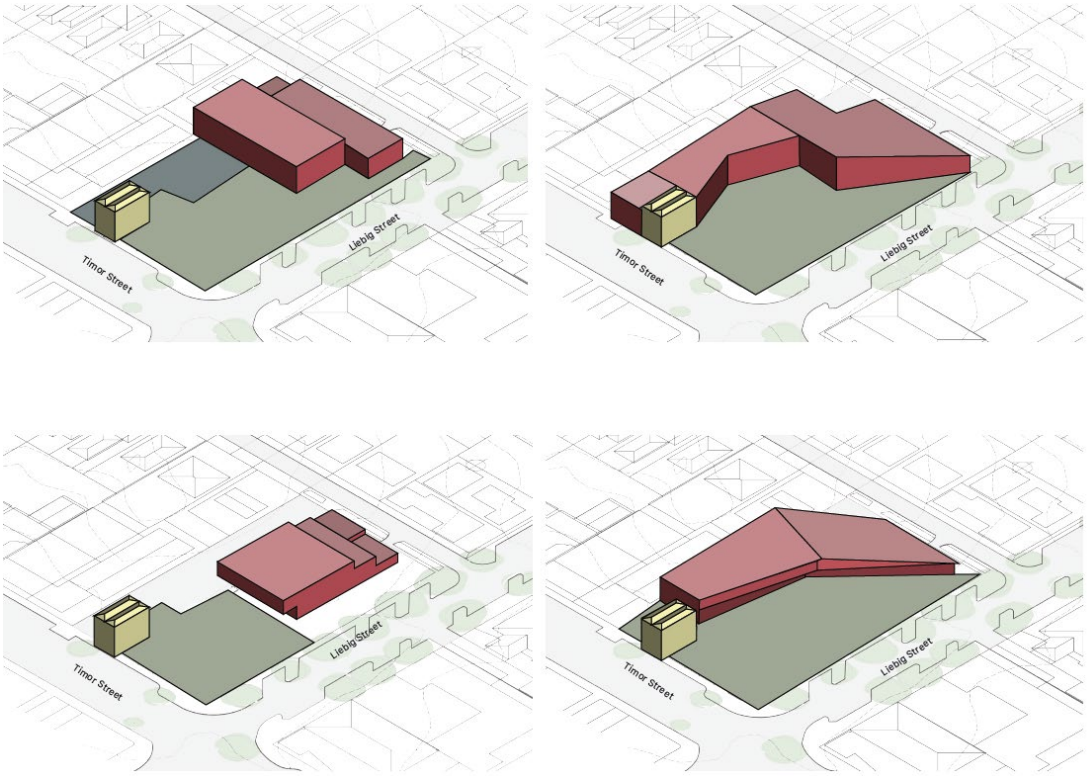
3.3 Massing Study

FJC has undertaken massing studies to test the functional layout to the existing site's opportunities and constraints. The massing study key criteria were to:

- Create greater connection to Timor and Liebig Streets to enhance the Art Gallery's presence as a landmark within central Warrnambool.
- Invigorate Civic Green and improve functionality and accessibility to the public open space.
- Maintain connection from Timor Street through to Smith Avenue.
- Respectfully respond to existing heritage buildings on the site.
- Allow for car parking and efficient loading for larger vehicles.
- Address the low-level residential setting of Smith Avenue.
- Use the northerly aspect to enhance natural light and amenity.

FJC prepared 4 massing options in response to the above criteria as outlined below:

Figure 11: Initial massing studies

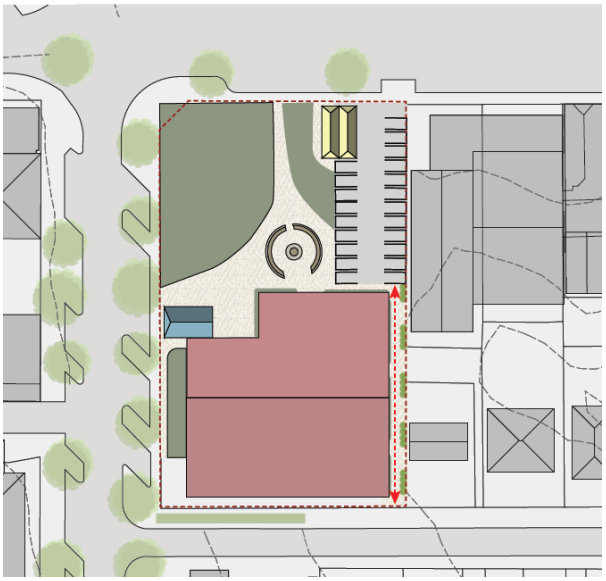


Upon review with Warrnambool Art Gallery and Council representatives, FJC progressed two strategies for detailed analysis being options 3 and 4 in the figure above. Site analysis, functional brief and layout together with the massing studies with multiple views for Strategies 1 and 2 are included in Appendix 5 for a more detailed review.

3.3.1 Massing Strategy 01

FJC's proposed massing strategy 01 maintains the existing footprint of the Art Gallery and creates greater presence in height and built form whilst again maintaining the street frontage of Liebig Street. The rear boundary along Smith Avenue is angled to minimise impact on the residential streetscape and car parking is along Timor Street as the main thoroughfare for vehicle traffic.

Figure 12: Strategy 1 site plan



The key attributes of Strategy 01 are:

- Directs pedestrian traffic towards Liebig Street and Timor Streets.
- Lower roof towards Smith Avenue reduces overshadowing.
- Preferences northern aspect of site.
- Treats Timor Street heritage as separate building.
- Has greater presence on site.
- Opportunity to retain existing Warrnambool Art Gallery heritage portion as part of the new build.
- Inclusion of yarning circle.
- Retains green areas of site for market use.
- Entrances can converge to a large central atrium.

Figure 13:Strategy 1 Massing model from corner of Timor and Liebig Streets.



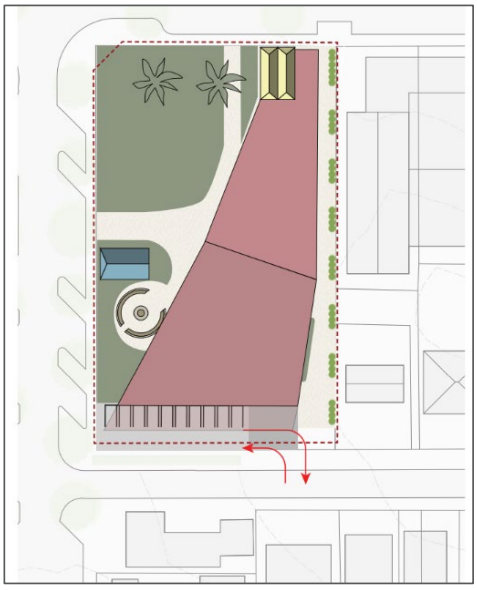
Figure 14: Strategy 1 Massing model from corner of Timor and Liebig Streets.



3.3.2 Massing Strategy 02

Massing Strategy 02 provides two points of arrival – one from Timor St adjacent the heritage building to celebrate this heritage asset, and one centrally off the Civic Green to create strong connection between indoor and outdoor spaces. It provides a larger footprint than the existing building and aims to have a greater presence to Timor and Liebig Streets to be a recognisable from these main streetscapes.

Figure 15: Strategy 2 site plan



The key attributes of Strategy 2 are:

- Pitched roof towards Smith Avenue to reduce overshadowing.
- Takes advantage of Northerly aspect of site.
- Connects existing Heritage to new building.
- Has greater presence on site and to main street frontages.
- Opportunity to retain existing Warrnambool Art Gallery heritage portion as a pavilion.
- Inclusion of yarning circle.
- Retains green areas of site for market use.
- Includes pedestrian connection between Timor St and Smith Avenue.
- Has basement car parking and efficient loading to the rear off Smith Avenue.

The design for Strategy 2 has considered on-grade carparking for up to 10 spaces and basement carparking facilities for approximately 20 cars. The existing open on grade public carpark to the east of the current gallery running between Smith and Timor Streets has 62 car spaces.

Figure 16: Massing strategy view from the corner of Timor and Liebig Streets



Figure 17: Massing strategy 2 view from Timor St



Upon review of both strategies, the project team identified Strategy 02 as the preferred option because it has greater presence on the site to Timor and Liebig Streets, angles pedestrian traffic towards Liebig Street with pedestrian access across the site, takes advantage of the northerly aspect of the site, contains the existing heritage to the new building and existing Warrnambool Art Gallery heritage portion as a pavilion, creates an accessible and versatile green civic space and ultimately provides a larger Art Gallery for variety of exhibitions and programs.

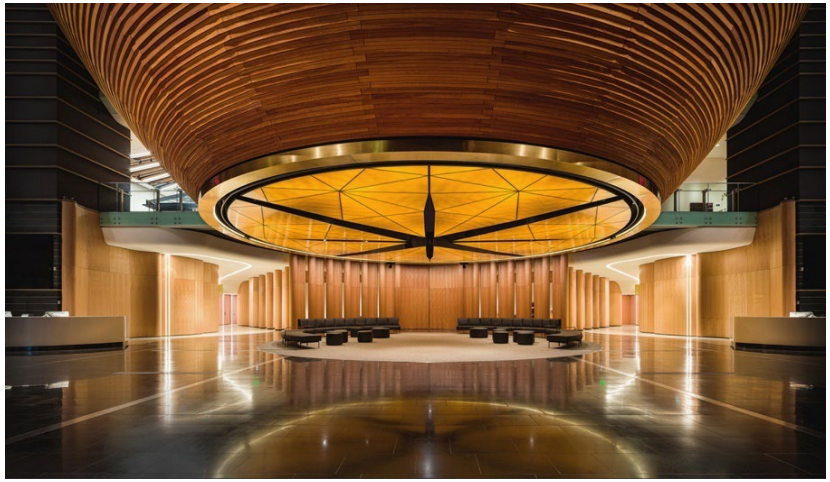
3.4 Architectural Benchmarks

The following benchmarks have been selected, from an architectural stance, to show specific characteristics from exemplar galleries which excel in either a specific function, or which possess high quality features to act as a visitor drawcard. It is important to understand how these success factors can be identified for consideration at Liebig Street.



Auckland Art Gallery | Toi o T ā maki, Auckland New Zealand

- location is a similar landscape context, a public park to its ‘back' and the front entry set down three floors.
- project had to consider the impact on significant view shafts from around the city.
- The gallery needed an indigenous voice both as a building and for the collection of works.
- Facility is a destination that serves cafe / members club rooms / functions.
- Youth engagement spaces were required.
- Conservation, workshop and storage were key requirements and site access very limited this included access to the secure loading area.
- Strong community objections to the project and now a much-loved community and national asset.



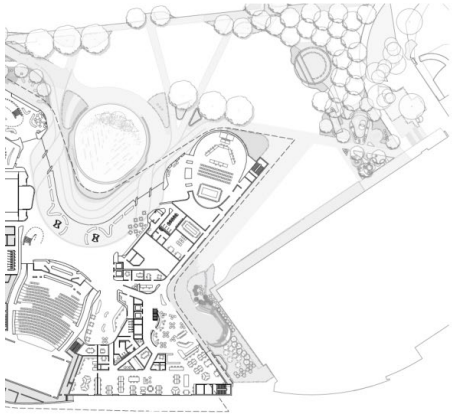
Auckland War Memorial Museum | Te Ao M ā rama, Auckland New Zealand

- Highly sensitive landscape context being visible in the round from many locations in the city.
- The gallery needed an indigenous voice both as a building and for the collection of works.
- Ceremonial spaces required for powhiri.
- Masterplan of the project had to consider the impact on significant view shafts from around the city.
- Facility is a destination that serves cafe / members club rooms / functions.
- Youth engagement spaces were required including lunch facilities for touring school groups.
- cultural requirements to accommodate sharing food and gathering space during the visit.
- Conservation, workshop and storage.



Port of Sale Cultural Hub Sale VIC

- Regional gallery context.
- Similar scale collection and storage requirements.
- Destination facility - cafe / functions / visitor centre.
- Investment in the facility significantly improved visitation to the area in the first year.
- Galleries can accommodate touring exhibitions conditions including the Archibald > 100m linear wall exhibition space.
- On site parking requirements considered RV's, buses and cars.
- Buses from cruise ships and school groups needed to be considered as to how they access the building but also not overwhelm the arrival experience for other users.







Bunjil Place | Narre Warren VIC

- Whilst the Bunjil Place example is larger in scale (due to the multi discipline accommodations), the gallery area and facilities in support of the gallery are relevant in the capability to house touring exhibitions and has been used in this context.
- Galleries can accommodate touring exhibitions conditions including the Archibald > 100m linear wall exhibition space.
- Destination facility - cafe / functions / visitor centre.



Tasmanian Museum and Art Gallery |Hobart TAS

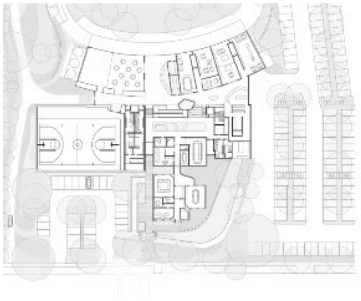
- Similar Gross Floor Area when consideration given to the heritage requirements that set many of the spatial requirements.
- Ceremonial space required in the arrival sequence.
- Captivating internal fit out with features which are “Instagram-able”.

3.5 Landscape Benchmarks

The inclusion of Civic Green as an established green space in front of the gallery provides for an effective forecourt, allowing for people to come and enjoy the space, new building and cafe/restaurant offers that could be incorporated within the gallery.

The following benchmarks have been selected, from a landscaping perspective, to show specific characteristics from exemplar public realm projects and are seen to provide opportunities that can be considered within the Civic Green area such as landscaping opportunities, informal amphitheatre, sculpture garden, seating and outdoor child enrichment zones with ties into the gallery.

3.5.1 Nunawading Community Hub

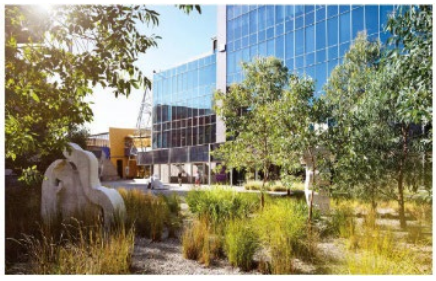




The new community centre is designed with a variety of spaces to learn, meet and collaborate, offering different indoor and outdoor environments, and catering to different cultural and ethnic backgrounds. The hub includes the surrounding landscape, incorporating the old school oval and schoolhouse. The oval has been converted into a new community park overlooking Tunstall Park, located on the traditional land of the Wurundjeri people of the Kulin nation.

3.5.2 Monash University Museum of Art (MUMA Sculpture Garden





The Ian Potter Sculpture Court, nestled in the arc of the redesigned and refurbished Monash University Museum of Art (MUMA) in Melbourne's Caulfield, is both sculpture garden and part of the public realm of the campus. Completed several years ago by Kerstin Thompson Architects, Simon Ellis Landscape Architects and Fiona Harrisson, the courtyard received an urban design award from the Australian Institute of Landscape Architects in 2011.

3.5.3 Orange Regional Museum





The Museum creates a new cultural precinct by integrating a new structure into an existing site alongside the public library and art gallery, layering the program into 3 parts: Building + Landscape + Events. The building envelope maintains a line-of-sight to the gallery while creating a new civic square, event space and cafe to house new and existing art and sculpture. The resolution of the complex, angular geometry was critical for a building with a minimal material palette of concrete, glazing, metal panels and grass and a continuous concrete-edge beam that wraps the entire facade, accentuating the form. Seating stairs create an amphitheatre and provide access to the sloping landscaped roof, a defining feature that rises from the existing lawn to provide a public green space and vantage point across Orange. Blurring the distinction between architecture and landscape, the grassed area was designed for flexible use as an outdoor exhibition area or simply an area for visitors to relax. Recipient of the 2017 Sulman Medal for Public Architecture in the NSW Architecture Awards, Orange Regional Museum creates a new cultural precinct by integrating a new structure into an existing site alongside the public library and art gallery.

3.5.4 The Mint





The Mint project is the transformation of one of Sydney's oldest and most precious historical sites on Macquarie Street into a new, meaningful public place formed and characterised as much by the carefully inserted contemporary buildings as the conserved and adapted heritage structures.

3.6 Benchmark Art Galleries Key Metrics

The following facilities have been identified as benchmarks for comparison to the proposed new Warrnambool Art Gallery as they are located regionally, focused on visual art, were developed to drive economic outcomes for the region and have had recent successes.

3.6.1 Shepparton Art Museum

Shepparton Art Museum is a good example of a new regional cultural investment. Shepparton Art Museum was opened in 2021 with a capital cost in the order of $50 million and in the first year of opening received 52,331 visitors, an uplift from 34,914. The original Business Case indicated a capital cost of $35 million with total development cost of $47.35 million. It is interesting to note the Business Case indicated a new Shepparton Art Museum could generate up to 100,000 in Year 5 of operation.



The funding strategy was:

- $15.35m – Greater Shepparton City Council.
- $10m – State Government.
- $15m – Federal Government.
- $7m – SAM Foundation.

Shepparton City Council are currently requesting funding of $2.5 million to complete landscaping, parking, and specialist equipment as Stage 2 of the redevelopment of the Museum.

3.6.2 Bendigo Art Gallery



Bendigo Art Gallery as mentioned earlier (Section 2.5) is a strong candidate for exemplar regional Gallery. Over the past 10 years the Gallery has significantly expanded its programming and recently averaged 150,000 visitors a year. In 2022 visitation has been in excess of 200,000 when major exhibitions such as *Elvis: Direct from Graceland* have been staged.[13] A redevelopment of the entire site has been costed at $48M will deliver a multi-storey building that enhances the capacity for major exhibitions and visitor attractions and creates new engagement and public spaces for the regional community. Most of the funding support will be sought from the State and Federal governments (up to $31M), together with funding commitments from the City of

[13] https://vic.liberal.org.au/news/2022-09-14-guy-davis-schade-securing-the-future-of-bendigo-art-gallery

Greater Bendigo, Bendigo Art Gallery Board and fundraising through philanthropic donations. It is understood the project still requires $15 million in funding to progress the full scope.

The existing Bendigo Art Gallery is approximately 2,700 sqm[14] with redevelopment looking to add 1,600 sqm. It has a strong touring exhibition program and has large portion of visitors from metropolitan Melbourne. As indicated in Section 2.5, blockbuster exhibitions contributed between $6M - $16M to the Greater Bendigo region.

3.6.3 Rockhampton Museum of Art

Rockhampton Museum of Art (RMOA) recently opened the doors to a new $36 million (construction value) art gallery in early 2022, has exceeded expectations for visitor numbers. It has been awarded the prestigious Sir Zelman Cowen Award for Public Architecture in 2023. Commentary in the press indicates:



"*The benefits of the project clearly outweigh the costs. This is a project that will spark an urban renaissance in our CBD and see our arts and culture scenes continue to expand for generations to come.*"

"The project supported 115 jobs during construction and will create another approximately 200 ongoing jobs."

The early Business Case data indicates that the new Rockhampton Art Gallery would more than double the visitation numbers per year from 41,000 to 90,000 initially and increasing overtime. The new facility will be six times the exiting with approximately 4,700m^2 for the new Art Gallery.

3.6.4 Newcastle Art Gallery

Newcastle City Council is investing $40 million in an extension to their existing art gallery of an additional 1,600 sqm. The City of Newcastle contributed $16.5 million to the project with a bequest in 2020 of about $10 million. Further funding is still required.

3.6.5 Bundanon Art Gallery



Bundanon Trust recently opened the new Bundanon Art Gallery to house the collection of Arthur Boyd. There are aspirations the Art Gallery will become a regional tourism destination with $22.5 million funding from Government and $10.3 million from State.

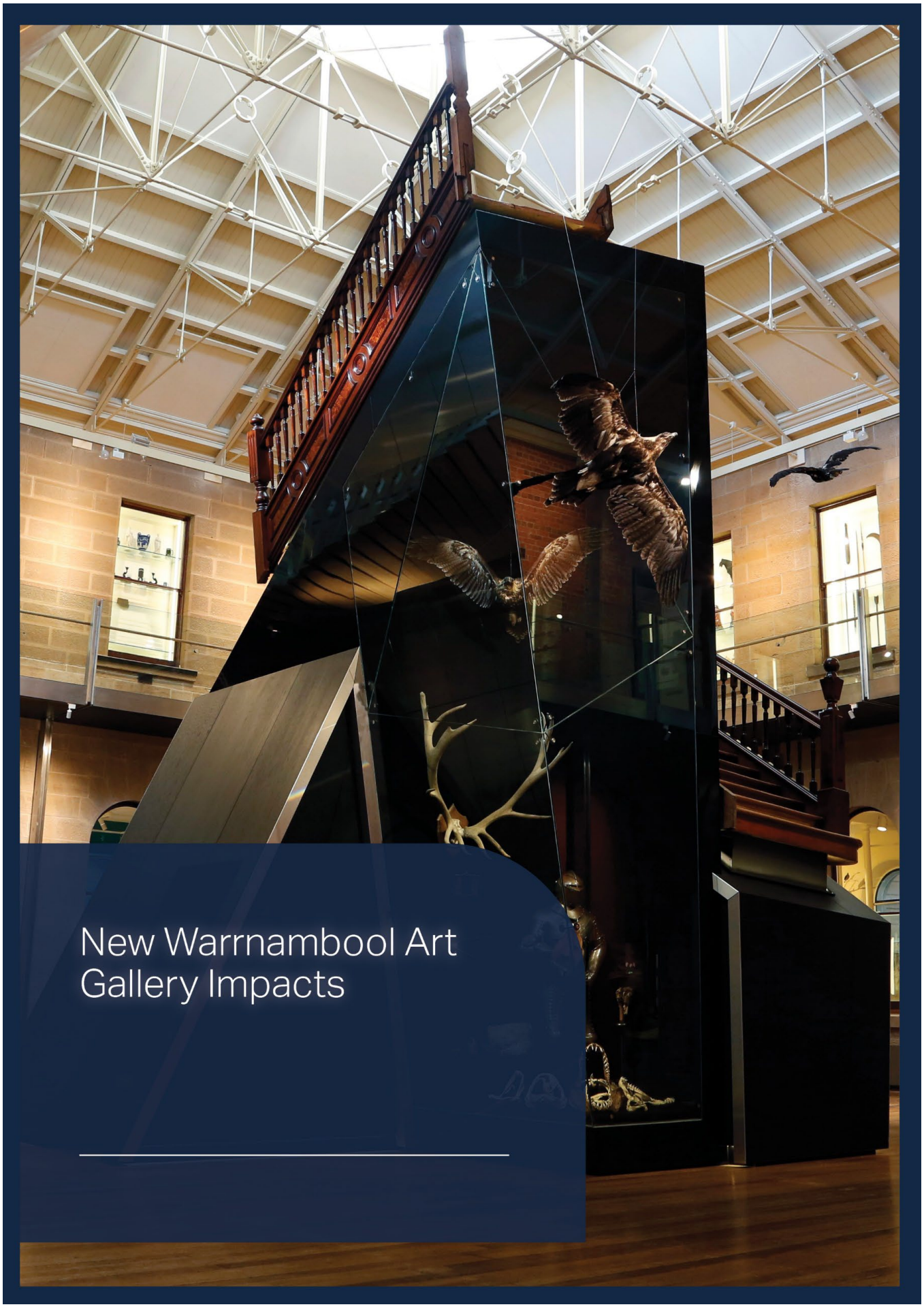
The summary of these benchmark Art Galleries is below in Table 8.

[14] https://aumuseums.com/vic/goulburn/bendigo-art-gallery

Table 8: Benchmark Australian Regional Art Galleries

	BENCHMARK REGIONAL ART GALLERIES KEY PARAMETRES					
Facility	**Base Visitation**	**Opened**	**Year 1 Visitation**	**Visitor Uplift**	**Size**	**Capital Costs**
Shepparton Art Museum	34,914	2021	52,331	50%	5,300 sqm 800 sqm gallery	$50M
Bendigo Art Gallery	150,000	TBC	Data note available	Data note available	2,754 sqm Redevelopment to add 1,600 sqm and 600 sqm of galleries	Redevelopment - $48M
Rockhampton Art Gallery	41,000	2022	90,000	120%	4,700 sqm increase from approx. 800 m^2	$36M
Newcastle Art Gallery	77,000	2024	Data note available	Data note available	Additional 1,600 sqm	$40M
Bundanon Art Gallery	**12,500**	2022	Forecast 55,500 (by Year 7)	Data note available	New	$36M (Business Case forecast of $24M)

The proposal for the new Warrnambool Art Gallery is 3,200 sqm of facility that is comparable to other regional facilities. The above data in relation to benchmark facilities visitation and capital costs provide good point of reference for the forecast visitation and capital costs for the proposals outlined in subsequent suggestions.



New Warrnambool Art Gallery Impacts

4 LIEBIG STREET IMPACTS

4.1 Liebig Street Visitation Forecast

Visitation to an Art Gallery is a key performance indicator that is often used to measure several impacts including economics, engagement and growth.

In Australia it is widely recognised that cultural tourism is growing and has been over the last 10 years. Cultural tourism is growing globally and outperforming the international tourism market as a whole. A survey of 69 countries by the United Nations World Tourism Organisation in 2018[15] found that:

- cultural tourism has grown by 23% over the past five years, compared to total global tourism growth of 19%;
- the overall growth in tourism between 2010 and 2014 is much larger for those countries that specifically feature cultural tourism in their marketing policy (66%); and
- in recent decades, tourism and culture have become inextricably linked, partly due to the increased interest.

Environmetrics Pty Limited were commissioned to prepare a visitation forecast for the proposed new Art Gallery at Cannon Hill. The purpose of the visitation forecast is to identify the likely number of visitors that will contribute to the economic impact of the new Art Gallery. This forecasting has been based on a post COVID “new normal” scenario and considers previous work undertaken including data and assumptions from previous studies. The forecasting is based on the source or geographic location from where visitors are coming, i.e., from Warrnambool, Regional Victoria, Metro Melbourne, Interstate, or internationally, and is averaged seasonally across a calendar year.

In the event Cannon Hill and Liebig Street new Warrnambool Art Gallery proposals are to be compared, the previously prepared visitation forecast is maintained in this Business Case to provide a consistent baseline for economic evaluation of the two options.

4.1.1 Visitation Model

The Environmetrics model used to calculate visitation is driven by the ‘’perceived value’ of an attraction by a visitor which is not just measured by the cost of accessing it but also by the time and energy taken to access and enjoy the experience.

In developing the visitation forecast, new galleries and museums tend to have one of two patterns of visitation after opening. The first pattern sees an initial “boom” in visitor numbers for a few years and then a drop down to a more stable level. The second sees an initial modest level of visitation that can rise to a stable level. Major venues in capital cities have shown the “boom” pattern and some have seen the slower rise pattern.

Examples are the original Powerhouse in Sydney, which followed pattern one of a ‘boom’ and the nearby Australian National Maritime Museum that followed pattern two with progressive increase in visitation. The museums differed on their exhibition impact which can contribute to the likely pattern of visitation. MONA in Hobart is an example of a most unusual venue and collection. Because of geographic constraints, MONA began with a more modest, locally based flow of visitors, but had significant exhibition impact that generated the “perceived value” to draw increasing flows of visitors from across Australia and other countries. While the plan for Warrnambool Art Gallery and surrounding attractions are to produce civic and cultural precinct that offers a far richer and exciting experience than what exists now, it is anticipated that the visitation flow is more likely to follow the second pattern. That is, a relatively modest first couple of years until a critical mass of word-of-mouth and media put a trip to Warrnambool Art Gallery on the “must see” agenda for diverse kinds of groups in the community.

4.1.2 Survey Feedback

To inform the analysis, Environmentrics conducted an online survey, sampling 500 Victorians and 100 South Australians, aged 18 years and over. The findings from this survey have informed the views on the opportunities and constraints for increasing the visitation numbers to Warrnambool and the proposed new Art Gallery development.

[15] Culture and Tourism Synergies, 2018, UNWTO (Warrnambool Art Gallery Feasibility Study page 5, July 2021 SMA Tourism.

The key findings from this research are:

- There is a major opportunity to capture additional visitor numbers by "**out of town" visitors by providing an interesting destination** and experience that is in addition to the existing "natural" attributes of the area.
- The existing structure of the Day Tour industry to **the Great Ocean Road** could be re-structured to include Warrnambool as an overnight stay destination, providing not only additional visitation to the Art Gallery, but also an opportunity to drive demand for accommodation and meals and therefore the increase visitor spend in the region.
- There is untapped demand for a wider range of leisure / tourism activities than what has traditionally been on offer at Warrnambool; Twenty six percent of the survey sample are **interested in "the now".** They are not interested in history, back-of-house experiences, or culture. They are interested in seeing what is here to see, taste and experience—sightseeing, physical activities, theme parks/zoos/botanical gardens and eating and drinking are high on their list of priorities. This market is a real opportunity as 40% of them have been to Warrnambool in the last 5 years and a new reactivated Warrnambool Art Gallery would provide the 'thing to do now'.
- Focus on **Aboriginal Art & Culture**, set within the overall Gallery's wider offering. Australians' interest in, and attendance at, First Nations arts and craft activities has continued to increase in recent years. The Australia Council's National Arts participation survey found that nearly half of all Australians are actively interested in First Nations arts (47%) and seven million attended in 2016 – a record level of attendance and double that of 2009[16]
- At least half of the people visiting Warrnambool from Regional and Metro Victoria have a range of interests, notably food and wine. Therefore, if a new Art Gallery included **quality Food & Beverage offers**, then this will act as a material draw and increase in visitation based on the survey respondents (over 50% of total sample). There is a strong argument that this secondary element to the core function of the Gallery can produce supplementary revenue streams, regardless of such visitation numbers holding an interest in art.

4.1.3 Current visitor profile

The economic contribution study estimates the impact of the new Art Gallery against existing operations. To inform this study, a visitor forecast is required as the baseline for the existing Art Gallery to which the new Art Gallery is compared.

The baseline visitor profile is outlined below and is based upon the Financial Year 2021/22 actual numbers. To provide a realistic basis for economic contribution, the local visitors from Warrnambool of 33,359 has been reduced by 20% to allow for likely repeat visitors. For the purposes of the economic analysis, it is assumed that visitors generally contribute to the economy in their first visitor.

Current sources of visitors to the existing Warrnambool Art Gallery are included in Table 9 below.

[16] Australia Council 2017, Connecting Australians: Results of the National Arts Participation Survey, June 2017, Sydney. https://www.australiacouncil.gov.au/research/connectingaustralians

Table 9: Visitor type as base case in 2022

Information		Source of information	Notes
Admissions to Warrnambool Art Gallery	61,776	Admissions from Warrnambool Art Gallery Annual Report	FY2021/22 with feedback from Warrnambool Art Gallery staff
Warrnambool	26,687	Admissions from Warrnambool Art Gallery Annual Report and % breakdown from Warrnambool Art Gallery	Warrnambool admissions of 33,359. Reduce admissions by 20% to remove repeat visitors – expenditure on first visit
Metro Melbourne	11,120	% breakdown from Warrnambool Art Gallery	Assume 1 visitor per person
Regional Victoria	16,062	% breakdown from Warrnambool Art Gallery	Assume 1 visitor per person
Interstate & International	1,236	% breakdown from Warrnambool Art Gallery	Assume 1 visitor per person
Estimated visitors to Warrnambool Art Gallery	**55,105**		

From the above table, regional visitors are the largest segment outside of Warrnambool visitors that drive visitation. Arts daytrips to regional areas have increased at a higher rate than arts daytrips to metropolitan areas. Regional areas are drawing almost as many Australians on arts daytrips as metropolitan areas. Moreover, since 2014 regional arts daytrips have increased at a higher rate than both metropolitan arts daytrips and daytrips overall17.

International tourists do not need to be the primary driver for the future of Warrnambool Art Gallery as its connection to community and its region is as critically important for improving the wellbeing of its community, however international tourists are the segment that can bring the most potential economic output due to the additional visitor spend and time in the region.

4.1.4 Visitor Forecast

A number of drivers will impact the potential visitor profile to a new Warrnambool Art Gallery. The overall flow of visitors into Warrnambool will play an important role in affecting the number of visitors to Warrnambool Art Gallery. Clever marketing, and the development of new product opportunities in Warrnambool will probably drive the overall numbers up. New competitive offers outside Warrnambool might pull the same numbers down.

Environmetrics has taken account of improved transport links between Warrnambool and Melbourne. While these can lower the time and energy components of the leisure budget which drives visitors to art galleries, they do not themselves generate visits. Visits are driven by the “exhibit impact” and “ambience”. So, for the modelling, Environmetrics has made educated assumptions based on past history as reported in the Destination Action Plan for Warrnambool relating to “The five-year visitation trends for the region and Warrnambool are relatively flat”, that there will be a post-COVID lift in the overall visitation pattern for Warrnambool but not a dramatic upward trend in the medium term. This is assumed to be consistent with the visitation pattern that is likely to be gradual steady growth rather than a boom on opening.

The key assumptions that are driving the visitation forecast for a new Warrnambool Art Gallery are:

1. Warrnambool Art Gallery becomes a focus for the Warrnambool community.
2. Design of Warrnambool Art Gallery provides an opportunity to connect with Civic Green and spend time in the spaces.

[17] SMA Tourism, Warrnambool Art Gallery Feasibility Study, July 2021, Page 6

3. Programs are delivered that invite participation from the wider Victorian community.
4. The offer includes quality food and beverage experiences.
5. New Warrnambool Art Gallery becomes a major destination within the wider Warrnambool civic and cultural precinct.
6. Extensive marketing and media campaign puts Warrnambool Art Gallery on the must-see list for visitors particularly tourists on tours to the Great Ocean Road.

The following visitation forecasts are based on an extensive marketing strategy for Warrnambool as a whole, based on the increased critical mass of attraction around Warrnambool (i.e., Flagstaff Hill, Lake Pertrobe, Library and Learning Centre and Lighthouse Theatre), the re-structuring of the current regional one-day tours to Great Ocean Road, improved transport links between Melbourne and Warrnambool, and targeted marketing campaigns to key interest groups.

The visitation analysis and assessment for a new Warrnambool Art Gallery has been based on the following source data:

1. ABS Tourism Data, Victorian Tourism Reports', 2015 – 2017 Destination Action Plan for Warrnambool and the 2018 Shipwreck Coast Masterplan.
2. Review of benchmark facilities.
3. Admissions data from the existing Warrnambool Art Gallery.
4. Admissions data from Flagstaff Hill Maritime Village, the Warrnambool Visitor Centre, and Warrnambool Council to develop a historical picture of visitational trends to Warrnambool.
5. Survey feedback.

The visitation forecast is outlined below and assumes a range of uplifts to reflect the assumptions above. The visitor profile from Bendigo Art Gallery has been provided as a point of reference to demonstrate how the new visitor forecast would compare.

Table 10: Comparison of Actual and Forecast Visitor Numbers

Visitor Source	Current visitors	Cautious Year 1	Optimistic Year 1	Year 5	%	Basis
Warrnambool	26,600	30,000	31,000	31,000	27%	20% uplift from existing. Large portion of population already visit Warrnambool Art Gallery so not expected to significantly increase
Regional Victoria	16,000	21,000	25,000	35,000	30%	35 - 55% uplift from existing to consistently build over time. Bendigo has 30% regional visitors
Metro Melbourne	11,100	13,000	14,000	40,000	34%	25- 30% uplift from existing but will significantly increase with awareness. Bendigo has 49% from Metro Melbourne which is closer destination than Warrnambool
Interstate	930	1,400	1,700	8,000	7%	Consistent with similar Art Galleries – Bendigo has 10% interstate
International	310	600	880	2,000	2%	Consistent with similar Art Galleries – Bendigo has 1% international
Total visitors	**55,000**	**66,000**	**72,580**	**116,000**		

The visitation analysis indicates that a new art gallery would provide a base case uplift from **current visitation of 55,100 to 116,000 within a 5-year period,** with significant increase from visitors from the current uncaptured out-of-town visitor market. This increase in visitation is seen as being relatively modest within the first couple of years, until critical mass of word of mouth and media put a trip to the new Art Gallery on the "must see" agenda for visitors.

The 'break through' in converting tourists to travel to Warrnambool will be dependent on a range of activities including:

- **creating a critical mass of cultural attractions**; the potential development at Flagstaff Hill and investment in new Warrnambool Art Gallery starts to build this momentum; the inclusion of Budj Bim National Park on the World Heritage Register and Port Fairy Folk Festival draws together a regional program of attractions and activities in the area.
- **Working with regional partnerships to develop a strategic marketing strategy to target international and interstate tourists.**
- **Warrnambool Art Gallery providing a changing exhibition program and that taps into the international market's interests and expectations (similar to Bendigo Art Gallery).**
- **Landmark architectural building that resonates with high quality civic building people wish to see and which has social media attraction to share.**

It is important that all of the above presented "breakthrough" recommendations are implemented and backed by Warrnambool City Council in order to achieve the stated visitation uplift. Refer to Appendix 8 for detailed visitation analysis.

However, it must be understood that the potential of a new Warrnambool Art Gallery cannot be achieved/maximised without broader marketing and operational changes. A list of suggestions to support the growth in visitation that Warrnambool has to offer are included in Table 11 for Council to assess further in creating an action plan for economic marketing strategy.

Table 11: Attributes to Harness Increased Visitation

Warrnambool Attributes for International Tourism "Sell"		Areas to Harness for Increased Visitation
Access to beach	✓	Be a strong advocate for what Warrnambool has to offer which other regional counter parts do not possess.
Lake Pertobe / Holiday Park	✓	% of seasonal visits; create promotional activities which "sell" and act as a natural draw of visitation to other parts of Warrnambool.
History of Warrnambool	✓	Macro level of Warrnambool's rich history and culture – Warrnambool Art Gallery is part of a much wider segment.
Shipwrecked Map	✓	Warrnambool is not listed on all shipwrecked maps.
Access to Great Ocean Road "club"	✓	Need to harness a greater percentage of the 6.6M domestic and international tourists to GOR/$1.5B estimated spend – more than just a landmark Art Gallery – explore links with tour buses to do overnight stays. Links with car hire companies to convert day trips to overnight stays.
Deakin University	✓	Continue to develop pre-existing relationships and specifically Warrnambool Art Gallery Memorandum of Understanding/Partnership with Deakin University.
Food & Beverage / Retail	✓	Engage with local businesses to continue to grow the combined $274.85M (2021-22) dining and entertainment sector to meet international tourism dwell time.

Sources; https://corporate.visitvictoria.com/resources/regional-insights/great-ocean-road

https://www.deakin.edu.au/business-and-community/community-engagement/warrnambool/local-partnerships

https://www.warrnambool.vic.gov.au/warrnambool-economic-data

4.2 Capital Expenditure

WT Partnership has developed an updated cost estimate for the Warrnambool Art Gallery at Liebig Street based on the massing study and design response developed by FJC. At this early stage of the design process, WT Partnership have used benchmark projects and relevant costs per square metre to calculate the current day costs. The Cost Plan Summary and associated comments is included in Appendix 3.

A new build across the existing Liebig Street site will require an investment of $52.5 million. Table 12 below provides the cost estimate for the Liebig Street Massing Strategy 2:

Table 12: Massing Strategy 02 Elemental Order of Cost

	Liebig St
Demolition	$432,495
Heritage Works	$1,245,000
Site Works	$187,180
Basement	$1,520,115
Structure	$6,002,000
Building Fitout	$15,501,900
Extra Over Allowances	$2,023,000
Site Services & Infrastructure	$954,775
External Works & Landscaping	$1,209,225
Subtotal Construction Costs	$29,075,690
ESD Initiatives	$872,271
Design Development Contingency	$2,994,796
Construction Contingency	$3,294,276
Preliminaries & Margin	$9,058,968
Staging	Excluded
Total Current Day Construction Costs	**$45,296,000**
Authorities Fees & Headworks Charges	$905,920
Consultation Fees	$5,544,079
Decanting and Relocation Costs	$500,000
Temporary site Operation Costs Incl. Leasing	$250,000
Estimated End of Day Project Costs	**$52,496,000**

The Cost Estimate currently excludes a range of items which are detailed in Appendix 3; however, the following are items that require particular action:

- Contamination and or removal of hazardous materials including site remediation: site investigations are required to verify whether any hazardous materials such as asbestos are present within the existing gallery especially in consideration to its demolition.
- Latent and unforeseen ground conditions: a desktop geotechnical investigation has not been sighted and reviewed with intrusive borehole testing required to verify the ground conditions as this is a risk to the project with the construction of a basement.
- Removal, modification or trimming of surrounding trees on site has not been allowed for and will require further investigation via a trained arborist noting there are a number of established and protected trees that may be impacted by new access and egress points into the site.
- Allowance for any significant external public art or sculptures; this may be subject to a design competition or particular engagement that can be undertaken as a separate procurement activity by Council.
- Excludes full fit out to food and beverage spaces; this is often completed to cold shell only (base building services are capped off at the perimeter of the area) as leaseholder will take responsibility to fit out the spaces. This is subject to the commercial arrangement to be agreed with Warrnambool City Council.

- Electrical upgrades: as the new build will be significantly larger than the current facility, there may be need for upgrades to electrical infrastructure.. Art Galleries are generally high energy consumers and although sustainability initiatives will be implemented, and suitable cost allowances have been made within the cost estimate the electrical demand.

One of the most critical factors in the success of the new Warrnambool Art Gallery is the services flexibility, environmental controls, and quality of the gallery fit out to deliver different exhibition types that consistently attract and engage with audiences. To ensure the exhibition spaces have the necessary cost allowances to deliver this, WT Partnership has provided benchmark projects and their associated cost/sq metre (excluding Contractor Preliminaries, Contingencies). These benchmarked costs are not escalated from time of project completion.

Table 13 below provides relevant benchmarks for art galleries/cultural facilities across Australia.

Table 13: Gallery benchmark costs/sq metre

GALLERY SPACE / EXHIBITION	Construction Cost $/m2 (Not escalated)	Construction Cost rate applied for Warrnambool Art Gallery space ($/m2)
National Library	6,851	**8,800**
Regional Museum	7,189	
War Memorial	8,704	
Sports Museum	Ranging 3200-6300	
New Museum	Ranging 6700-8990	
Museum – Specific Gallery	7,649	

The above benchmarking exercise provides confidence that reasonable allowances have been made to deliver a fit for purpose gallery that is required for a significant uplift in visitation.

4.2.1 Escalation

The Cost Estimate provided in Appendix 3 does not include for future cost escalation beyond November 2023 as the delivery program is still to be agreed and escalation forecasts are subject to so much variation any escalation allowance would be arbitrary. Please note for the purposes of the Economic Impact Assessment, current day rates are required, and escalation is excluded.

Cost escalation risk however should be a key consideration for Council when considering project timelines and an overall suitable project budget for a successful delivery of the proposed Warrnambool Art Gallery.

In the previous decade, construction cost escalation across Building and Infrastructure sectors was relatively muted since the Global Financial Crisis of 2008-09. It was certainly well below the levels seen through much of the 2000s in most Australian states.

However, as the world emerged from the worst of the COVID-19 pandemic, escalation significantly increased in 2021 and into 2022. This was via a ‘perfect storm’ of events, including:

- Construction focused stimulus from both State and Federal Governments.
- Disrupted supply chains globally.
- The effects of sector underinvestment over many years.
- Labour shortages in local markets including ongoing hit to capabilities from limited immigration.
- Geopolitical tensions in Europe.
- Energy price rises.

- Extended draw on labour and materials via rebuilding efforts from recent natural disasters on the East coast of Australia.

The past two years have seen almost unprecedented cost increases in the construction market throughout Australia, including Victoria. Whilst WT Partnerships believe these cost escalation levels will begin to soften in 2023 and into 2024, they are still likely to remain above those levels experienced over the past 10-15 years prior. Following this volatile period, it is expected that construction costs will return to more stable and predictable conditions in line with longer-term historical trends.

WTP's cost escalation forecast percentage increases for building construction works in Victoria are tabled below.

Table 14: Forecast construction escalation.

YEAR	FORECAST INCREASE
2022	9-11%
2023	4-6%
2024	3-4%
2025	3.5-4%
2026	3.5-4%
2027	3.5-4%

The escalation factor in each year is cumulative and compounds, with projects commencing construction in later years experiencing a greater cost escalation factor.

On this basis, we have included sensitivity analysis about the construction cost escalation that would apply to the current day costs depending on commencement of construction (award of a Building Contract) as outlined in Table 15 below.

Table 15: Construction Escalation Impact

Current Day Costs November 2023	Construction Contract executed 2026 – 14%	Construction Contract executed 2027 – 17.5%
$52,496,000	$59,845,440	$61,682,800

The above advice is given based on information available at this date. The current volatile nature of the construction industry and global conditions means that specific local effects may vary. The cost escalation will be reviewed and tested in future cost estimates.

4.2.2 Operating Costs

WT Partnership has prepared a high-level operational lifecycle benchmark for inclusion within the financial and economic analysis and to provide Council with realistic expectation of ongoing costs associated with a new investment of this scale. The benchmarking report is included in Appendix 9 for further review.

WT Partnership has estimated an operating budget in the order of $357,700 per annum for expenses based on benchmark projects and excludes lifecycle replacement works and staff costs. The lifecycle costs associated with the new Warrnambool Art Gallery represent the replacement costs associated with the building elements as they require progressive maintenance and replacement throughout a 30-year operational period. WT Partnerships have forecast an estimated lifecycle expenditure in the order of $13 million which equates to approximately $436K per annum.

For the purposes of the economical evaluation due to the early stages of the design, operating costs of $761,406 has been covering both operating and lifecycle costs with an additional $1,000,000 for salary and direct costs consistent with the previous Business Case.

4.3 Financial analysis

A Cost Benefit Analysis (CBA) has been used in conjunction with the Economic Impact Assessment in the next section to analysis the financial and economic impact of new Warrnambool Art Gallery. The CBA includes the following monetised benefits and compares this against the costs. This analysis also compares the Base Case (existing Warrnambool Art Gallery) with Project Case: New Warrnambool Art Gallery at Liebig Street.

The Economic Contribution Study is included in Appendix 4 and summarised in subsequent sections.

The core benefits included within the CBA are detailed below:

Core economic benefits

- Amenity benefit of paid educational and venue hiring services assumed to equal at least as much as the cost to hire the facility.
- Visitor spending benefit: The new Warrnambool Art Gallery is expected to see an increase of 17,480 visitors by 2029. This will see additional visitor spending.
- Residual value of new Warrnambool Art Gallery building: This is the value of the new Warrnambool Art Gallery at the end of the evaluation period. This assumes a building asset lifespan of 60 years. Assuming a 30-year analysis period, this means that half the capital costs is realise at year 30.

Additional economic benefits

- Construction spending benefits: Additional economic activity generated through the spending on construction (this only includes the flow on effects of the construction expenditure as a benefit. The direct construction expenditure is classified as an economic cost).
- Operation spending benefit: Additional economic activity generated through the increase in operational and renewal expenditure (this only includes the flow on effects of the additional operational expenditure as a benefit. The direct operational expenditure is classified as an economic cost).

Table 16 presents the results of the core CBA for Victoria and associated Net Present Value based on a period of 30 years and 7% discount rate.

Table 16: Cost Benefit Analysis Results

Cost Benefit Results	30-year NVP (7% discount rate, 30 yrs)
Project Benefits	
Benefit of Warrnambool Art Gallery paying users (excl. exhibitions)	$2,062,331
Visitor spending benefit for Victoria	$66,027,062
Residual value of new Warrnambool Art Gallery building	$2,997,382
Total incremental benefits	$71,086,776
Project Costs	
Capital costs	$46,911,423
Incremental operational costs	$14,367,413
Total incremental costs	$61,272,836
Results	
Net Present Value	$9,813,940
Benefit Cost Ratio	1.16

Based on the results above, the development of a new Warrnambool Art Gallery is an economically viable project.

4.4 Economic impacts

The Economic Contribution Study assesses the economic contribution of a new gallery at Liebig Street and how this impacts the Warrnambool City region, the Great South Coast region and the state of Victoria. Tourism is very important to the Australian economy - Australia's regions are front and centre of tourism experiences in the country, with 44 cents of every tourism dollar spent in regional destinations. While tourism jobs can be found right across the nation, tourism jobs are a mainstay of employment in parts of regional Australia, comprising as many as six in ten jobs[18].

The development and expansion of the new Warrnambool Art Gallery site and service offering will generate three types of economic activity:

- Economic contribution generated through construction.
- Economic contribution generated by the additional operational expenditure of a new facility.
- Economic contribution generated through additional tourist expenditure.

The results of the assessment are summarised below.

4.4.1 Economic Contributions Generate Through Construction

[18] The Value of Tourism, Deloitte Access Economics, June 2021, https://www2.deloitte.com/au/en/pages/economics/articles/value-of-tourism.html

At the peak of construction, the new build will support:

- 32 direct jobs and $34.7 million economic impact.
- 76 supply chain and consumption jobs and $41 million within Warrnambool City.

When we consider the effects across the whole of Victoria, the project will support a total of:

- 43 direct construction jobs and $47.4 million economic impact.
- 149 supply chain and consumption jobs and $89 million in economic impact.

4.4.2 Economic Contribution through operations to Warrnambool

The new Warrnambool Art Gallery at Liebig Street will increase local expenditure through operations and services and economic impact of additional visitor spending. For the purposes of the economic assessment, the following visitor spending assumptions have been made:

- It is assumed that overnight visitors spend no more than one night per trip in Warrnambool.
- Average spending per trip has been source from Tourism Research Australia.
- It is assumed that local visitors (i.e., those form Warrnambool visiting the New Warrnambool Art Gallery spend only one tenth of the average spend of someone visiting from outside the region.

Spending per trip and total base case and project spending is outlined in table 17 below.

Table 17: Visitor forecast and spending assumptions.

	Warrnambool Art Gallery visitors in 2022 (Sourced from Environmetrics)	Average spend per trip (sourced from TRA in 2023 dollar terms)	Total Spend Base Case
Domestic Day (Locals)	25,700	38	$965,488
Domestic Day (Intrastate)	27,100	188	$5,090,415
Domestic Overnight	950	154	$146,190
International overnight	310	74	$22,928
	Warrnambool Art Gallery visitors in 2029 (OP2) (Sourced from Environmetrics)	**Average spend per trip (sourced from TRA in 2023 dollar terms)**	**Total Spend 2029**
Domestic Day (Locals)	31,000	31	$976,272
Domestic Day (Intrastate)	39,000	157	$6,141,063
Domestic Overnight	1,700	154	$261,604
International Overnight	880	74	$65,085

The summary of the economic impact is:

- By 2030, the new Warrnambool Art Gallery will generate an additional $13.5 million per year in local economic activity for Warrnambool City.
- An additional 81 FTE positions per year in Warrnambool City by 2030.

Table 18: Total Economic Contribution to Warrnambool

CONTRIBUTION TO WARRNAMBOOL	Existing Warrnambool Art Gallery (Base Case) 2022	New Warrnambool Art Gallery 2030	CHANGE
Employment Number of FTE positions per annum	30	81	↑ 51 FTE positions per year by 2030
Output The total dollar spends on goods and services	$5.1 million	$13.5 million	↑ $8.4 million expenditure per year by 2030

4.4.3 Contribution to Victoria

The economic contribution of the new Warrnambool Art Gallery on the Victorian economy captures the operational and visitor expenditure which will be realised both within Warrnambool city and the rest of the state.

- By 2030, the new Warrnambool Art Gallery will generate an additional $25.3 million per year in operational and tourism expenditure.
- This additional expenditure will support an additional 127 FTE positions per year in Victoria by 2030.

Table 19: Total Economic Contribution to Victoria

CONTRIBUTION TO VICTORIA	Existing Warrnambool Art Gallery (Base Case) 2022	New Warrnambool Art Gallery 2030	CHANGE
Employment Number of FTE positions per annum	48	127	↑ 79 FTE positions per year by 2030
Output The total dollar spends on goods and services	$9.8 million	$25.3 million	↑ $15.5 million expenditure per year by 2030

4.5 Uncertainties

Additional economic activity identified in the Economic Impact Assessment (above) have been considered as a sensitivity test to understand their impact on the outcome. These benefits include:

- The construction economic impacts: Additional economic activity generated through spending on construction. (Note, this only includes the flow on effects of the construction expenditure as a benefit as the direct construction expenditure is classified as an economic cost).

- The operation spending benefit: Additional economic activity generated through the increase in operational and renewal expenditure. (Note, this only includes the flow on effects of the additional operational expenditure as a benefit as the direct operational expenditure is classified as an economic cost).

The results, taking into account all possible indirect and direct effects on the economy, a number of tests to changes in costs and demand, and different discount rates are summarised below.

Table 20 below indicates the results to several sensitivities compared to the NPV and BCR outlined in Table 16, such as including indirect construction and operational benefits, an increase and decrease in costs and benefits, and a 4% and 10% discount rate that can be used to demonstrate how finances may change across the project.

Table 20: Cost Benefit Analysis Results – Sensitivities

Sensitivity Results	NPV	BCR
Including indirect construction and operational benefits	$9,813,940	1.16
Including indirect operational benefits	$9,813,940	1.16
Increase Tourism Benefits +10%	$16,416,647	1.27
Increase Tourism Benefits +20%	$23,019,353	1.38
Increase CAPEX by +20%	$50,130,902	1.76
Decrease CAPEX by -20%	$67,696,518	2.44
Increase benefits +20%	$24,031,296	.39
Decrease benefits -20%	($4,403,415)	0.93
4% discount Rate	$42,774,472	1.61
10% discount rate	($7,379,033)	0.87

4.6 Social Impacts

Regional art galleries play a significant role in ensuring the liveability, sustainability, and wellbeing of local communities in regional Victoria. Life-long learning and building social capital can be delivered through varied programming on offer.

4.6.1 Opportunities for Public Programming to promote diversity and inclusion

Warrnambool Art Gallery has delivered a range of programs that promote diversity and inclusion.

Girls Are Full Steam Ahead for female-identifying students in rural and regional south-west Victoria to change the prevailing perception by girls that '…STEM (Science, Technology, Engineering, Math) is not for me'. The project featured focus groups and workshops with Girl Geek Academy, Robotics Academy, Code Like a Girl, Tech Girls Are Superheros and local design company Lovelock Studio. Warrnambool Art Gallery has since established a Girls Steam Club, enabling project participants to meet regularly and extending the legacy of the project.

Warrnambool also has strong connection to the Pride Festival. Victoria's Pride event locations span across the state including Wangaratta, Ballarat, Morwell, Kyneton, Castlemaine and including Warrnambool and are generally enjoyed by tens of thousands of attendees[19].

Previous examples of broad engagement with the community include:

1) **LGBTQIA+**

[19] https://www.gayletierney.com.au/victorias-pride-celebrated-in-warrnambool/

Partnership with Brophy Family Youth Services to present two events as part of exhibition *Self-Creation.*
https://www.thewag.com.au/exhibition/self-creation
2022: Exhibition Launch Party at the Dart and Marlin (150+ people in attendance):
https://www.thewag.com.au/event/exhibition-launch-party
2023: Self-Created Pride Party, as part of midsumma Festival (150+ people):
https://www.thewag.com.au/event/self-created-pride-party

Event partners Brophy, have since reported numerous regional local councils are looking at Warrnambool Art Gallery as benchmarks for successful models for engagement with LGBTQIA+ community.

2) **2022: Public outdoor event entitled**, 'En Plein Air' hosted 27 artists including, but not limited to, Kenny Pittock, Grant Nimmo, Rick Amor and Michelle Hamer. Artists responded to the internationally significant Tower Hill Wildlife Reserve, in partnership with Worn Gundidj. Audiences of 800.
3) **2020: South West Victorian Aboriginal art and culture**: Warrnambool Art Gallery in conjunction with Deakin University and with financial support from Lyndoch Living announced the recipient of a fully funded PhD scholarship worth $84,000 over 3 years that will explore South West Victorian Aboriginal art and culture in October 2020. Torres Strait Islander woman Melissa Alexander, will produce a poem that will reflect the role of the Warrnamboool Art Gallery collection in the community as individual pieces of history and culture that placemark the missing voices of Aboriginal and Torres Strait Islander Australians.

Future Examples of Diversification

1) 23/24: Exhibition *LISA GORMAN + MIRKA MORA*
    a. Significant tourist driver.
    b. Conversations have begun with Public Transport Victoria, alongside accommodation and hospitality venues in Warrnambool to increase partnership and increase tourism through development of tourist packages.

2) 2023: Partnership with Heide Museum of Modern Art: https://www.heide.com.au/exhibitions/paul-yore-and-albert-tucker/
    a. Instigation of touring exhibition, developed by Warrnambool Art Gallery thus, Increasing Warrnambool Art Gallery's presence and outreach in Metropolitan locations. Thus increasing brand awareness.
    b. This will become an ongoing national endeavour.

3) Focus will be placed on mainstreaming history and artistic expression from LGBTQIA+, Indigenous, and artists from marginalised settings, at a local, national and international level. For example,
    a. https://www.thewag.com.au/exhibition/self-creation
    b. https://www.thewag.com.au/exhibition/love-message-message-death

A new Warrnambool Art Gallery will provide a destination and flexible spaces whereby these types of programs and events can be expanded and enhanced thereby contributing to the local Warrnambool and Victorian community.

4.6.2 Aboriginal reconciliation

As outlined through all sections of 2.7, there is a strong drive towards further recognition of Aboriginal people across Australia and Warrnambool City Council is currently drafting its Reconciliation Strategy.

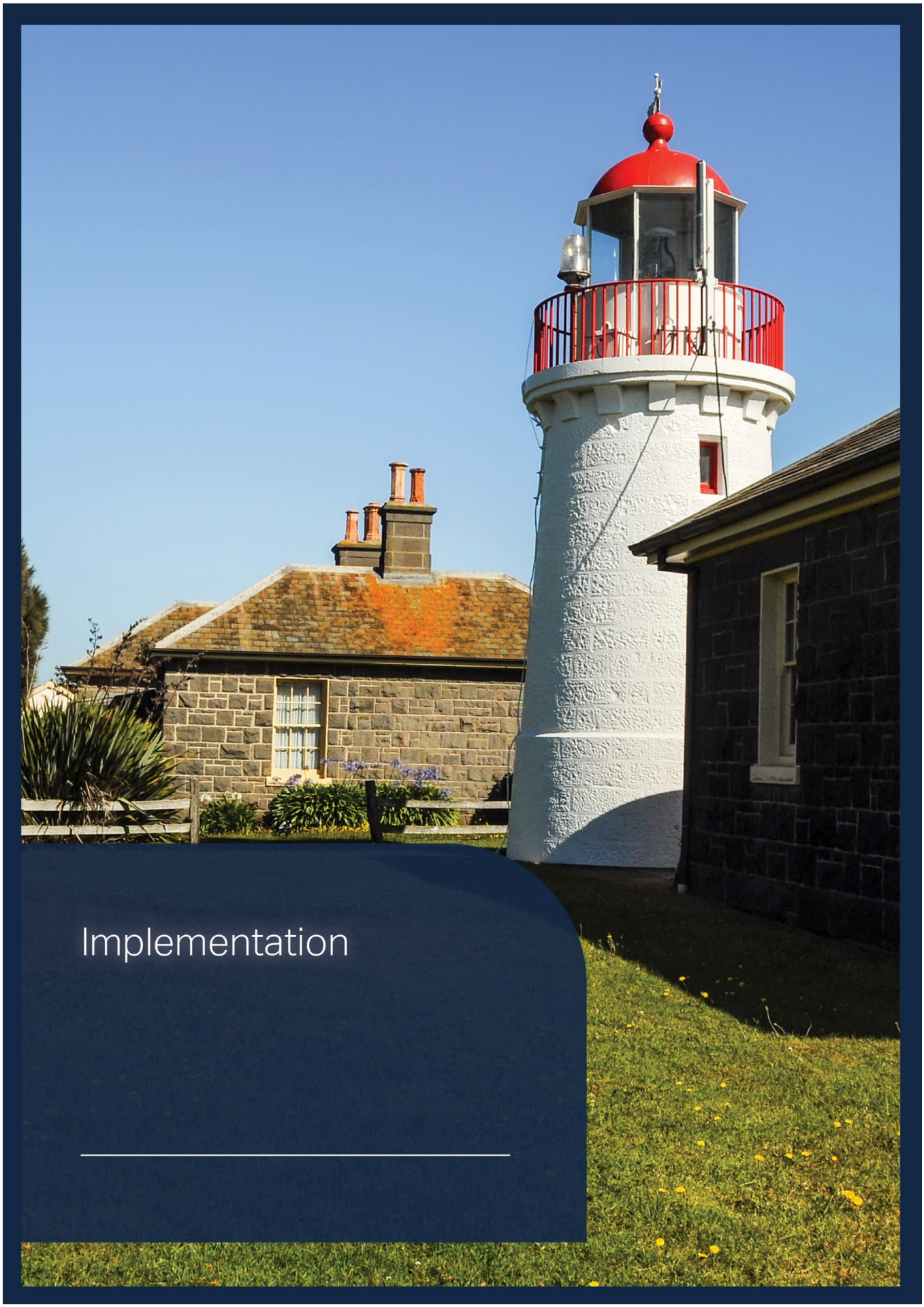
The Advancing the Treaty Process with Aboriginal Victorians Bill 2018 ('Advancing the Treaty Bill') was introduced in the Legislative Assembly by the Minister for Aboriginal Affairs, Natalie Hutchins, on 7 March 2018. In Victoria, Members of Parliament have acknowledged that:

- Aboriginal and Torres Strait Islanders endured 'catastrophic outcomes' as a result of European settlement;
- the 'recognition of these injustices' is important; and
- Indigenous communities continue to face extreme disadvantage in comparison to the broader community.[20]

[20] https://www.parliament.vic.gov.au/publications/research-papers/download/36-researchpapers/3861-advancing-the-treaty-process-with-aboriginal-victorians-bill-2018

Across the City of Warrnambool there were 555 individuals who self-identified as Aboriginal or Torres Strait Islander in the 2016 Census. This represented 1.8% of the City's population or twice the share of the Victorian population who self-identified as Aboriginal or Torres Strait Islander. The Glenelg-Southern Grampians statistical area west of Warrnambool had a higher 2.2% share who self-identified as Aboriginal or Torres Strait Islander.

Together with the surrounding Budj Bim development and Tower Hill, Warrnambool and the immediate region is becoming a focus for Aboriginal recognition, with the new Warrnambool Art Gallery putting Eastern Maar collaboration as a key priority.



Implementation

IMPLEMENTATION

5 Implementation

The following section outlines key considerations for the implementation of a new Warrnambool Art Gallery at Liebig St.

5.1 Environmental Impacts

The existing Warrnambool Art Gallery is located on Liebig St and was built in 1986 adjacent the Civic Green public open space. The key environmental impacts to be considered in the demolition of the existing building and construction of new Art Gallery integrating the Civic Green are:

- Detailed geotechnical investigations to understand soil conditions.
- Environmental site investigation to understand any ground contamination.
- Archaeological investigations and Cultural Heritage Management Plan to understand potential for significant First Nations connection.
- Any site specifics investigations relating to biodiversity.
- Hazardous material assessment of the existing building to confirm if material is present.

These investigations are required in the next stage of the project and will inform the design the new Art Gallery.

5.2 Detailed project schedule

Refer to Appendix 6 for a detailed master program that includes all stages necessary (that we are aware of at this stage of the project) to fund, design and deliver a new Warrnambool Art Gallery.

A range of assumptions have informed the development of this program as an example and if Council were to pursue the project, the program could include:

- Full Business Case and application to Department of Treasury and Finance in late 2024 after community consultation on the preferred concept scheme;
- Assume design team to commence in July 2025 and design stages to take approximately 20 months;
- Design team to be novated with some type of early contractor procurement with the Contractor to then take responsibility for completion of design;
- Assume design development stage continues during statutory planning approval process;
- No allowance for design competition to appoint a design team, assume a typical procurement process;
- Allowance of approximately16 months for construction;
- Allowance of 4 months for Warrnambool Art Gallery to install exhibitions, commission, recruit and train staff; and
- Program includes for Christmas shutdowns of approx. 3 weeks but not rostered days off (RDO) at this stage.

These assumptions and durations within the master program are subject to review and change as further information becomes available about the site, design, funding, statutory processes, procurement and community feedback.

5.3 Critical path activities and key milestones

The critical path activities that affect the commence of stages of the project are:

- Project doesn’t commence until all funding streams and phasing is confirmed.
- Completion of schematic design to allow for planning application submission.
- A construction contract cannot be executed without prior statutory planning approval.

- Works cannot commence on site until contractor procurement is complete.
- Construction – Warrnambool Art Gallery cannot install exhibitions until the facility has reached Practical Completion (i.e., works are complete in accordance with the contract and the facility can be safely occupied) and all environmental conditions are commissioned.

Table 21: Indicative Key Milestones for new Warrnambool Art Gallery

Milestone Task	Milestone Forecast Completion Date (Indicative Only)
Council Funding Determination / Endorse Next Steps	December 2023
Full Business Case and DTF Submission	December 2024
Funding Confirmed	July 2025
Schematic Design	November 2025
Design Development	March 2026
Construction Tender	September 2026
Planning Approvals	August 2026
Construction Documentation	October 2026
Building Works Practical Completion	**February 2028**
Exhibition Install and Opening	**May 2028**

5.4 Project schedule risk assessment

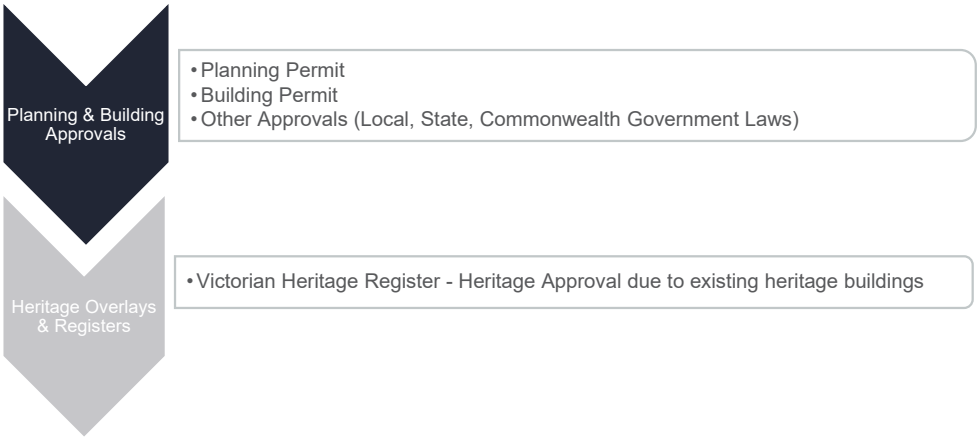
A detailed Risk Register is included in Appendix 7. At this stage of the project the following risks are anticipated to be high and will need to have a risk management and mitigation strategy applied:

1. Site conditions: a detailed geotechnical investigation, environmental investigation, Cultural Heritage Management Plan and site infrastructure assessment will be required to determine all potential site constraints that could either impact design, delay program or significantly increase costs. Mitigation at this stage is to include contingencies for design and construction and conservative approach to costing site conditions.
2. Planning compliance: early discussions are required with Council to understand whether other approvals are required such as planning permits or building approvals with consideration that the proposal is planning to
3. Secure funding: main risk will be securing the necessary funding for the project.
4. Certainty of budget: as the design is in its infancy the budget will be subject to progressive reviews as the project progress. Mitigation at this stage is to include 15% design contingency and 10% construction contingency with additional allowances for in ground conditions.
5. Consultation and support from Eastern Maar Aboriginal Corporation: consultation is to continue in a structured process with the Eastern Maar Aboriginal Corporation and other Frist Nations representatives.
6. Adjacent residential area: consideration needs to be given to provisions of items not limited to the following: noise controls, maintaining access, parking, overlooking requirements when building in close proximity to residential zones noting Smith Avenue is a residential street. This will need to be considered in terms of construction and once the building is occupied to minimise impacts to local residents.
7. Heritage: risk will be ensuring that heritage permits are secured before any changes are made to any existing heritage dwellings across the site, proper controls are in place and new design is sensitive to existing heritage to not harm the heritage significance.

5.5 Statutory processes

A number of statutory processes must be complied with for this project and are identified below in Figure 22. At this stage we are not aware of any cultural heritage issues to be addressed in lieu of standard planning requirements.

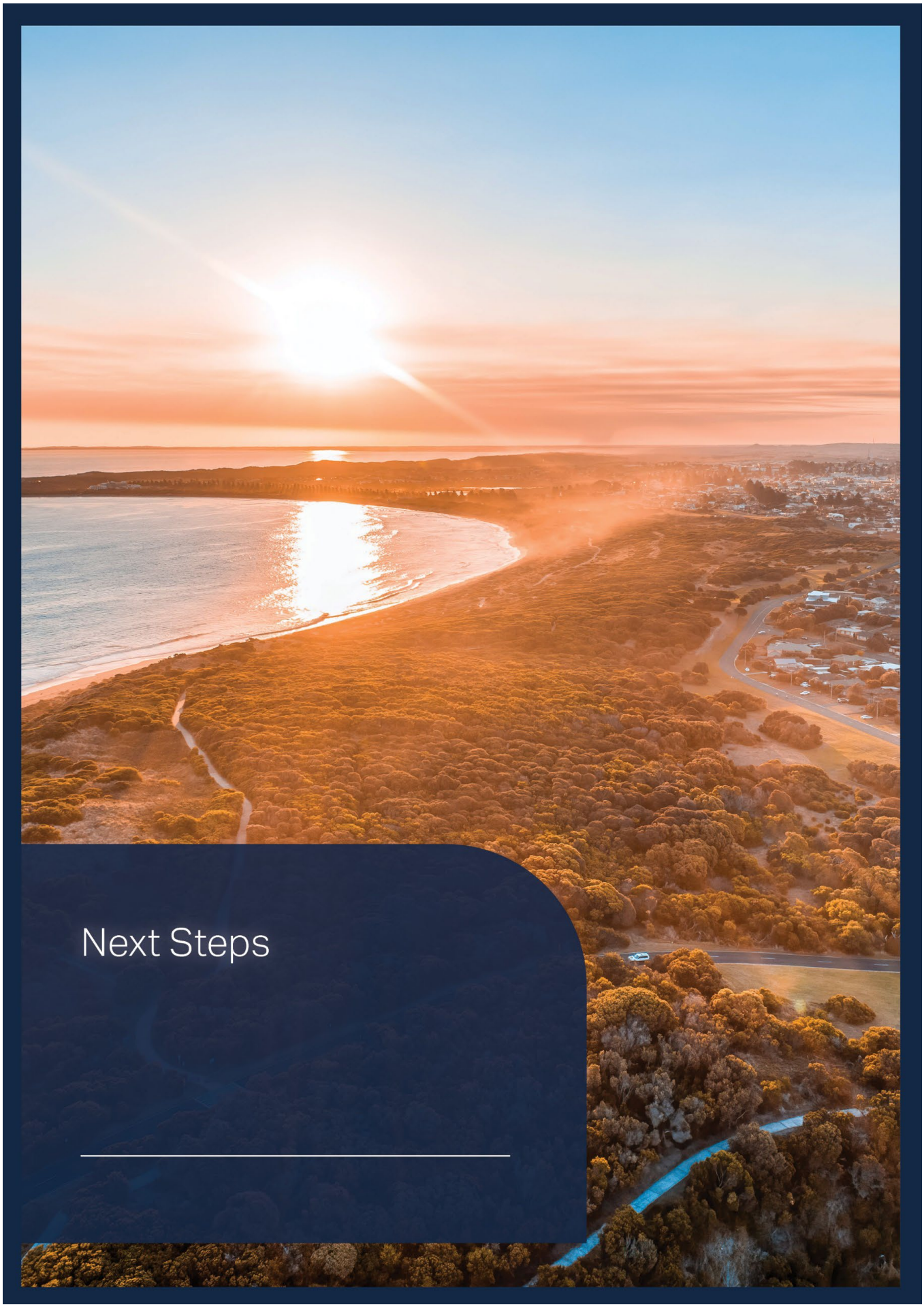
Table 22: Key statutory processes to be considered.



5.6 Funding sources

At this stage a Funding Strategy is being prepared by a specialist consultant. It is likely that funding will be considered from:

1. Council – as a Council asset, Warrnambool City Council will be expected to significantly contribute to the new infrastructure asset. This contribution would be capped in line with Council's financial capacity.
2. State – Victorian Government will need to contribute in accordance with the State Context basis as outlined in Section 2.6.
3. Federal – Federal Government often contributes to assets such as this when there is demonstrated economic basis, and the project satisfies the Governments current priorities. There are a number of new funding initiatives that may be considered by Council.
4. Philanthropic – Council would need to identify opportunities for philanthropic funding and engage accordingly.


Next Steps

6

6.1 NEXT STEPS FOR THE WARRNAMBOOL ART GALLERY

In the event Council wish to proceed with a new Warrnambool Art Gallery at Liebig Street:

- Council may wish to undertake consultation on the options for Civic Green with the community.
- Discussions will need to continue with Regional Development Victoria about the need for a Full Business Case for submission to State Government and other funding partners which will need to consider more detailed financial analysis of construction, operational, exhibition renewal and other asset related costs.
- Council will need to consider the project within its Capital Plan.

1

Appendix 1

Investment Logic Map

CREATIVE VICTORIA

Warrnambool Art Gallery

Case for Change

INVESTMENT LOGIC MAP

Initiative

PROBLEM ▶ **BENEFIT** ▶ **RESPONSE** ▶ **SOLUTION**

CHANGES ASSETS

PLACE
1. Facility is operationally inefficient and not cost effective
2. Curatorial capability and capacity is inadequate.
3. Exhibition loading, holding and storage is unsuitable
4. Workspace, meeting space and amenities are inadequate.

50%

1. Operations are efficient and cost effective
2. Layout, environmental conditions and infrastructure enables access to, storage, management and protection of collections
3. Back of house and amenities are of high standard improving access, safety and employee satisfaction
4. Function design supports productivity and staff engagement

30%

KPI1: All of the collection is protected and accessible
KPI2: Operational costs are financially and environmentally sustainable
KPI 3: Gallery is recognised as exemplary within the industry

1.Increased storage and display capability with contemporary functional and sustainable design.
2.Best practice flexible design, including state of art technology to support digital engagement and wide range of touring exhibitions/programs

30%

1. Leverage industry partnerships to secure quality exhibitions and loans

PEOPLE
1. Facility has limited capacity to achieve industry service levels and standards.
2. Audience engagement and access to travelling & unique exhibitions is limited
3. Inability to profile and promote local, regional and national creative experiences.
4. Delivery of educational programs with access to, and promotion of, First Nations culture and heritage.

20%

5. An exemplary standard of service, quality exhibition programs is delivered
6. Gallery enables promotion and commercial opportunity for local, regional and national creative industries and artists
7. Gallery has capacity to offer unique arts, cultural and educational experiences.

30%

KPI 4: Increased visitation and engagement by local community
KPI 5: Increased opportunity and profile of First Nations artists
KPI 6: Increased opportunity for artists

1.Varied engagement opportunities attracting diverse audiences.
2. Inclusive design invites and enables community-wide participation
3.Strong engagement with local and regional arts practitioners
4. Represents region in state and national industry networks
5. Strong partnerships with First Nations artists and local and regional Aboriginal corporations and entities

30%

1. Implement marketing and retail strategy at local, regional and national level
2. Develop strong strategic local, state and national partnerships
3. Develop quality programs that includes block-buster and unique exhibitions and product

New landmark regional facility and tourist destination, delivering exemplary creative, cultural and education experiences

ECONOMY
1. Existing facility does not represent an iconic regional facility which contributes to the City's reputation as a cultural tourism destination.
2. Ability to secure & leverage block buster exhibitions is significantly reduced due to a constrained facility.

30%

8. Iconic gallery renowned as a leading national arts and cultural tourism destination.
9. Demonstrating leadership in diversification of creative product across all genres and First Nations culture and heritage.
10. Experiential venue hosting blockbuster exhibitions
11. Recognised nationally as leading creative venue and experience

40%

KPI 7: Increase in regional, state and national visitors.
KPI 8: Gallery is included in Great Ocean Road and regional marketing campaigns

1. Activation of a central landmark location creating a cultural and civic precinct.
2. Create new spaces/functions that drive commercial opportunity

30%

1. Develop marketing strategy that includes other arts and cultural experiences.
2. Leverage Great Ocean Road tourism experience
3. Develop commercial strategy for quality hospitality offering

Investor: **Warrnambool City Council**
Facilitator: **RPI**
Accredited Facilitator: No

Version no: Rev 1 Liebig St
Initial Workshop: 2/1/23
Last modified by: Stephanie Hope (RPI)
Template version: 2/11/2023

2

Appendix 2

Opportunity Cost Methodology

Warrnambool Art Gallery - Opportunity Cost Assessment

PROJECT	Warrnambool Art Gallery	PROJECT NO.	20232045
		DATE	25/01/2023

No.	Evidence of Problem	Impact (Time, Cost, Quality)	Opportunity Cost Identification	Investment Required	Benefit Realised	Intervention Classification	Intervention Required to Existing Gallery (Retain or New) to Realise Opportunity Cost
1	Civic Green acts as a central meet point for locals but not reflected in direct visitation to Warrnambool Art Gallery	Time; Quality & Cost	Exisiting building lacking in "pull factor"	5	5	E	New
2	Existing front of house has never had a café function	Time & Cost	Captalise on secondary revenue streams	3	3	H	New
3	Existing retail shop does add to the revenue stream but is minimal	Time & Cost	Marketing rebrand and better merchandise offering to be distinct from rest of town retail pitch	1	2	L	Retain
4	Current WAG staff numbers consist of 5 full time with 4/5 casual - unable to support additional shows due to budget constraints	Quality	Hiring volunteers to increase total number of events held per annum to increase collection based shows and variety and therefore increase variety for target audiences to visit/attend gallery	1	2	L	Retain
5	Poor infrastructure and rigid layout	Time; Quality & Cost	Captalise on touring shows and therefore losing out on increase in variety and therefore reason for audiences to visit/attend gallery	5	5	E	New
6	Lack of flexible spaces	Time; Quality & Cost	Create opportunity for artist studio for roaming stints in residence and/or making spaces and/or programming spaces and/or educational spaces to provide exceptional interactive flexible functions and therefore quality on offer	4	5	E	New
7	Uninviting arrival making for low experiential factor	Time; Quality & Cost	Memorable experience due to high quality environment	4	5	E	New
8	Rigid and outdated climatic systems and controls	Cost & Quality	Quality climatic conditions to preserve one of one exhibitions for longer	4	5	E	Retain
9	Minimal audio visual infrastructure	Cost & Quality	Variety of collections to showcase and catering for wider target audiences	3	4	E	Retain
10	Severe back of house storage capabilities	Cost & Quality	Act as a holding facility for other galleries and loan offerings to temporarily showcase	4	5	E	New
11	No functional back of house workspace	Quality	Improved working conditions to create positive working environment	2	4	H	New
12	No airlock provisions	Cost & Quality	Obtain Grade A gallery quality standards and certification	3	5	E	New
13	Conservation of pieces/collections offsite	Quality	Improved capabilities to partner with exceptional collections to host temporarily	3	5	E	New
14	Parking restrictions for touring buses or school trips	Cost & Quality	Capture short stay tourist trips and provide platform for educational stays for local community	4	5	E	New
15	Lack of knowledge what is showcased within gallery	Cost & Quality	Brand dissemination to target increased audience	1	3	M	Retain

Intervention Classification

Likelihood	Consequence 0	Insignificant 1	Minor 2	Moderate 3	Major 4	Significant 5	Description
Minimal	1	L	L	M	H	H	Minimal effort before benefit is seen
Small	2	L	L	M	H	E	Small intervention with a minimal level of reorganisation before benefit is seen
Reasonable	3	L	M	H	E	E	Reasonable intervention with a medium term disruption to exisiting operations
Major	4	M	H	H	E	E	Major intervention with medium to long term disruption to exisitng operations
Extreme	5	H	H	E	E	E	Extreme intervention with long term impact to operations before any benefits can be realised
		Category 1	Category 2	Category 3	Category 4	Category 5	*Please reference Consequence Category*

Investment Required

Rating	Level of Investment Required ($)	Description
5	Extreme	Expected to occur in most circumstances
4	Major	Will probably occur
3	Moderate	Might occur
2	Minor	Could occur
1	Insignificant	May occur only in exceptional circumstances

Consequence Measures

Rating	Descriptor	Impact		
		Cost	Time	Quality
5	Catastrophic	Over $500,000	Delay over 3 months	Exceptional impact
4	Major	Over $250,000	Delay over 2 months	Significant impact
3	Moderate	Over $50,000	Delay over 1 month	Moderate imoact
2	Minor	Over $10,000	Delay over 2 weeks	Minimal impact
1	Insignificant	Less than $5,000	Delay less than 1	Minor impact

Opportunity Cost Classification

3

Appendix 3
Liebig Street Cost Estimate

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1 November 2023

Stephanie Hope
RP Infrastructure
Level 7
550 Bourke Street
MELBOURNE VIC 3000
stephanie.hope@rpinfrastructure.com.au

Dear Stephanie

WARRNAMBOOL ART GALLERY

ESTIMATE NO.3 - BUDGET ESTIMATE NO.3

We are pleased to confirm our Budget Estimate No. 3 dated 1 November 2023, for the above project.

Please do not hesitate to contact us to discuss any aspect which requires clarification or amendment to the assumed scope of works on our part.

Yours sincerely

STEWART LYONS
Associate Director
WT

WT REF: PR-016482-02 - EST 3 (BUDGET)

WTP Australia Pty Ltd ACN 605 212 182 ABN 69 605 212 182
Level 21, 2 Southbank Boulevard, Southbank VIC 3006
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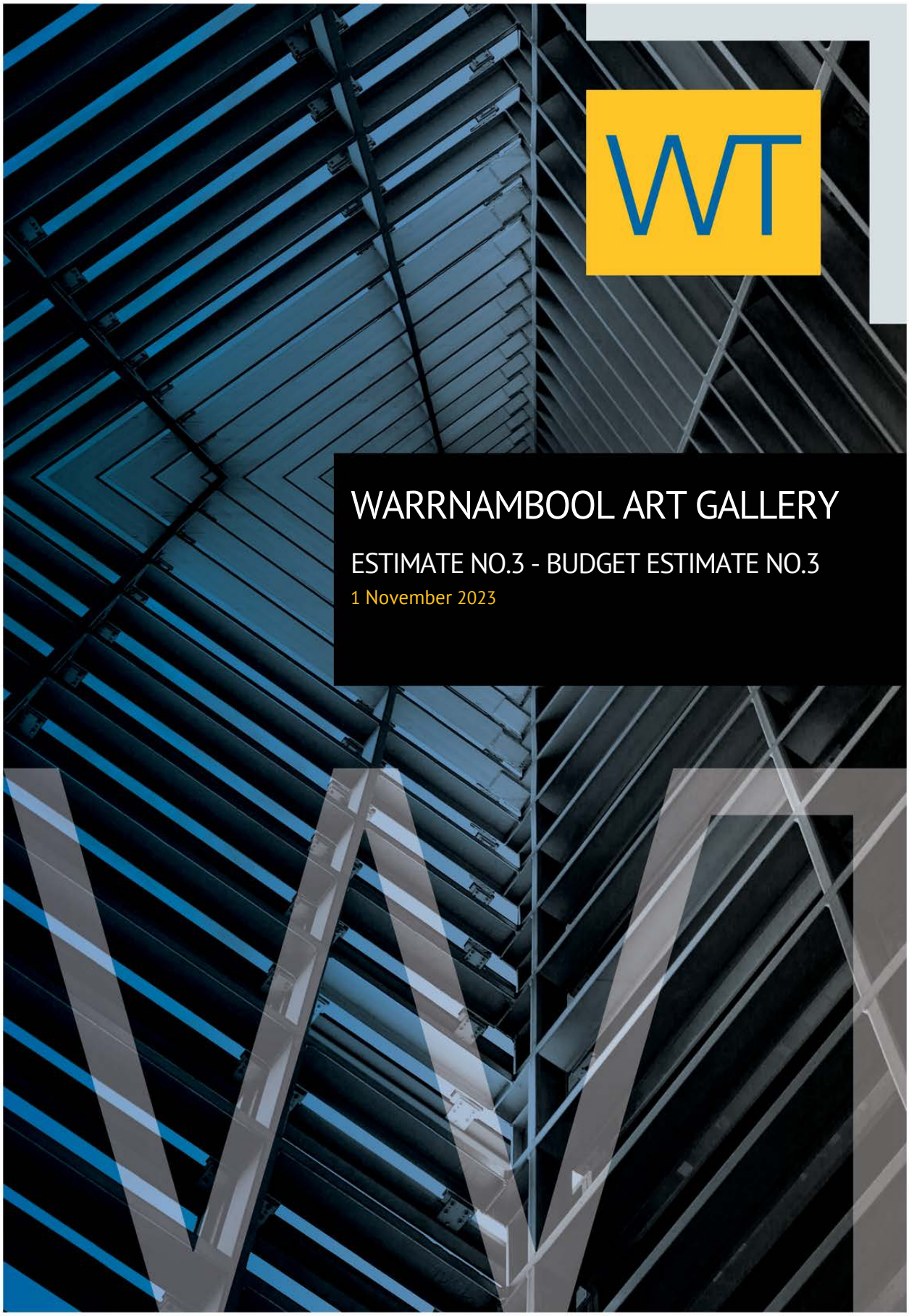
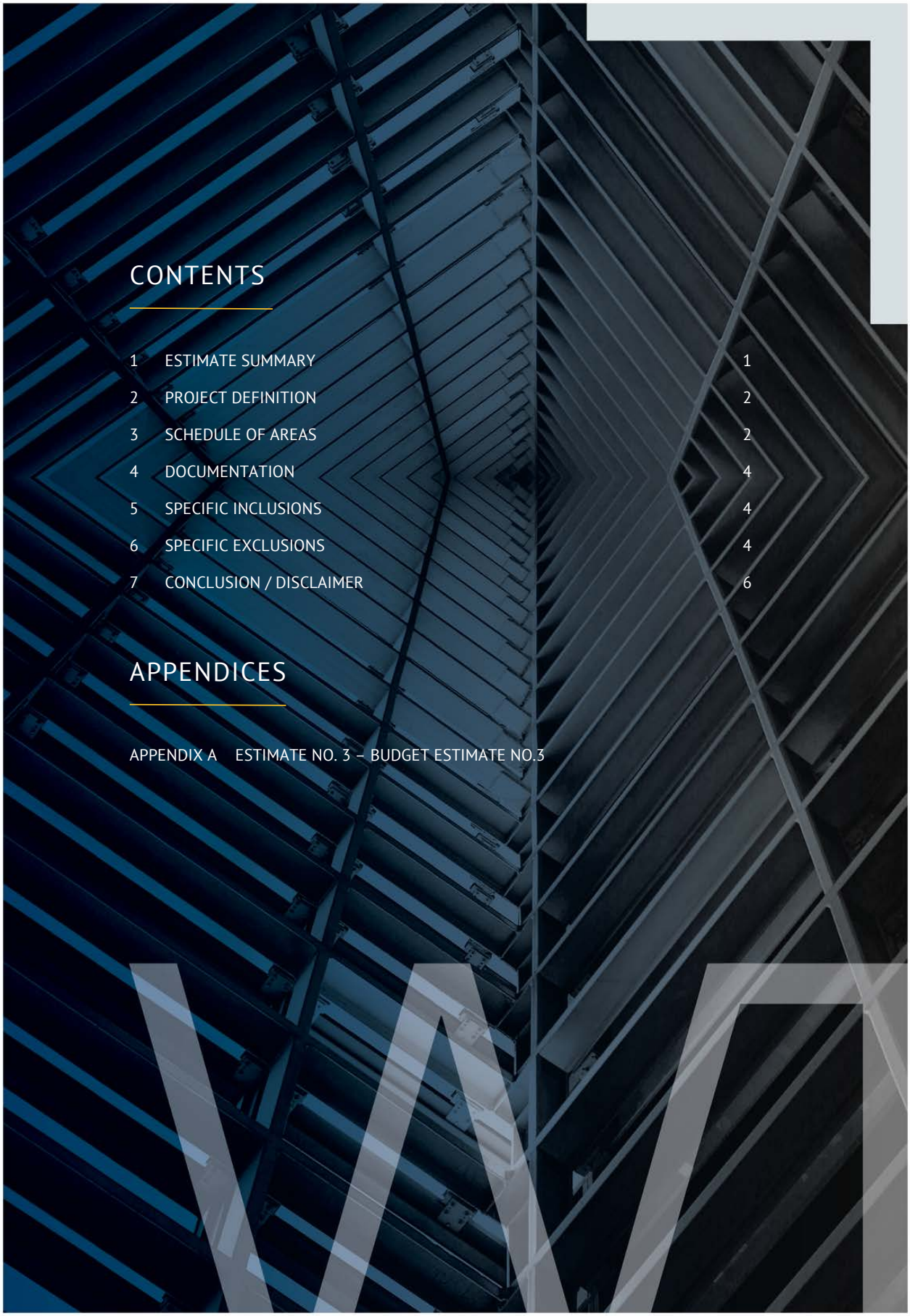


WARRNAMBOOL ART GALLERY

ESTIMATE NO.3 - BUDGET ESTIMATE NO.3

1 November 2023



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3	SCHEDULE OF AREAS	2
4	DOCUMENTATION	4
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6	SPECIFIC EXCLUSIONS	4
7	CONCLUSION / DISCLAIMER	6

APPENDICES

APPENDIX A ESTIMATE NO. 3 – BUDGET ESTIMATE NO.3

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1 ESTIMATE SUMMARY

We estimate the Total Project Cost in the amount of **$52,496,000 (Excl GST)** at current day costs of November 2023.

The high-level Budget Estimate No. 3 is summarised as follows:

	GFA (M^2)	GFA ($/M2)	$ (EXCL GST)
Construction Works	4,366	6,660	29,075,690
ESD Initiatives (Targeting 6 Star Green Star Only – Net Zero Carbon Offset Allowances Excluded) – 3%			872,271
Design Development Contingency – 10%			2,994,796
Construction Contingency – 10%			3,294,276
Preliminaries & Margin – 25%			9,058,967
Staging			Excl
Total Current Day Construction Cost (Excl GST)	**4,366**	**10,375**	**45,296,000**
Authorities Fees – 2%			905,920
Consultant Fees – 12%			5,544,080
Project Director Fees			Excl
Warrnambool City Council Internal Costs			Excl
Client / Project Contingency			Excl
Decanting & Relocation Costs			500,000
Temporary Site Operation Costs Incl. Leasing			250,000
Cost Escalation			Excl
ESTIMATED TOTAL END OF DAY PROJECT COST AS AT NOVEMBER 2023 (EXCL GST)	**4,366**	**12,024**	**$52,496,000**

Unless flagged otherwise in this report, our estimate does **NOT** take into account any additional costs or programme delays as a result of any future COVID-19 restrictions including delay or disruption to material supply.

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2 PROJECT DEFINITION

The project comprises the redevelopment of the existing Warrnambool Art Gallery at the current Liebig Street site location comprising the following:

- Demolition of existing Gallery Building and Structure
- Heritage refurbishment and protection works for both the Liebig Street (Shipwright) & Timor Street (Saddlery) Heritage Buildings
- Permanent & Temporary Gallery Exhibition Spaces
- Maar Exhibition & Gallery Spaces
- FOH Facilities including Function & Observation Spaces
- Staff Workplace & BOH Facilities
- Bar / Servery, Food & Beverage and Retail Spaces comprising Cold Shell Provisions Only (Tenant Fitout excluded)
- Basement Carparking Facilities for approximately 25-30 cars
- Civil Green, Public Realm and Hard/Soft Landscaping to External Areas

3 SCHEDULE OF AREAS

The estimate is based on the following schedule of areas and functions.

3.1 GROSS FLOOR AREA

FECA	M²
Basement	900
Ground Floor	2,100
Level 1	1,000
TOTAL FECA	**4,000 M²**

GFA	M²
FECA	4,000
UCA	366
TOTAL GFA	**4,366 M²**

3.2 FUNCTIONAL AREAS

BUILDING WORKS	M²
Amenities	30
Bar/Servery, Food & Beverage and Retail (Cold Shell)	95
Basement Carparking	900
BOH & Storage	160
Circulation	804
FOH	42
Foyer	150
Function	150
Gallery Spaces – Family Learning, Public Programming Space, Project Space Permanent & Temporary Collection	615
Gallery Spaces – Maar Nations	200
Gallery Spaces – Maar Interpretive Storage & BOH	115
Observation Area	50
Seminar	90
Staff Areas & Staff BOH	499
Visible Collection Storage	100
UCA Undercroft	366
TOTAL	**4,366 M²**

WTP Australia Pty Ltd (WT) has calculated the Gross Floor Area (GFA) as defined by the *Australian Institute of Quantity Surveyors (AIQS) Australian Cost Management Manual*. This convention provides consistency of the measurement process and assists benchmarking of comparable projects.

WT's GFA differs from the *Property Council of Australia*'s Gross Floor Area and the *City of Melbourne Planning Scheme Amendment C262* Gross Floor Area definitions which are used for the calculation of the Site Plot Ratio. Such areas should be quantified separately as per the required authority's definitions where required.

Refer Appendix A for detailed schedule of areas.

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4 DOCUMENTATION

This estimate is based on the following documentation:

- Architectural Concept Documentation prepared by FJC Architecture dated 4 October 2023 and received by WT on 5 October 2023

5 SPECIFIC INCLUSIONS

The Estimate is inclusive of the following allowances:

- Contractor Preliminaries, Supervision & Margin – 25%
- ESD Initiatives (Targeting 6 Star Green Star Only – Net Zero Carbon Offset Excl) – 3%
- Design Development Contingency – 10%
- Construction Contingency – 10%
- Authority Fees – 2%
- Consultant Fees – 12%
- Decanting & Relocation Costs (Budget Allowance Only) - $500,000 (Excl GST)
- Temporary Site Operation Costs Incl. Leasing (Budget Allowance Only) - $250,000 (Excl GST)

6 SPECIFIC EXCLUSIONS

The estimate excludes the following:

- Demolition in excess of allowances listed in this estimate
- Contamination and or removal of hazardous materials including site remediation (e.g. asbestos, PFAS, etc.)
- Abnormal and unforeseen ground conditions (e.g. rock excavation, poor soil, water table issues, etc.)
- Piled foundations unless otherwise noted in the estimate
- Archaeological dig including remediation of indigenous / heritage artifacts
- Works outside of the site boundary unless noted otherwise
- Protection of adjoining properties and footpaths
- Underpinning of adjacent structures
- Artwork and sculptures (including external public features and street furniture unless noted otherwise)

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- Warm Shell or Fitout to the Bar, Retail and Food & Beverage; the estimate allows only for Cold Shell Provisions with future fitouts to be completed by Tenant
- Solar PV Panels outside of specifically noted on drawing; assuming 80kW system to be sufficient
- Gas services to buildings
- Electrical substation allowances
- External undercover structures in excess of nominated allowances
- Loose furniture, fittings and equipment including window furnishings
- Carparking ticketing equipment or vehicle recognition technology
- Object conservation works
- Object acquisition
- Raised platforms to seminar
- Removal, modification or trimming of surrounding trees on site
- Wet or hydraulic fire protection systems. The estimate allows for dry fire protection only
- Fire protection to external of building
- LED screening or projections on facades
- Commercial kitchen or bar equipment
- Specialist storage racking
- Traffic management required to facilitate major construction or associated infrastructure works
- Climate controlled humidity HVAC systems to all Gallery spaces; the estimate allows only for the Permanent & Temporary Gallery Spaces
- Smart whiteboards in offices
- Staging of the works
- Adjoining owner issues
- Project Director Fees
- Warrnambool City Council Internal Costs
- Client or project contingency
- Decanting and relocation costs outside of nominated budget allowance; subject to further investigation by WAG and Warrnambool City Council
- Temporary site operation costs and leasing costs outside of nominated budget allowance; subject to further investigation by WAG and Warrnambool City Council
- Work out of normal working hours

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- Client insurance and permit fees or charges
- Finance and legal costs
- Client or financier contingency
- Marketing or leasing costs
- Cost escalation beyond November 2023 (current-day estimate provided)
- GST
- Unless flagged otherwise in this report, our assessment of the Cost and Programme to complete the project does **NOT** take into account any additional costs or programme delays as a result of COVID-19 restrictions which have not been claimed or approved.

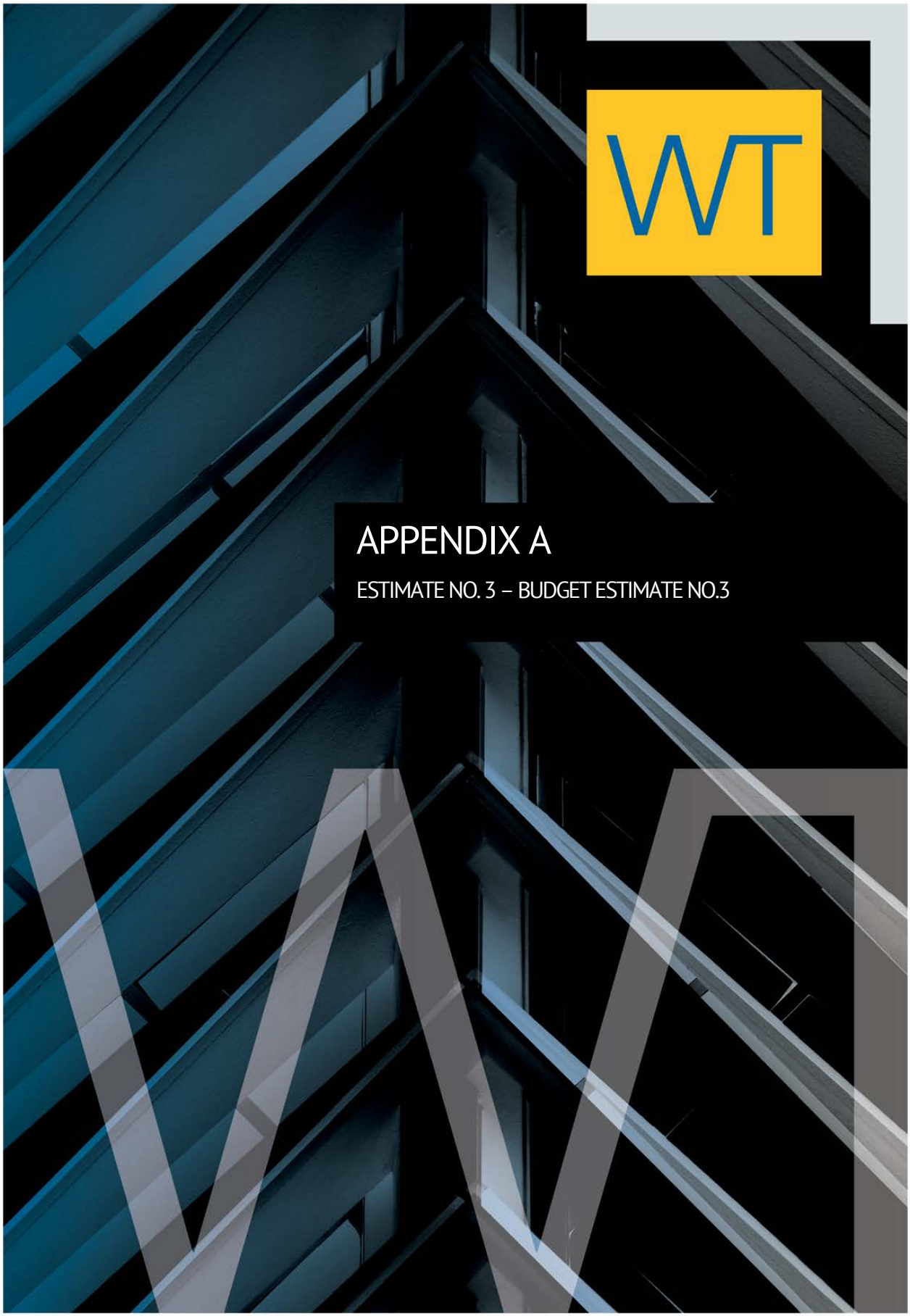
7 CONCLUSION / DISCLAIMER

We highlight that due to the preliminary nature of the documentation, our Estimate should be viewed as indicative and a preliminary opinion of the probable order of cost based on a concept without definition of design scope or quality.

Where WT has not been provided with sufficient information, we have made assumptions and allowances which will require detailed review once the design is developed.

Please review the detail of our Estimate, in particular the many assumptions as to scope, quality, performance and finishes of the current design intent to ensure it generally reflects your requirements.

The estimate has been prepared expressly for RP Infrastructure for the purpose of preparing a preliminary concept assessment and is not to be used for any other purpose or distributed to any third party.


APPENDIX A
ESTIMATE NO. 3 – BUDGET ESTIMATE NO.3

WAG | Warrnambool Art Gallery

Estimate No.3 - Budget Estimate No.3 - November 2023
FJC Studio Presentation - Strategy 2

Ref	Description of Works	Unit	Qty	Rate	Total
1.0	Demolition	Site Area	5,348	81	432,495
1.01	Treatment of contamination, removal of hazardous materials including asbestos and PFAS and site remediation				Excluded
1.02	Allow for removal, modification or trimming of surrounding trees on site				Excluded
1.03	Demolition of existing Gallery Building and Infrastructure	m2	1,122	250	280,500
1.04	Demolition of existing Stage and Adjoining Building (excl. Heritage Structures)	m2	218	250	54,500
1.05	Demolition of existing Carpark and retaining wall	m2	1,495	40	59,800
1.06	Extra over allowance for removal of hard / soft landscaped areas	m2	2,513	15	37,695
2.0	Heritage Works	m2	283	4,399	1,245,000
2.01	Upgrading of existing heritage structures including strengthening of existing floors				Excluded
2.02	Liebig Street (Shipwright) Heritage Building - Allow to retain and protect heritage façade during demolition works including partial / careful demolition and refurbishment of existing elements from heritage front and needle / propping during construction works	m2	190	2,000	380,000
2.03	Timor Street (Saddlery) Heritage Building - Allow to retain and protect heritage façade during demolition works including partial / careful demolition and refurbishment of existing elements from heritage front and needle / propping during construction works	m2	308	2,000	615,000
2.04	Timor Street (Saddlery) Heritage Building - Allow for partial / careful demolition to internal heritage finishes (assuming existing flooring and structures to remain as per original construction - subject to Heritage Consultation)	m2	200	500	100,000
2.05	Timor Street (Saddlery) Heritage Building - Allow for specialist sanding and sealing to internal heritage flooring	m2	200	250	50,000
2.06	Timor Street (Saddlery) Heritage Building - General allowance for interfacing and to make good / create new junctions between existing and new structures	Item	1	100,000	100,000
3.0	Site Works	m2	5,348	35	187,180
3.01	Allowances for abnormal and unforeseen ground conditions (e.g. rock excavation, poor soil, water table issues, contaminated soils, etc.)				Excluded
3.02	Archaeological dig including remediation of indigenous / heritage artifacts				Excluded
3.03	Clearance of site and stripping of vegetation	m2	5,348	10	53,480
3.04	Bulk earthworks and to cut and fill site to required levels (incl. landscaping areas)	m2	5,348	25	133,700
4.0	Basement	m2	900	1,689	1,520,115
4.01	Assumed 2700 deep basement	Note			
4.02	Basement ramp included elsewhere; refer External Works & Landscaping	Note			
4.03	Allow for water tables issues including dewatering and removal of wet spoil				Excluded
4.04	Dry basement structures incl. cementitious waterproofing additives (Xypex)				Excluded
4.05	Foundation piling - based on GFA				Excluded
4.06	Underpinning of adjacent structures				Excluded
4.07	Temporary access ramps during basement construction	Item	1	50,000	50,000
4.08	Basement excavation including removal of excess spoil off-site	m3	2,430	80	194,400
4.09	Shotcrete retention wall system; based on 18m x 50m perimeter	m2	367	230	84,456
4.10	Allow for retention soldier piles at 1800cntrs; based on 600dia piles x 5m total depth (2.7m deep basement level + 2.3m ground extension)	No	76	2,970	224,400
4.11	Allow for bar reinforcement for shotcrete and soldier pile connections	m2	367	100	36,720
4.12	Allow for capping beam to perimeter of retention system	m	136	1,000	136,000
4.13	Allow for ground anchors; based on 1 No. per soldier pile (assumed non-permanent)	No	76	1,600	120,889
4.14	Basement foundations including pad and strip footings	m2	900	250	225,000
4.15	Reinforced concrete slab on ground	m2	900	220	198,000
4.16	Allow for lift pit	Item	1	50,000	50,000
4.17	Structural columns - based on Basement FECA	m2	900	100	90,000
4.18	Allow for core / shear walls - based on Basement FECA	m2	900	100	90,000
4.19	Reinforced concrete staircase	m/r	3	7,500	20,250
5.0	Structure	m2	3,466	1,732	6,002,000
5.01	Allow for foundation piling - based on GFA				Excluded
5.02	Underpinning of adjacent structures				Excluded
5.03	Transfer slabs				Excluded
5.04	Foundations	m2	1,200	200	240,000
5.05	Reinforced concrete slab on ground	m2	1,200	220	264,000

WAG | Warrnambool Art Gallery

Estimate No.3 - Budget Estimate No.3 - November 2023
FJC Studio Presentation - Strategy 2

Ref	Description of Works	Unit	Qty	Rate	Total
5.06	Reinforced concrete suspended slab - to Level 1 and above Basement	m2	1,900	500	950,000
5.07	Ditto to UCA Undercroft - based on South & West Façade x 3m width	m2	366	500	183,000
5.08	Structural columns - based on Ground Floor + Level 1 FECA	m2	3,100	100	310,000
5.09	Allow for core / shear walls - based on Ground Floor + Level 1 FECA	m2	3,100	100	310,000
5.10	Feature Staircase from Ground Floor to Level 1	m/r	5	50,000	250,000
5.11	Suspended concrete roof structure	m2	1,850	500	925,000
5.12	Reinforced glass roof structure; assumed 250m2	m2	250	2,000	500,000
5.13	Integrated Façade System to West Elevation (facing Plaza); based on avg. 7.5m height	m2	600	1,800	1,080,000
5.14	Façade to all other perimeter walls; based on avg. 7.5m height	m2	990	1,000	990,000
6.0	Building Fitout	m2	4,366	3,551	15,501,900
6.01	Based on standard mechanical heating and cooling systems. Museum grade humidity and climate controlled HVAC systems included elsewhere - refer 'Extra Over Allowances'	Note			
6.02	Amenities	m2	30	4,300	129,000
6.03	Bar/Servery, Food & Beverage and Retail (Cold Shell)	m2	95	2,500	237,500
6.04	Basement	m2	900	1,000	900,000
6.05	BOH & Storage	m2	160	1,700	272,000
6.06	Circulation	m2	804	2,700	2,170,800
6.07	Front of House Spaces	m2	42	3,700	155,400
6.08	Foyer	m2	150	3,800	570,000
6.09	Function	m2	150	3,600	540,000
6.10	Gallery Spaces - Family Learning, Public Programming Space, Permanent Collection, Project Space, Temporary Collection	m2	615	8,800	5,412,000
6.11	Gallery Spaces - Maar Nations	m2	200	8,800	1,760,000
6.12	Gallery Spaces - Maar Interpretive Storage, BOH	m2	115	8,800	1,012,000
6.13	Observation Area	m2	50	1,000	50,000
6.14	Seminar	m2	90	5,400	486,000
6.15	Staff Areas & Staff BOH	m2	499	2,400	1,197,600
6.16	Visible Collection Storage	m2	100	3,900	390,000
6.17	UCA - Undercroft	m2	366	600	219,600
7.0	Extra Over Allowances	m2	4,366	463	2,023,000
7.01	Museum grade climate controlled humidity HVAC systems to the following Gallery Spaces: Permanent Collection & Temporary Collection	m2	400	1,000	400,000
7.02	Allow for passenger lift	Item	1	150,000	150,000
7.03	Allow for dock leveller to Loading Bay	Item	1	75,000	75,000
7.04	Solar PV Panels to Rooftop	Item	1	500,000	500,000
7.05	Roof access and protection infrastructure	m2	1,850	80	148,000
7.06	Allowance for Building Signage	Item	1	250,000	250,000
7.07	Allowance for Audio Visual Equipment	Item	1	500,000	500,000
7.08	Green rooftop including all associated membranes, growing medium and planting of small shrubs and plants				Excluded
7.09	LED screening or projections on facades				Excluded
7.10	Allow for raised platforms to seminar spaces				Excluded
7.11	Allow for artwork and sculptures				Excluded
7.12	Allow for commercial kitchen or bar equipment				Excluded
7.13	Allow for specialist storage racking				Excluded
7.14	Fire protection to external of building				Excluded
7.15	Loose furniture, fittings and equipment including window furnishings				Excluded
8.0	Site Services & Infrastructure	m2	3,065	312	954,775
8.01	Allowances assited from information provided in the Infrastructure Services Report completed by CSE Group dated 12 May 2021 - refer drawing C-01 [A]	Note			
8.02	Stormwater mains	m2	3,065	25	76,625
8.03	Sewer	m2	3,065	25	76,625
8.04	Water	m2	3,065	15	45,975
8.05	Power	m2	3,065	30	91,950

WAG | Warrnambool Art Gallery

Estimate No.3 - Budget Estimate No.3 - November 2023
FJC Studio Presentation - Strategy 2

Ref	Description of Works	Unit	Qty	Rate	Total
8.06	Communications & Data	m2	3,065	25	76,625
8.07	External lighting to site	m2	3,065	75	229,875
8.08	Extra over for stormwater detention systems to hardscaped areas	m2	1,571	100	157,100
8.09	Allow for electrical kiosk	Item	1	100,000	100,000
8.10	Connections to existing facilities	Item	1	100,000	100,000
8.11	Water break tanks and fire booster set assembly				Excluded
9.0	External Works & Landscaping	m2	3,065	395	1,209,225
9.01	On-grade asphalt carparking and road including kerb and gutters	m2	320	150	48,000
9.02	Concrete carpark ramp leading to Basement Level	m2	99	500	49,500
9.03	Yarning circle including feature paving and in-built furniture / seating	m2	165	1,000	165,000
9.04	Hard landscaping comprising combination of exposed aggregate concrete and feature paving	m2	437	500	218,500
9.05	Hard landscaping to rear laneway comprising pedestrian access only	m2	550	250	137,500
9.06	Restoration of civic green including laying new turf and irrigation	m2	1,147	100	114,700
9.07	Soft landscaping and planting of shrubs to remainder of site	m2	347	75	26,025
9.08	New crossovers / modification to existing	No	2	25,000	50,000
9.09	Allow for public art garden and/or street furniture	Item	1	100,000	100,000
9.10	Allow for miscellaneous site wide retaining walls as required	Item	1	100,000	100,000
9.11	Allow for undercover shelter (separate to UCA Undercroft)	Item	1	200,000	200,000
9.12	Relocation, refurbishment or replacement of existing Palm Trees				Excluded
9.13	Make good or upgrade works to existing stage				Excluded
9.14	Works beyond the site boundary				Excluded
	Subtotal Construction Cost [Excl GST]	m2	4,366	6,660	$ 29,075,690
	ESD Initiatives (Targeting 6 Star Green Star Only - Net Zero Carbon Offset Allowances Excluded)	%	3	29,075,690	872,271
	Design Development Contingency	%	10	29,947,961	2,994,796
	Construction Contingency	%	10	32,942,757	3,294,276
	Preliminaries & Margin	%	25	36,237,032	9,058,968
	Staging				Excluded
	Total Current Day Construction Cost - November 2023 [Excl GST]	m2	4,366	10,375	$ 45,296,000
	Authorities Fees	%	2	45,296,000	905,920
	Consultant Fees	%	12	46,201,920	5,544,079
	Project Director Fees				Excluded
	Warrnambool City Council Internal Costs				Excluded
	Client / Project Contingency				Excluded
	Decanting and Relocation Costs (Budget Allowance Only)	Item	1	500,000	500,000
	Temporary Site Operation Costs Incl. Leasing (Budget Allowance Only)	Item	1	250,000	250,000
	Cost Escalation				Excluded
	Estimated End of Day Project Cost - November 2023 [Excl GST]	m2	4,366	12,024	$ 52,496,000

WAG | Warrnambool Art Gallery

Estimate No.3 - Budget Estimate No.3 - November 2023
FJC Studio Presentation - Strategy 2

Ref	Description of Works	Unit	Qty	Rate	Total

We highlight that due to the conceptual nature of the documentation, our Estimate should be viewed as indicative and a preliminary opinion of the probable order of cost. Where WT has not been provided with sufficient information, we have made assumptions and allowances which will require detailed review once the design is developed. Please review the detail of our Estimate, in particular the many assumptions as to scope, quality, performance and materials of the current design intent to ensure it generally reflects your requirements. The estimate has been prepared expressly for Warrnambool City Council for the purpose of a Preliminary Budget Cost Review, delivery option discussions and in support of funding application processes and is not to be used for any other purpose or distributed to any third party

Please note the following items **'specifically EXCLUDED'** from this estimate:

1 Demolition in excess of allowances listed in this estimate
2 Contamination and or removal of hazardous materials including site remediation (e.g. Asbestos, PFAS, etc.)
3 Abnormal and unforeseen ground conditions (e.g. rock excavation, poor soil, water table issues, etc.)
4 Piled foundations unless otherwise noted in the estimate
5 Archaeological dig including remediation of indigenous / heritage artifacts
6 Works outside of the site boundary unless noted otherwise
7 Protection of adjoining properties and footpaths
8 Underpinning of adjacent structures
9 Artwork and sculptures (including external public features and street furniture unless noted otherwise)
10 Warm Shell or Fitout to the Bar, Retail and Food & Beverage; the estimate allows only for Cold Shell Provisions with future fitouts to be completed by Tenant
11 Solar PV Panels outside of specifically noted on drawing; assuming 80kW system to be sufficient
12 Gas services to buildings
13 Electrical substation allowances
14 External undercover structures in excess of nominated allowances
15 Loose furniture, fittings and equipment including window furnishings
16 Carparking ticketing equipment or vehicle recognition technology
17 Object conservation works
18 Object acquisition
19 Raised platforms to seminar
20 Removal, modification or trimming of surrounding trees on site
21 Wet or hydraulic fire protection systems. The estimate allows for dry fire protection only
22 Fire protection to external of building
23 LED screening or projections on facades
24 Commercial kitchen or bar equipment
25 Specialist storage racking
26 Traffic management required to facilitate major construction or associated infrastructure works
27 Climate controlled humidity HVAC systems to all Gallery spaces; the estimate allows only for the Permanent & Temporary Gallery Spaces
28 Smart whiteboards in offices
29 Staging of the works
30 Adjoining owner issues
31 Project Director Fees
32 Warrnambool City Council Internal Costs
33 Client or project contingency
34 Decanting and relocation costs outside of nominated budget allowance; subject to further investigation by WAG and Warrnambool City Council
35 Temporary site operation costs and leasing costs outside of nominated budget allowance; subject to further investigation by WAG and Warrnambool City Council
36 Work out of normal working hours
37 Client insurance and permit fees or charges
38 Finance and legal costs
39 Client or financier contingency
40 Marketing or leasing costs
41 Cost escalation beyond November 2023 (current-day estimate provided)
42 GST

4

Appendix 4

Economic Contribution Study

Warrnambool Art Gallery Economic impact report

Client: Warrnambool City Council

Date: November 2023

POLIS PARTNERS

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Polis Partners would like to pay our respects to our ancestors and Elders, past and present who are our knowledge holders. We acknowledge our Aboriginal and Torres Strait Islander young people who are our future leaders. We acknowledge and pay respect to those who have gone before and recognise their deep and lasting contributions.

Executive summary

The Warrnambool Museum and Art Gallery (WAG) is owned and operated by the Warrnambool City Council and forms an important part of the cultural and recreational make-up of the city.

However, the current WAG building and site is too small, limiting the effective functionality of the front of house exhibition space and back of house storage, logistics and working space. This has significant flow on effects including the inability to meet customer expectations, inefficient use of staff time, ongoing risks to the collection and increasing operating costs (with limited revenue generating activities). As such, a new WAG has been proposed for be developed at the existing site.

This study assesses the economic contribution of a new gallery and how this impacts the Warrnambool City region, the Great South Coast region and the state of Victoria. The development and expansion of the new WAG site and service offering will generate three types of economic activity:

- economic contribution generated through construction
- economic contribution generated by the additional operational expenditure of a new facility
- economic contribution generated through additional tourist expenditure.

The results of the assessment are summarised below.

Table 1: Total economic contribution (average per annum)

	Current activity	During construction	Future activity
Contribution to Victoria			
Employment Number of FTE positions	48	192	127
Economic output Economic activity supported	$9.8m	$ 136.4m	$25.3m
Contribution to (LGA)			
Employment Number of FTE positions	40	131	105
Economic output Economic activity supported	$6.7m	$92.4m	$17.3m
Contribution to Warrnambool			
Employment Number of FTE positions	40	108	81
Economic output Economic activity supported	$5.1m	$75.7m	$13.5m

*Full-Time Equivalent

A

Background

This section of the report introduces the Warrnambool Art Gallery project and the key economic impacts that could occur following construction of the new gallery. This includes highlighting current activity at the site, and why the project has been proposed.

1. Introduction to Warrnambool Museum & Art Gallery

1.1 An introduction to Museum & Art Gallery

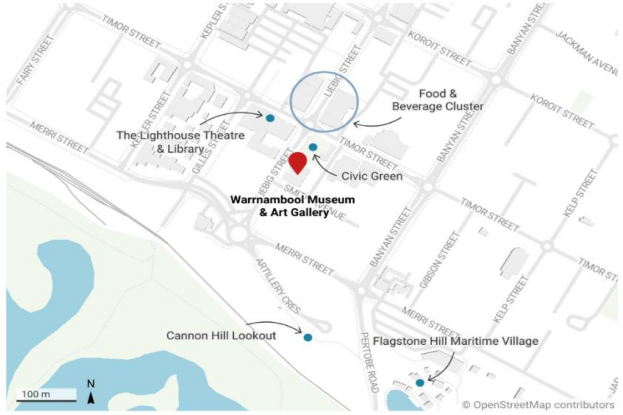
The Warrnambool Museum and Art Gallery (WAG) was originally established in 1886 by Joseph Archibald, a retired police inspector, and began with an eclectic mixture of artworks and museum curios. The majority of the early acquisitions included European and colonial artworks. However, the collection today includes more diverse range from modernists Australian and contemporary art to Aboriginal artefacts and historic items of cultural significance.

The gallery now houses more than 5,000 historic and artistic artefacts which are valued at approximately $12 million[1].

WAG's mission is to: uphold and transform the cultural life of Southwest Victoria. WAG promotes social, cultural, and academic interaction with a focus on external partnerships and it also maintains a strong commitment to the visceral power of material experience. The public education and outreach programs deliver unique experiences of visual art, new media, and sonic art, design, popular culture, science technology and art fusions within its five museum standard spaces and in public art projects and education programs beyond the gallery walls.

The gallery forms an important part the emerging Warrnambool cultural and council precinct. The gallery is proximate to the Civic Green (open space parklands and entertainment area) located just to the north, the Lighthouse Theatre and Warrnambool Library located across the road (Liebig Street), and Cannon Hill lookout and Flagstaff Hill Maritime Village located 200 metres southwest of the facility. A cluster of food and beverage venues are also located within the area (see Figure 1).

Figure 1 Context Map



[1] WAG Feasibility Study 2021,

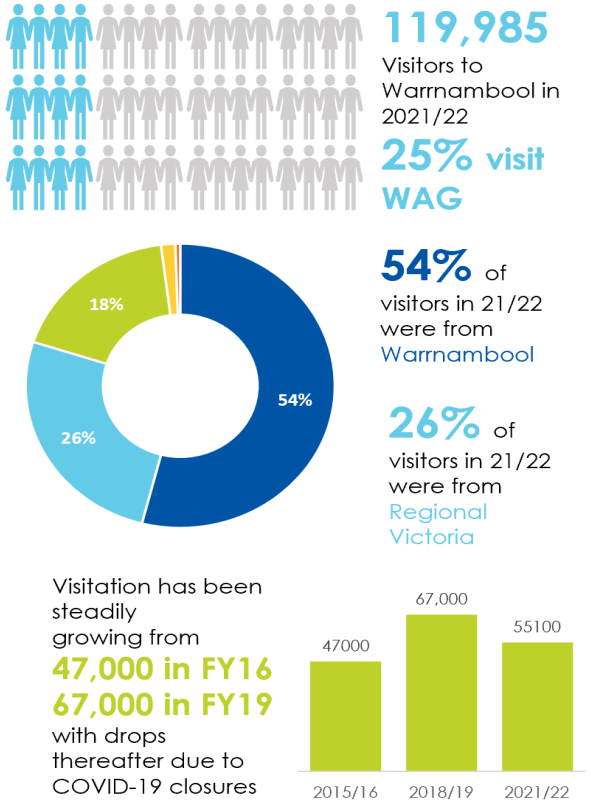
1.2 Operation & Visitation

WAG is owned and operated by the Warrnambool City Council and is positioned within the Council's Recreation and Cultural Unit. There are approximately 5 FTE positions managing WAG's day to day operations, with only 3 positions operating full time[2]. WAG also operates an extensive volunteer program with 69 volunteers completing more than 2,951 hours per year. Volunteers provide a variety of services from Front of House to Curatorial and Research.

Currently entry to WAG is free. The gallery therefore relies on other forms of revenue streams including; education and outreach program fees, gift shop revenues, venue hire, memberships, private donations, government grants and the annual gallery operating grant.

In 2018-19, WAG held 29 exhibitions of local, national and international significance. An additional 751 new pieces were created. The gallery also attracted 67,000 visitors. Visitation has been steadily increasing over the last five years with 40 percent growth between 2015-16 and 2018-19. Visitation drops after this period due to Covid-19 restrictions with only 55,100 visitors in 2021/22. Figure 2 summarises key visitor statistics for the WAG for 2021/22.

Figure 2 Historic Visitor Statistics



[2] Please note within the economic impact assessment, 4 FTE positions are employed at the Gallery (3 full time positions and 2 part time positions).

1.3 Limitations of the current facility

Limitations of the existing WAG site and building were identified through stakeholder interviews and contributions made through the Council's 2021 WAG Business Unit Summary. Some of the key constraints are summarised below.

- The location offers limited visibility and access to passing visitors which limits the delivery of a cultural hub. The location does not attract walk-in visitors, is not clearly visible form the surrounding road network, has no distinct entry and has limited parking and no coach drop off.
- The building has insufficient space to deliver on its objectives. For example, the Maar Nation room is too small to profile local Aboriginal artists, the Family Learning Centre is too small for peak periods, the total exhibition space is not big enough for travelling exhibitions and the back of house area is disjointed and does not function efficiently.
- The gallery has minimal connection to and use of the surrounding landscape which limits outdoor artistic experiences.
- There is no room for out of hours exhibitions.
- The building cannot support additional levels to be constructed on top, meaning expansions may require demolitions and rebuilds.
- The building has limited sustainable design elements. There is no energy saving devises, no water harvesting and reuse functionality, no museum environment control (preventing the sourcing of many travelling exhibitions) and the age and condition of the building means there are unexpected operating and maintenance costs.
- Business management and marketing is ineffective at capturing the share of regional city visitation. There is also no current Business plan to innovate or develop additional revenue growth.

The WAG building and site is too small, limiting the effective functionality of the front and back of house. There are significant flow on effects including the inability to meet customer expectations, inefficient use of staff time, ongoing risks to the collection and increasing operating costs (with limited revenue generating activities).

Whilst there are a number of limitations, there are elements of the WAG which would be beneficial to preserve or enhance including the Maar Nation Gallery which has strengthened relationships between the WAG and local Aboriginal people. The Children's Learning Gallery also plays a significant role in introducing and leaning younger generations to artistic experiences and providing valuable education programs particularly during holidays. The WAG should look to maintaining and preserving these elements.

B

The project

This section of the report introduces the proposed new gallery, including the timeline and cost of construction as well as the potential future activities at the site.

2. The future of the Warrnambool Art Gallery

The future vision of WAG was developed throughout the consultation process with key stakeholders. Key strategic drivers were identified which formed the functional and spatial requirements of a new gallery space. Key strategic drivers for the new site and building includes:

- mitigate Health & Safety risks & liabilities
- meeting mandatory obligations under the Aboriginal Heritage Act 2006
- increased amenity and improved staff amenity
- optimise how facility is run to maximise staff efficiency and wellbeing
- provide a platform for creative industries plus educational outcomes
- build with materials to reduce operational life cycle costs
- cultural tourism destination recognised as a high quality venue
- recognised as a South West Regional leader within the Arts sector
- environmental conditions to display own collection PLUS loans and touring collections
- first Nations reconciliation strategy
- increase local engagement.

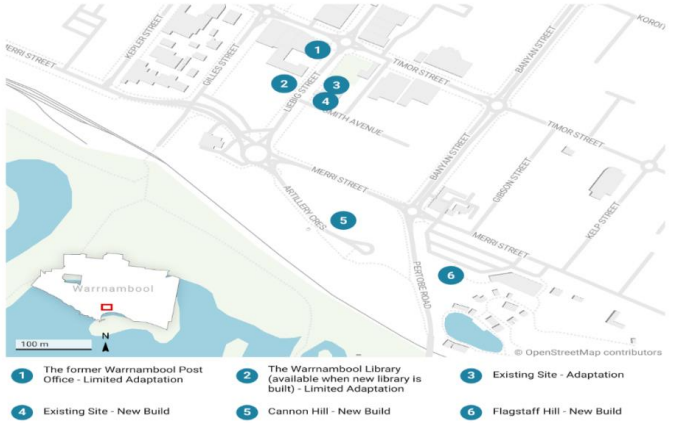
The overall emerging vision outlines a new place which is more connected to the civic and natural setting of Warrnambool, embraces Aboriginal culture and is welcoming, highly functional, flexible and enables space for a range of exhibitions.

Site selection will play an important role in how well the spatial and functional requirements can be optimised. Optimal functional relationships are represented in the figure below. It describes the physical interactions between important spaces to create an efficient layout and maximise flexibility.

2.1 Site options

The figure below shows the multiple sites considered for a new WAG as part of the 2021 WAG Feasibility Study

Figure 3 Site options for new WAG facility



2.2 Project Option Description

The preferred Strategy 2 provides two points of arrival – one from Timor St adjacent the heritage building to celebrate this heritage asset, and one centrally off the Civic Green to create strong connection between indoor and outdoor spaces. It provides a larger footprint than the existing building and aims to have a greater presence to Timor and Liebig Streets to be a recognisable from these main streetscapes.

The key attributes of Strategy 2 are:

- Pitched roof towards Smith Avenue to reduce overshadowing.
- Takes advantage of Northerly aspect of site.
- Connects existing Heritage to new building.
- Has greater presence on site and to main street frontages.
- Opportunity to retain existing WAG heritage portion as a pavilion.
- Inclusion of yarning circle.
- Retains green areas of site for market use
- Includes pedestrian connection between Timor and Smith Streets
- Has basement car parking and efficient loading to the rear off Smith Street

The following assessment focuses on the economic contribution of the preferred project option.

3. Forecasting, inputs and assumptions

The following section outlines the major assumptions and inputs that were incorporated within the WAG EIA.

3.1 Visitation forecasts

Visitation forecasts were developed based on data collated from ABS tourism data, Victorian Tourism Reports, and the 2018 Shipwreck Coast Masterplan. Admissions data from WAG, Flagstaff Hill Maritime Village, the Warrnambool Visitor Centre and Council were used to develop the following forecasts.

Forecasts were developed for the base case and the project case for the year 2022 and 2029. These are presented in Table 3 below and assumes the WAG will offer high quality development with involving exhibitions and activities, quality Food and Beverage and spaces for objects and performance. It is also assumed that this investment isn't the "break-through" in solving the Shipwreck Coast tour structure that blocks international visitation to Warrnambool.

It is assumed the base case visitors see no growth between 2029 and 2033, while the project case visitors see a c.11% percent growth per year between 2029 and 2033. The economic evaluation has assumed a 1% growth rate in demand post 2030.

Table 2 Visitor forecasts (Base case vs Project case)

Visitor Numbers per annum						
Base Case	**2022**	**Yr 1 2029**	**Yr 2 2030**	**Yr 3 2031**	**Yr 4 2032**	**Yr 5 2033**
International	310	400	400	400	400	400
Interstate	950	1,000	1,000	1,000	1,000	1,000
Victoria (outside of region)	27,100	27,800	27,800	27,800	27,800	27,800
Warrnambool region	25,700	25,900	25,900	25,900	25,900	25,900
Total	**54,060**	**55,100**	**55,100**	**55,100**	**55,100**	**55,100**
Project Case (New Build at Civic Green)	**2022**	**Yr 1 2029**	**Yr 2 2030**	**Yr 3 2031**	**Yr 4 2032**	**Yr 5 2033**
International	NA	880	1,160	1,440	1,720	2,000
Interstate	NA	1,700	3,275	4,850	6,425	8,000
Victoria (outside of region)	NA	39,000	48,000	57,000	66,000	75,000
Warrnambool region	NA	31,000	31,000	31,000	31,000	31,000
Total	NA	**72,580**	**83,435**	**94,290**	**105,145**	**116,000**

4. Capital & Operation Costs of the new WAG

4.1 Capital Costs

Capital costs have been developed by WT Partnerships and assume construction will take place over two years starting in 2026/27 and finishing in 2027/28. It is assumed the new WAG will be operational in 2029.

The estimates exclude project director fees, Warrnambool City Council internal costs, project contingencies and staging costs.

For the purposes of the economic evaluation these costs exclude escalation (different from council budget purposes).

Table 3 Capital Costs

	Capital Cost
Demolition	$432,495
Heritage works	$1,245,000
Site works	$187,180
Basement	$1,520,115
Structure	$6,002,000
Building fitout	$15,501,900
Extra over allowances	$2,023,000
Site Services & Infrastructure	$954,775
External works & Landscpaing	$1,209,225
ESD Initiatives	$872,271
Design Development Contingency	$2,994,796
Construction Contingency	$3,294,276
Preliminaries & margin	$9,058,968
Staging	Excluded
Total Current Day Construction Costs	**$45,296,001**
Authorities Fees & Headworks Charges	$905,920
Consultation Fees	$5,544,079
Decanting and Relocation Costs	$500,000
Temporary site Operation Costs Incl. Leasing	$250,000
Total Current Day Project Costs	**$52,496,000**

4.2 Operational costs

The operating costs for the project case have been sourced from WT Partnerships Operational and Lifecycle benchmarking Report (2023) and have been put together based on several operating assumptions. Table 4 provides the summary of operational costs for the preferred option.

This economic evaluation has used the average lifecycle costs across a 30 year period to estimate the average annual operating costs. Lifecycle costs vary from year to year as key capital goods require replacement or maintenance. The minimum cost $58,023 occurs in 2032 and the maximum $1,170,835 occurs in 2052.

It is noted that these values are expressed in real value terms in line with economic theory and guidelines and does not incorporate inflation in costs that will likely occur into the future with respects to operations and maintenance.

Table 4 Operating Costs

	Average
Fixed Charges	
Insurance Premiums	$34,250
Air Conditioning / Ventilation	$13,250
Cleaning	$48,850
Operating Expenses	
Utilities	$28,000
Fire Protection	$16,900
Pest Control	$4,350
Lift & Dock Leveller	$20,000
Maintenance & Window Cleaning	$83,150
Ground Maintenance	$76,350
Total (annual operating budget)	**$325,100**
Lifecycle costs (Average)	$436,306
Total (Average incl. lifecycle costs)	**$761 406**

C

Economic contribution

This section of the report presents the results of the analysis across each phase: current operations, during construction and future operations.

5. Economic impacts of Development Option

An economic contribution is defined as the gross change in a region's existing economy that can be attributed to a given industry, policy or event – in this case the development and expansion of the new WAG site and service offering. This project has sought to identify, understand and quantify the economic contribution of construction of the site and future operations to, Warrnambool and Victoria.

Economic impacts are both direct and indirect. Direct impacts relate to the direct spending (i.e. gross value added of activity and the direct operational expenditure of the gallery). Indirect contributions refer to the flow-on effects realised through spending on supply chains and consumption (see Table 5: Economic assessment framework).

Economic impacts of the Warrnambool Art Gallery project include:

- Economic contribution generated through construction
- Economic contribution generated by the additional operational expenditure of a new facility.
- Economic contribution generated through the additional tourist expenditure

Each type of contribution has both direct and indirect effects. Direct contributions relate to the direct spending (i.e. direct capital cost of construction and the direct operational expenditure of the gallery). Indirect contributions refer to the flow on effects which are realised through spending on supply chains and consumption (see Table 5).

This study aims to measure the overall economic impact of a particular activity, event, or project considering both direct and indirect economic contributions. Direct economic impacts are those that can be directly attributed to the activity being studied (i.e. revenue, wages and salaries paid to workers). Indirect economic contributions result from the ripple effects of the activity (i.e. increased demand for goods and services from local businesses and increased tax revenue for local governments).

Table 5: Economic assessment framework

		Direct contribution	Indirect contribution
Total economic contributions	Construction contributions	Gallery activity directly contributes to the economy through worker salaries and production.	Businesses purchasing materials and employees spending salaries generates additional economic activity across the supply chains and through local business.
	Operational contributions	During operations, the project directly contributes to the economy by generating net new employment, purchasing intermediate inputs and through activity that may induce new spending in the region, i.e. tourism.	Flow-on effects are also generated from the additional operational expenses.

It is noted that all jobs and economic contribution associated with Warrnambool are included in the Great South Coast and Victoria results, similarly those additional in the Great South Coast are captured in the Victorian results.

5.1 The Gallery's current contribution to the economy

Activity at the Warrnambool Art Gallery supports jobs and contributes to the state and local economies by encouraging tourists and spending in the region. The results of the economic impact assessment are presented in Table 6.

The Gallery is already having a large positive impact on the region, however, as will be demonstrated in later sections this will be improved through the expansion of the gallery.

Table 6: Economic impact results (annual average)

Warrnambool	Jobs	Economic contribution
Direct	22	$2.9m
Flow-on activity	8	$2.2m
Total	**30**	**$5.1m**
Great South Coast	**Jobs**	**Economic contribution**
Direct	30	$4.1m
Flow-on activity	10	$2.7m
Total	**40**	**$6.7m**
Victoria	**Jobs**	**Economic contribution**
Direct	30	$4.1m
Flow-on activity	18	$5.7m
Total	**48**	**$9.8m**

5.1.1 Direct economic impact

Each year the Gallery has a direct economic contribution (operating and tourism) of:

- $4.1 million and 30 jobs in Victoria:
    - $4.1 million and 30 jobs in the Great South Coast LGA
    - $2.9 million and 22 jobs in Warrnambool.

A large proportion of the economic benefit of the WAG is through tourism related activity.

- $3.3 million and 25 jobs in Victoria:
    - $3.3 million and 25 jobs in the Great South Coast LGA
    - $2.3 million and 18 jobs in Warrnambool.

5.1.2 Indirect economic impact

Each year the Gallery has an indirect economic contribution of:

- $5.7 million and 18 jobs in Victoria:
    - $2.7 million and 10 jobs in the Great South Coast LGA
    - $2.2 million and 8 jobs in Warrnambool.

The proportion of indirect economic activity that is attributable to tourism is:

- $4.5 million and 14 jobs in Victoria:
    - $2.2 million and 8 jobs in the Great South Coast LGA
    - $1.6 million and 6 jobs in Warrnambool.

5.2 Economic impact during construction

The construction of a new gallery will take two years and result in an increase in economic activity in the region across the construction period. Most of the labour and resulting economic impact will occur with Warrnambool, with some jobs and flow on activity occurring within the local region or across Victoria.

The results of the economic impact assessment are present in Table 7.

Table 7: Economic impact results (Cumulative 2027-2028)

Warrnambool	Jobs	Economic contribution
Direct	32	$34.7m
Flow-on activity	76	$41.0m
Total	**108**	**$75.7m**
Great South Coast	**Jobs**	**Economic contribution**
Direct	39	$42.4m
Flow-on activity	92	$50.0m
Total	**131**	**$92.4m**
Victoria	**Jobs**	**Economic contribution**
Direct	43	$47.4m
Flow-on activity	149	$89.0m
Total	**192**	**$136.4m**

5.2.1 Direct economic impact

Across the period of construction, the Gallery has a direct economic contribution of:

- $47.4 million and 43 jobs in Victoria:
    - $42.4 million and 39 jobs in the Great South Coast LGA
    - $34.7 million and 32 jobs in Warrnambool.

It is expected that activity will peak in 2028, with operations commencing in 2029.

5.2.2 Indirect economic impact

Across the period of construction the Gallery has an indirect economic contribution of:

- $89.0 million and 149 jobs in Victoria:
    - $50.0 million and 92 jobs in the Great South Coast LGA
    - $41.0 million and 76 jobs in Warrnambool.

5.3 Contribution of the Gallery ongoing (post-2029)

After the new Gallery is constructed, it is expected that tourism will grow driving an increase in economic activity in Warrnambool, and across the wider region and state. Table 8 presents the results from the economic impact assessment.

Table 8: Economic impact results (annual average)

Warrnambool	Jobs	Economic contribution
Direct	59	$7.7m
Flow-on activity	21	$5.8m
Total	**81**	**$13.5m**
Great South Coast	**Jobs**	**Economic contribution**
Direct	79	$10.4m
Flow-on activity	25	$6.9m
Total	**105**	**$17.3m**
Victoria	**Jobs**	**Economic contribution**
Direct	79	$10.5m
Flow-on activity	48	$14.8m
Total	**127**	**$25.3m**

5.3.1 Direct economic impact

Each year the Gallery has a direct economic contribution of:

- $10.5 million and 79 jobs in Victoria:
    - $10.4 million and 79 jobs in the Great South Coast LGA
    - $7.7 million and 59 jobs in Warrnambool.

A large proportion of the economic benefit of the WAG is through tourism related activity.

- $9.0 million and 69 jobs in Victoria:
    - $9.0 million and 69 jobs in the Great South Coast LGA
    - $6.4 million and 50 jobs in Warrnambool.

5.3.2 Indirect economic impact

Each year the Gallery has an indirect economic contribution of:

- $14.8 million and 48 jobs in Victoria:
    - $6.9 million and 25 jobs in the Great South Coast LGA
    - $5.8 million and 21 jobs in Warrnambool.

The proportion that is attributable to tourism is:

- $12.4 million and 40 jobs in Victoria:
    - $5.9 million and 21 jobs in the Great South Coast LGA
    - $4.8 million and 17 jobs in Warrnambool.

5.4 Summary of economic impact results

The opening of the new Gallery will lead to a net increase in economic activity in Victoria, the Great South Coast LGA and Warrnambool. A summary of results is presented in Table 9.

Analysis has estimated the net impact as a gain of $15.5 million ongoing in economic output across Victoria each year. The proportion of this occurring in the Great South Coast LGA and Warrnambool is $10.6 million and $8.45 million respectively.

The impact on employment in Victoria is a gain of 79 jobs. The proportion of the gain that occurs in the Great South Coast LGA and Warrnambool is 64 and 50 jobs respectively.

Given the size of the Great South Coast and Victorian economies and the type of economic activity occurring generated by the Gallery, it is likely that almost all of the output remains within the state. A small amount may extend across the Australian economy through the purchasing of goods produced elsewhere and bought in the region by tourists. The scope of this report is limited to Victoria.
Impacts are estimated using the evidence currently available and standard economic methodological structures.

Figure 4: Direct and indirect impact of the Gallery (Victoria)

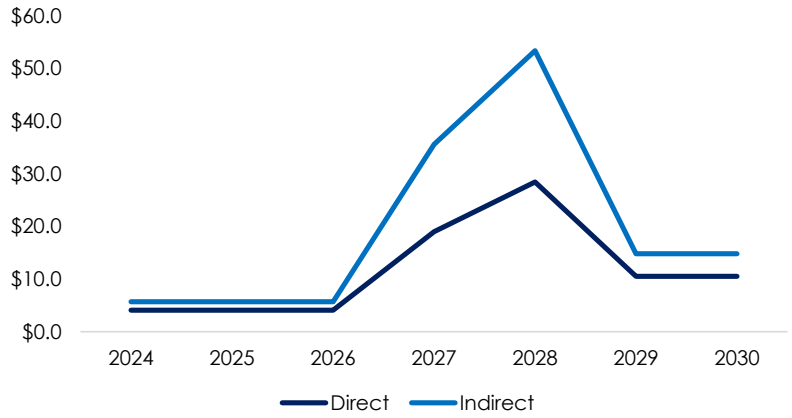


Figure 5 Change in economic contribution (Victoria)

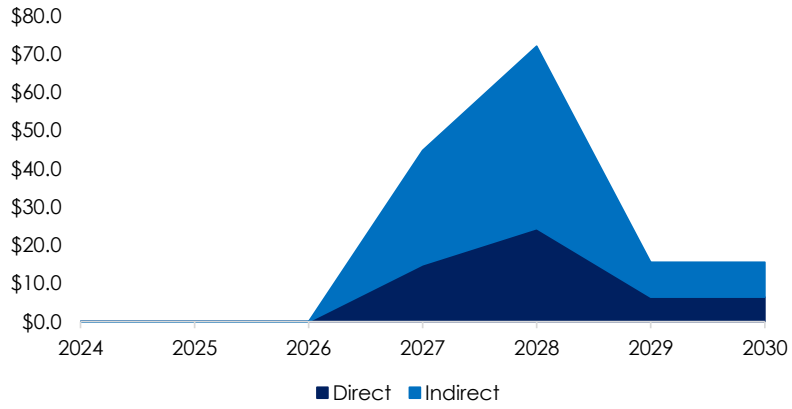


Table 9: Summary of results

	Current activity *(Average per year)*			During construction *(Average gain per year)*			Ongoing operations *(Average gain per year)*		
	Direct	Indirect	**Total**	Direct	Indirect	**Total**	Direct	Indirect	**Total**
Warrnambool									
Employment (FTE)	22	8	**30**	32	76	**108**	59	21	**81**
Economic output ($m)	$2.9	$2.2	**$5.1**	$35	$41	**$75.7**	$8	$6	**$13.5**
Great South Coast									
Employment (FTE)	30	10	**40**	39	92	**131**	79	25	**105**
Economic output ($m)	$4.1	$2.7	**$6.7**	$42	$50	**$92.4**	$10	$7	**$17.3**
Victoria									
Employment (FTE)	30	18	**48**	43	149	**192**	79	48	**127**
Economic output ($m)	4	$5.7	**$9.8**	$47	$89	**$136.4**	$11	$15	**$25.3**

D

Cost benefit analysis

This section of the report presents the cost benefit analysis.

6. Cost Benefit Analysis

A CBA has been used in conjunction with the above economic impact assessment. This includes the following monetised benefits and compares this against the costs. This analysis also compares the Base Case (existing WAG) with Project Case (new WAG).

6.1 Economic benefits

The economic benefits considered within this study, including the core and additional evaluation, include the following:

Core economic benefits

- Amenity benefit of paid educational and venue hiring services assumed to equal at least as much as the cost to hire the facility
- Visitor spending benefit: The new WAG is expected to see an increase of 17,480 visitors by 2029. This will see additional visitor spending.
- Residual value of new WAG building: This is the value of the new WAG at the end of the evaluation period. This assumes a building asset lifespan of 60 years. Assuming a 30-year analysis period, this means that half the capital costs is realise at year 30.

Additional economic benefits

- Construction spending benefits: Additional economic activity generated through the spending on construction (this *only* includes the flow on effects of the construction expenditure as a benefit. The direct construction expenditure is classified as an economic cost).
- Operation spending benefit: Additional economic activity generated through the increase in operational and renewal expenditure (this *only* includes the flow on effects of the additional operational expenditure as a benefit. The direct operational expenditure is classified as an economic cost).

Table 10 presents the results of the core CBA for Victoria. Table 11 shows the results to a number of sensitivities including excluding construction and operational benefits, an increase and decrease in costs and benefits, and a 4% and 10% discount rate.

Table 10 Cost Benefit Analysis Results

Cost Benefit Results	30-year NVP (7% discount rate, 30 yrs.)
Project Benefits	
Amenity benefit of WAG paying users (excl. exhibitions)	$2,062,331
Visitor spending benefit for VIC	$66,027,062
Residual value of new WAG building	$2,997,382
Total incremental Benefits	$71,086,776
Project Costs	
Capital costs	$46,911,423
Incremental operational costs (incl. renewal expenditure)	$14,361,413
Total incremental costs	$61,272,836
Results	
Net Present Value	$9,813,940
Benefit Cost Ratio	1.16

Table 11 Cost Benefit Analysis Results – Sensitivities

Sensitivity Results	NPV	BCR
Including indirect construction and operational benefits	$9,813,940	1.16
Including indirect operational benefits.	$9,813,940	1.16
Increase Tourism Benefits +10%	$16,416,647	1.27
Increase Tourism Benefits +20%	$23,019,353	1.38
Increase CAPEX by +20%	$50,130,902	1.76
Decrease CAPEX by -20%	$67,696,518	2.44
Increase benefits +20%	$24,031,296	1.39
Decrease benefits -20%	-$4,403,415	0.93
4% discount Rate	$42,774,472	1.61
10% discount rate	-$7,379,033	0.87

Based on the results of the cost benefit analysis, the new development of the new WAG is an economically viable project.

E

Appendices

This section of the report presents a range of technical data that underpins the analysis.

Appendix A – Study methodology and process

Introduction

The economic contribution of the Warrnambool Art Gallery is comprised of different elements along the production process. Outputs of the Warrnambool Art Gallery can include 'final goods' including publications and media, 'final services' such as performances or 'intermediate goods and services' such as preparations of sets for film or theatre productions.

A common theme linking the outputs of creative and cultural sectors with other industries is that their production utilises resources of labour and capital as well as intermediate goods and services. An important component of this sectors' wealth and job creation emanates from the creation, utilisation and commercialisation of intellectual property.

The analysis of direct economic contribution of the Warrnambool Art Gallery in this study is based on the following metrics:



- **Outputs (Economic Impact)** is a measure of the value of goods and services produced by an industry or sector, where the value reflects the cost of inputs: labour, capital and intermediate inputs of goods and services, including imports
- **Value added** (factor of income) is equivalent to output less goods and services sourced from other suppliers (including imports) and is the sector's contribution to gross state product. By excluding goods and service inputs from other domestic industries and from overseas, 'value added' avoids double counting as it does not include the value-added by other industries.
- **Employment** refers to the number of people employed. Much of the employment in these industries is part time (including intermittent and project based), which is accommodated in this study by estimating the Full Time Equivalent (FTE) jobs.

Note direct output, value add and employment relate to those impacts that are directly realised as a result of the Warrnambool Art Gallery's operations (as a business or through its alumni). Indirect impacts relate to the flow on economic activity that results from spending and other activity realised by these related/supporting businesses within the broader economy.

Scope of the analysis

The scope of this study is to determine the economic impact, breadth and reach of the Warrnambool Art Gallery, both in terms of its general business operations as well as that generated and supported by its alumni.

Assumptions incorporated within the calculation of the economic impact of the Warrnambool Art Gallery's is presented in Appendix C.

Process

An EIA is an analytical approach used to estimate the impacts generated by a particular investment or policy change on the economy.

Four key steps have been taken to prepare an EIA. These include:

1. Base case and investment case definition

2. Modelling scenario definition

3. Direct impact modelling

4. Total economic impact

1. Base case and investment case definition

The value of the economic impacts estimated in an EIA are derived from the incremental changes in economic activity that are generated from a given policy or investment activity. This approach ensures that only the net impacts on the economy – which can be reasonably attributed to the policy or investment – are included within the analysis.

For this analysis, the investment case is defined as the status quo; that is, the investment case refers to the 'real life' scenario in which all other investments within the economy are realised with the exception of that and the subsequent operations of the Warrnambool Art Gallery.

2. Modelling scenario definition

The incremental changes in economic activity that are generated from an investment activity are not static in nature; rather, they are realised over time, during which the structure of the economy changes in response to the investment. As such, the modelling of economic impacts is undertaken over a time period that allows the impacts on the economy to be realised.

This analysis considers three primary modelling scenarios:

- **Economic impact of the construction of the Warrnambool Art Gallery** – To determine the economic impact associated with the construction phase of the new gallery.
- **Economic impact of the Warrnambool Art Gallery core operations –** To determine the economic impact associated with the expenditure, operation and services provided by the Warrnambool Art Gallery.
- **Economic impact of the Warrnambool Art Gallery tourism –** To determine the economic impact associated with additional visitors and therefore additional visitor spending within the Warrnambool region due to the construction of a new gallery.

3. Direct impact modelling

The specification of direct impacts in an EIA involves identifying the sources of economic impact that are directly attributable to the investment. This generally includes capital expenditure and ongoing maintenance or operational expenditure that is additional to what would be expected in the base case.

In this study, the direct spending of additional visitors is also included. For the purpose of this assessment, the following visitor spending assumptions have been made:

- It is assumed that overnight visitors spend no more than one night per trip in Warrnambool.

- Average spending per trip has been source from Tourism Research Australia
- It is assumed that local visitors (i.e. those form Warrnambool visiting the New WAG spend only one tenth of the average spend of someone visiting from outside the region.

Spending per trip and total base case and project spending is outlined in the table below.

	WAG visitors in 2022 (Sourced from Environmetrics)	Average spend per trip (sourced from TRA in 2023 dollar terms)	Total Spend Base Case
Domestic Day (Locals)	25,700	38	$965,488
Domestic Day (Intrastate)	27,100	188	$5,090,415
Domestic Overnight	950	154	$146,190
International overnight	310	74	$22,928
	WAG visitors in 2029 (OP2) (Sourced from Environmetrics)	**Average spend per trip (sourced from TRA in 2023 dollar terms)**	**Total Spend 2029 OP 2**
Domestic Day (Locals)	31,000	31	$976,272
Domestic Day (Intrastate)	39,000	157	$6,141,063
Domestic Overnight	1,700	154	$261,604
International Overnight	880	74	$65,085

4. Total economic impact

To model the economic impacts beyond those that directly relate to the Warrnambool Art Gallery, it is necessary to employ a modelling technique that makes use of information about the linkages of the industries within the broader economic context. The starting point for modelling these linkages is the input-output tables published by the ABS.

Input-output tables provide detailed information on the upstream and downstream linkages of each industry in the economy. Upstream linkages refer to the sources of inputs to the industry in question. These linkages may be in the form of intermediate inputs produced by other domestic industries, imported intermediate inputs, labour and other factors of production. Downstream refers to linkages to those economic agents that purchase the industries outputs and sales to other industries that use the outputs.

The calculation of the indirect and total impacts of the Warrnambool Art Gallery has been based on REMPLAN economic impact input-output analysis. Further information based on these metrics can be seen in Appendix C.

It is noted that while these REMPLAN outputs within the analysis do not fully take into account the potential broader economic shocks (including transfers etc.), that may occur as a result of the investment within the Warrnambool Art Gallery. Note input-output modelling is much more suitable for smaller investments (i.e., under a billion dollars)

Appendix B – REMPLAN methodology

The team at REMPLAN have automated and systematised the process of building and updating region-specific input-output economic models for more than twenty years. These in-house systems, tools and resources incorporate many checks and balances that ensure the consistent and timely delivery of economic analysis software and data.

Place of work employment data from the Census is the basis upon which industry size and composition is estimated at the regional scale. National accounts data is then applied to the employment profile in order to estimate the value of output by industry and the proportions of output spent on wages and salaries.

Detailed place of work employment by industry data (114 sectors) is the basis in REMPLAN for estimating local demand by industry for intermediate goods and services as well as the capacity for the local economy to supply a proportion of those goods and services.

This methodology underpins the economic profiling and impact modelling capabilities in REMPLAN Economy. This framework allows REMPLAN to build and maintain datasets for major capital city CBDs, suburban areas, regional towns as well as rural and remote areas of Australia. REMPLAN estimates of local government areas' Gross Regional Product reconciles with the latest ABS estimates of Gross State Product and Gross Domestic Product.

REMPLAN Economy Software

REMPLAN economic data incorporates an input-output approach and is innovative in that it takes a complex methodology and provides a software interface that makes it accessible to economic and business development practitioners both with, and without, a formal background in economics.

Matrices – Understanding Region-specific Industry Sectors and Supply Chain Linkages

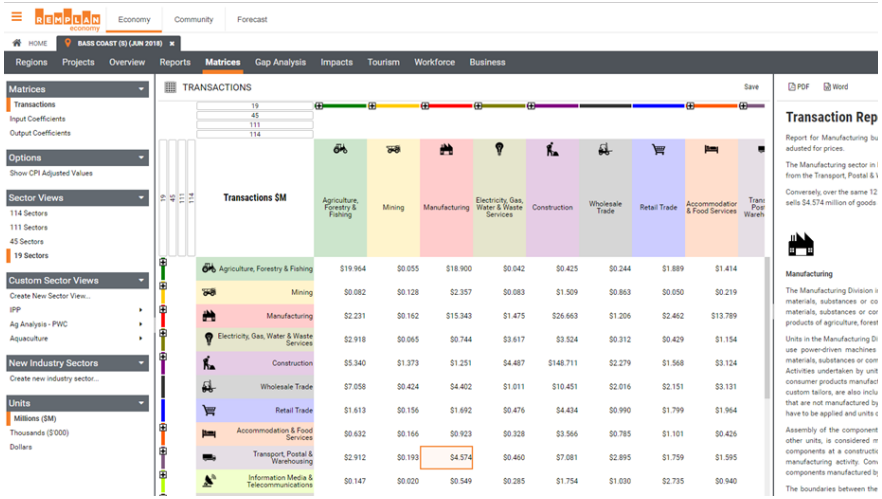
The transactions matrix details all the buying and selling interactions between industry sectors in the selected region, the value of sales to the Household and Government sectors, the value of imports, exports, payments of wages and salaries, payment of taxes and the value of industry sectors' gross operating surpluses.

The transactions matrix (also known as an input/output table or an IO Table) is the core 'ingredient' in REMPLAN and all the graphs, tables, charts and impact modelling draw from the information contained in these tables.

- The "matrices" tab is about as complex as REMPLAN gets.
- Shows the data that sits behind the models

The REMPLAN matrix screenshot below illustrates that when selecting a cell, the right-side information pane automatically presents an explanation of the industry interaction from the demand side as well as the supply side.

Matrix representation of data visually describes supply chain linkages in terms of buying and selling patterns between industry sectors:



Input Output

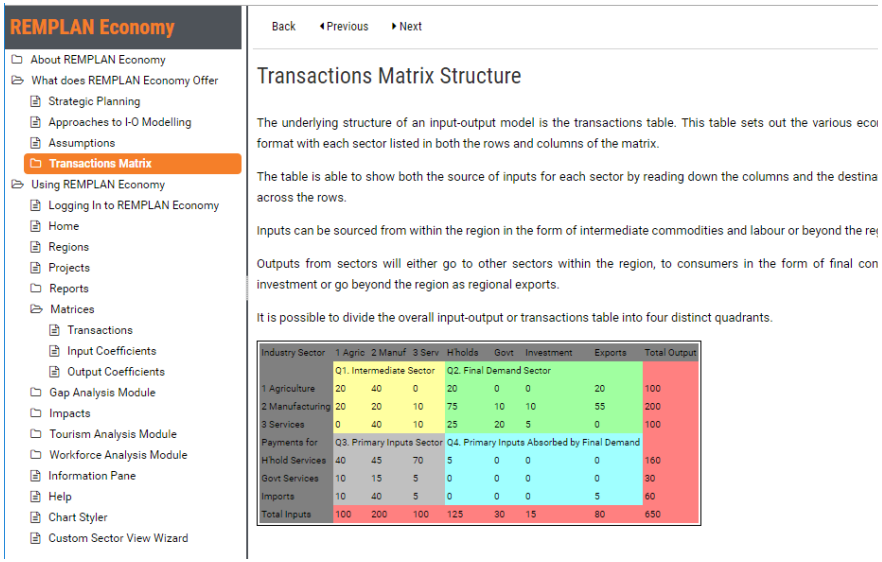
Since 1999 the team at REMPLAN have automated and systematised the process of building and updating region-specific REMPLAN input-output economic models. An input-output model is an econometric technique which details the interdependent supply chain links between different industry sectors in an economy. This modelling approach was developed by Wassily Leontief (1905-1999), for which he received the Nobel Memorial Prize in Economic Sciences. The input output modelling systems, tools and resources developed by REMPLAN incorporate many checks and balances that ensure the consistent and timely delivery of the REMPLAN economic analysis software and data.

REMPLAN Methodological Approach

- Place of work employment data from the Australian Bureau of Statistics' (ABS) Census is the basis upon which industry size and composition is estimated at the state or regional scale
- National accounts data is then applied to the employment profile in order to estimate the value of output by industry and the proportions of output spent on wages and salaries
- Place of work employment data is the basis in REMPLAN for estimating local demand by industry for intermediate goods and services
- Place of work employment data is also the basis for estimating the capacity for the local economy to supply a proportion of the intermediate goods and services.

REMPLAN economic models have been delivered to economic development practitioners and researchers in government agencies, universities and consulting firms over this 19 year period while being underpinned by a high level of transparency and external review.

Transactions Matrix (IO Table) Structure

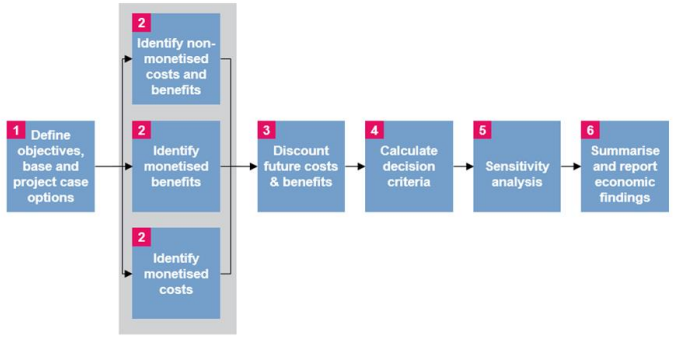


Appendix D CBA Methodology & Assumptions

The economic methodology employed in this study is a Cost Benefit Analysis ('CBA') approach. CBA is a method used to aid decisions about the allocation of resources, expressing both costs and benefits in monetary terms where possible to provide a basis for direct comparison. The method discounts future costs and benefits to a present value, allowing for comparison of alternative courses of action by reference to the net social benefits that they produce for the community as a whole.

The Figure below outlines our preferred CBA approach, fundamentally comparing alternative project options to a defined base case to determine the incremental impact of the project. The CBA methodology and key economic assumptions are detailed below.

Figure 6 CBA Methodology

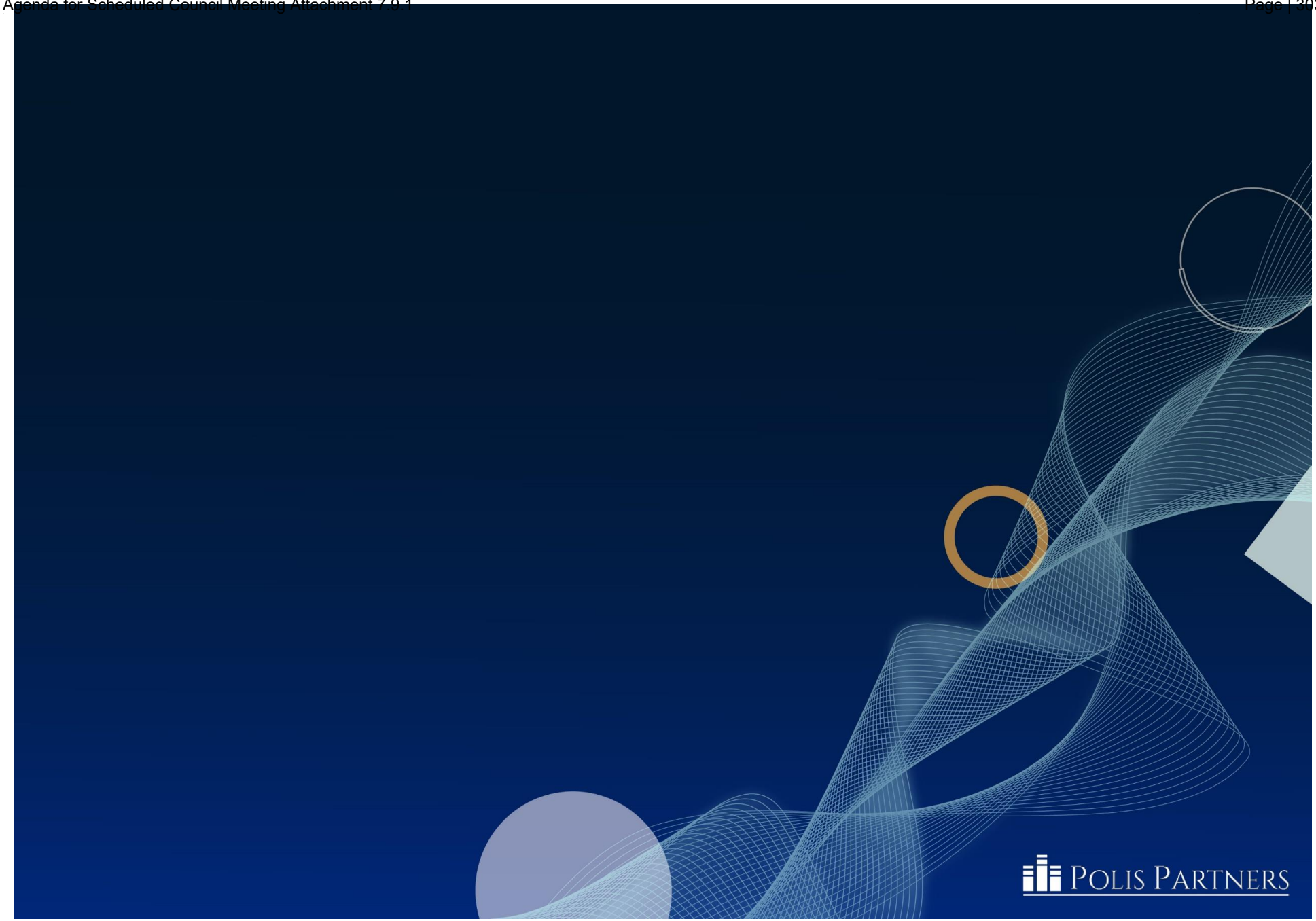


Economic assumptions

The CBA was undertaken in accordance with *Infrastructure Australia's Guide to economic appraisal Technical guide of the Assessment Framework*. The economic assessment was undertaken considering the following assumptions:

- The economic analysis has been undertaken based on Calendar years starting from 2023 and ending at 2058.
- All values represented in real 2023-dollar terms. All monetary values have been taken from either the outputs of the Economic Impact Assessment (i.e. the REMPLAN outputs) or have been sourced from the WAG Feasibility Study Final 2021 WT CAPEX and OPEX reports.
- Project construction period will commence in 2027 and finish in 2028.
- Project operations commence within the 2029.
- The evaluation period is 30 years from the commencement of operations.
- A discount rate of 7% was used for the core case and a 4% and 10% discount rates were used to conduct sensitivities as requested by the client.

The building asset life is assumed to be 60 years.


POLIS PARTNERS

5

Appendix 5
Liebig Street Massing Study




We would like to acknowledge the traditional custodians of this land and recognise their continuing connection to land, waters and
culture.

We pay our respects to their Elders past, present and emerging.

Agenda

I — Analysis of Site

II — Warrnambool Art Gallery and Civic Green Opportunities

III — Civic Green Forecourt Strategies

IV — Massing Strategies

V — Parking and Loading Strategies

VI — Strategy Comparison on Site

VII — Brief and Functional Arrangements of Preferred Strategy

VIII — Future Agenda

I - Analysis of Site

Greater Site

Warrnambool



Greater Site



I - Analysis of Site

Greater Site Analysis

Key Traffic Corridors

Legend:

- Site Location
- Warrnambool - Inner City
- Warrnambool - Site (WAG)
- Major Artieral Road
- Train Line



Bus Infrastructure
Stops + Routes

Legend:

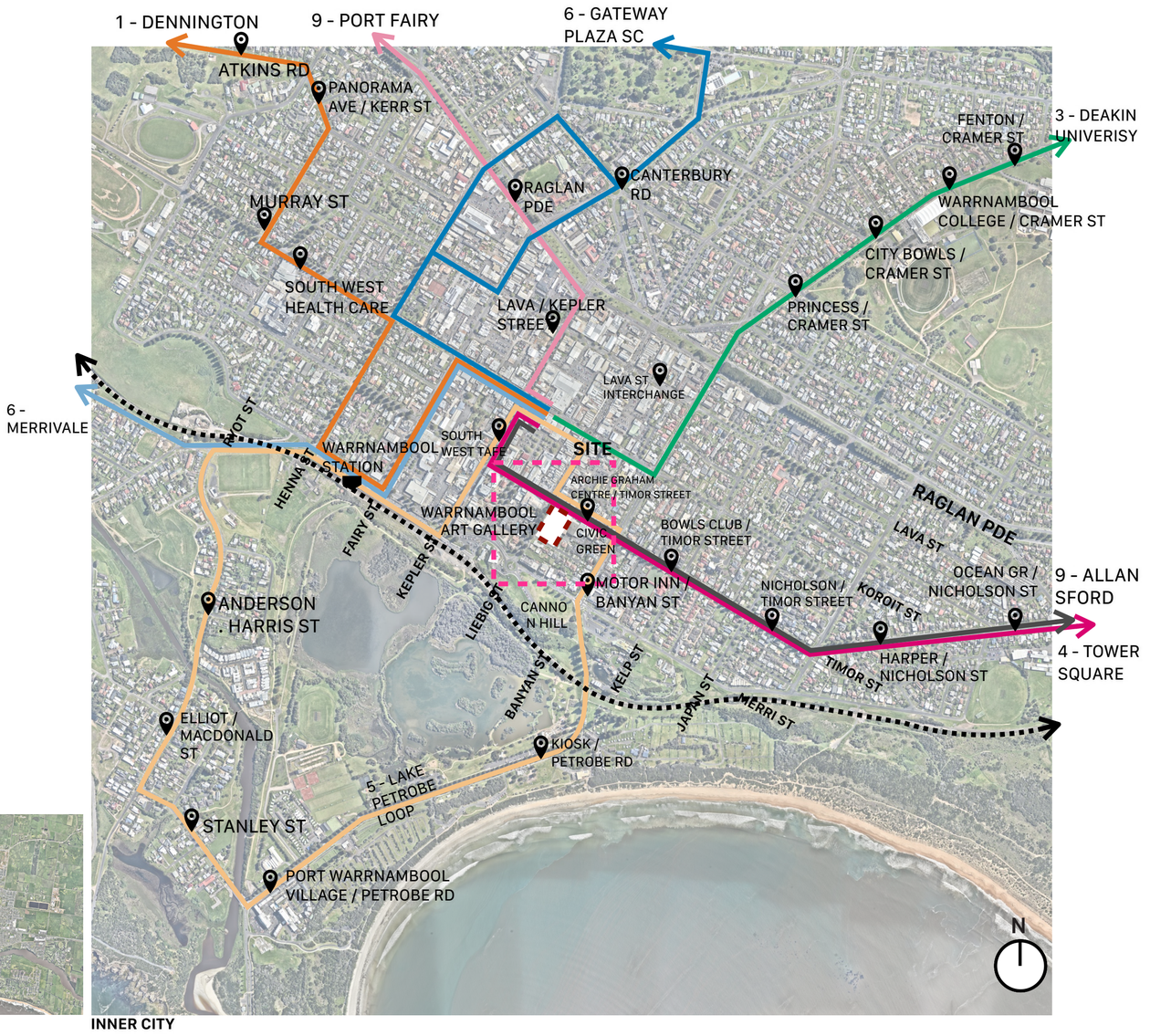
- Site Location
- Warrnambool - Inner City
- Bus Stop
- Train Line

Bus Routes:

- 1 - Warrnambool to Dennington
- 2 - Warrnambool to Gateway Plaza SC
- 3 - Warrnambool to Deakin University
- 4 - Warrnambool to Tower Square
- 5 - Lake Petrobe Loop
- 6 - Warrnambool to Merrivale
- 8 - Warrnambool to Point Fair via Koroit
- 9 - Warrnambool to Allensford



REGION



INNER CITY

Walking Distances

Legend:

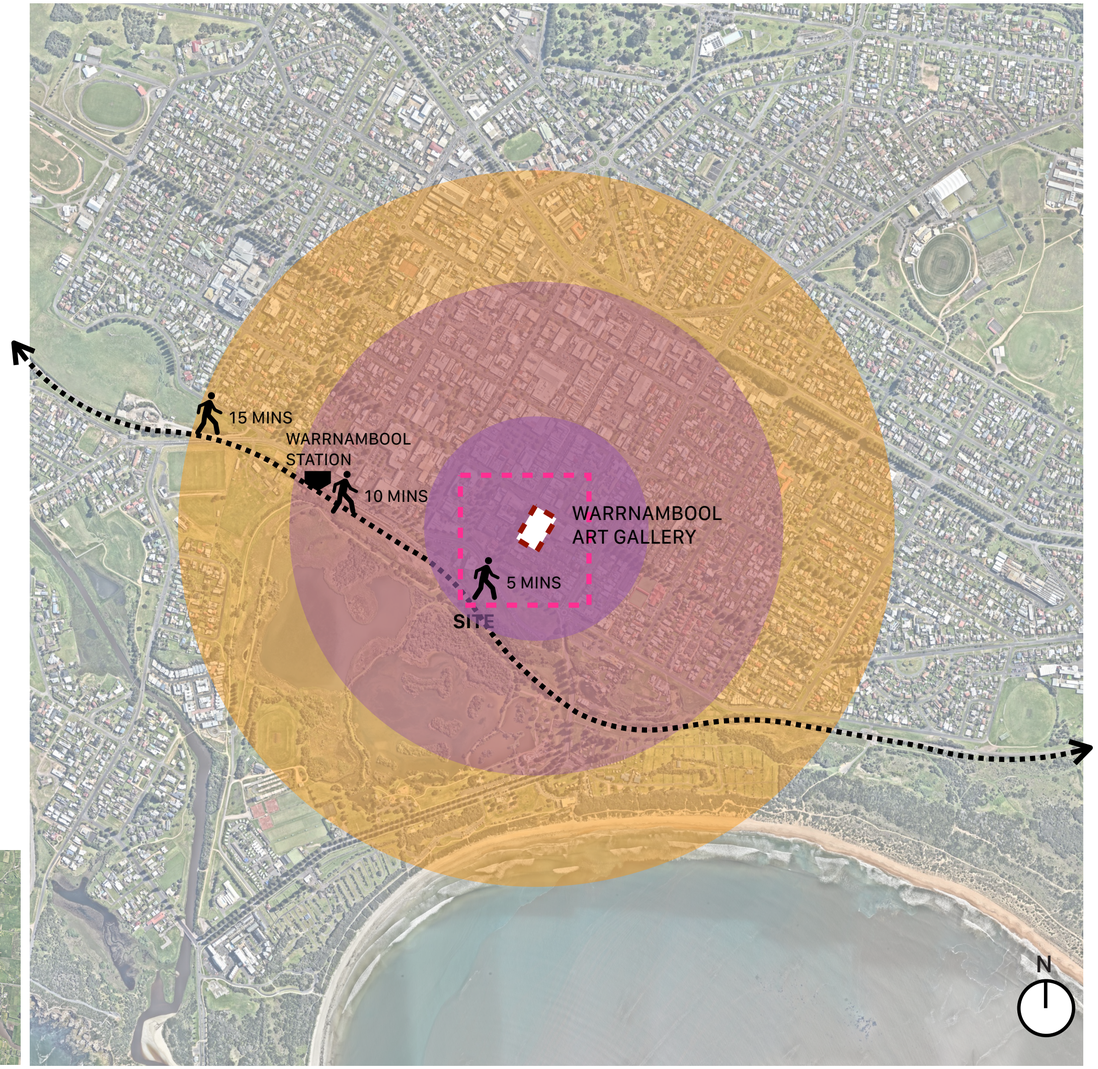
- Site Location
- Warrnambool - Inner City
- Train Line

Walking Distance:

- 5 minutes
- 10 minutes
- 15 minutes



REGION



INNER CITY

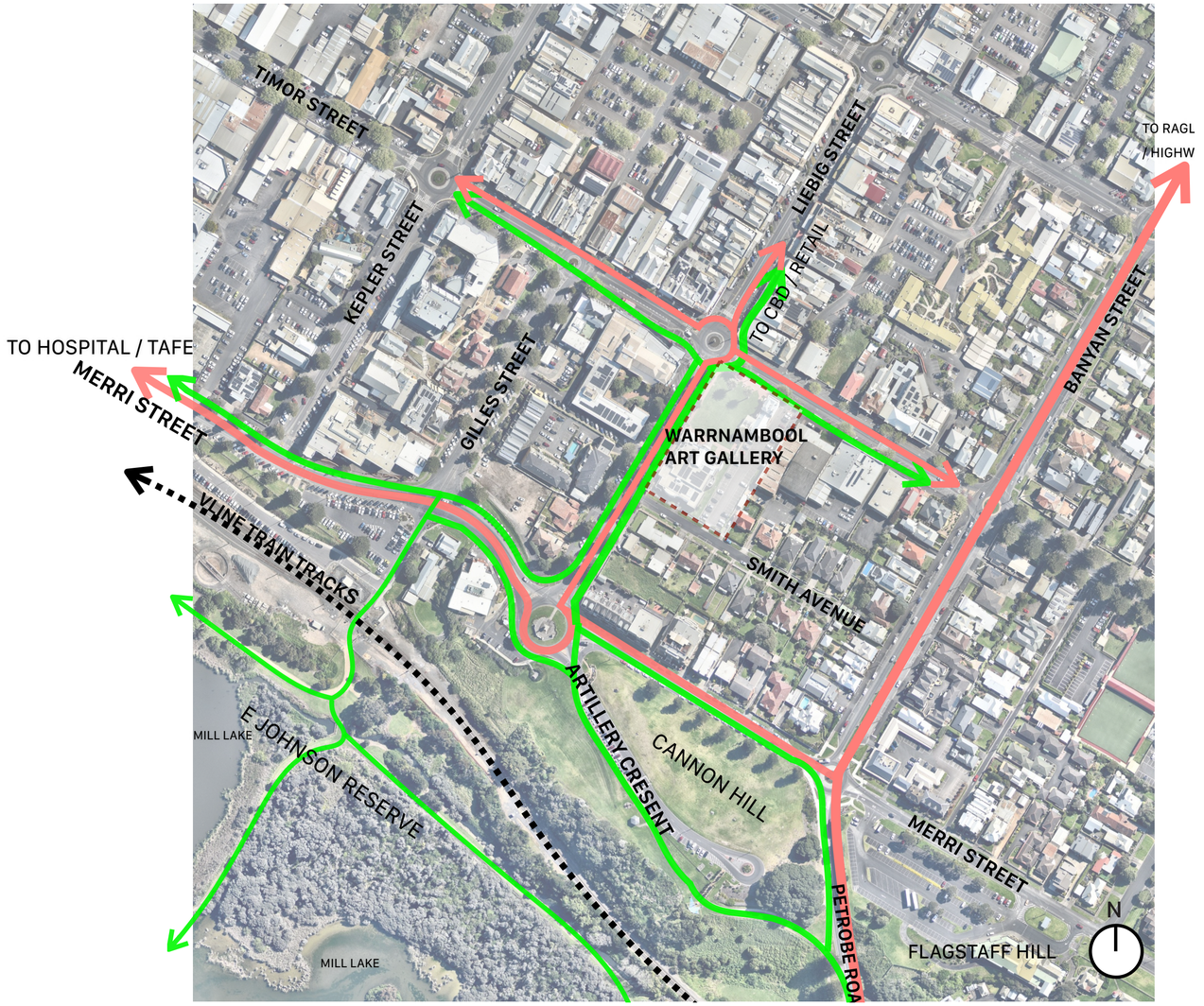
Vehicular + Pedestrian Paths

Legend:

- Site Location
- Train Line

Planning Scheme Zones:

- Traffic - Pedestrian/Cycling
- Traffic - Vehicular



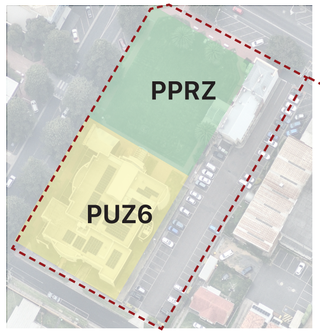
Local Zoning Areas

Legend:

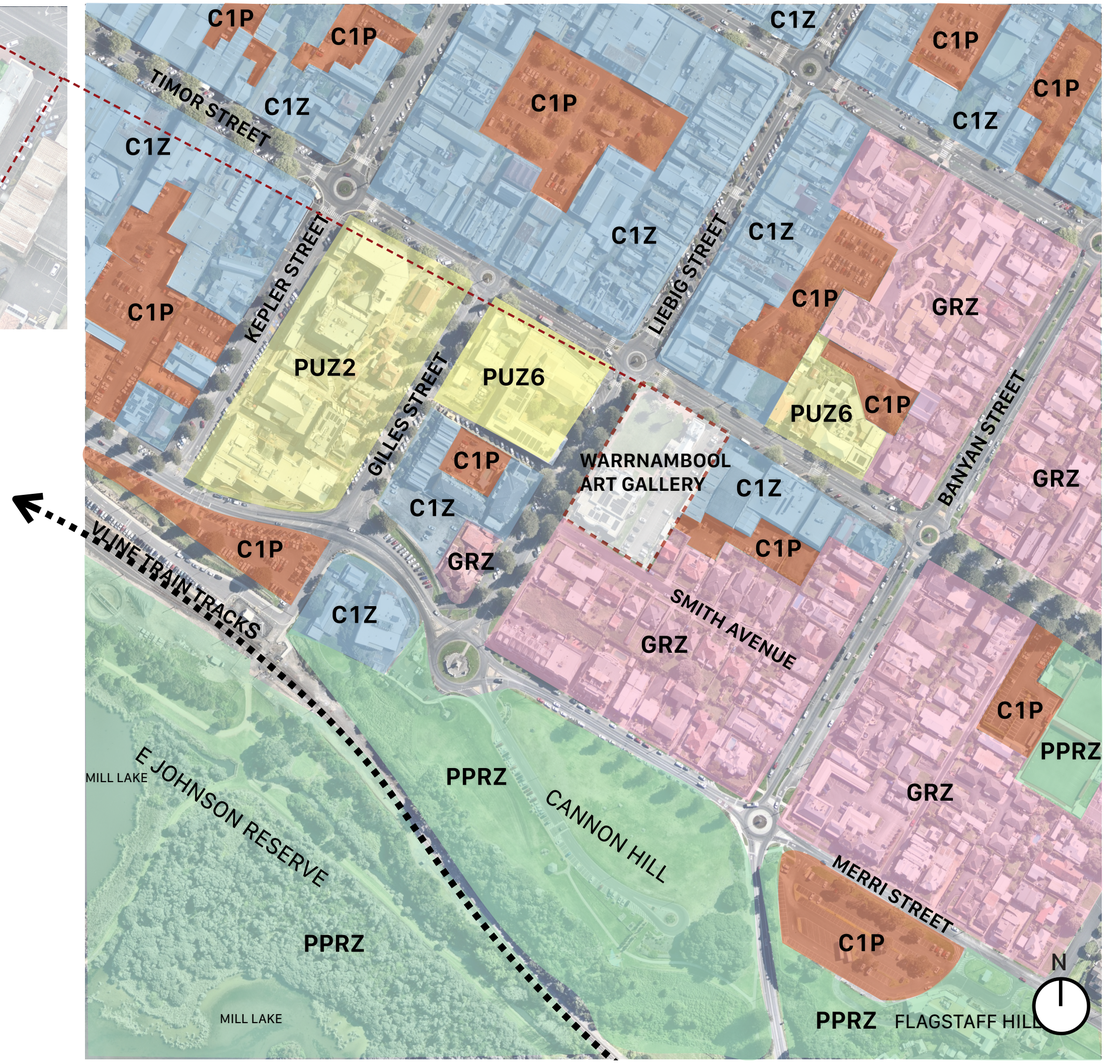
- Site Location
- Train Line

Planning Scheme Zones:

- PPRZ - Public Park + Recreation Zone
- GRZ - General Residential
- C1Z - Commercial 1
- C1P - Car Parking
- PUZ2 - Public Use - Education
- PUZ6 - Public Use - Local



Site Extract



Public Park + Recreation Zones

Legend:

Site Location

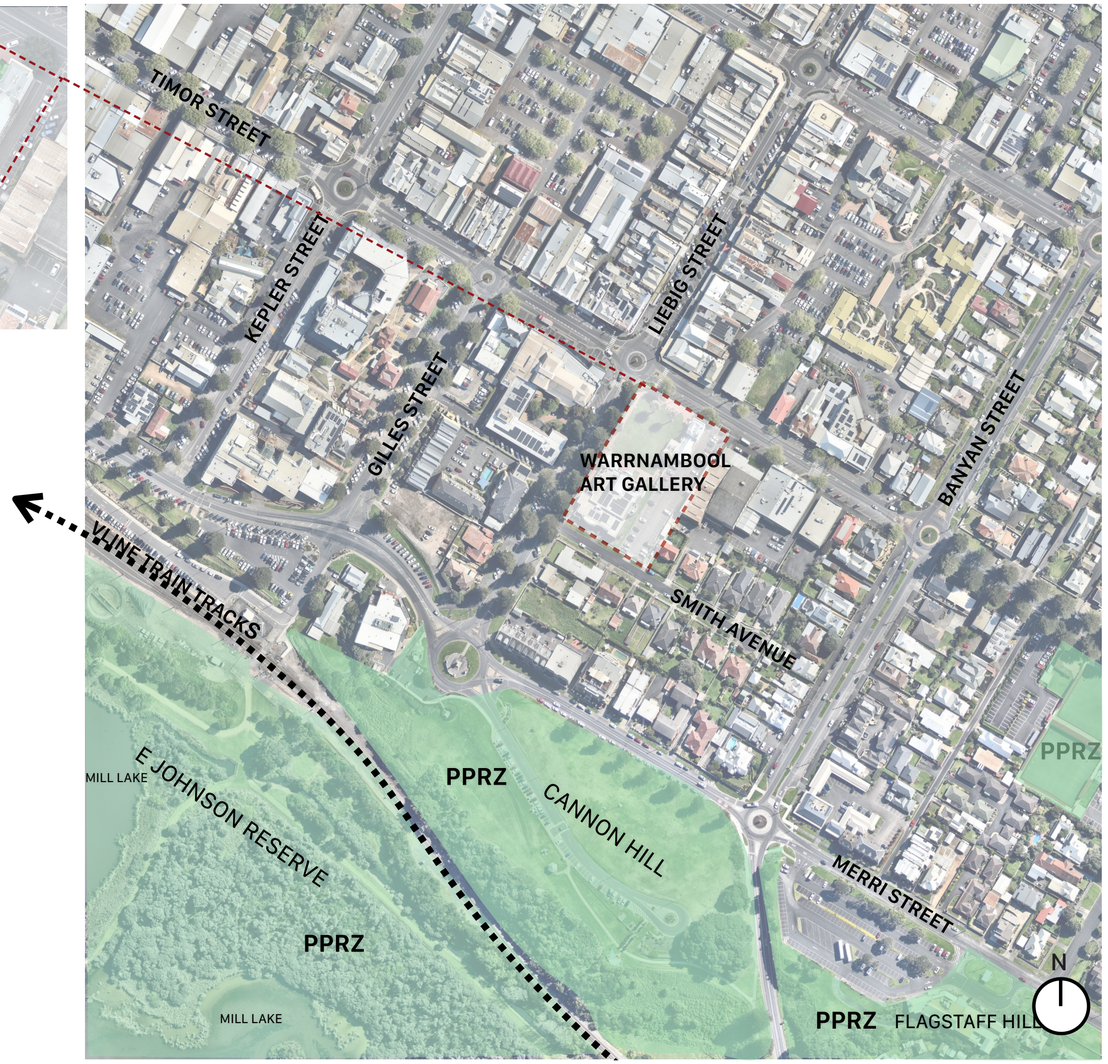
Train Line

Planning Scheme Zones:

PPRZ - Public Park + Recreation Zone



Site Extract



General Residential Zones

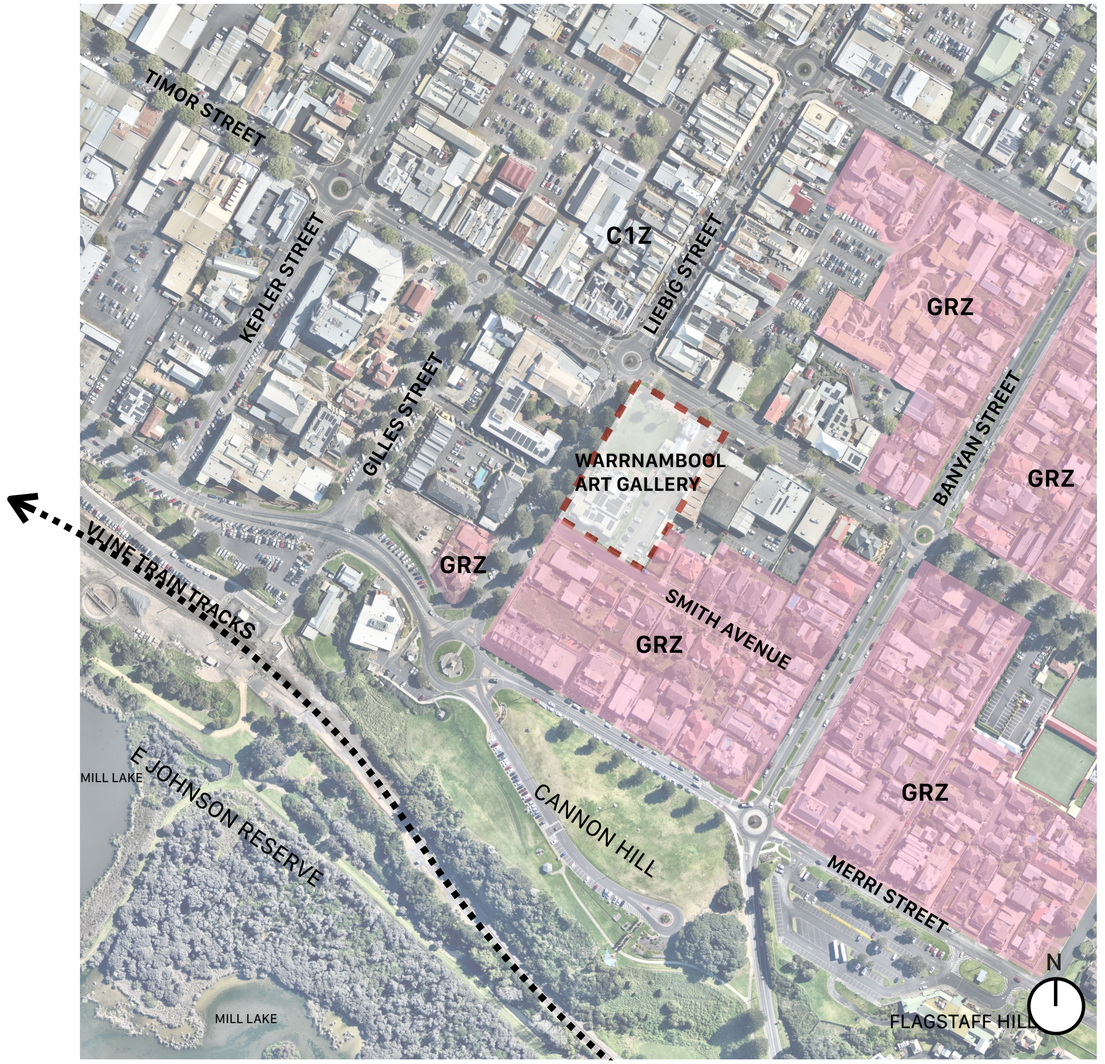
Legend:

Site Location

Train Line

Planning Scheme Zones:

GRZ - General Residential



Commercial Zones

Legend:

Site Location

Train Line

Planning Scheme Zones:

GRZ - General Residential



Car Parking Zones

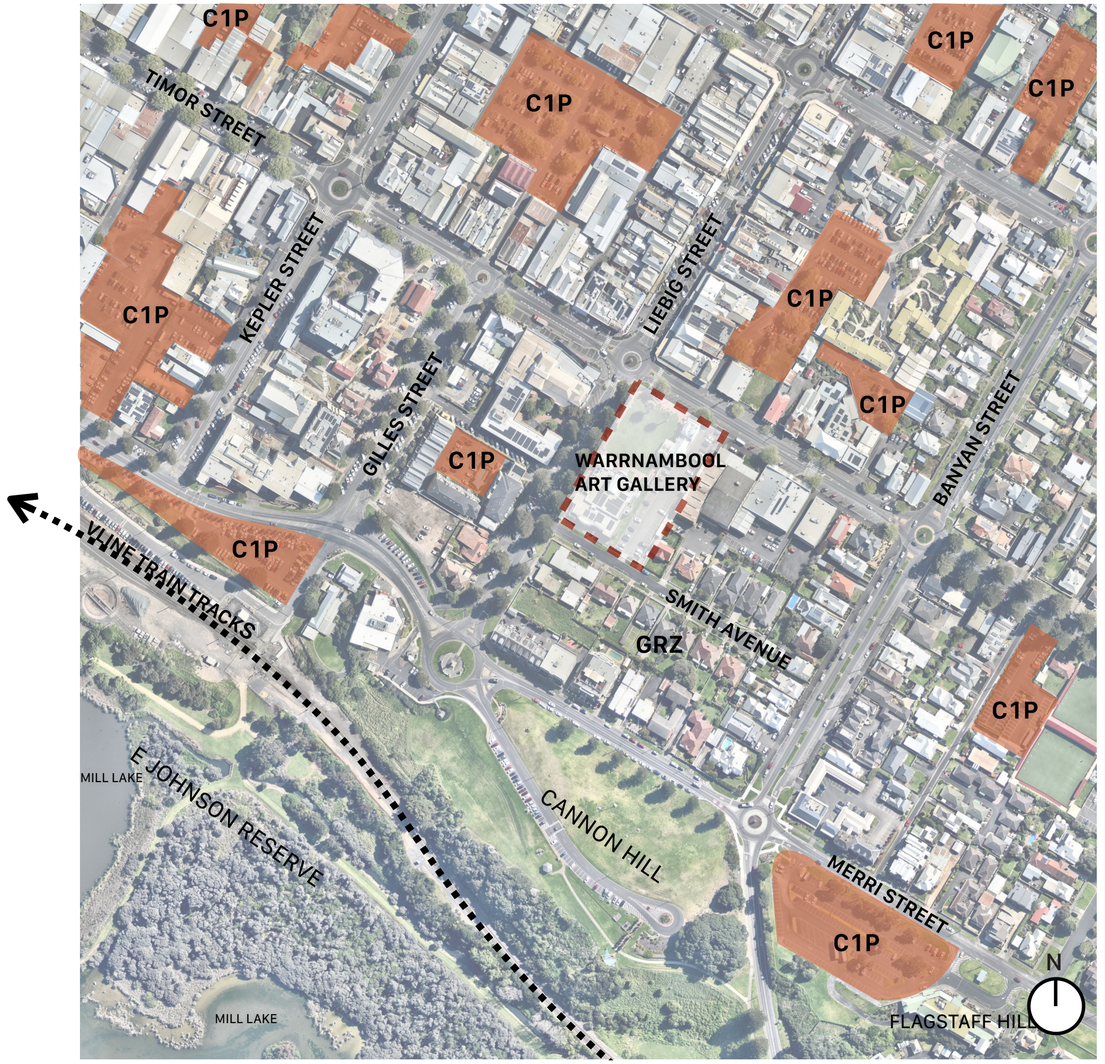
Legend:

Site Location

Train Line

Planning Scheme Zones:

C1P - Car Parking



Public Use Areas

Legend:

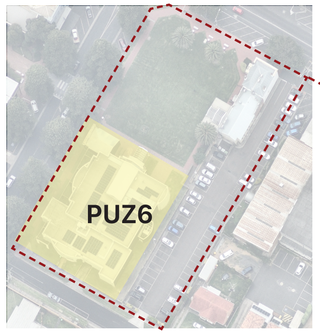
Site Location

Train Line

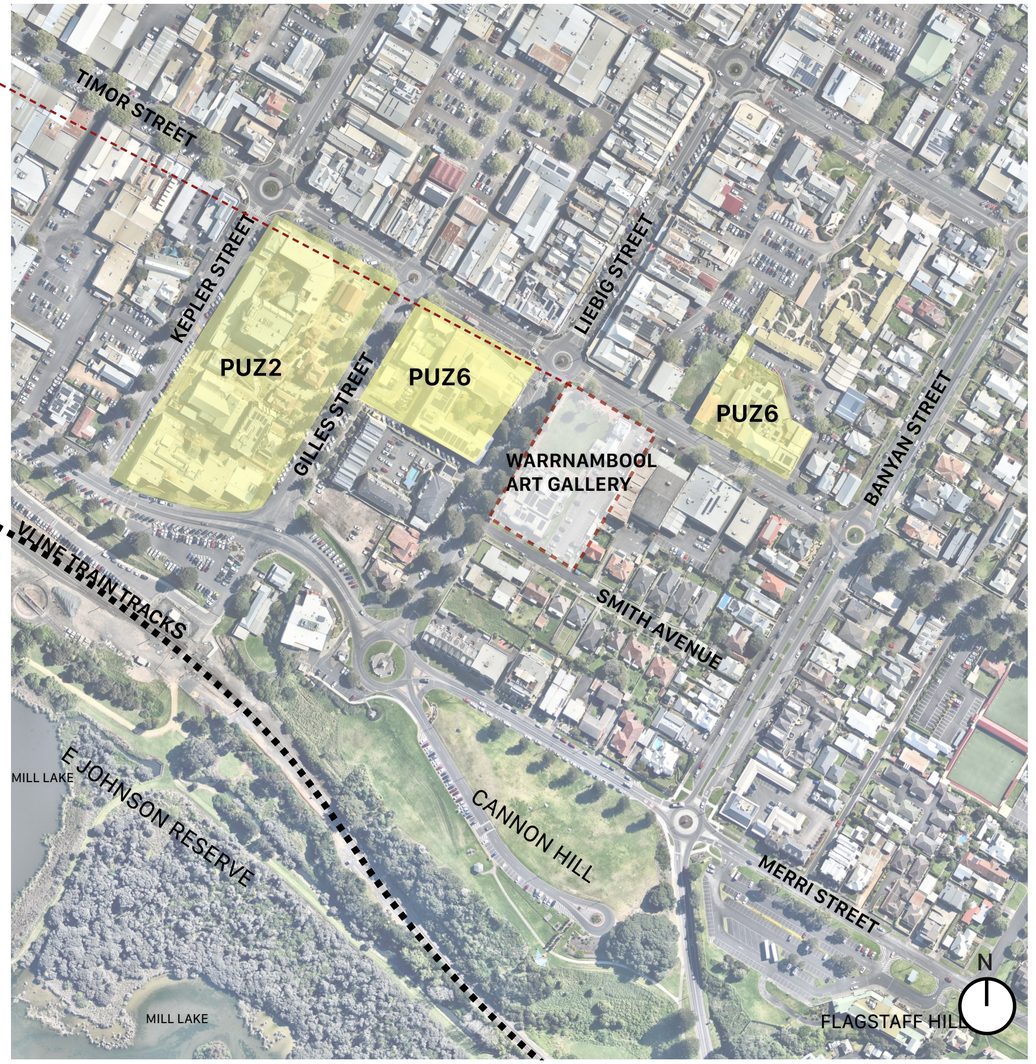
Planning Scheme Zones:

PUZ2 - Public Use - Education

PUZ6 - Public Use - Local



Site Extract



Heritage Buildings

Legend:

Site Location

Train Line

Planning Scheme Zones:

HR - Heritage Register

HI - Heritage Inventory



Sun, Wind + Elevations

Legend:

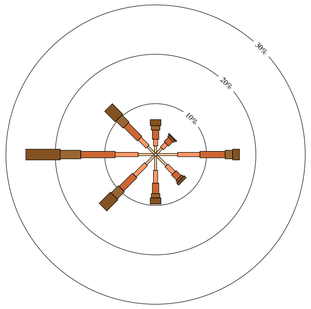
- Site Location
- Train Line
- Contour (20m interval)

Wind Rose

Cape Otway data 100km SE from Warrnambool

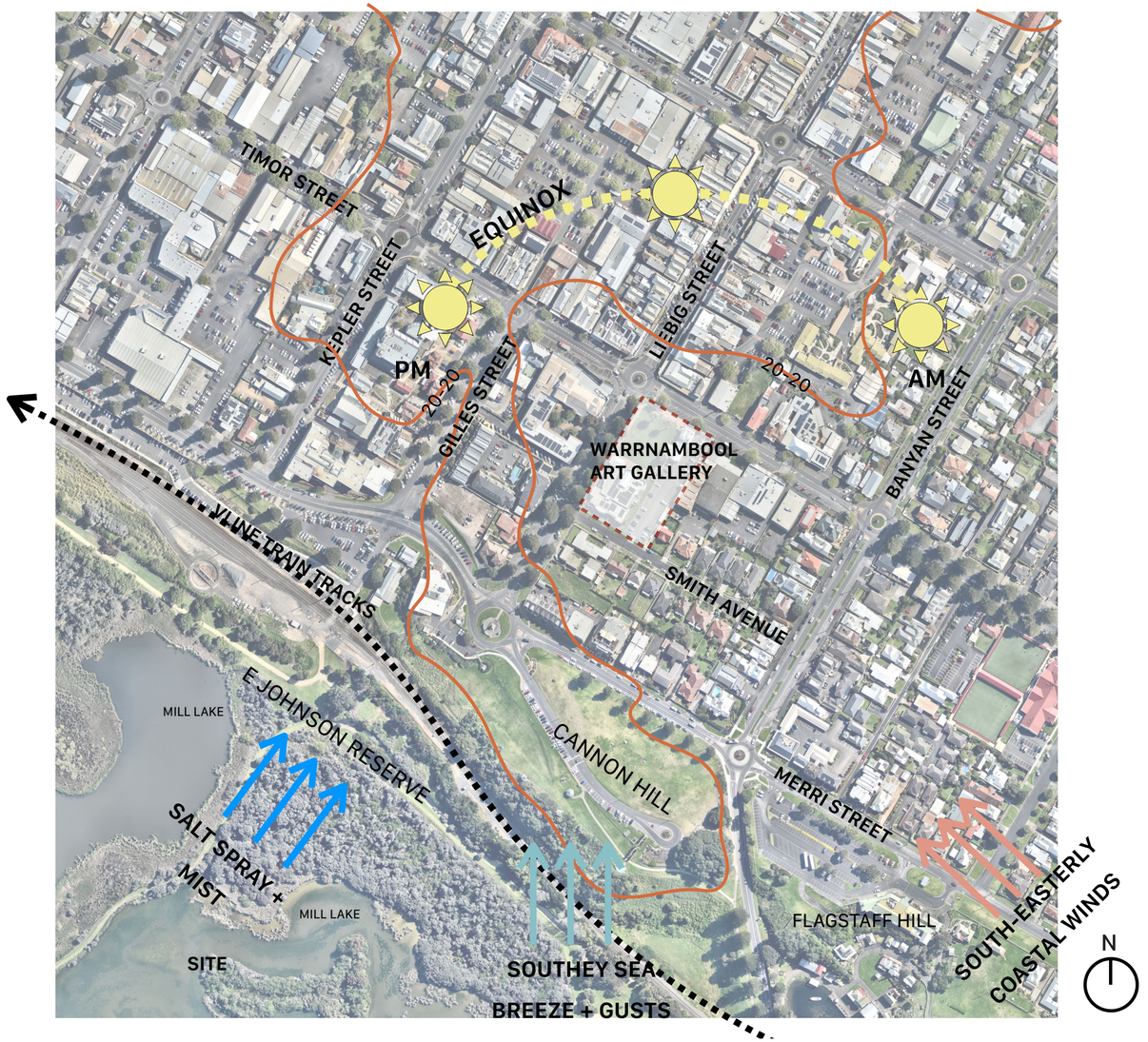
Annual - 9am

Calm 1% of the year



Annual - 3pm

Calm 1% of the year



I - Analysis of Site

Immediate Site Analysis

Civic Green Site
Significant Trees

Legend:

Site Boundary

Norfolk Pines - Heritage Listed

Established Palm Trees



Traffic
Across and Around Site

Legend:

- Site Boundary
- Vehicular
- Pedestrian



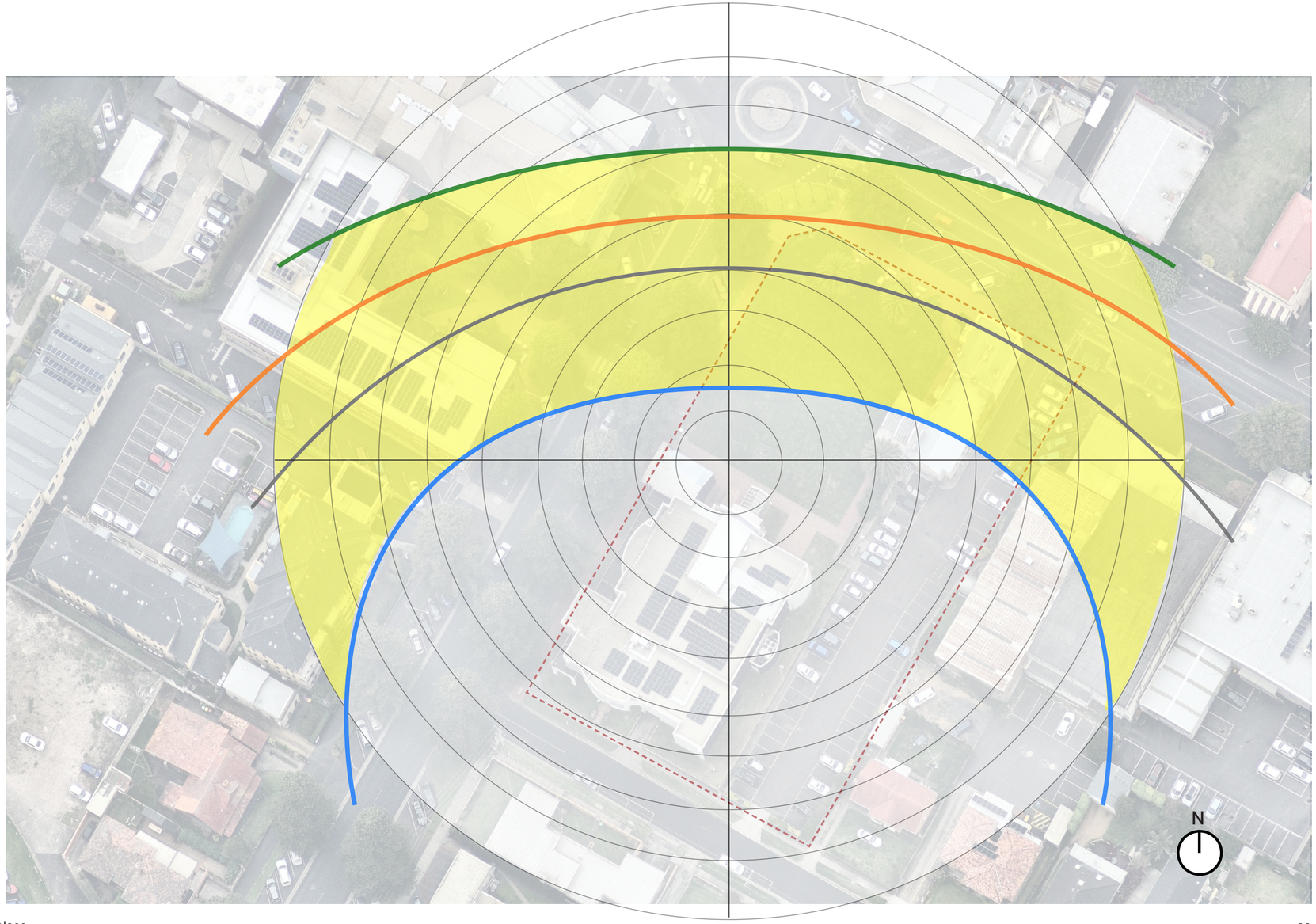
Sun Path
Across Site

Legend:

Site Boundary

Sun Path:

Today
June Solstice
December Solstice
Annual Variation
Equinox



Constraints

Legend:

- Site Boundary
- Maintenance of Civic Green Area
- Heritage Listed Building
- Potential Heritage Facade

Unknown Planning Constraints

- Height Constraints at Boundary
- Offset Constraints at Boundary
- Neighbor Access Requirements



Elevation Changes

Legend:

- Site Boundary
- Carpark
- WAG and Civic Green
- Retaining Wall
- Retaining Wall



II - Warrnambool Art Gallery and Civic Green Opportunities

Warrnambool Art Gallery Civic Green Opportunities

Opportunities

Connection to Retail & Entertainment Precinct

Legend:

- Site Boundary
- Street
- Connection



Opportunities
Connection to Lake Pertobe

Legend:

- Site Boundary
- Path to Lake Pertobe
- Connection



Opportunities
Triple Street Frontage

Legend:

- Site Boundary
- Major Shopping Strip
- Residential Street
- Site and Street Relationship



Opportunities
Activation of Civic Green

Legend:

Site Boundary

Civil Green Activation



Opportunities
Heritage Relationships

Legend:

- Site Boundary
- Former Scherell's Building (Saddlery)
- Liebig Street Heritage (Shipwright)







Opportunities
Northerly Aspect of Site

Legend:

Site Boundary

Northerly Aspect



III - Civic Green Forecourt Strategies

Civic Green Forecourt

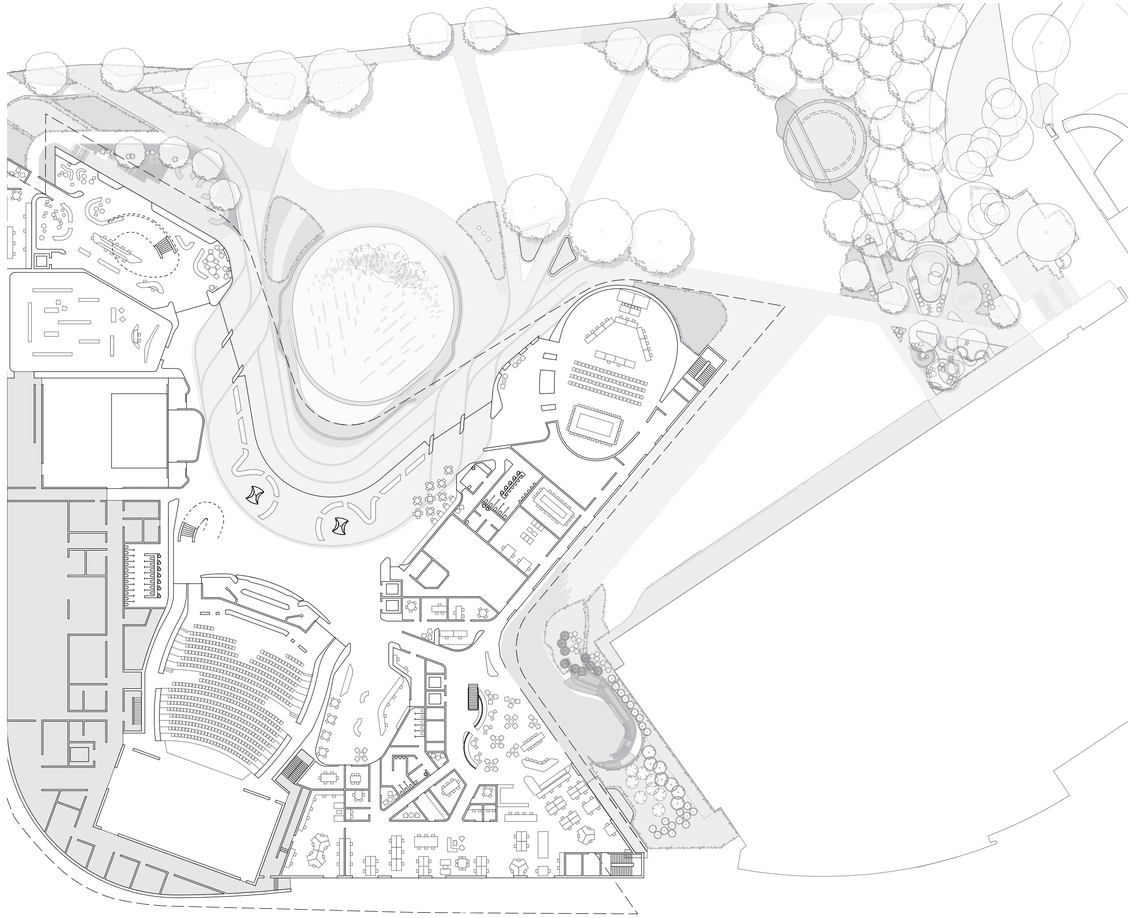
Civic Green Opportunities

Having an established green space in front of the gallery could provide an effective forecourt, allowing for people to come and enjoy the space, new building and cafe/restaurant offers that could be incorporated within the gallery.

Opportunities that exist within the Civic Green are:

- Landscaping opportunities
- An informal amphitheater
- Sculpture garden
- Seating
- An outdoor child enrichment zone that ties into the gallery

Civic Green Inspiration
Bunjil Place - FJC Studio

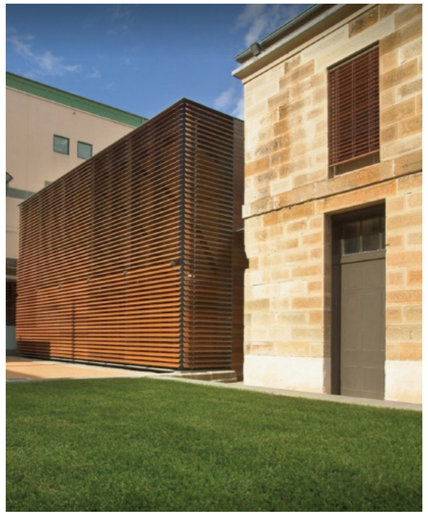






Civic Green Inspiration
The Mint - FJC Studio









Civic Green Inspiration
Nunawading Community Hub - FJC Studio





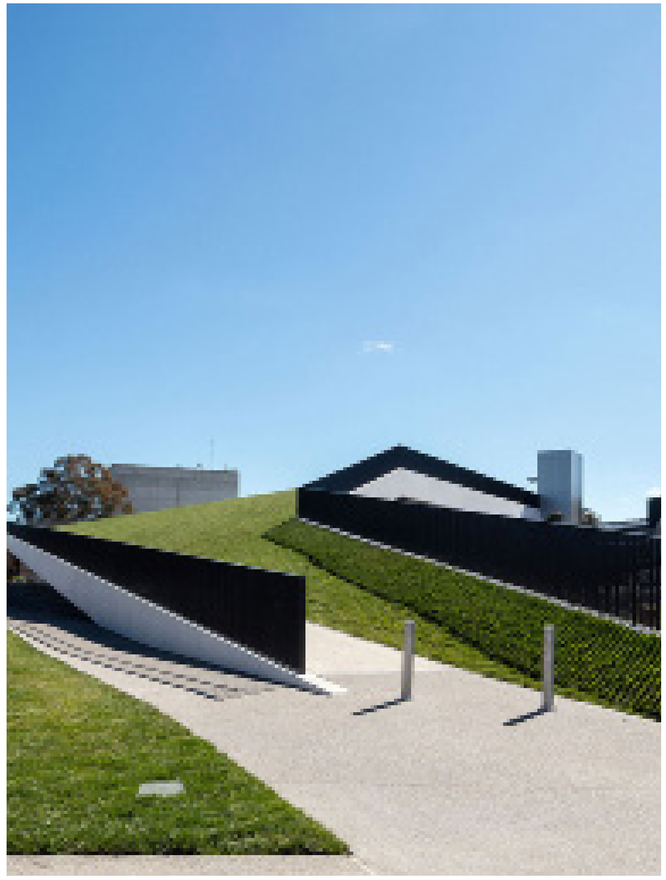


Inspiration
Hakone Open Air Museum Kanagawa



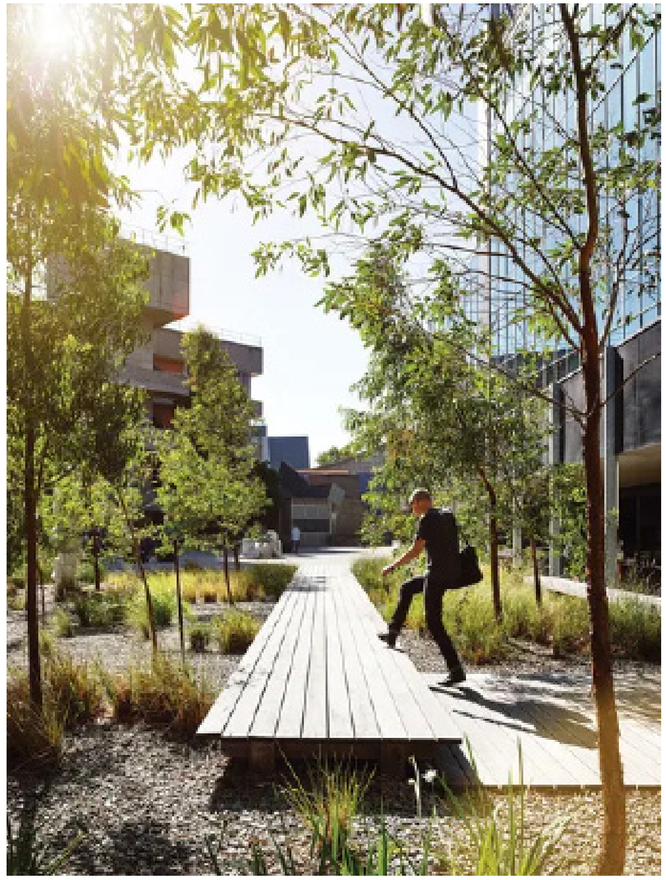


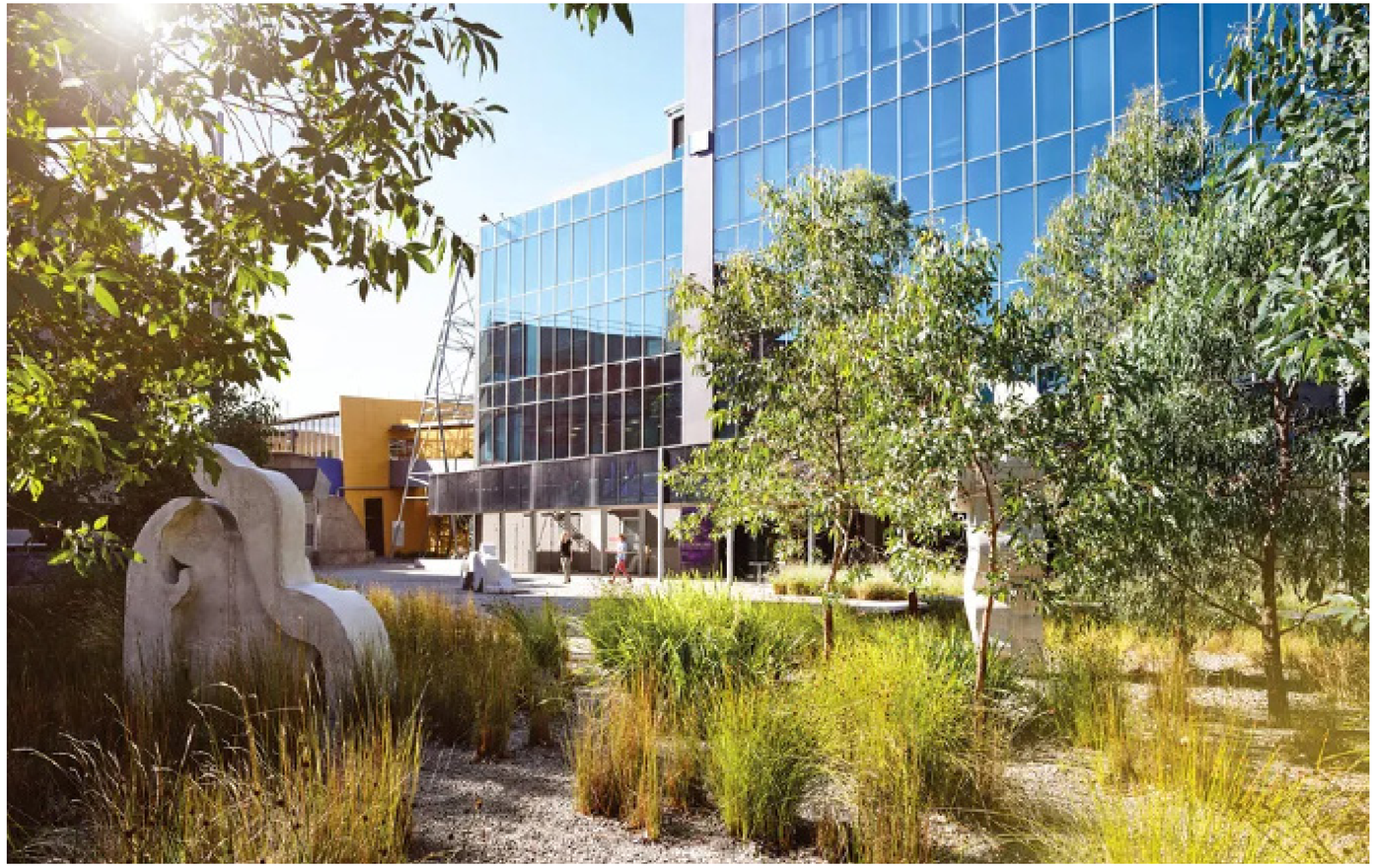
Inspiration
Orange Regional Museum





Inspiration
MUMA Sculpture Garden





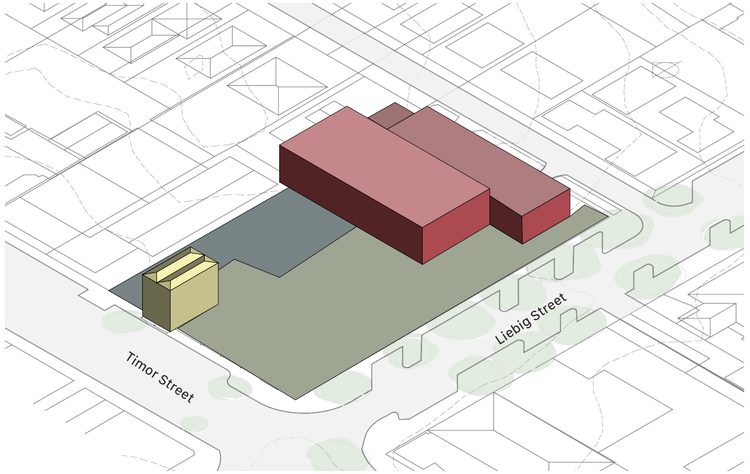
IV - Massing Strategies

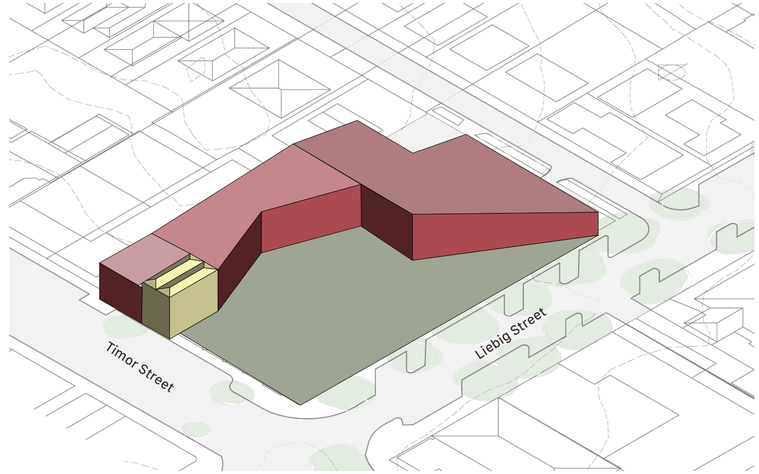
Initial Massing Strategies

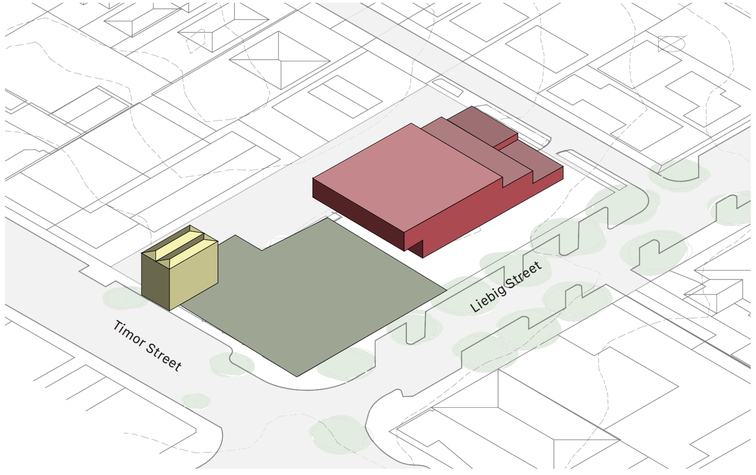
Early Exploration
Gallery Massing

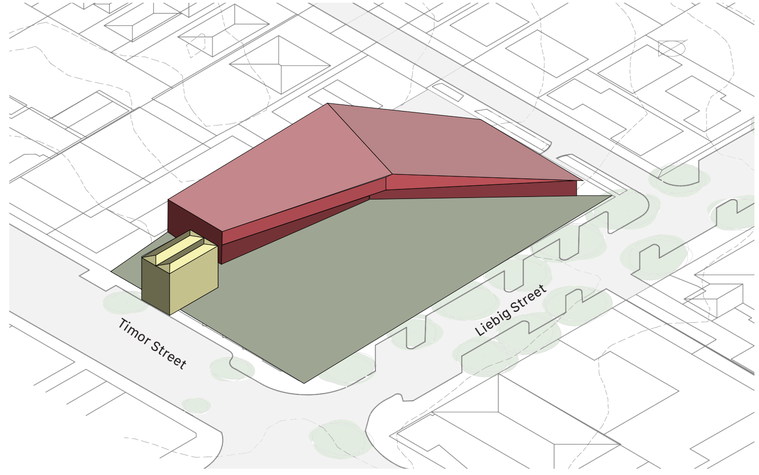
Legend:

- Site Boundary
- Heritage Listed Building
- New Gallery Massing









Total Floor Area	2600 - 3100m2 Approx.
Green Area	1800 - 2300m2 Approx.
Max. Height	10m
Min. Height	4.5m

IV - Massing Strategies

Refined Massing Strategies

Strategy 1

Key Elements

- Similar footprint to existing site
- Invigoration of the Civic Green Site
- Pedestrian access across and on the side of site
- Greater connection to the street

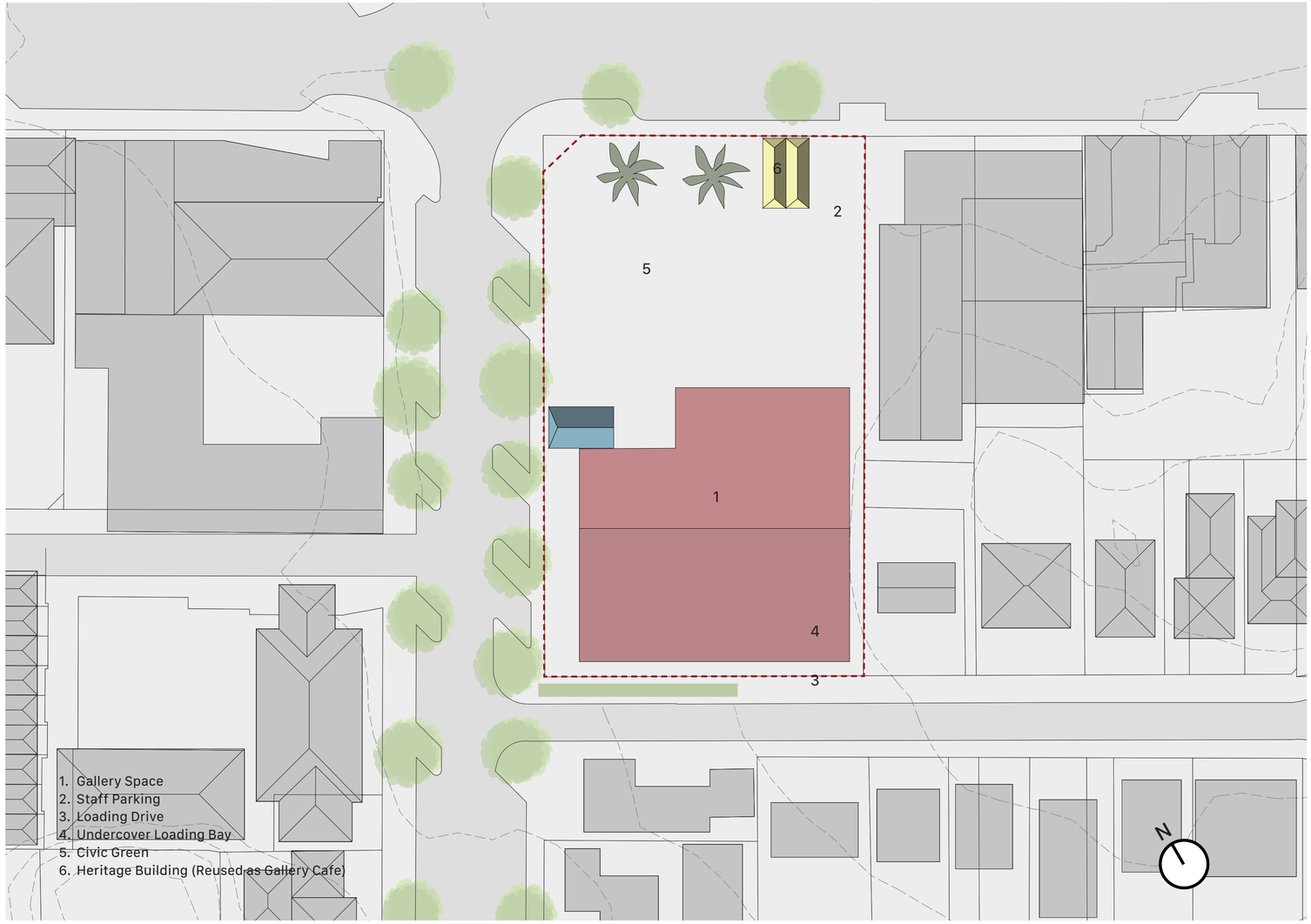
Strategy 1
Gallery Strategy

Legend:

Site Boundary

Heritage Register Buildings

New Gallery Massing



New Gallery + Green

Building Footprint	1800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	2300m2 Approx.
Max. Height	10m
Min. Height	7m

Existing Gallery + Green

Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.

Strategy 1
Gallery Forecourt Strategy

Legend:

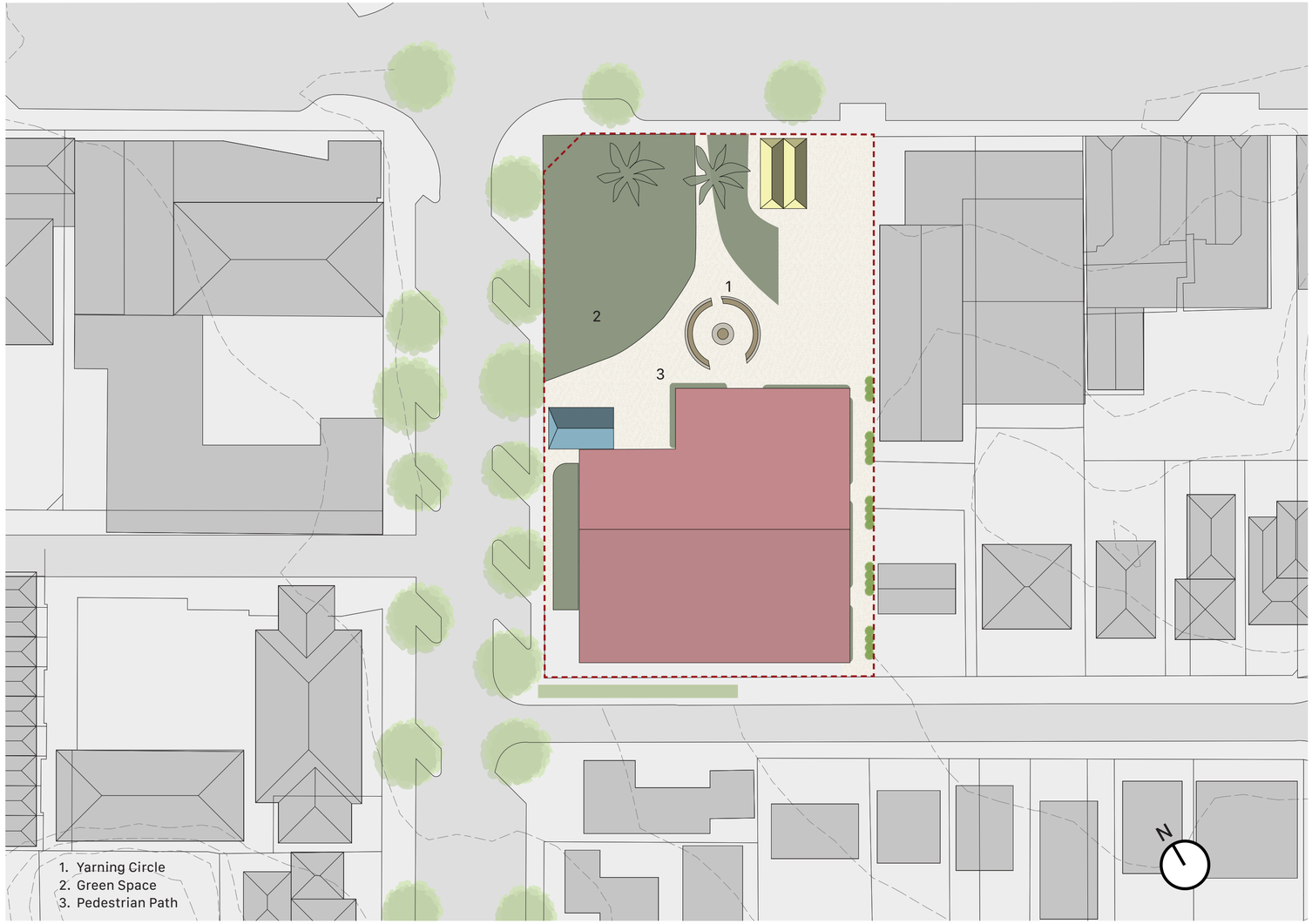
- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Revitalised Green Space

New Gallery + Green

Building Footprint	1800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	2300m2 Approx.
Max. Height	10m
Min. Height	7m

Existing Gallery + Green

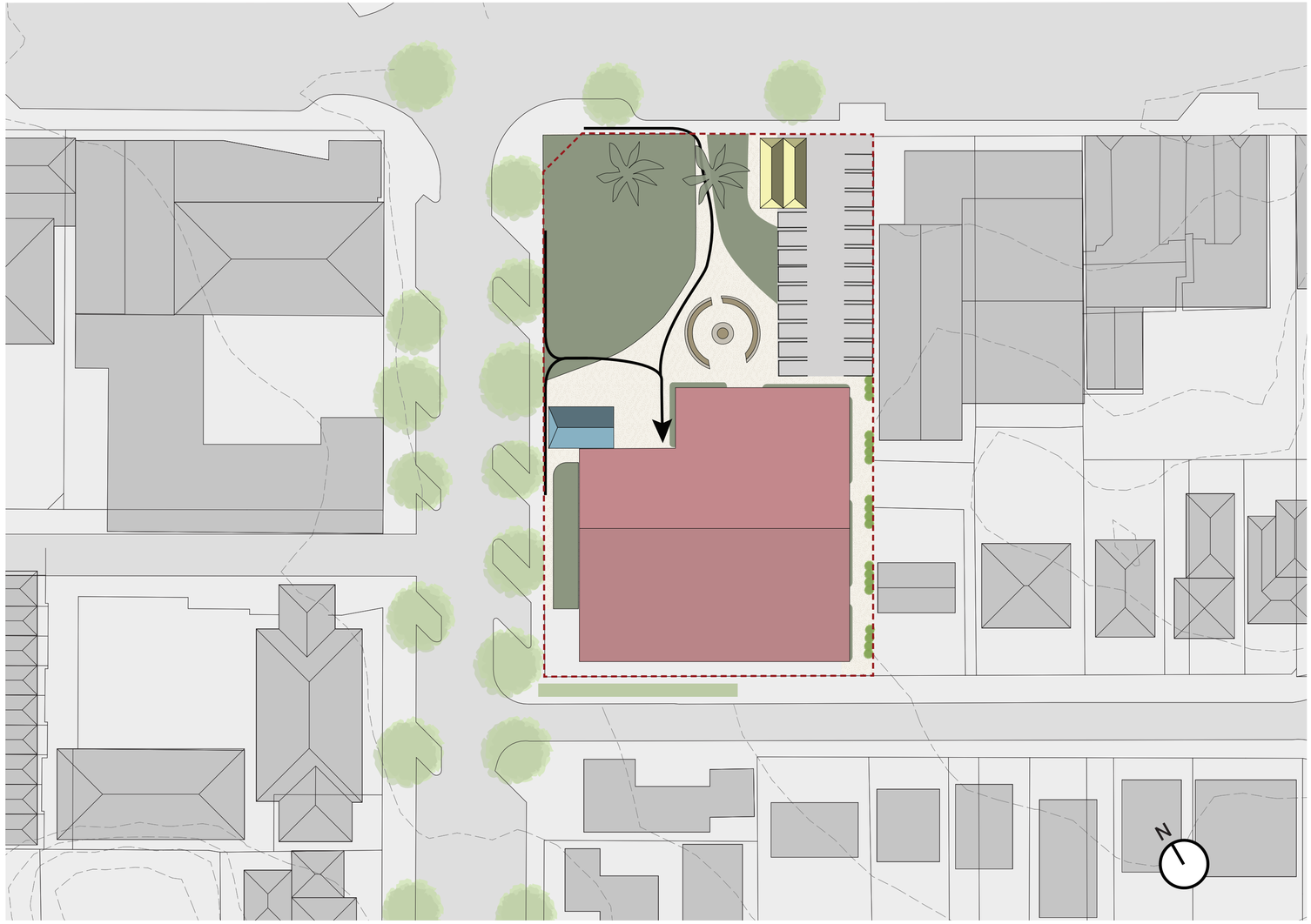
Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.



Strategy 1
Gallery Entrance Pathways

Legend:

- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Revitalised Green Space
- Entry Points



New Gallery + Green

Building Footprint	1800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	2300m2 Approx.
Max. Height	10m
Min. Height	7m

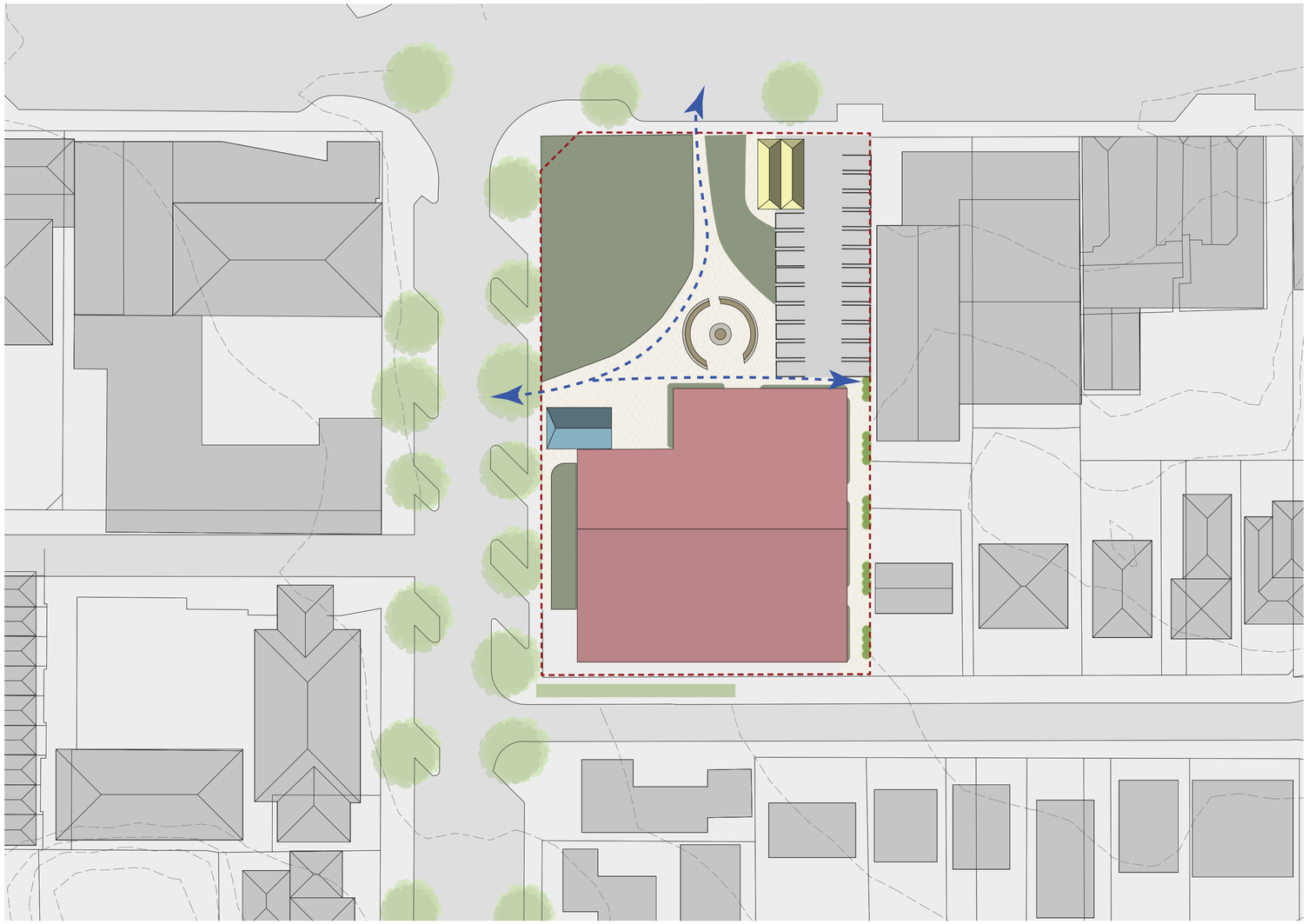
Existing Gallery + Green

Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.

Strategy 1
Pedestrian Pathways

Legend:

- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Revitalised Green Space
- Pedestrian Path Through Green



New Gallery + Green

Building Footprint	1800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	2300m2 Approx.
Max. Height	10m
Min. Height	7m

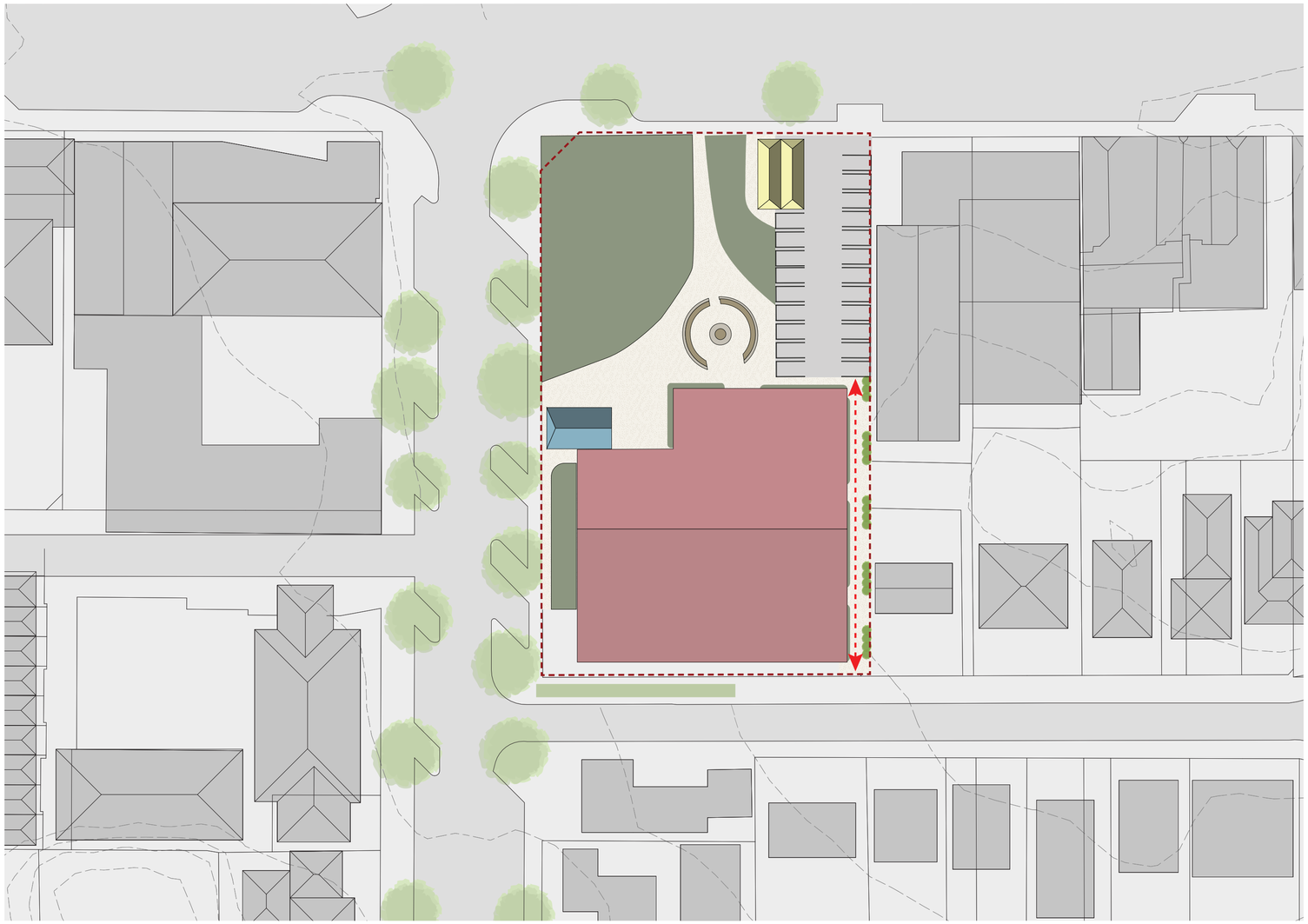
Existing Gallery + Green

Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.

Strategy 1
Pedestrian Pathways

Legend:

- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Revitalised Green Space
- Pedestrian Path Behind Site



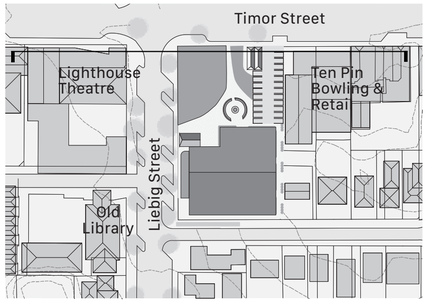
New Gallery + Green

Building Footprint	1800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	2300m2 Approx.
Max. Height	10m
Min. Height	7m

Existing Gallery + Green

Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.

Strategy 1
Relative Heights



Legend:

Existing Site Section

Strategy 1



Strategy 1
Proposed Area and Layout

Proposed Area Schedule

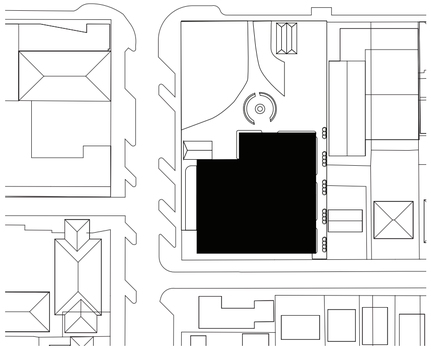
Total Gallery Area	**3100m2**
Front of House	**819m2.**
Maar Spaces	**425m2**
Exhibition Spaces	**884m2**
Staff and Back of House	**971m2**
+	
Underground Carpark + Loading (32 parks)	**900m2**

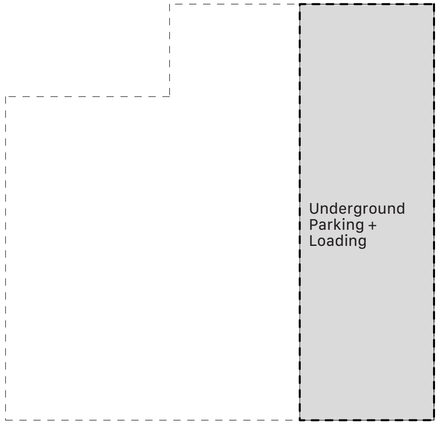
Additional costing elements:

Shade Structures (awnings)

Hardscaping elements (benches, yarning circle)

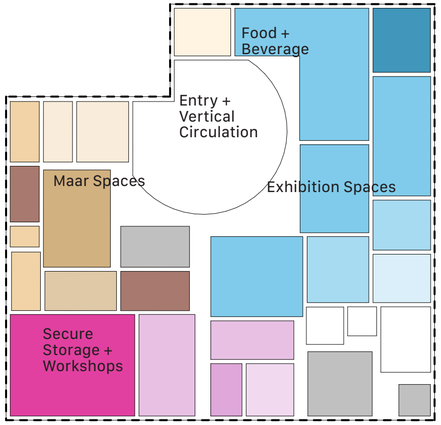
Landscaping





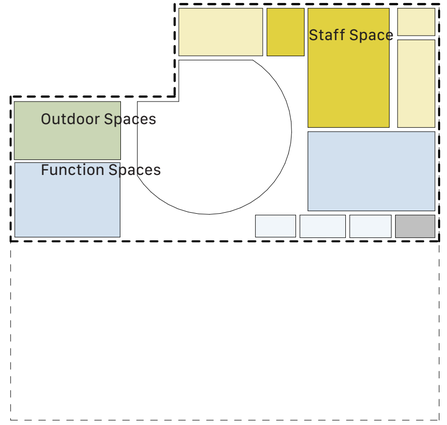
Area = 900m2

Basement 1



Area = 2100m2

Ground



Area = 1000m2

Level 1



Strategy 1
Proposed Area and Layout

Proposed Area Schedule

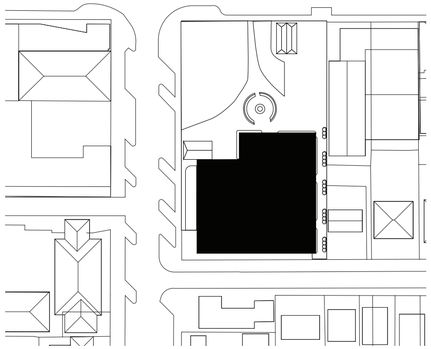
Total Gallery Area	**3100m2**
Front of House	**819m2.**
Maar Spaces	**425m2**
Exhibition Spaces	**884m2**
Staff and Back of House	**971m2**
+	
Underground Carpark + Loading (32 parks)	**900m2**

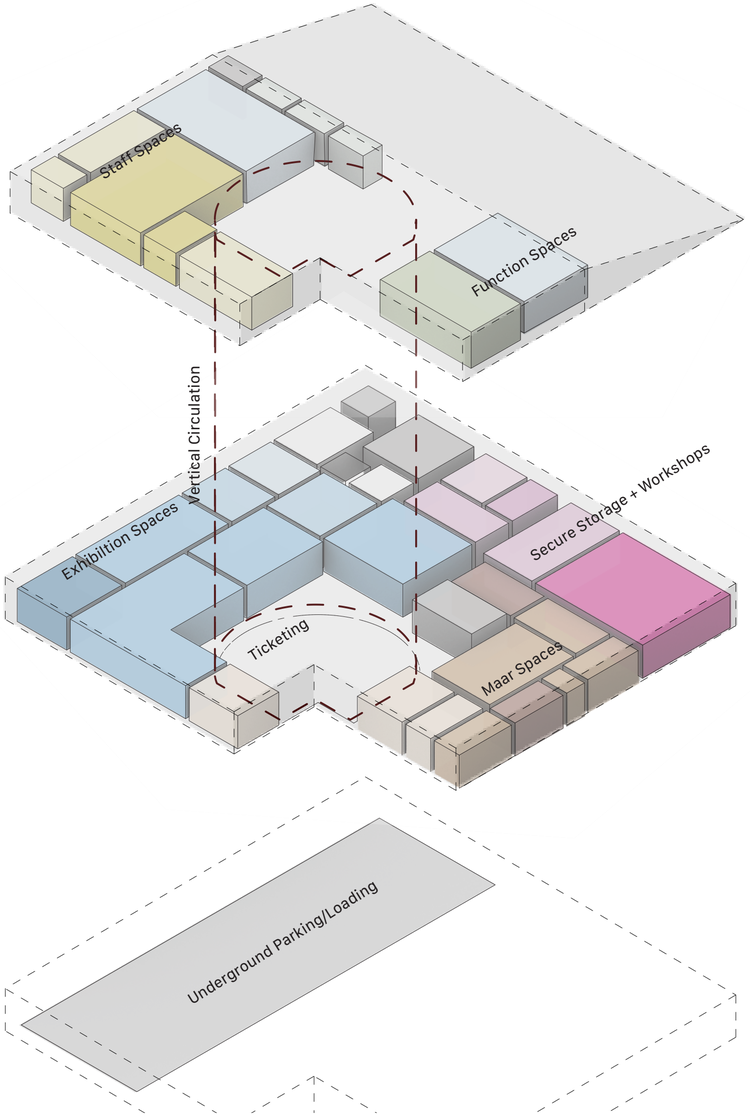
Additional costing elements:

Shade Structures (awnings)

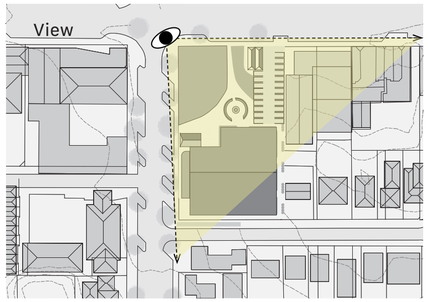
Hardscaping elements (benches, yarning circle)

Landscaping



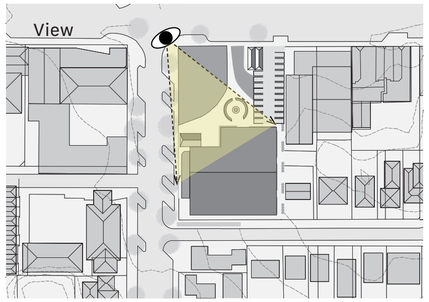


Overshadowing Conditions
Strategy 1



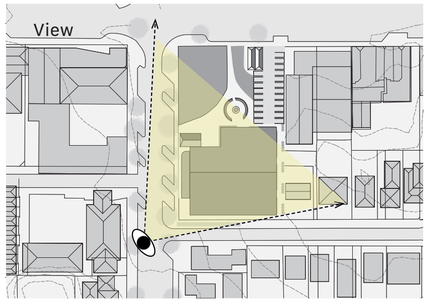


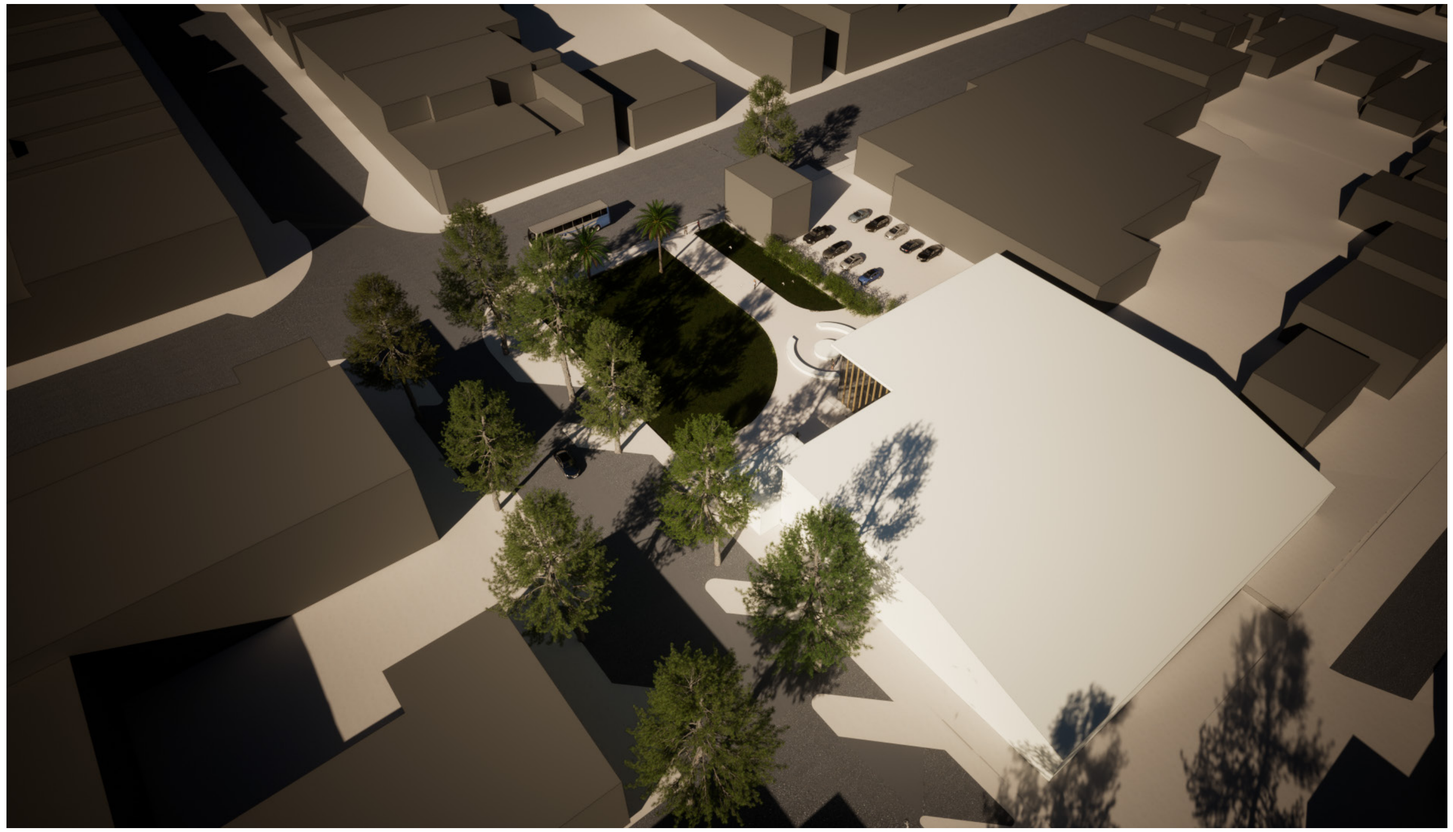
Overshadowing Conditions
Strategy 1



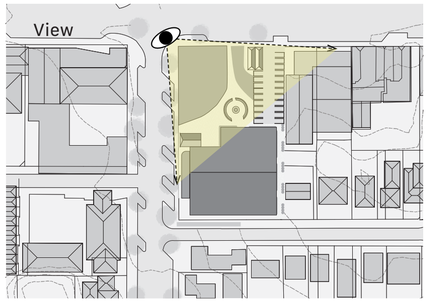


Overshadowing Conditions
Strategy 1





Overshadowing Conditions
Strategy 1





Attributes
Strategy 1

- Directs pedestrian traffic towards Liebeg Street and Timor Streets
- Lower roof towards Smith Avenue reduces overshadowing
- Preferences Northern aspect of site
- Treats Timor Street heritage as separate building
- Has greater presence on site
- Opportunity to retain existing WAG hertiage portion as part of the new build
- Inclusion of yarning circle
- Retains green areas of site for market use
- Entrances can converge to a large central atrium

Strategy 2

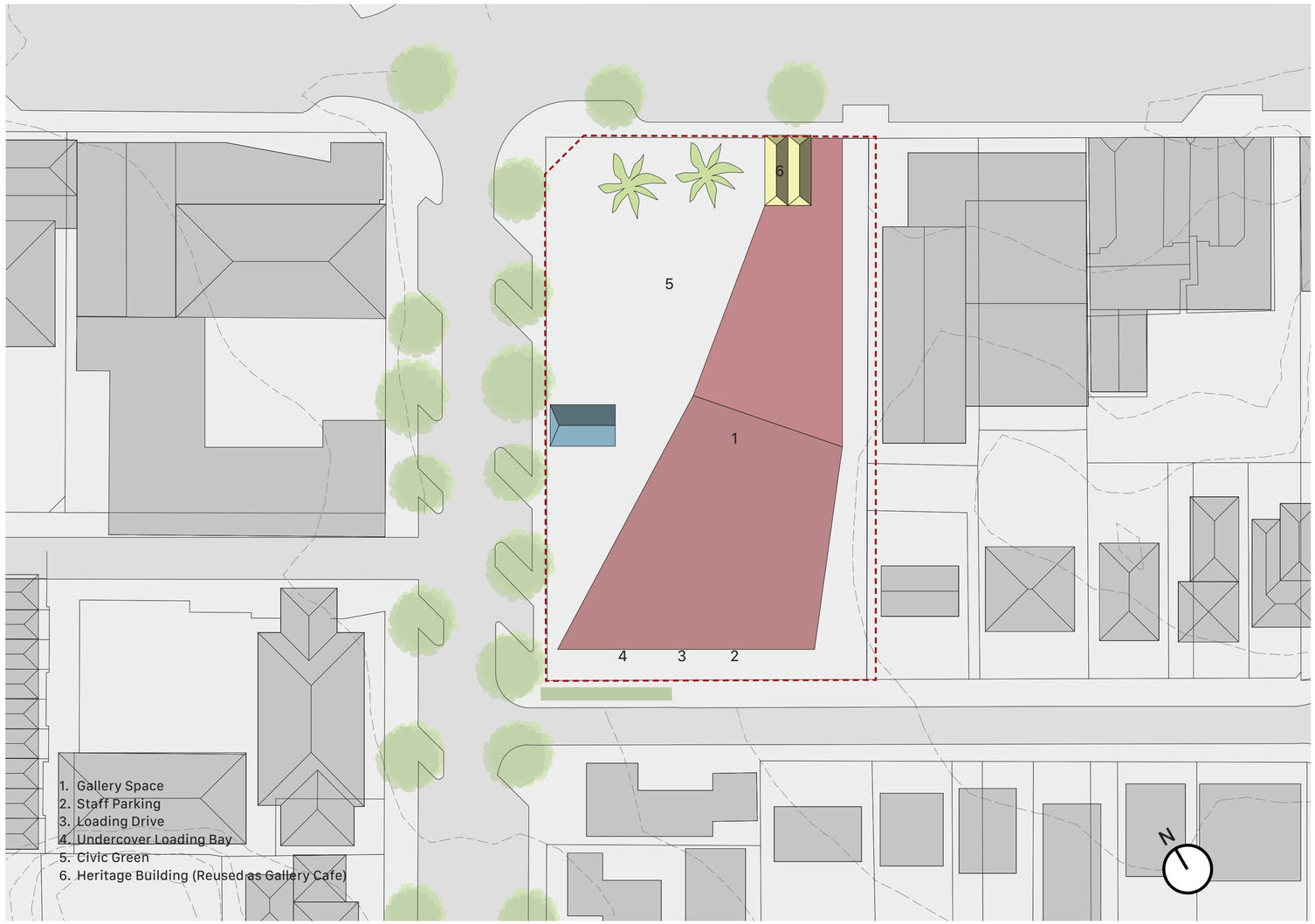
Key Elements

- Larger footprint than existing WAG building
- Greater street presence to Timor and Liebig Streets
- Main entry off Timor Street
- Pedestrian access across and on the side of site

Strategy 2
Gallery Strategy

Legend:

- Site Boundary
- Heritage Register Buildings
- New Gallery Massing



New Gallery + Green

Building Footprint	2800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	1950m2 Approx.
Max. Height	10m
Min. Height	5m

Existing Gallery + Green

Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.

Strategy 2
Forecourt Plan

Legend:

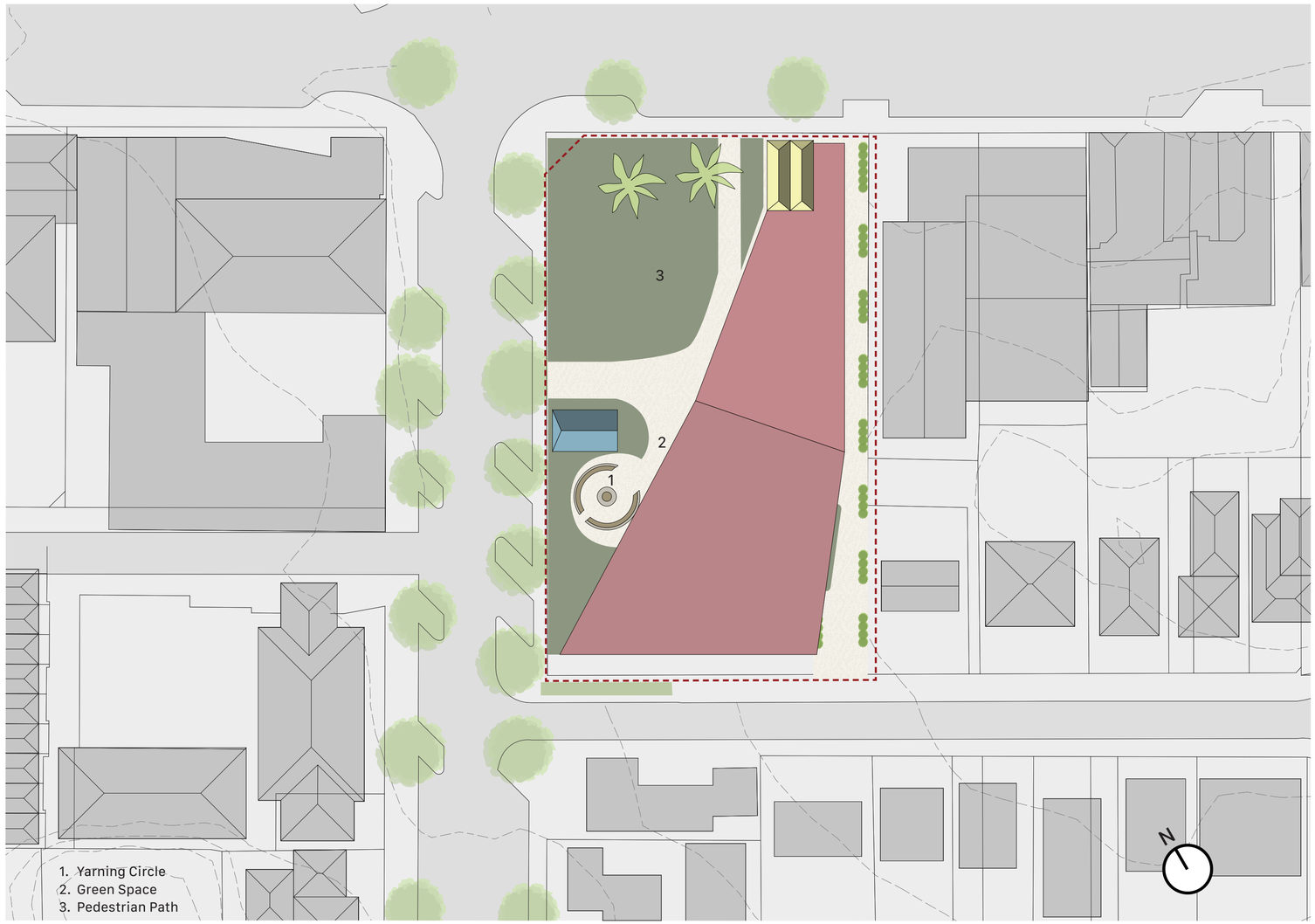
- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Revitalised Green Space

New Gallery + Green

Building Footprint	2800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	1950m2 Approx.
Max. Height	10m
Min. Height	5m

Existing Gallery + Green

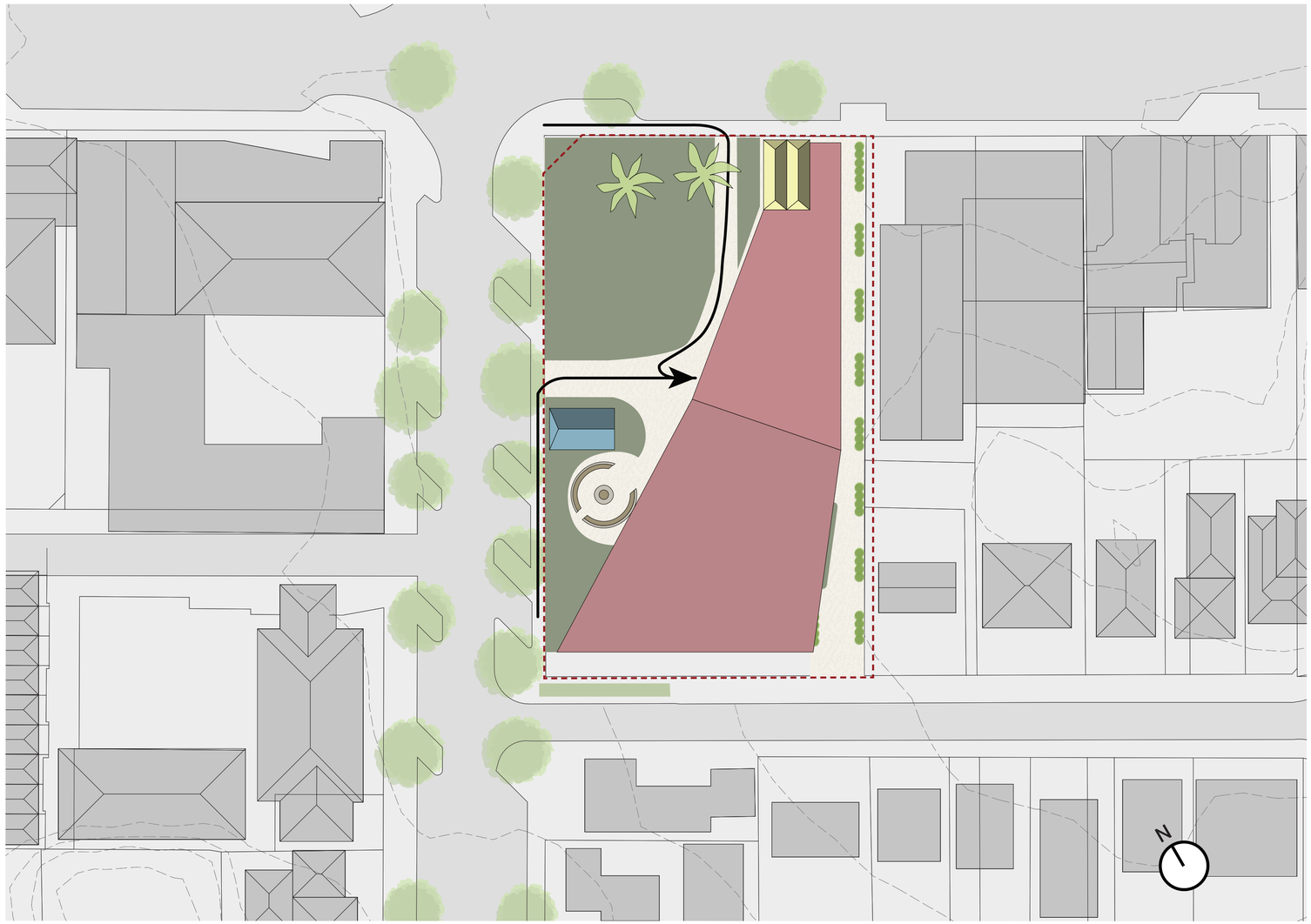
Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.



Strategy 2
Entry into Gallery

Legend:

- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Revitalised Green Space
- Entry Points



New Gallery + Green

Building Footprint	2800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	1950m2 Approx.
Max. Height	10m
Min. Height	5m

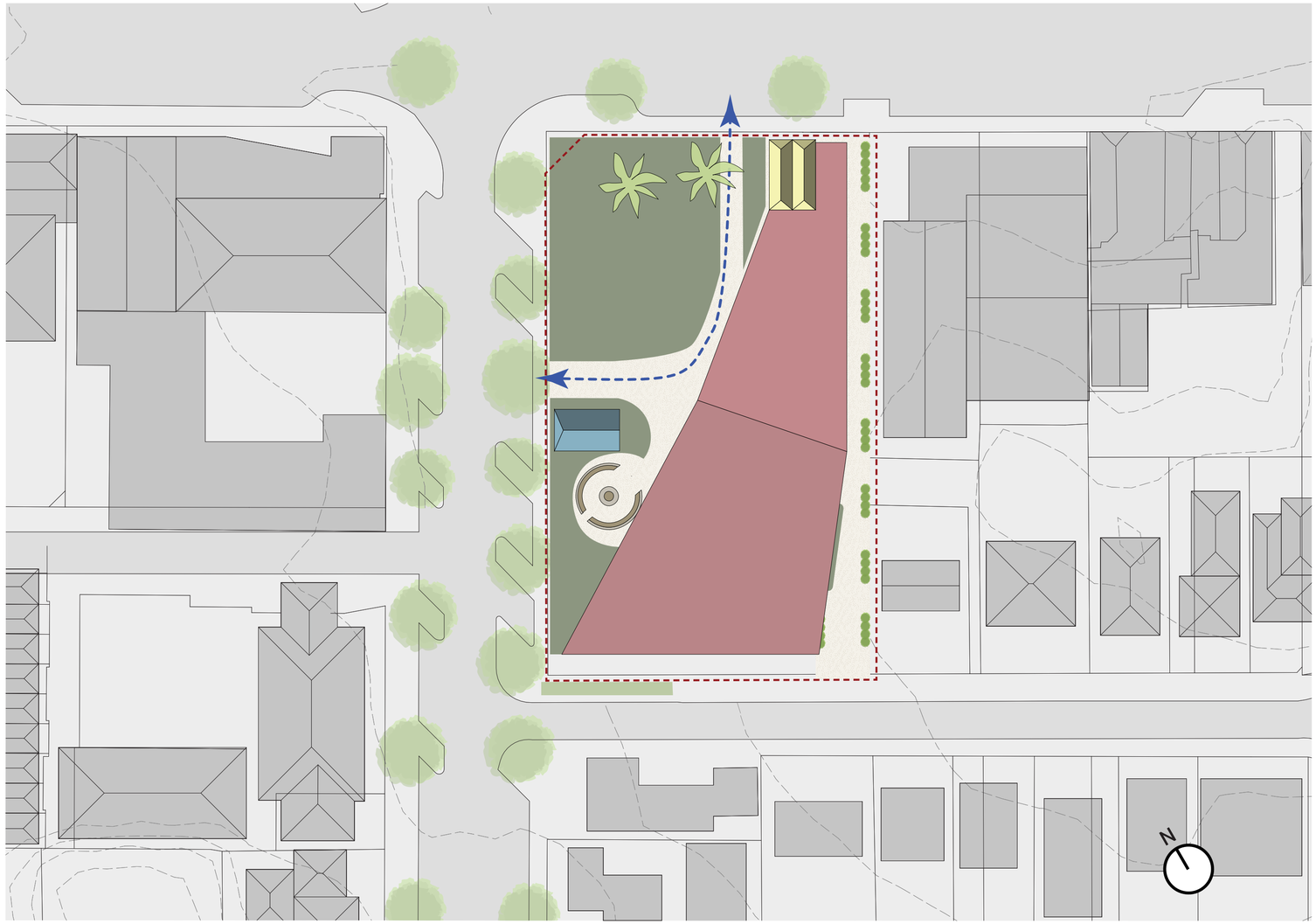
Existing Gallery + Green

Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.

Strategy 2
Pedestrian Pathways

Legend:

- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Revitalised Green Space
- Pedestrian Path Through Green



New Gallery + Green

Building Footprint	2800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	1950m2 Approx.
Max. Height	10m
Min. Height	5m

Existing Gallery + Green

Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.

Strategy 2
Pedestrian Pathways

Legend:

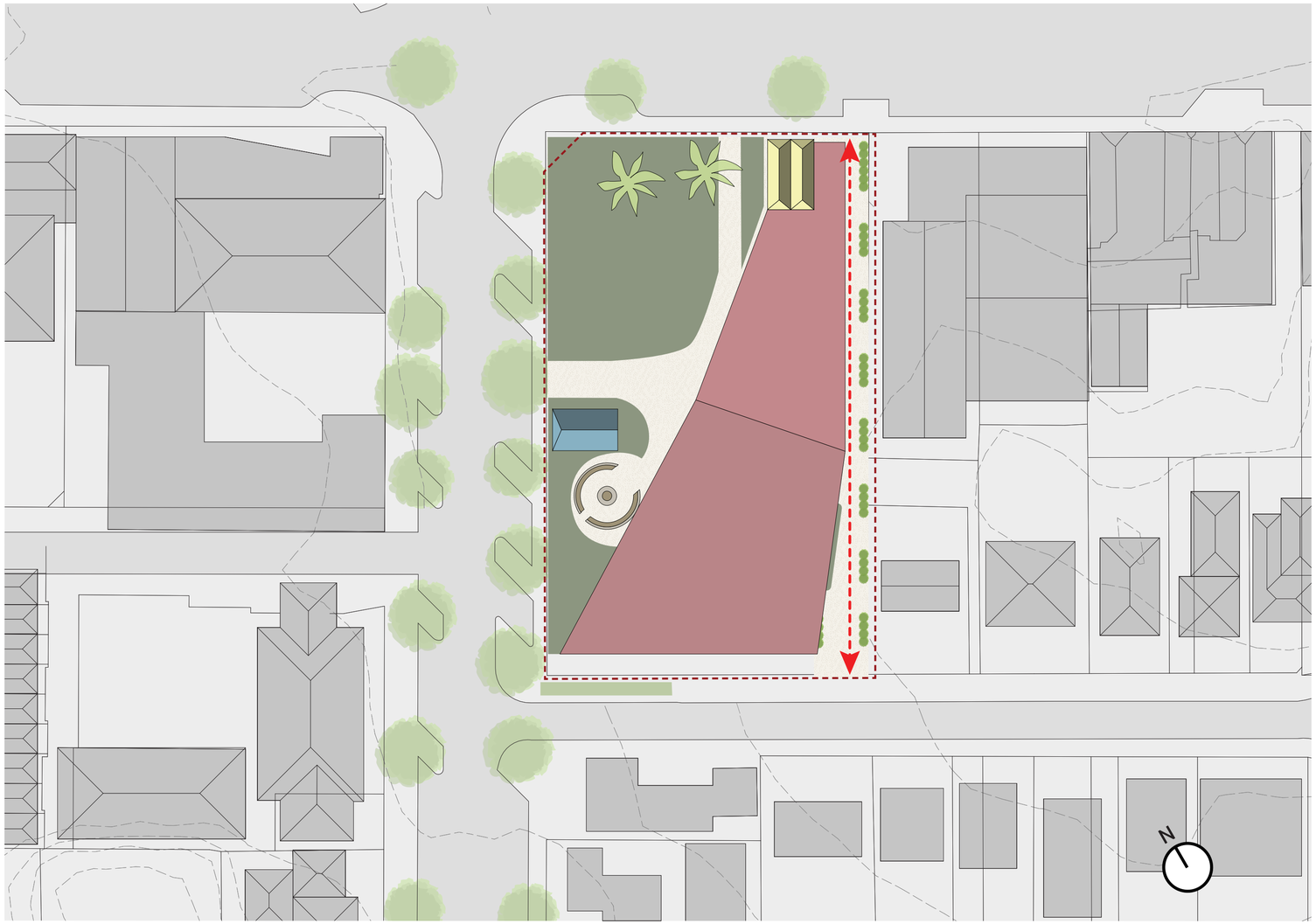
- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Revitalised Green Space
- Pedestrian Path Behind Site

New Gallery + Green

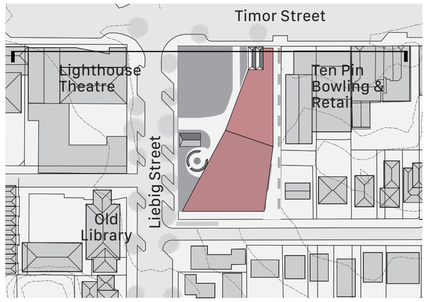
Building Footprint	2800m2 Approx.
Total Floor Area	3100m2 Approx.
Green Area	1950m2 Approx.
Max. Height	10m
Min. Height	5m

Existing Gallery + Green

Current Gallery Area:	1590m2 Approx.
Current Civic Green Area:	1575m2 Approx.



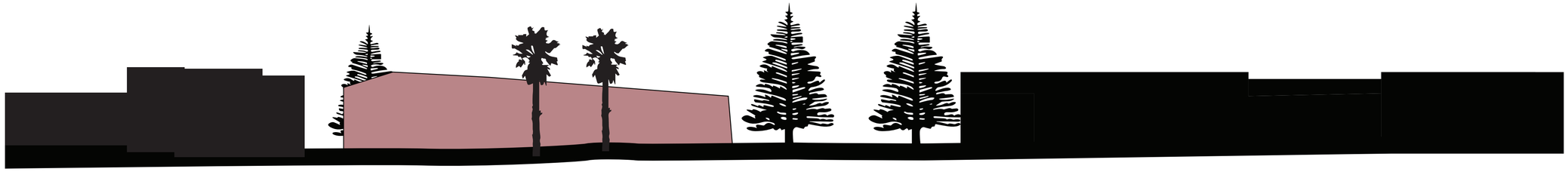
Strategy 2
Relative Heights



Legend:

Existing Site Section

Strategy 2



Strategy 2
Proposed Area and Layout

Proposed Area Schedule

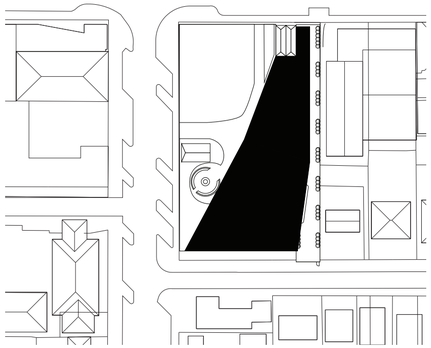
Total Gallery Area	**3100m2**
Front of House	819m2.
Maar Spaces	425m2
Exhibition Spaces	884m2
Staff and Back of House	971m2
+	
Underground Carpark + Loading (32 parks)	900m2

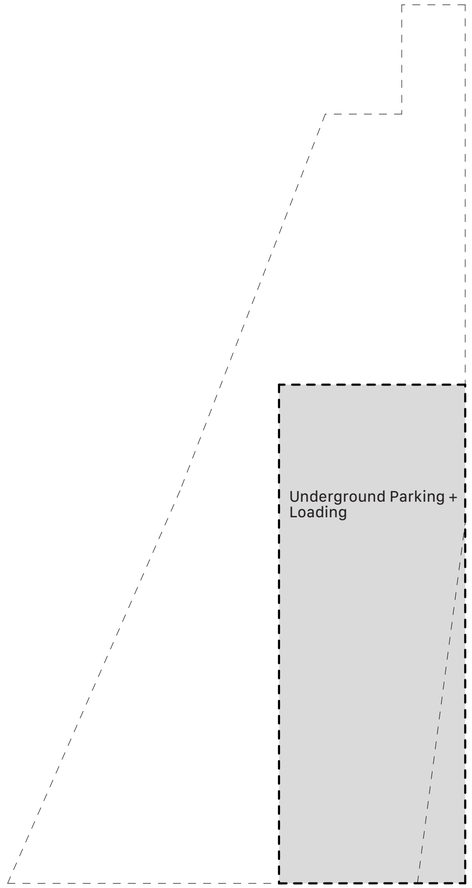
Additional costing elements:

Shade Structures (awnings)

Hardscaping elements (benches, yarning circle)

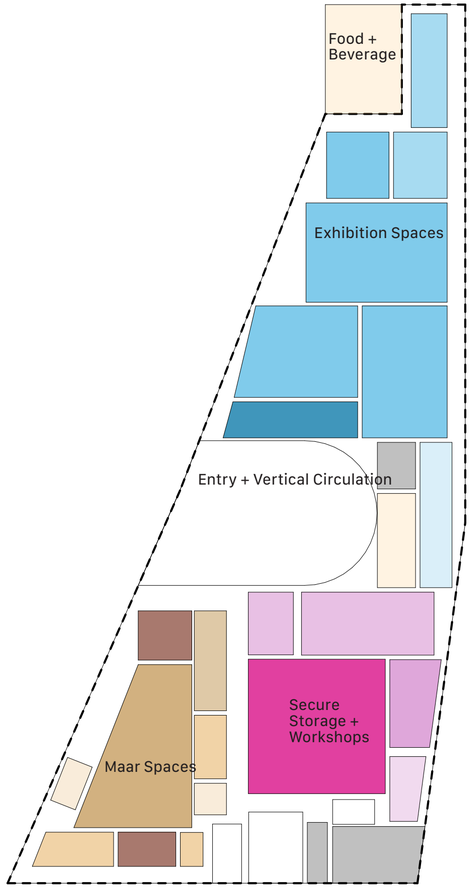
Landscaping





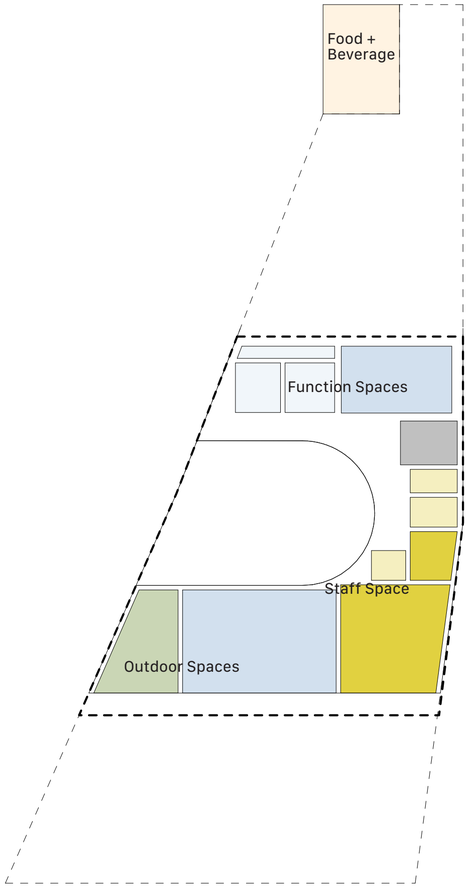
Area = 900m2

Basement 1



Area = 2100m2

Ground



Area = 1000m2

Level 1



Strategy 2
Proposed Area and Layout

Proposed Area Schedule

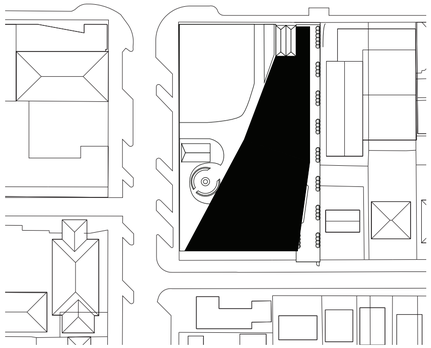
Total Gallery Area	**3100m2**
Front of House	819m2.
Maar Spaces	425m2
Exhibition Spaces	884m2
Staff and Back of House	971m2
+	
Underground Carpark + Loading (32 parks)	900m2

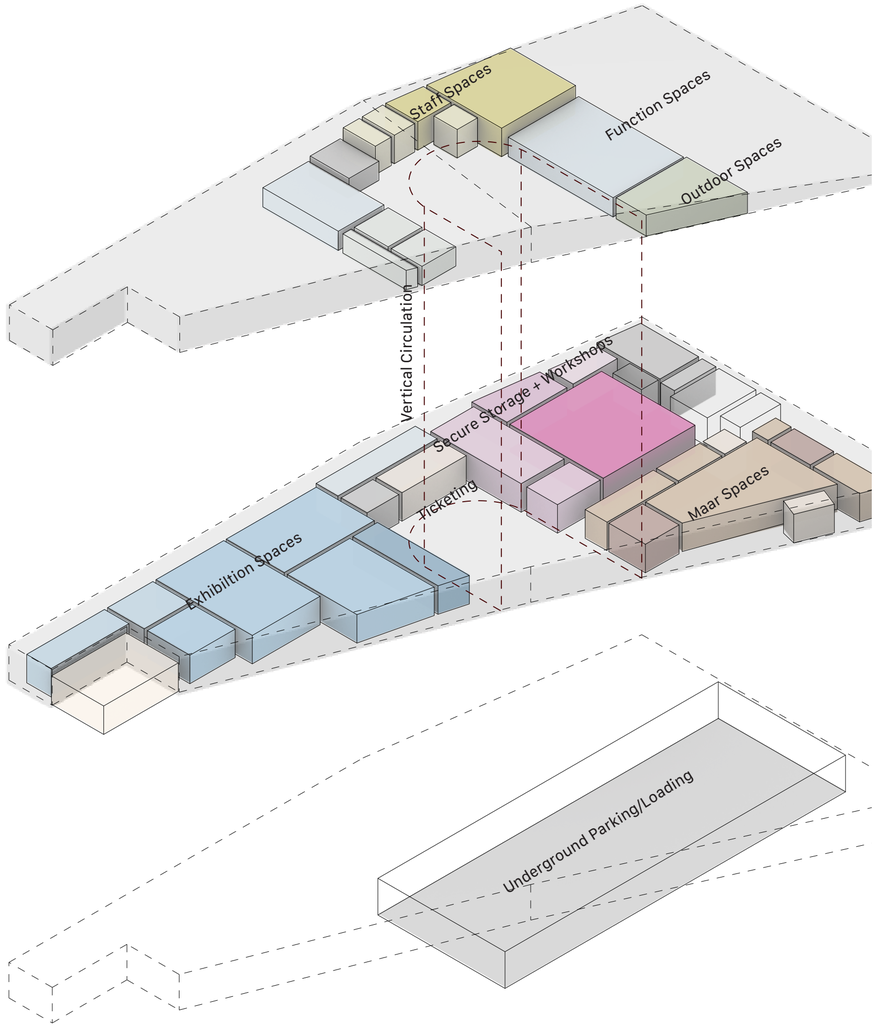
Additional costing elements:

Shade Structures (awnings)

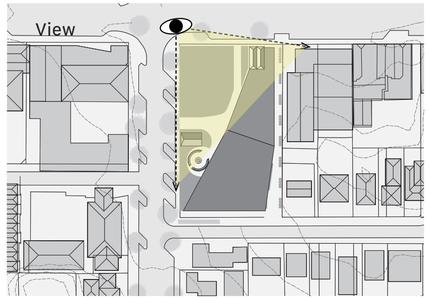
Hardscaping elements (benches, yarning circle)

Landscaping



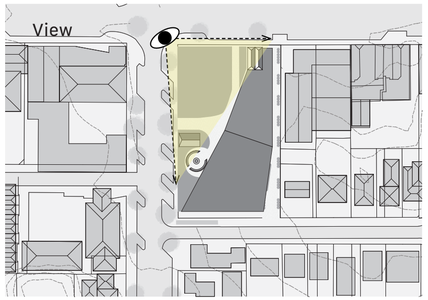


Overshadowing Conditions
Strategy 2



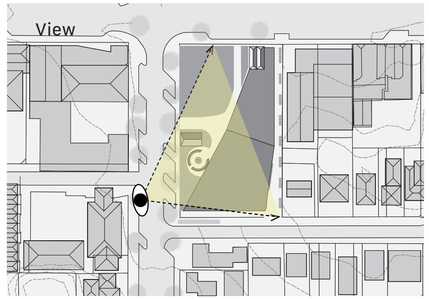


Overshadowing Conditions
Strategy 2



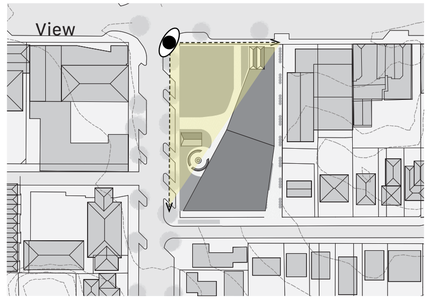


Overshadowing Conditions
Strategy 2





Overshadowing Conditions
Strategy 2





Attributes
Strategy 2

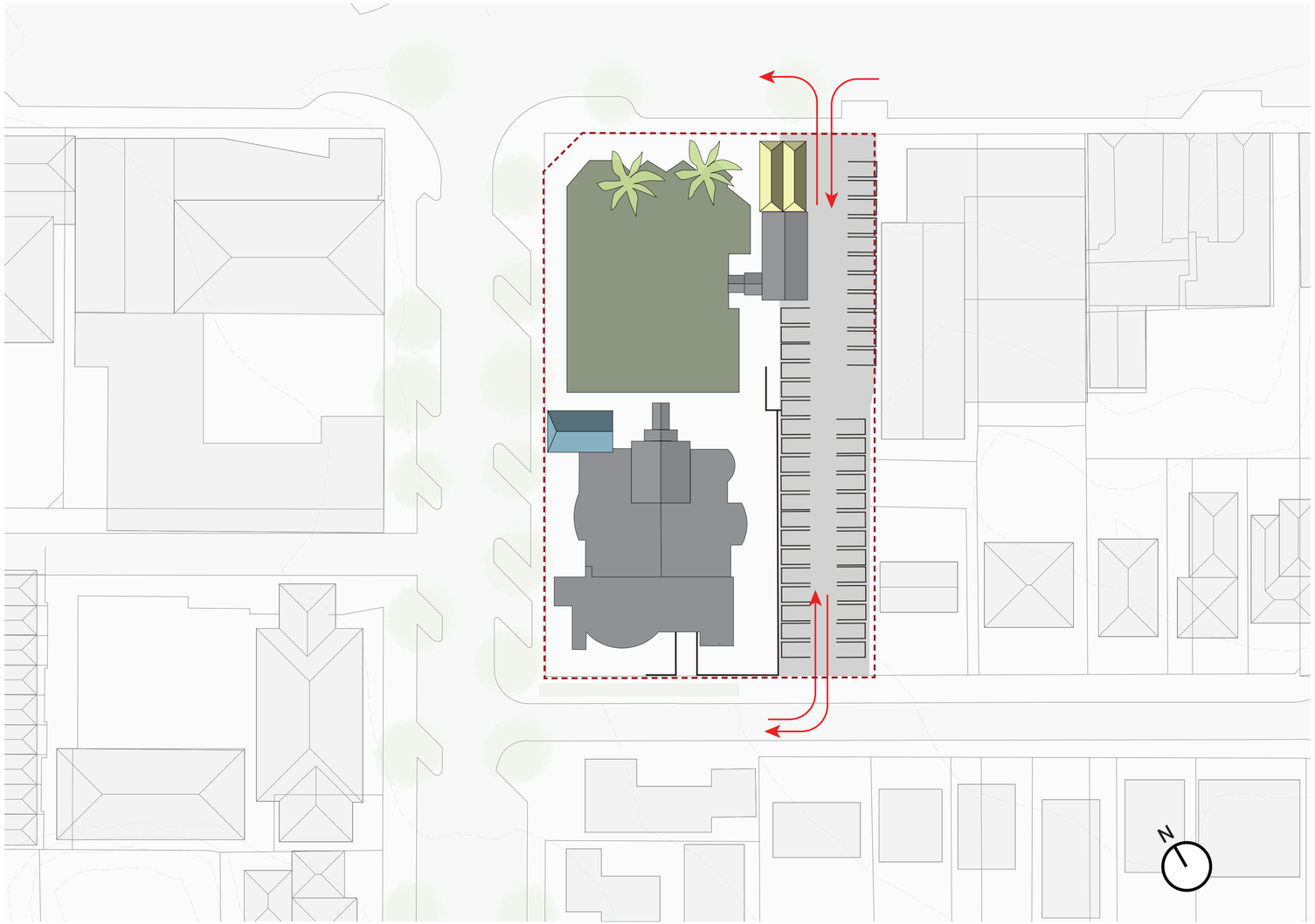
- Angles pedestrian traffic towards Liebeg Street
- Pitched roof towards Smith Avenue reduces overshadowing.
- Takes advantage of Northerly aspect of site.
- Connects existing Heritage to new building.
- Has greater presence on site.
- Opportunity to retain existing WAG hertiage portion as a pavillion.
- Inclusion of yarning circle.
- Retains green areas of site for market use.

V - Parking and Loading Strategy

Existing
Gallery Parking/Loading Strategy 1

Legend:

- Site Boundary
- Heritage Register Buildings
- Existing Gallery Massing
- Car movement
- Parking
- Basement/Loading Drive



Existing Gallery + Green

Parking Spaces Ground	62

Strategy 1
Gallery Parking/Loading Strategy 1

Legend:

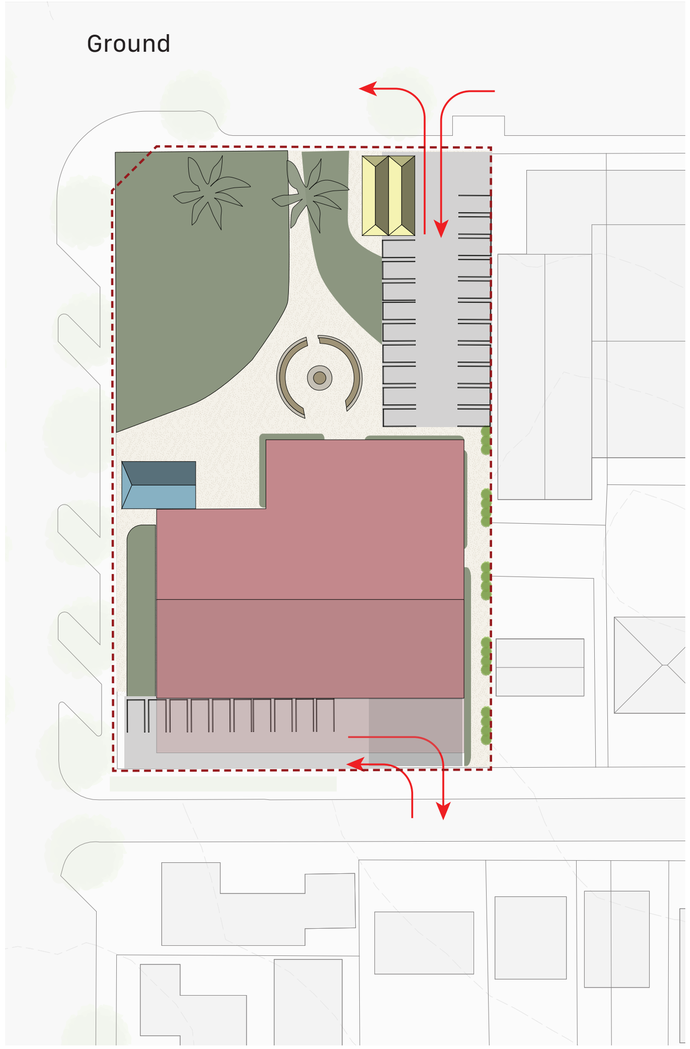
- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Car movement
- Parking
- Basement/Loading Drive
- Loading Dock

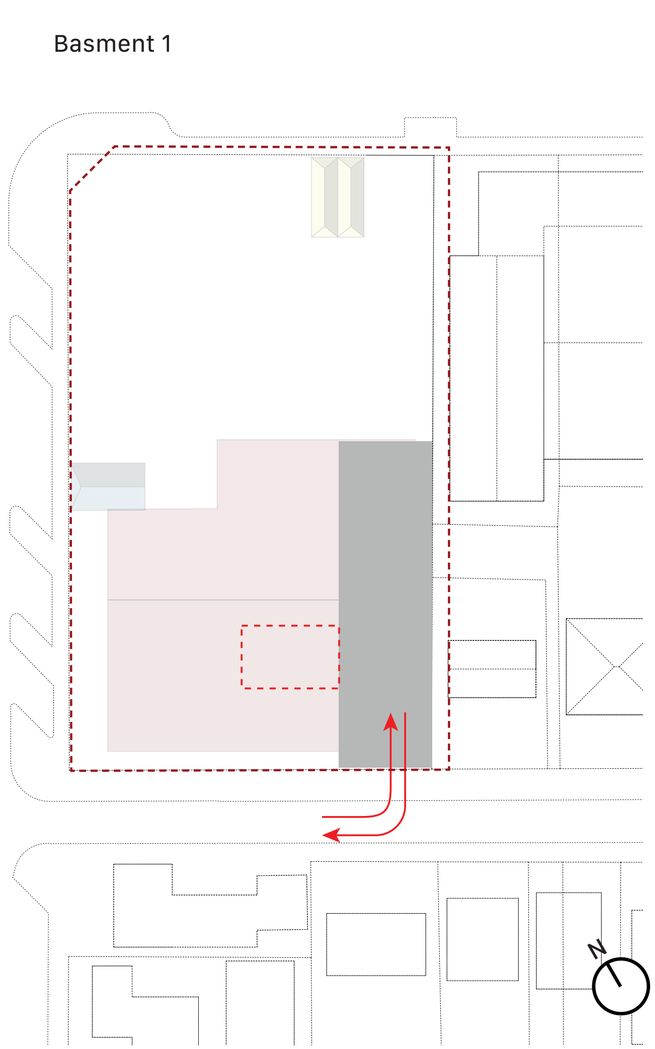
New Gallery + Green
*Subject to traffic advice

Parking Spaces Ground	20-30
Parking Spaces Underground	0-20

Existing Gallery + Green

Parking Spaces Ground	62





Strategy 2
Gallery Parking/Loading Strategy

Legend:

- Site Boundary
- Heritage Register Buildings
- New Gallery Massing
- Car movement
- Parking
- Basement/Loading Drive
- Loading Dock

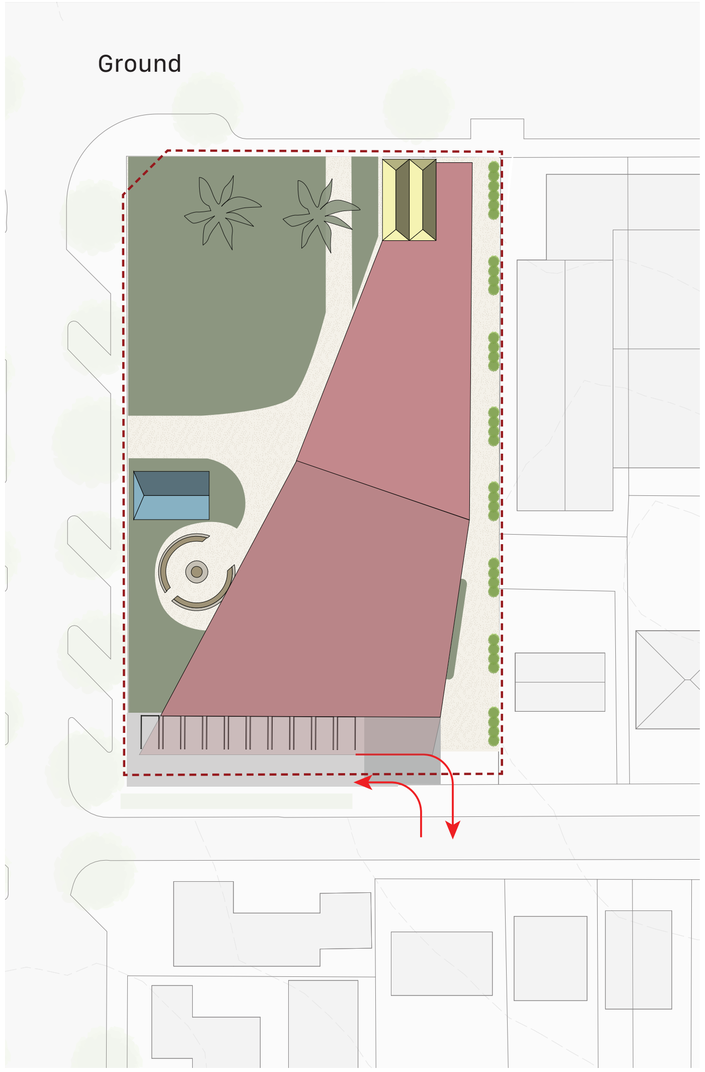
New Gallery + Green
*Subject to traffic advice

Parking Spaces Ground	10
Parking Spaces Underground	20

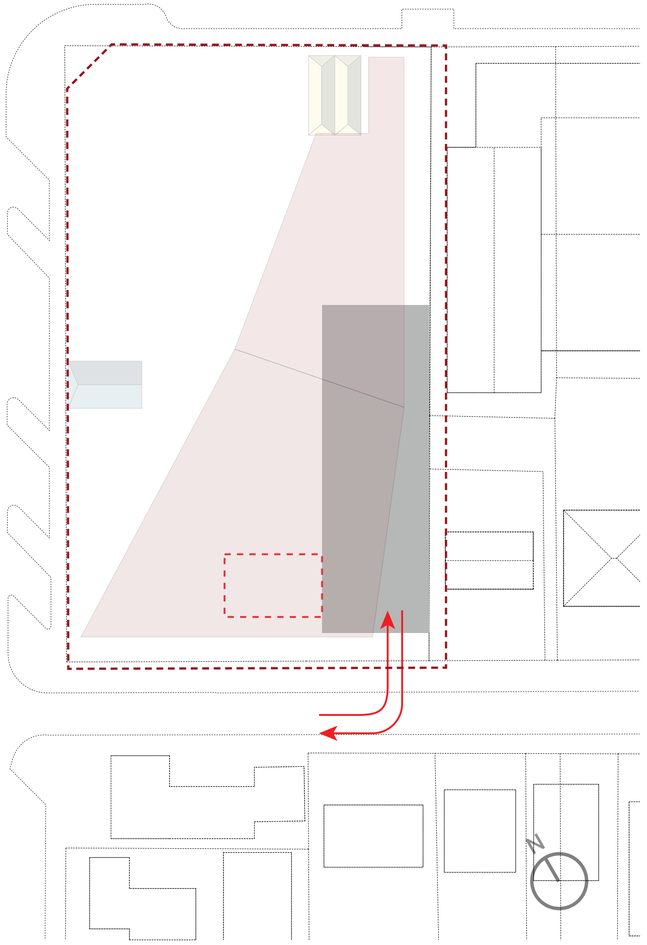
Existing Gallery + Green

Parking Spaces Ground	62

Ground



Basment 1

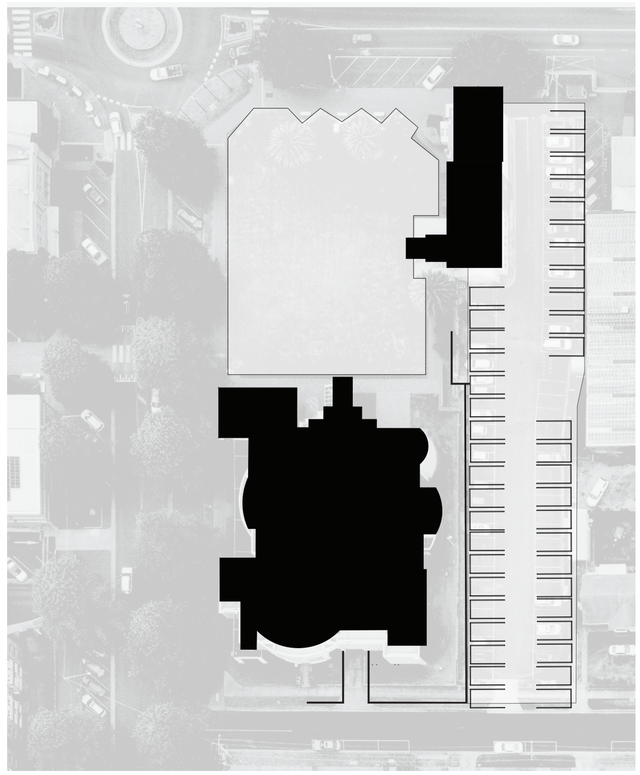


VI - Strategy Comparison on Site

Strategy Comparison
Built Gallery Area

Existing Gallery

Current Gallery Area: 1590m2 Approx.



Strategy 1

New Gallery Area 3100m2 Approx.



Strategy 2

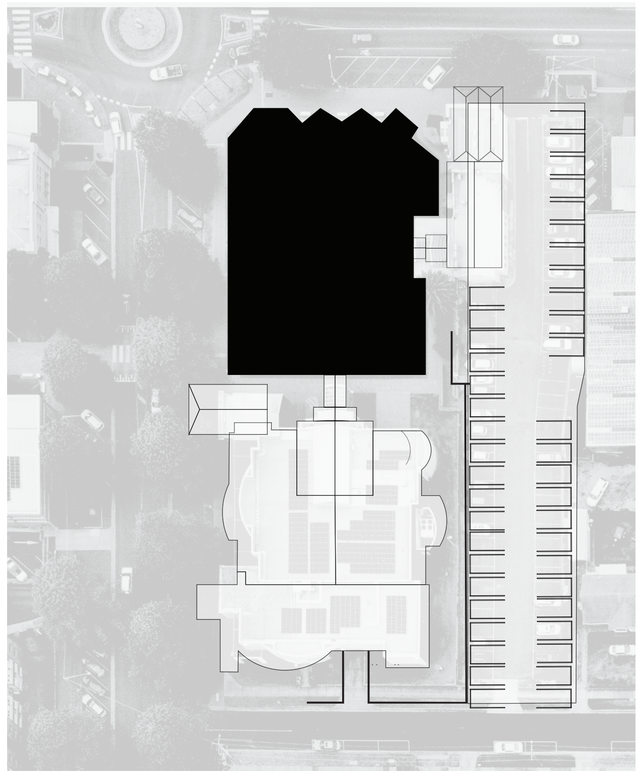
New Gallery Area 3100m2 Approx.



Strategy Comparison
Green Space

Existing Gallery + Green

Current Civic Green Area: 1575m2 Approx.

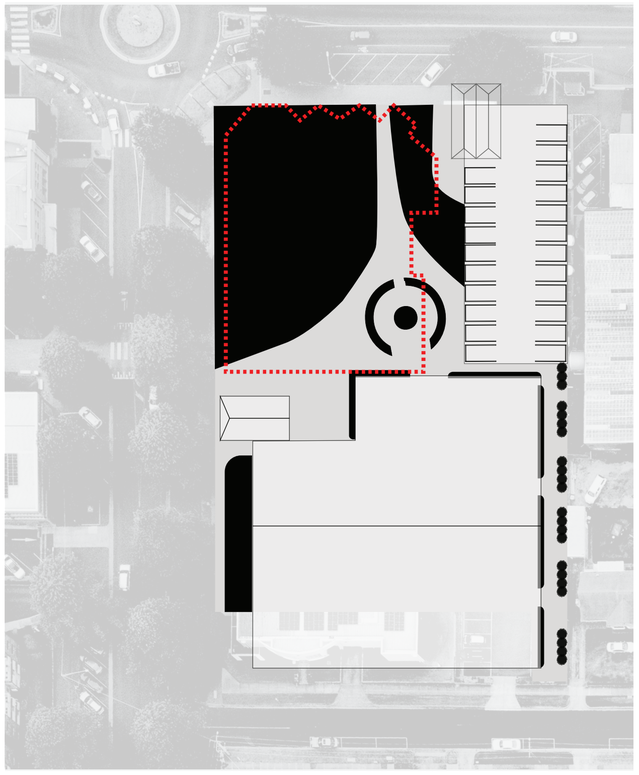


Strategy 1

New Civic Green Area 2300m2 Approx overall.

Lawn/Planting 1800m2 Approx.

Circulation and Seating 500m2 Approx.

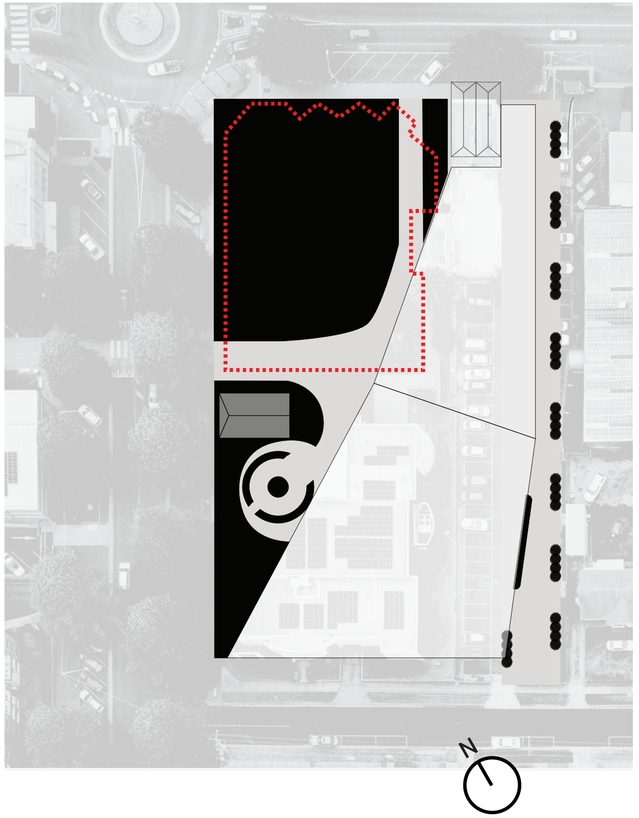


Strategy 2

New Civic Green Area 1950m2 Approx overall.

Lawn/Planting 1650m2 Approx.

Circulation and Seating 300m2 Approx.



VII - Brief and Functional Arrangements

Preliminary Area Schedule
Summary

SUMMARY OF WAG FEASIBILITY FUNCTIONAL BRIEF

		AREAS	+ GROSSING	% OF BRIEF	NOTES
1.0	**External Spaces**	963	-		Estimated from total GFA. External spaces excluded from total GFA
1.1	**Rooftop Photovoltaic Array**	Refer Plans	Refer Plans		Excluded from Total Estimated GFA
2.0	**Front of House Spaces**	607	819	26%	
3.0	**Maar Spaces**	315	425	14%	
4.0	**Exhibition Spaces**	655	884	29%	
5.0	**Staff Spaces & Back Of House**	719	971	31%	
	TOTAL ESTIMATED GFA	**2,296**	**3,100**		Excludes External Spaces

Preliminary Area Schedule
Return Brief

1.0	EXTERNAL SPACES					
1.01	**External Space for Activities/ Public Art**					Occasional use of Civic Green / Liebig Street interface / Art trail to Cannon Hill / Rooftop / External Terrace / Foyer
1.02	**Amphitheatre**					Review options for out of hours community use
1.03	**Coach Parking / Drop-off Bay**					Review options for Liebig Street
1.04	**Car Parking**					10 Spaces retained on existing carpark for use by WAG visitors, delivery, DDA
1.05	**Public art-based playground**					Options to be discussed - out of hours community use
1.06	**Public Screen**					Connection to Amphitheatre
1.07	**Outdoor Seating / Undercover Area**	40				Interface with Civic Green
1.08	**Observation Deck**					Review purpose - what is being viewed? Art Trail to Cannon Hill?
1.09	**Ceremonial Space**	60				Adjacent to entry and Maar Nations spaces
	SUB TOTAL	**100**				
		25				Assume 25% for External Circulation Paths (exc. Roads)
	EXTERNAL SPACES TOTAL	**125**				

2.0	FRONT OF HOUSE SPACES	AREAS	CAPACITY	BRIEF	SQ.M. PER PERSON	NOTES
2.01	**Arrival & Foyer**	150				Includes entry airlock and main public entry to Maar Nation Interpretive gallery. Foyer to host gatherings, exhibition openings, and small concerts
2.02	**Ticketing / Reception**	12				Assume 2 Staff
2.03	**Gallery Retail & Function Bar**	25				Adjacent within foyer / Permanent Joinery for serving food and drinks
2.04	**Seminar Space**	90				Assume 25 - 30 person capacity. Co-locate with Bar. Av system and operable walls
2.05	**F&B Service - Servery**	40				Allow 60m2 at Existing Site - server for catering functions and meetings only
2.06	**Bar - Level 1**	30				Bar with adjacent BOH, Store, and servery
2.07	**Visitor Amenities**	30				Includes lockers, cloaking, school group bag store
2.08	**Member & Volunteer Lounge / Teapoint**	20				Accessible from foyer, also for use by FOH staff
2.09	**Front of House Store**	10				Cloaking, ticketing and retail store
2.10	**Function Area**	150				Flexible function space on level 1
2.11	**Observation Area**	50				Located internally on Level 1. Can be combined with function area
	SUB TOTAL	**607**	**0**	**Capacity**		
	GROSSING FACTOR 35%	**212**				
	FRONT OF HOUSE SPACES TOTAL	**819**				

Preliminary Area Schedule
Return Brief Continued

3.0	MAAR SPACES	AREAS	CAPACITY	BRIEF	SQ.M. PER PERSON	NOTES
3.01	**Entrance for Connected Outdoor Ceremonies**	9				Direct access for outdoor ceremonies and entry for Maar meetings after-hours
3.02	**Interpretive Materials Store**	40				Specialist storage and managed access
3.03	**Maar Nation Interpretive Gallery**	200				Connected with Foyer
3.04	**EMAC Workplace**					Included and co-located with Staff Workspace
3.05	**Conservation Room**	24				Assume workshop space for 2 staff and storage
3.06	**Meeting / Community Rooms**	30				Assume 1 medium size room with access from public spaces
3.07	**Teapoint**	12				For staff and community use
	OPTIONAL SPACES					
3.08	***Elder's Room***	*25*				Intermediary space in support of Maar Nations Gallery
3.09	***Artist in Residence***	*50*				Multifunction space to house visiting researchers and artists
	SUB TOTAL (EXCL. OPTIONAL)	**315**	**0**	**Capacity**		
	GROSSING FACTOR 35%	**110**				
	MAAR SPACES TOTAL	**425**				

4.0	EXHIBITION SPACES	AREAS	CAPACITY	BRIEF	SQ.M. PER PERSON	NOTES
4.00	*Collection Space Total*	*520*				
4.01	**Permanent Collection Gallery**	200				Capacity to be interconnected for 400m2 major ticketed exhibition
4.02	**Temporary Exhibition Gallery 1**	100				Capacity to be interconnected for 400m2 major ticketed exhibition
4.03	**Temporary Exhibition Gallery 2**	100				Capacity to be interconnected for 400m2 major ticketed exhibition
4.04	**Family Learning Centre (FLC) Gallery**	120				Acoustic and visual screening from other public space (existing - 80m2)
4.05	**Public Programming Space**	40				Access from FLC Gallery and Indigenous Cultural Space
4.06	**Project Space**	55				Ground floor location and adjacent to FLC Gallery to allow flexible exhibition use
4.07	**Crates, Chairs, Moveable Walls Store**	40				Located adjacent to gallery spaces in BOH zone
	OPTIONAL SPACES					
3.08	***Children's Gallery / Spaces***	*55*				Supplementary acoustically separated space to corral children and school groups. Seperate space to maintain user experience for other visitors. Can also be used for bag storage & lunches.
		655		**Capacity**		
	GROSSING FACTOR 35%	**229**				Assume 25% Grossing Factor for Exhibition Spaces
	EXHIBITION SPACES TOTAL	**884**				

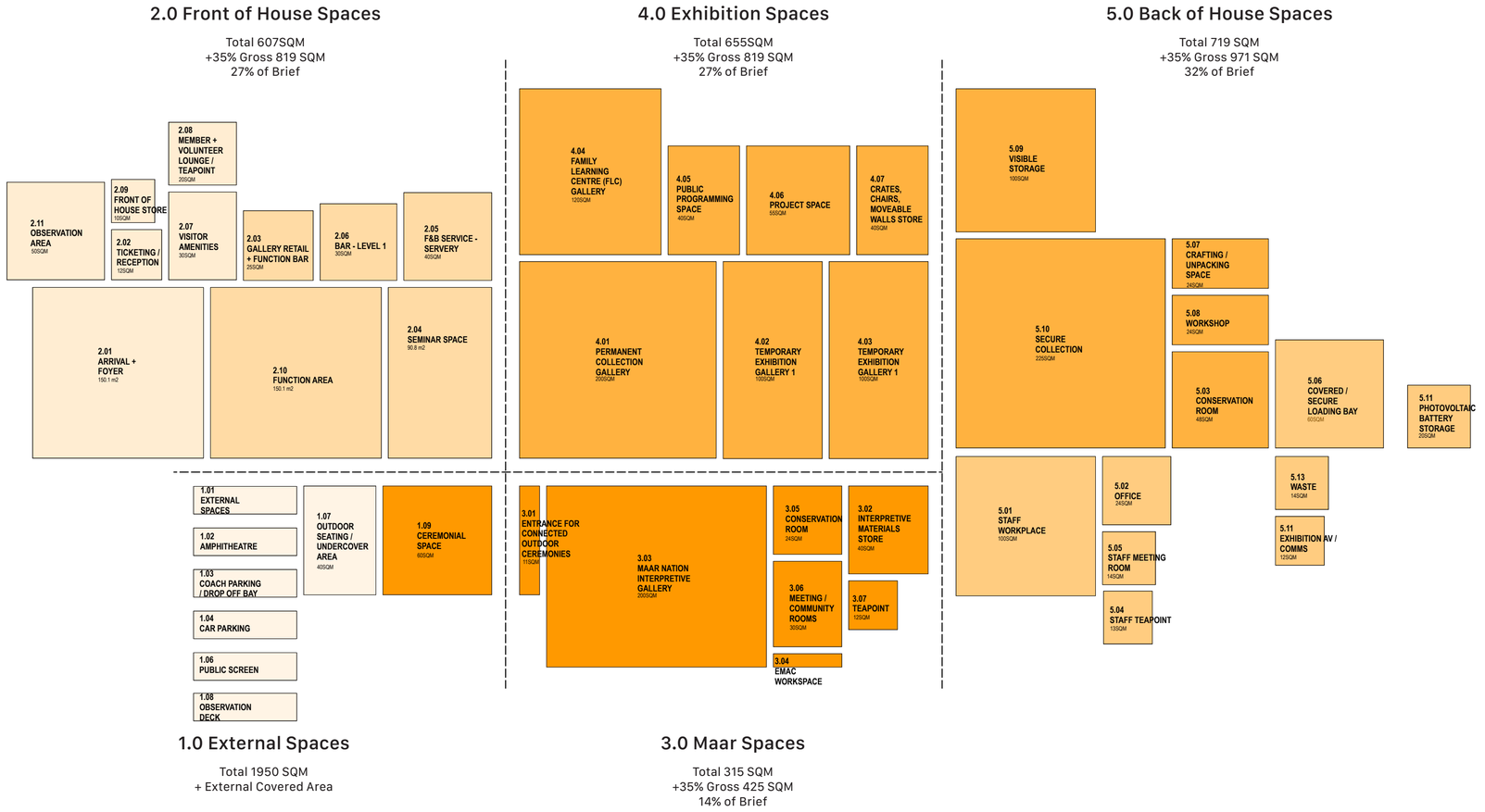
Preliminary Area Schedule
Return Brief Continued

5.0	STAFF SPACES & BACK OF HOUSE	AREAS	CAPACITY	BRIEF	SQ.M. PER PERSON	NOTES
5.01	**Staff Workplace**	100	10		10	Assume 8 WAG staff and 2 Maar staff @10m2 per person allocation
5.02	**Office**	24	2			Assume 2 enclosed offices
5.03	**Conservation Room**	48				With workbenches and plan drawers for print works
5.04	**Staff Teapoint**	12				Dedicated for staff use
5.05	**Staff Meeting Room**	15				Dedicated for staff use
5.06	**Covered / Secure Loading Bay**	60				Part external - assume Loading Bay for Medium Rigid Vehicle (TBC)
5.07	**Crating / Unpacking Space**	24				Connected to Loading Bay
5.08	**Workshop**	24				Framing, Carpentry, Painting
5.09	**Visible Storage**	100				Located to allow public access to viewing space
5.10	**Secure Collection**	240				Area allocation updated
5.11	**Exhibition AV/ Comms**	12				Specialised for digital exhibition content
5.12	**Photovoltaic Battery Storage**	20				Sustainability initiative
5.13	**Waste**	15				Gallery and F&B bins store
2.12	**Function Space Store**	25				Storage adjacent to Seminar Room to support functions
	NOT INCLUDED					
5.14	***Substation / Main Switchboard***	*50*				
	SUB TOTAL (EXCL. MAIN SWITCHBOARD)	**719**		**Capacity**		
	GROSSING FACTOR 25%	**252**				
	STAFF SPACES & BACK OF HOUSE TOTAL	**971**				

Preliminary Functional Brief
Area Schedule Visualisation

Summary of Areas

		AREAS	+ GROSSING
1.0	External Spaces	963	-
1.1	Rooftop Photovoltaic Array	Refer Plans	Refer Plans
2.0	Front of House Spaces	607	819
3.0	Maar Spaces	315	425
4.0	Exhibition Spaces	655	884
5.0	Staff Spaces & Back Of House	719	971
	TOTAL ESTIMATED GFA	2,296	3,100



Preliminary Functional Brief
Area Schedule - External Covered Areas

For the purpose of the research study on the Civic Green Site we have allowed for the following:

Integrated to Building:

/ North Entry/GF	
- Awning across the extent of the building over path	220m2
- Assumed depth of 6m	
/Covered loading dock/GF	
/Observation deck	50m2
	100m2

Freestanding External

/ Ceremonial Space GF	
	100m2

Notes:
/ No allowance has been shown for bus or bike shelters or a porte cochere.
/ For review during Concept Design Phase:
- It should be assumed that the loading dock is a fully air conditioned and enclosed space.
- Ceremonial space to allow for perimeter canopy - will be subject to consultation

VIII - Future Agenda

What's Next?

The Civic Green site poses a unique opportunity to establish a multi-functional green space within the city centre of Warrnambool. Development of this site can assist with opening up the Liebig Street access to pedestrians and provide greater outdoor amenity, while also serving as an attractive forecourt for the Warrnambool Art Gallery, enticing interaction from locals and visitors.

Elements warranting further discussion:

- Multi-storey gallery to maximise mixed use site area and user interaction.
- Increased activation of public amenity and engagement across Liebig and Timor Street frontages.
- Hours of access - shared community use / out of hours use.
- Heritage elements on Liebig Street (what are the requirements for this part of the building and their incorporation within the new build.

Thank You

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Nominated architects NSW: Richard Francis-Jones 5301 Elizabeth Carpenter 6141
Nominated architects VIC: Richard Francis-Jones 15505 Geoff Croker 50972

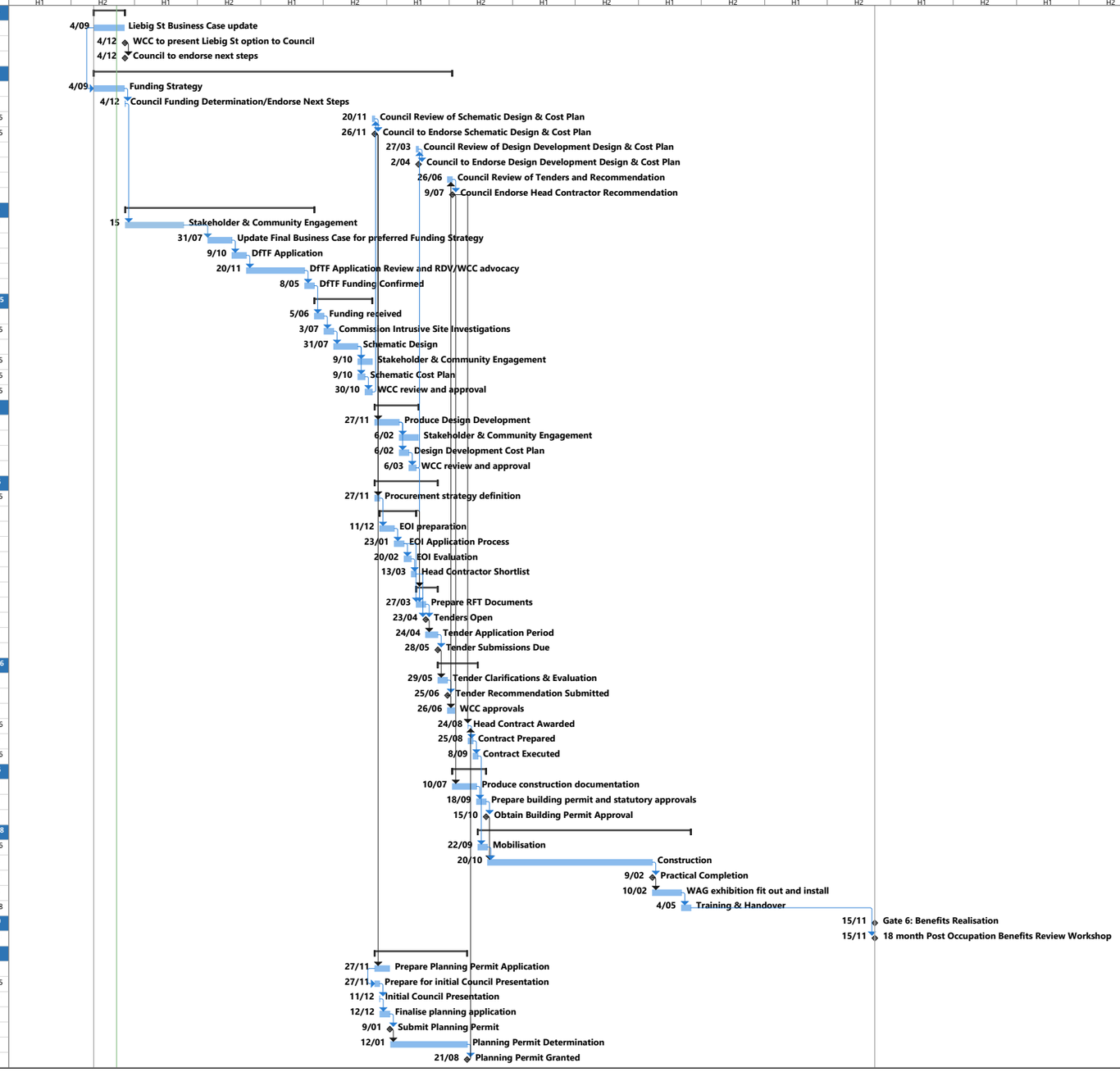
6

Appendix 6
Liebig Street Master Program

Warrnambool Art Gallery
Liebig St Master Program
Revision 4

RP INFRASTRUCTURE
Converting visions to reality

ID	Task Name	Duration	Start	Finish
1	**Preliminary Business Case**	**65 days**	**Mon 4/09/23**	**Mon 4/12/23**
2	Liebig St Business Case update	65 days	Mon 4/09/23	Fri 1/12/23
3	WCC to present Liebig St option to Council	0 days	Mon 4/12/23	Mon 4/12/23
4	Council to endorse next steps	0 days	Mon 4/12/23	Mon 4/12/23
5	**Funding & WCC Approvals**	**701 days**	**Mon 4/09/23**	**Thu 9/07/26**
6	Funding Strategy	13 wks	Mon 4/09/23	Fri 1/12/23
7	Council Funding Determination/Endorse Next Steps	1 day	Mon 4/12/23	Mon 4/12/23
8	Council Review of Schematic Design & Cost Plan	1 wk	Thu 20/11/25	Wed 26/11/25
9	Council to Endorse Schematic Design & Cost Plan	0 days	Wed 26/11/25	Wed 26/11/25
10	Council Review of Design Development Design & Cost Plan	1 wk	Fri 27/03/26	Thu 2/04/26
11	Council to Endorse Design Development Design & Cost Plan	0 days	Thu 2/04/26	Thu 2/04/26
12	Council Review of Tenders and Recommendation	2 wks	Fri 26/06/26	Thu 9/07/26
13	Council Endorse Head Contractor Recommendation	0 days	Thu 9/07/26	Thu 9/07/26
14	**Gate 1: Full Business Case**	**350 days**	**Tue 5/12/23**	**Wed 4/06/25**
15	Stakeholder & Community Engagement	20 wks	Tue 5/12/23	Tue 21/05/24
16	Update Final Business Case for preferred Funding Strategy	10 wks	Wed 31/07/24	Tue 8/10/24
17	DfTF Application	6 wks	Wed 9/10/24	Tue 19/11/24
18	DfTF Application Review and RDV/WCC advocacy	20 wks	Wed 20/11/24	Wed 7/05/25
19	DfTF Funding Confirmed	4 wks	Thu 8/05/25	Wed 4/06/25
20	**Concept and Schematic**	**120 days**	**Thu 5/06/25**	**Wed 19/11/25**
21	Funding received	4 wks	Thu 5/06/25	Wed 2/07/25
22	Commission Intrusive Site Investigations	4 wks	Thu 3/07/25	Wed 30/07/25
23	Schematic Design	10 wks	Thu 31/07/25	Wed 8/10/25
24	Stakeholder & Community Engagement	6 wks	Thu 9/10/25	Wed 19/11/25
25	Schematic Cost Plan	3 wks	Thu 9/10/25	Wed 29/10/25
26	WCC review and approval	3 wks	Thu 30/10/25	Wed 19/11/25
27	**Design Development**	**90 days**	**Thu 27/11/25**	**Thu 2/04/26**
28	Produce Design Development	10 wks	Thu 27/11/25	Thu 5/02/26
29	Stakeholder & Community Engagement	8 wks	Fri 6/02/26	Thu 2/04/26
30	Design Development Cost Plan	4 wks	Fri 6/02/26	Thu 5/03/26
31	WCC review and approval	3 wks	Fri 6/03/26	Thu 26/03/26
32	**Gate 3: Readiness for Market**	**130 days**	**Thu 27/11/25**	**Thu 28/05/26**
33	Procurement strategy definition	2 wks	Thu 27/11/25	Wed 10/12/25
34	Head Contractor EOI	75 days	Thu 11/12/25	Thu 26/03/26
35	EOI preparation	6 wks	Thu 11/12/25	Thu 22/01/26
36	EOI Application Process	4 wks	Fri 23/01/26	Thu 19/02/26
37	EOI Evaluation	3 wks	Fri 20/02/26	Thu 12/03/26
38	Head Contractor Shortlist	2 wks	Fri 13/03/26	Thu 26/03/26
39	Requests for Tenders (RFT)	45 days	Fri 27/03/26	Thu 28/05/26
40	Prepare RFT Documents	4 wks	Fri 27/03/26	Thu 23/04/26
41	Tenders Open	0 days	Thu 23/04/26	Thu 23/04/26
42	Tender Application Period	5 wks	Fri 24/04/26	Thu 28/05/26
43	Tender Submissions Due	0 days	Thu 28/05/26	Thu 28/05/26
44	**Gate 4: Tender Decision**	**82 days**	**Fri 29/05/26**	**Mon 21/09/26**
45	Tender Clarifications & Evaluation	4 wks	Fri 29/05/26	Thu 25/06/26
46	Tender Recommendation Submitted	0 days	Thu 25/06/26	Thu 25/06/26
47	WCC approvals	3 wks	Fri 26/06/26	Thu 16/07/26
48	Head Contract Awarded	1 day	Mon 24/08/26	Mon 24/08/26
49	Contract Prepared	2 wks	Tue 25/08/26	Mon 7/09/26
50	Contract Executed	2 wks	Tue 8/09/26	Mon 21/09/26
51	**Construction Documentation**	**70 days**	**Fri 10/07/26**	**Thu 15/10/26**
52	Produce construction documentation	10 wks	Fri 10/07/26	Thu 17/09/26
53	Prepare building permit and statutory approvals	4 wks	Fri 18/09/26	Thu 15/10/26
54	Obtain Building Permit Approval	0 days	Thu 15/10/26	Thu 15/10/26
55	**Gate 5: Readiness for Service**	**400 days**	**Tue 22/09/26**	**Wed 31/05/28**
56	Mobilisation	4 wks	Tue 22/09/26	Mon 19/10/26
57	Construction	60 wks	Tue 20/10/26	Wed 9/02/28
58	**Practical Completion**	**0 days**	**Wed 9/02/28**	**Wed 9/02/28**
59	WAG exhibition fit out and install	12 wks	Thu 10/02/28	Wed 3/05/28
60	Training & Handover	4 wks	Thu 4/05/28	Wed 31/05/28
61	**Gate 6: Benefits Realisation**	**0 days**	**Thu 15/11/29**	**Thu 15/11/29**
62	18 month Post Occupation Benefits Review Workshop	0 days	Thu 15/11/29	Thu 15/11/29
63	**Planning Approvals**	**191 days**	**Thu 27/11/25**	**Fri 21/08/26**
64	Prepare Planning Permit Application	6 wks	Thu 27/11/25	Thu 8/01/26
65	Prepare for initial Council Presentation	2 wks	Thu 27/11/25	Wed 10/12/25
66	Initial Council Presentation	1 day	Thu 11/12/25	Thu 11/12/25
67	Finalise planning application	4 wks	Fri 12/12/25	Fri 9/01/26
68	Submit Planning Permit	0 days	Fri 9/01/26	Fri 9/01/26
69	Planning Permit Determination	8 mons	Mon 12/01/26	Fri 21/08/26
70	Planning Permit Granted	0 days	Fri 21/08/26	Fri 21/08/26



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Appendix 7
Risk Register

Risk Matrix

Warrnambool Art Gallery - Risk Register

CLIENT/PROJECT	Warrnambool City Council
DATE	3/11/2023
REVISION	1

No.	Issues/Risk Description	Impact (Time, Cost, Quality)	Impact description	Likelihood	Consequence	Risk level	Risk Management Strategy (Accept, Mitigate, Reject)	
Program								
1	Unable to seek engagement with First Nations / Eastern Maar.	Time & Cost	Delay in receiving detailed information from stakeholders to progress the design.	3	5	E	Mitigate	Establish regular client/stakeholder meetings to establish the stakeholder requirements to complete the return brief by design team
2	Stakeholder community consultation process is protracted.	Time & Cost	Difficulty in engaging with the community to achieve a majority support from locals.	3	5	E	Mitigate	Prepare a detailed community consultation strategy with specialist advisor support.
3	Site Infrastructure	Time & Cost	Issues relating to site services and existing services capacity that could have program and cost implications	4	5	E	Mitigate	Early site investigations and additional surveys. Undertake network capacity checks early into design by engaging with utility authorities.
4	Delays associated with client approvals	Time & Cost	Client stakeholders do not provide approval at key stages through the design process to maintain program. Risk extends to increased escalation costs to overall construction budget.	3	3	H	Mitigate	Build into master program regular gateway design reviews with client stakeholders. Interim milestone reporting on design to be reported up the chain to highlight progress but also provide an engagement platform to raise any concerns during each design stage.
5	Cost Estimates for project exceed the budget	Time & Cost	Delays to review and revise the design to meet the budget and seek approvals from the client will impact and delay the program to meet the milestone dates.	4	5	E	Mitigate	Work with the Quantity Surveyor and Consultants to clarify the scope of the works with Client Representatives against the budget and provide value management workshops as required to address or refine scope.
Project Cost								
6	Site conditions are unknown	Time & Cost	Current desk top assumptions do not align and therefore impact on design and cost inputs. Uncovering of Archaeological artefacts or environmental contamination to add signigicant cost and program delays.	3	5	E	Mitigate	Commission geotechnical, environmental investigations and heritage management plan.
7	Tender price inflation increase	Cost	Global material supply or labour shortages impact on cost estimate.	4	5	E	Mitigate	Engage Quantity Surveyor and seek regular TPI forecasts before the commencment of the next design stage to understand core material price variances - consider implementing Value Management workshops.
8	Programme prolongation	Time & Cost	Insufficient fees to cover project if it goes longer.	3	3	H	Mitigate	Allow for Developer's contingency across full projecr coverage.
9	Project time insufficient for scope	Time	Insufficient time to complete the design documentation sufficiently for accurate costing through the stages	2	4	H	Mitigate	Establish a clear and achievable program to meet the milestone dates and monitor progress at a minimum fortnightly.
10	Project funding insufficient for scope	Cost	Project funding does not meet the requirements of the project	3	5	E	Mitigate	Engage a Quantity Surveyor early in design process and establish cost reports at key intervals through the design phase to monitor costs.
11	Inaccurate project cost estimation	Cost	Reducing on quality standard or needing to loose functional spaces.	3	4	E	Mitigate	The additional scope requires additional funding. Consider undertaking peer review cost reports at the end of design gateways. Track market pricing forecasts and compare back to previous cost plans to carry out sensitivity analysis before proceeding to next design stage.
Quality								
12	Design fails to meet Client brief	Quality	Does not meet the business case objectives set and impacts on the overall functionality and operations of a new WAG.	2	4	H	Mitigate	Engage peer reviews at key design milestones to ensure design is compliant.
13	Construction quality not achieved	Quality	Delays in achieiving practical completion or end user dissatisfaction.	2	4	H	Mitigate	Make sure reputable contractors are engaged. Seek recent past project examples to visit prior to engaging contractor.
14	Technical co-ordination inadequate	Time & Quality	Potential variations to contract. Delays to overall program.	3	3	H	Mitigate	Weekly design meetings, additional consultations held when required. Engage peer reviews at key design milestones to ensure design is compliant
15	Final handover insufficient	Time; Quality & Cost	Impacts to transfer from old facility over to new - risk to security and safe storage of high value items.	3	5	E	Mitigate	Request a Handover Plan be prepared in advance to outline the handover process and stipulate as a requirement of the contractor engagement.
Construction								
16	Planning compliance	Time & Cost	Increase in visitiation is unable to be achieved and therefore impacting on return on investment.	4	5	E	Mitigate	Consult with council early to understand implications of development
17								
18	Development near residential zone	Time & Cost	Impact to local residents during construction and once site occupied causing community backlash.	4	5	E	Mitigate	Consult with council early to understand implications of development and any provisions to be considered to minise impact to locals. Contractor to complete management plans to ensure risks are properly considered during construction. Consultants to consider adjacent residential area and be sensitive to
External Factors								
19	Unable to capture forecasted increase in visitation	Cost	Increase in visitiation is unable to be achieved and therefore impacting on return on investment.	4	5	E	Mitigate	Develop preliminary business case recommendations into an action plan for Council to pursue.
20	Land agreement with Council	Time & Cost	Approval not obtained from authorities to develop on council owned land	4	5	E	Mitigate	Engage with Council to understand implications of developing on council owned land
21	Securing funding	Time & Cost	Delays in receiving or securing funding.	4	5	E	Mitigate	Define possible funding routes and seek to engage. Consider appointing specialist lobbyist.

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Appendix 8

Visitation Analysis

Environmetrics
social and market research

Visitor Forecasting for Warrnambool Art Gallery

February 2023



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February 2023

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Environmetrics
social and market research

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Executive Summary

Please note: Executive Summary prepared by RP Infrastructure.

Visitation to an Art Gallery is a key performance indicator that is often used to measure several impacts; economics, engagement and growth.
In Australia it is widely recognised that cultural tourism is growing and has been over the last 10 years. Cultural tourism is growing globally and outperforming the international tourism market as a whole. A survey of 69 countries by the United Nations World Tourism Organisation in 2018[1] found that:

- cultural tourism has grown by 23% over the past five years, compared to total global tourism growth of 19%;
- the overall growth in tourism between 2010 and 2014 is much larger for those countries that specifically feature cultural tourism in their marketing policy (66%);
- in recent decades, tourism and culture have become inextricably linked, partly due to the increased interest

Environmetrics Pty Limited were commissioned to prepare a visitation forecast for the proposed new Art Gallery at Cannon Hill. The purpose of the visitation forecast is to identify the likely number of visitors that will contribute to the economic impact of the new Art Gallery. This forecasting has been based on a post COVID "new normal" scenario and considers previous work undertaken including data and assumptions. The forecasting is based on the source or geographic location from where visitors are coming, i.e. from Warrnambool, Regional Victoria, Metro Melbourne, Interstate, or internationally, averaged seasonally across a calendar year.

Visitation Model

The Environmetrics model used to calculate visitation is driven by the ''*perceived value'* of an attraction by a visitor which is not just measured by the cost of accessing it but also by the time and energy taken to access and enjoy the experience.

In developing the visitation forecast, new galleries and museums tend to have one of two patterns of visitation after opening. The first pattern sees an initial "boom" in visitor numbers for a few years and then a drop down to a more stable level. The second sees an initial modest level of visitation that can rise to a stable level. Major venues in capital cities have shown the "boom" pattern and some have seen the slower rise pattern.

Examples are the original Powerhouse in Sydney which followed pattern one of a 'boom' and the nearby Australian National Maritime Museum that followed pattern two with progressive increase in visitation. The museums differed on their exhibition impact which can contribute to the likely pattern of visitation. MONA in Hobart is an example of a most unusual venue and collection. Because of geographic constraints, MONA began with a more modest, locally-based flow of visitors, but had significant exhibition impact that generated the "perceived value" to draw increasing flows of visitors from across Australia and other countries.

While the plan for Warrnambool Art Gallery and surrounding attractions are to produce a leisure

[1] Culture and Tourism Synergies, 2018, UNWTO (Warrnambool Art Gallery Feasibility Study page 5, July 2021 SMA Tourism.

precinct environment that offers a far richer and exciting experience than what exists at the moment, it is anticipated that the visitation flow is more likely to follow the second pattern. That is, a relatively modest first couple of years until a critical mass of word-of-mouth and media put a trip to Warrnambool Art Gallery on the "must see" agenda for diverse kinds of groups in the community.

Survey Feedback

To inform the analysis, Environmentrics conducted an online survey, sampling 500 Victorians and 100 South Australians, aged 18 years and over. The findings from this survey have informed the views on the opportunities and constraints for increasing the visitation numbers to Warrnambool and the proposed new Art Gallery development.

The key findings from this research are:

- There is a major opportunity to capture additional visitor numbers by "out of town" visitors by providing an interesting destination and experience that is in addition to the existing "natural" attributes of the area;
- The existing structure of the Day Tour industry to the Great Ocean Road, could be re-structured to include Warrnambool as an over night stay destination, providing not only additional visitation to the Art Gallery, but also an opportunity to drive demand for accommodation and meals and therefore the increase visitor spend in the region.
- There is untapped demand for a wider range of leisure / tourism activities than what has traditionally been on offer at Warrnambool; Twenty six percent of the survey sample are interested in "the now". They are not interested in history, back-of-house experiences or culture. They are interested in seeing what is here to see, taste and experience—sightseeing, physical activities, theme parks/zoos/botanical gardens and eating and drinking are high on their list of priorities. This market is a real opportunity as 40% of them have been to Warrnambool in the last 5 years and a new reactivated Warrnambool Art Gallery would provide the 'thing to do now'.
- Focus on Aboriginal Art & Culture, set within the overall Gallery's wider offering. Australians' interest in, and attendance at, First Nations arts and craft activities has continued to increase in recent years. The Australia Council's National Arts participation survey found that nearly half of all Australians are actively interested in First Nations arts (47%) and seven million attended in 2016 – a record level of attendance and double that of 2009[2]
- At least half of the people visiting Warrnambool from Regional and Metro Victoria have a range of interests, notably food and wine. Therefore, if a new Art Gallery included quality Food & Beverage offers, then this will act as a material draw and increase in visitation based on the survey respondents (over 50% of total sample)..There is a strong argument that this secondary element to the core function of the Gallery can produce supplementary revenue streams, regardless of such visitation numbers holding an interest in art.

The current visitor profile

The economic contribution study estimates the impact of the new Art Gallery against existing operations. To inform this study, a visitor forecast is required as the baseline for the existing Art Gallery to which the new Art Gallery is compared.

[2] Australia Council 2017, Connecting Australians: Results of the National Arts Participation Survey, June 2017, Sydney. https://www.australiacouncil.gov.au/research/connectingaustralians

The baseline visitor profile is outlined below and is based upon the Financial Year 2021/22 actual numbers. To provide a realistic basis for economic contribution the local visitors from Warrnambool of 15,351 has been reduced by 20% to allow for likely repeat visitors from the community. For the purposes of the economic analysis, it is assumed that visitors generally contribute to the economy in their first visitor.

current sources of visitors to the existing Warrnambool Art Gallery are included below.

Visitor type as base case in 2022

Information		Source of information	Notes
Admissions to Warrnambool Art Gallery	61,776	Admissions from Warrnambool Art Gallery Annual Report	FY2021/22 with feedback from WAG staff
Warrnambool	26,687	Admissions from Warrnambool Art Gallery Annual Report and % breakdown from WAG	Warrnambool admissions of 33,359. Reduce admissions by 20% to remove repeat visitors – expenditure on first visit
Metro Melbourne	11,120	% breakdown from WAG	Assume 1 visitor per person
Regional Victoria	16,062	% breakdown from WAG	Assume 1 visitor per person
Interstate & International	1,236	% breakdown from WAG	Assume 1 visitor per person
Estimated visitors to Warrnambool Art Gallery	**55,105**		

From the above table, regional visitors are the largest segment outside of Warrnambool visitors that drive visitation. Arts daytrips to regional areas have increased at a higher rate than arts daytrips to metropolitan areas. Regional areas are drawing almost as many Australians on arts daytrips as metropolitan areas. Moreover, since 2014 regional arts daytrips have increased at a higher rate than both metropolitan arts daytrips and daytrips overall[3].

International tourists do not need to be the primary driver for the future of Warrnambool Art Gallery as its connection to community and its region is as critically important for improving the wellbeing of its community, however international tourists are the segment that can bring the most potential economic output due to the additional visitor spend and time in the region.

New Cannon Hill Visitor Forecast

Several drivers will impact the potential visitor profile to a new Warrnambool Art Gallery. The overall flow of visitors into Warrnambool will play an important role in affecting the number of visitors to Warrnambool Art Gallery. Clever marketing, and the development of new product opportunities in Warrnambool will probably drive the overall numbers up. New competitive offers outside Warrnambool might pull the same numbers down.

[3] SMA Tourism, Warrnambool Art Gallery Feasibility Study, July 2021, Page 6

Environmetrics has taken account of improved transport links between Warrnambool and Melbourne. While these can lower the time and energy components of the leisure budget which drives visitors to art galleries, they do not themselves generate visits. Visits are driven by the "exhibit impact" and "ambience". So, for the modelling, Environmetrics has assumed, based on past history as reported in the Destination Action Plan for Warrnambool relating to "The five year visitation trends for the region and Warrnambool are relatively flat.", that there will be a post-COVID lift in the overall visitation pattern for Warrnambool but not a dramatic upward trend in the medium term. This is assumed to be consistent with the visitation pattern that is likely to be gradual steady growth rather than a boom on opening.

The key assumptions that are driving the visitation forecast for Cannon Hill are:

1. Warrnambool Art Gallery becomes a focus for the Warrnambool community
2. Design of Warrnambool Art Gallery provides an opportunity to enjoy the view and spend time in the space
3. Programs are delivered that invite participation from the wider Victorian community
4. The offer includes quality food and beverage experiences
5. Precinct around Warrnambool Art Gallery becomes a major experience hub
6. Extensive marketing campaign with social media puts Warrnambool Art Gallery on the must see list

The following visitation forecasts are based on an extensive marketing strategy for Warrnambool as a whole, based on the development new product opportunities (increased critical mass of attraction around Cannon Hill, Pertrobe Rd, Flagstaff Hill and CBD), the re-structuring of the current regional one day tours, improved transport links between Melbourne and Warrnambool, and targeted marketing campaigns to key interest groups.

The visitation analysis and assessment for a new Warrnambool Art Gallery has been based on the following source data:

1. ABS Tourism Data, Victorian Tourism Reports', 2015 – 2017 Destination Action Plan for Warrnambool and the 2018 Shipwreck Coast Masterplan.
2. Review of benchmark facilities.
3. Admissions data from the existing Warrnambool Art Gallery
4. Admissions data from Flagstaff Hill Maritime Village, the Warrnambool Visitor Centre and Warrnambool Council to develop a historical picture of visitational trends to Warrnambool.
5. Survey feedback

The Cannon Hill visitation forecast is outlined below and assumes a range of uplifts to reflect the assumptions above.

Comparison of Actual and Forecast Visitor Numbers

Visitor Source	Current visitors	Cautious Year 1	Optimistic Year 1	Year 5	%	Basis
Warrnambool	26,600	30,000	31,000	31,000	27%	20% uplift from existing. Large portion of population already

						visit WAG so not expected to significantly increase
Regional Victoria	16,000	21,000	25,000	35,000	30%	35 - 55% uplift from existing to consistently build over time. Bendigo has 30% regional visitors
Metro Melbourne	11,100	13,000	14,000	40,000	34%	25- 30% uplift from existing but will significantly increase with awareness. Bendigo has 49% from Metro Melbourne
Interstate	930	1,400	1,700	8,000	7%	Consistent with similar Art Galleries – Bendigo has 10% interstate
International	310	600	880	2,000	2%	Consistent with similar Art Galleries – Bendigo has 1% international
Total visitors	**55,000**	**66,000**	**72,580**	**116,000**		

The visitation analysis indicates that a new art gallery at Cannon Hill would provide a base case uplift from current visitation of 55,100pa to 116,000 within a 5-year period, with significant increase from visitors from the current uncaptured out-of-town visitor market. This increase in visitation is seen as being relatively modest within the first couple of years, until critical mass of word of mouth and media put a trip to the new Art Gallery on the "must see" agenda for visitors.
The 'break through' in converting tourists to travel to Warrnambool will be dependent on a range of activities including:

- creating a critical mass of cultural attractions; the potential development at Flagstaff Hill and investment in new Warrnambool Art Gallery starts to build this momentum; the inclusion of Budj Bim National Park on the World Heritage Register and Port Fairy Folk Festival draws together a regional program of attractions and activities.
- Working with regional partnerships to develop a strategic marketing strategy to target international and interstate tourists
- Warrnambool Art Gallery providing a changing exhibition program and that taps into the international markets interests and expectations (similar to Bendigo Art Gallery)
- Landmark architectural building that resonates with high quality civic building people wish to see and which has social media attraction to share

It is important that all of the above presented "breakthrough" recommendations are implemented and backed by Warrnambool City Council in order to achieve the stated visitation uplift

Background to this report

Environmetrics was contracted to assist RP Infrastructure by developing forecasts of likely visitation flows to the Warrnambool Art Gallery.

In the following section of this document we provide the forecast and outline the steps we took to develop it.

It is important to understand that the discussions about discretionary visitation to places such as museums, art galleries and all manner of "leisure venues" tend to confuse two terms:

Admissions (people coming through the door) which may be made up of a few people coming many times or many people coming once or some mixture of both, and

Visitors (individual people who come through the door).

This confusion has economic and policy implications in that a count of admissions, without further information about the extent of repeat visitation, does not clearly indicate how well a venue is either engaging people (shown by the proportion of repeat visits) or reaching into the target population, measured by the number of individuals (i.e. visitors). To avoid this ambiguity, we have tried to bring all the data used for our work here back to a measure of visitors.

Our approach in forecasting is to be conservative. Environmetrics try to base our assumptions about visitor behavior and the appeal of a venue on actual data and to make conservative estimates when it is necessary to imagine what might happen and build this into our calculations.

Where Warrnambool Art Gallery is now: A base case

The following table shows the situation in Financial Year 2021 - 2022. Environmetrics has used this year as a base case because it represents a reasonable post-COVID "new normal" into which tourism and recreation are emerging.

Table 1 - Flow of visitors to Warrnambool Art Gallery

Information		Source of information	Notes
Visitors to Warrnambool	119, 985	Warrnambool Council	
Admissions to Warrnambool Art Gallery	61,776	Warrnambool Art Gallery report and emails	
Out-of-town admissions to Warrnambool Art Gallery	28,417	Based on Warrnambool Art Gallery report & email discussions with Front of House staff	Includes Vic, Interstate & International. Assume 1 visit per person.
Warrnambool visitors to Warrnambool Art Gallery	26,687	Based on Warrnambool Art Gallery report & email discussions with Front of House staff	Assumed 20% admissions were repeat visits.
Total estimated visitors to Warrnambool Art Gallery	55,105		
Proportion of total Warrnambool Art Gallery visitors who are out-of-town	24%		**Uncaptured out-of-town visitor market is 76%**

Table 2 - Profile of visitors to Warrnambool Art Gallery

Source of visitors	Percent of Visitors	Source of information	Notes
Warrnambool	54%	Warrnambool Art Gallery report and emails	The monitoring system is reasonable but probably has an error margin that makes the admission numbers usable but not precise. In some forecasting calculations we have chosen to round the actual numbers to the nearest 100 visitors.
Regional Victoria	26%	Warrnambool Art Gallery report and emails	
Metro Melbourne	18%	Warrnambool Art Gallery report and emails	
Interstate	1.5%	Warrnambool Art Gallery report and emails	
International	0.5%	Warrnambool Art Gallery report and emails	

Seasonal variation in visitation

From plotting monthly "walk-in" numbers to the Visitor Centre[4] there is an approximate 3:1 ratio between people who make enquiries in January and those who make enquiries in August. The peak in holiday visitation suggests that attempts increase visitor flows might be constrained by lack of accommodation and other facilities at peak times such as January.

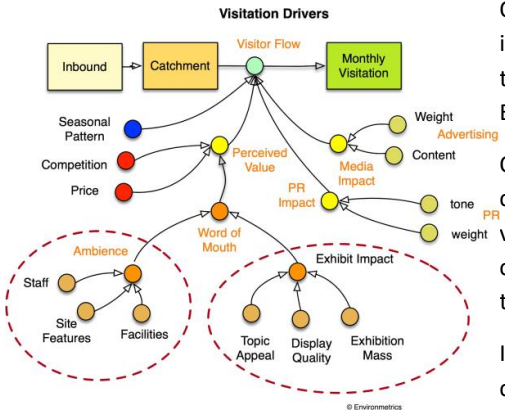
It is important to note that the seasonality is "built in" to the numbers and percentages tabulated above. Those numbers are annual totals and include the crowded months along with the leaner months. To an

[4] Data sourced from Warrnambool City Council Tourism Centre

extent, one new role for Warrnambool Art Gallery is to help flatten the seasonal cycle by expanding the "Summer holiday destination" aspect of Warrnambool's image to include a greater "cultural" component that makes a visit appropriate in any season

Things that drive visitation

Environmetrics has developed visitation forecasts for leisure precincts and facilities across Australia for more than 25 years. The background to this work has been the development of a systematic picture of the kinds of things that work to increase visitation flows into new or refreshed destinations.



Our visitation driver model shows these major influences and serves as both a checklist of things that need to be considered and as a schematic of the Environmetrics Visitation Simulation software.

Our research has shown that the *leisure budget* consists of *time, energy and money*. The "perceived value" of an attraction is not just measured by the cost of accessing it but also by the time and energy taken to access and enjoy the experience.

In preparing this report, Environmetrics have considered previous forecasts and the data and assumptions on which they were based, taking into account subsequent post-COVID changes in leisure patterns. Environmetrics have looked at the competitive environment generated by the range of new or revamped cultural facilities that have recently opened, or are about to open, in Victoria. As a part of this review, we have sought out details of reported or proposed admissions.

We have also taken account of the way that new galleries and museums tend to have one of two patterns of visitation after opening. The first pattern sees an initial "boom" in visitor numbers for a few years and then a drift down to a stable level. The second sees an initially modest level of visitation that can rise to a stable level.

Major venues in capital cities have shown the "boom" pattern and some have seen the slower rise pattern. Examples are the Powerhouse in Sydney which followed pattern one and the almost adjacent National Maritime Museum that followed pattern two. The museums differed on what our diagram shows as "Exhibit Impact". We worked with MONA in Hobart and can see there an example of a most unusual venue and collection that, because of geographic constraints, began with a more modest, locally-based flow of visitors, but had the "Exhibit Impact" that generated the "perceived value" to draw increasing flows of visitors from across Australia and other countries.

While the plan for Warrnambool Art Gallery and surrounding attractions is to produce a leisure precinct environment that offers a far richer and exciting experience than what exists at the moment, it is our view that the visitation flow is more likely to follow the second pattern. *That is, a relatively modest first couple of years until a critical mass of word-of-mouth and media put a trip to Warrnambool Art Gallery on the "must see" agenda for diverse kinds of groups in the community.*

Considerations underlying the forecasting

Prior to constructing our forecasting model Environmetrics reviewed ABS Tourism Data, Victorian Tourism Reports, and the 2018 Shipwreck Coast Masterplan and the way cities like Bendigo and Shepparton (with relatively new art galleries/museums) presented themselves to the world. Environmetrics also explored the "what to do in…" section of TripAdvisor for a range of Victorian regional destinations.

Looking at past tourism data provides a useful base for forecasting work. However, it is revealing *past history.* To explore the "what ifs" of *the future*, one needs to know something about what is in people's minds now when they think about leisure, recreation and touring. With residents of Victoria currently generating the largest volume of visits to Warrnambool Art Gallery, Environmetrics conducted an online survey with a sample of 500 Victorians and 100 South Australians over the age of 18. The findings informed Environmetrics view of the opportunities and constraints for increasing visitor numbers to Warrnambool and Warrnambool Art Gallery discussed in Table 3. (Full details of the survey are contained in the Appendices to this document.)

Table 3-Opportunities and Constraints

Observations	Implications
There is a major opportunity to capture visits to Warrnambool Art Gallery from the out-of-town visitors who have either been to Warrnambool Art Gallery in the past or have never been to Warrnambool Art Gallery	There is a need to market Warrnambool Art Gallery as an interesting destination providing varying experiences in addition to the "natural" attractions that dominate the "Top 10 Things to Do in Warrnambool" list on sites such as TripAdvisor.
The structure of the Day Tour industry inhibits International visitors from Melbourne reaching Warrnambool	Negotiate a tour structure that has people who have seen the Ship Wreck Coast to be delivered for a restorative overnight in Warrnambool with a quality meal and accommodation. A visit to Warrnambool Art Gallery in the morning as an activity prior to being driven back to Melbourne.
A number of maps that come up on a Google search for "Ship Wreck Coast" do not include Warrnambool.	Ensure that Warrnambool appears on relevant maps.
The survey we conducted shows that 46% of people who have been to Warrnambool for leisure in the past 5 years are interested in a wide range of leisure activities.	These people are open to a range of experiences. This is both an opportunity and a problem. They need to be enticed away from some other options in Warrnambool and introduced to Warrnambool Art Gallery.
The survey also identified 13% of the population have an active desire to explore local history and historic sites in particular. They seem equally interested in European and Aboriginal stories.	Only one-fifth of this group have ever been to Warrnambool. The group could be targeted for special Warrnambool Art Gallery experiences to increase visitation.
Twenty six percent of the survey sample are interested in "the now". They are not interested in history, back-of-house experiences or culture They are interested in seeing what is here to see, taste and experience—sightseeing, physical activities, theme parks/zoos/botanical gardens and eating and drinking are high on their list of priorities.	It is possible that the current marketing of Warrnambool speaks to these people—40% of them have been to Warrnambool in the past five years. This is good but it leaves out the people with interests best met by a reactivated Warrnambool Art Gallery.

How to get from the current state to future growth

The Warrnambool Art Gallery admission data show that currently, people from some locations are more represented in the Gallery's audience than others. It is clear that different barriers need to be overcome to get each group through the door.

In this section of this report, Environmetrics build a forecasting model that takes account of these differences and difficulties to see what might be possible in the future if Warrnambool Art Gallery were to be revitalised and marketed in a more targeted way. All of this is underpinned by the need to market Warrnambool in ways that overcome some of the barriers to visitor flow.

To develop a forecasting model, Environmetrics made a number of assumptions about how Warrnambool Art Gallery might be upgraded and marketed throughout Warrnambool. In our opinion, the extent to which these assumptions are *not* met will decrease the number of potential visitors.

Table 4 - Assumptions Environmetrics made about the future essence of Warrnambool Art Gallery

Assumption	
Warrnambool Art Gallery becomes a focus for the Warrnambool community	When a place in the community offers diverse opportunities for achieving a range of personal goals, people use it more often; goals such "social bonding", "discovering new things", "being active", "living a meaningful life", and "feeling physically or emotionally restored" The place becomes seen as one where something is always going on and where people feel "at home". These ideas underline the development of some of the newest art facilities such as the Shepparton Art Museum that *"… is designed to become the key meeting place in Shepparton."*
The physical design of Warrnambool Art Gallery provides an opportunity for people to enjoy a view and the passing parade of daily life	"Museum fatigue" is a common phenomenon experienced by people visiting museums and galleries. Coffee shops and restaurants are often used to provide rest spots so that people can recover and continue their visit. If these facilities can be accessed without, for example, seeing a collection, they can provide an appealing place to relax and look at the landscape or people going by. This "opening to the world at large" will be an important part of building the sense of Warrnambool Art Gallery as a place to be.
Warrnambool Art Gallery develops programs that invite participation from the wider Victorian community	Warrnambool Art Gallery has a strong link with Aboriginal history and culture. It also has an appealing collection of art related objects and experiences. However, as it is at the moment, we suspect that it is not a "honey pot" that brings people to Warrnambool. The development of activities, such as a high quality photographic competition with links to the Shipwreck Coast (perhaps. "Capture the Coast" theme) could be used to attract attention from people in Melbourne and regional Victoria.
Warrnambool Art Gallery provides access to quality food and beverage experiences.	This may be by having a quality on-site cafe or by providing spaces and facilities for catered functions for which "art" is a background and theme but not necessarily the purpose of the function.
The precinct around and including Warrnambool Art Gallery becomes an major experience hub.	An area in which visitors can easily move from art, to history, to excitement, to fun and adventure combining Warrnambool Art Gallery and the Maritime Village. An area that marries Aboriginal and European history and culture. An area where things change so coming back next year is rewarded. A place where perceived value is maximised.
Warrnambool Art Gallery is marketed with a view to gaining traction on social media and the list of "10 things you must see in Warrnambool".	Initially, a redeveloped Warrnambool Art Gallery is not likely to be the destination for which people travel to Warrnambool. However, it has an opportunity to capture more visits from the majority of out-of-town visitors who currently see no compelling reason to visit Warrnambool Art Gallery while in Warrnambool. We suggest that a major investment be made in building Warrnambool Art Gallery's digital presence and that a dedicated person (or people) be charged with developing and uploading regular, quality digital content.

The forecasting model and forecast visitor numbers

The current numbers of visitors from each of the five geographic areas used by Warrnambool Art Gallery to catalogue admissions can be thought of as a post-COVID snapshot that reflects a decline in visitors to Warrnambool from the pre-COVID period. As Australia recovers from the experience of the pandemic and willingness to travel increases, numbers of visitors to Warrnambool will probably increase. (See *RBA Bulletin - December 2022*, "The Recovery in the Australian Tourism Industry.")

However, they might not increase at the same rate from each geographic source of visitors. It is possible that some kinds of visitors might be less likely to come to Warrnambool and the numbers arriving from that category might decline further.

Environmetrics have considered historic patterns in visitation to Warrnambool and assumed that, without dramatic intervention, the pattern might persist into the medium future.

The 2015 - 2017 Destination Action Plan for Warrnambool (prepared by Great Ocean Road Tourism Limited) reported *"Warrnambool attracted 278,000 domestic overnight visitors representing 16.4% of total visitors … to the Great Ocean Road region."* (Page 3). It also said that *"The five year visitation trends for the region and Warrnambool are relatively flat."*

Clever marketing, and the development of new product opportunities in Warrnambool will probably drive the overall numbers up. New competitive offers outside Warrnambool might pull the same numbers down. The overall flow of visitors into Warrnambool will play an important role in affecting the number of visitors to Warrnambool Art Gallery. While our model is built on geography, Environmetrics have also considered of the way targeting specific groups in the wider community might lift the appeal of Warrnambool.

Environmetrics have also taken account of improved transport links between Warrnambool and Melbourne. While these can lower the time and energy components of the leisure budget, they don't themselves generate visits. Visits are driven by the "exhibit impact" and "ambience".

So, for our modelling, Environmetrics have assumed, based on past history as reported in the Destination Action Plan, that there will be a post-COVID lift in the overall visitation pattern for Warrnambool but not a dramatic upward trend in the medium term.

A way of taking account of these uncertainties when designing a visitor forecast is to use the technique technically known as Monte Carlo modelling. This process involves running a large number of forecasts (typically in the tens of thousands), and in each forecast, the base visitation from each geographic area is made smaller or larger than that in the base case. The maximum amount of variation around each input is a matter of judgement based on knowledge of the factors that influence whether people visit or not. When the Monte Carlo process has repeated often enough, one arrives at a distribution of the variable of interest. In this case, of the "total visitors to Warrnambool Art Gallery". This distribution can then be used to see, for example, what the maximum possible number of visitors could be, given the assumptions about how much the visitor flow from each individual geographic area might vary.

For this report, Environmetrics have focused on how high the total visitor number might go, starting with the current actual numbers and applying the assumptions about how appealing Warrnambool Art Gallery might be to each group. (The numbers in the following table are rounded.)

Table 5 - Comparison of Actual and Forecast Visitor Numbers

Visitor Source	Current visitors	Cautious Year 1	Optimistic Year 1	Year 5
Warrnambool	26,600	30,000	31,000	31,000
Regional Victoria	16,000	21,000	25,000	35,000
Metro Melbourne	11,100	13,000	14,000	40,000
Interstate	930	1,400	1,700	8,000
International	310	600	880	2,000
Total visitors	55,000	66,000	72,580	116,000

The assumptions underlying this table are:

(i) The historic pre-COVID trend in visitation to Warrnambool as described in the *2015-2017 Destination Action Plan* "… is relatively flat", with the estimated number of Domestic Overnight Visitors at the time being 278,000. Environmetrics used the Financial Year 20 -21 for our base case. Visitation was dramatically reduced by COVID and 20 -21 was the beginning of recovery. Environmetrics assume that visitation into Warrnambool will rise to previous levels on the basis of the planned developments. However, it will take some time for Warrnambool Art Gallery and other elements to build the reputation needed to drive incoming visitation. For this reason, Environmetrics assumed the incoming visitor number in the medium to be around 305,000 people.

(ii) In the base case, Warrnambool Art Gallery was attracting 24% of out-of-town visitors. To be conservative, Environmetrics have set the 5-year rate at around 28%. If all the recommendations we set out are met then the percentage might be higher. However, it depends on the value proposition based on word-of-mouth and formal marketing. In what will be a very competitive environment.

(iii) Environmetrics are estimating **visitors.** Admissions will probably be higher.

(iv) Environmetrics have held visitor numbers from Warrnambool at the modest Year 1 level. Locals will come out of interest if Warrnambool Art Gallery becomes a matter of local pride, but in practice, intention to visit turns into action more slowly than might be expected. Changing temporary exhibitions will generate repeat visits by locals (I.e. increase admissions) but be less effective in bringing new visitors.

Appendix 1: The Research Process and survey summary

Methodology

As set out in the proposal, we gathered three streams of data from which we could develop forecasts of future visitation at Warrnambool Art Gallery. These were:

1. Publicly available documents and databases dealing with tourism in Victoria in general and Warrnambool in particular. In addition to historic estimates and future forecasts, we reviewed relevant material from documents such as the 2018 "Shipwreck Coast Masterplan" and published maps of the Shipwreck Coast and Great Ocean Road.

2. We consulted with representatives of Warrnambool Council to obtain records of annual admissions to the Visitor Information Centre, Warrnambool Art Gallery and the Flagstaff Hill Maritime Village. These latter figures were separated into daytime and nighttime sessions. Where possible, we gathered observations and opinions from front-of-house staff about the extent of repeat visitation and the mix of adults and children in the admissions. (It is important when studying visitation to distinguish between "admissions" and "visitors". The same number of admissions can be generated from a few visitors coming often or a large number of visitors coming once. The economic outcomes can be quite different.)

3. We conducted an online survey of 500 Victorian residents and 100 South Australian residents over the age of 18. (Our initial proposal was limited to the Victorian sample. However, as we explored visitation patterns in depth, we thought it wise to take a reading from South Australia. The two areas represent the primary catchment for current admissions to Warrnambool Art Gallery).

The survey was conducted using the Ipsos Pty Limited "Fast Facts" survey platform, with participants drawn from the Ipsos panel with age bands and gender proportions matching the ABS Census figures from the 2021 Census. The fieldwork took place during the period 14th to 19th January 2023.

The questions asked in the survey are attached to this document as a PDF file.

We understood that consultation with the relevant Aboriginal representatives of the local community was already being conducted and so that work proposed by us was handled by others.

Analysis and reporting

Our analysis of the Warrnambool admissions data is set out in an Excel spreadsheet provided to RP Infrastructure and Polis. A summary of the visitor data and initial forecast for future visitation was contained in a one-page "Action Report" supplied to RP Infrastructure.

The survey data were analysed using two statistical applications—JMP (version 17) and STATA (version 17). The analyses are outlined on the following page.

Survey analysis

Past admissions data to attractions such as Warrnambool Art Gallery *are reporting past history*. While elements of previous behavior tend to be repeated, tourism and leisure forecasting is helped by understanding the interests and motivations of people and how these might be satisfied by a planned development. For this reason, the survey linked to Warrnambool Art Gallery asked people about their past touring in Victoria, including visiting Warrnambool and Warrnambool Art Gallery, and about the kinds of activities that appeal to them when they are touring or at leisure.

As people tend to be interested in more than one kind of leisure activity, but usually not as interested in all of the activities in a diverse set of activities, it is helpful to look at the profile of interests that different people might have and to ask whether any of these profiles suggest that some groups of people might be more likely to visit a new development than others.

In the survey, people were asked the following question:

When you travel anywhere in Australia for a holiday, how appealing to you personally are each of the following kinds of holiday activities?

(ROTATE OPTIONS)

Being physically active Visiting Museums or galleries
Finding local crafts or products Learning about local history Seeing historical sites or buildings Having food or wine experiences Sightseeing
Simply resting and relaxing.

The response options were:

- *Really appealing* • *A bit ho hum* •*Not appealing*

Later in the survey, people who answered "appealing" to a broad category of activity (as shown in the list above) were asked about specific aspects of the activity. However, for now we focus on the list of broad categories and the use of a statistical technique known as Latent Class Analysis to see whether there was evidence that groups of people differed on the combination of activities that appealed to them.

The visitor stream from outside Warrnambool

The analysis pointed to the survey participants each being in one of six groups. The first group included almost half the sample (46%) and they were interested in a wide mix of activities including cultural activities such as visiting museums and galleries. We think of them as the ***"Up for anything. Win me over"*** group. A group that included 26% of the sample were more interested in seeing and experiencing the ***"here and now"*** rather than looking to the past. A group with a particular interest in experiencing historic sites and buildings and understanding local history and culture, we called the ***"I want to get backstage"*** group. They made up 13% of the sample. People in a group whose main focus was experiencing local food, wine, and produce, we think of as **"A bit of a hedonist"**. This group also made up 13% of the sample.

While the previous groups had a more or less equal gender balance, the remaining 6% of the sample were split across two groups of predominantly males who could be characterised as lacking in energy and/or interest for doing much at all.

The cross tabulations based on the data are included as a PDF format attachment to this document.

Implications of the survey results

The majority of visitors to Warrnambool (*"Up for anything"*) from the primary catchment area arrive with a menu of interests. Warrnambool presents itself as a center of natural wonders and experiences from which these visitors can choose. An art gallery needs to offer more than just "art" if it is to maximise visitation. An art gallery sited on Cannon Hill could become a major focus for visitors if it were a place from which to view the wider environment, have quality food and beverage options and incorporate elements of local European and Aboriginal history and culture.

The *"want to get backstage"* group have a particular focus on history and heritage. Therefore, an art gallery that provides these kinds of experiences as a part of the visit experience will appeal to them.

The *"here and now"* and *"bit of a hedonist"* groups are more likely to visit the gallery for views, relaxation and good cup of coffee. The cultural component of the experience is less appealing to them.

Appendix 2 – Records from Environmetrics Data Searching Archive

Tourism Victoria

- Aboriginal Victoria, See and do, Victoria, Australia.webloc
- Accessible Victoria – Tourism Victoria.webloc
- Adventure Tourism Victoria looks to r…force shortages – ABC News.webloc
- ATV – Adventure Tourism Victoria.webloc
- Business.vic.gov.au- data-assets-p…oria-2020-21-infographic.pdf.webloc
- Business.vic.gov.au- data-assets-p…ending-December-2019.pdf.webloc
- Cycle Tourism Research – Tourism North East.webloc
- Data tables – tourism Research Australia.webloc
- Domestic and regional research – business Victoria.webloc
- Economic significance – business Victoria.webloc
- Economic value of tourism – Visitor e…, skills, industry and Regions.webloc
- Flavour Trails – A taste for Exploration – Tourism Victoria.webloc
- Great Ocean Road.webloc
- International research – Business Victoria.webloc
- Latest Tourism Data Shows Strong R…Victoria – Premier of Victoria.webloc
- Major shakeup of tourism in regional Victoria underway – ABC News.webloc
- Powerpoint Presentation.webloc
- Regional visitiation – Business Victoria.webloc
- Small Group Great Ocean Road And… - Melbourne Victoria Tourism.webloc
- Stay Close, Go Further – New Touris…Premier of Victoria.webloc
- Tourism industry resources – Business Victoria.webloc
- Tourism Listing – Victoria Tourism Sign Up.webloc
- Tourism Region Profiles – Tourism Research Australia.webloc
- Tourism, events and visitor economy – Live in Melbourne.webloc
- Tourists flock to the Grampians post – ABC News.webloc
- Viator Categories – Victoria Tourism.webloc
- Victoria 2023 – Best Places to Visit – Tripadvisor.webloc
- Victoria tourism summary – Tourism Research Australia.webloc
- Victoria Tourism is dead.webloc
- Visitor economy – Tourism, sports, skills, industry and Regions.webloc

Museum and Art Gallery Set

- Art beat – the regional art galleries worth travelling for.html
- Art galleries to visit around Australia – Tourism Australia.html
- Australia's newest regional gallery opens – ArtsHub Australia.html
- Australian Museums and Galleries Association Inc.html
- Exhibitions on tour to boost regional….Department of Infrastructure.html
- Our People – Umbrella Studio Contemporary Arts.html
- Regional galleries welcome upgrades to support touring visual arts.html
- The best regional art galleries in Australia.html
- The top regional galleries to visit in Victoria.html
- Understanding Museums – The development of Regional Galleries.html

Publications

Hall, R. “Leisure Research” Encyclopedia of Leisure and Outdoor Recreation, pages 283 – 285, Routledge, London. 2003

Hall, R. “Leisure Research” Encyclopedia of Leisure and Outdoor Recreation, pages 361 – 362, Routledge, London. 2003

Hall, R. “The Museum Constant: One-third plus or minus a bit”, Visitor Studies Today, 8(2), 2005, 1 – 7.

Tourism Warrnambool

13 Unmissable Things to Do In Warrnambool [2023] – Victoria Uncovered.webloc
Attractions The Great Ocean Road Warrnambool – Victoria Tourism.webloc
Great Ocean Road Regional Tourism Warrnambool, VIC – White Pages.webloc
Region and Tourism – Warrnambool City Council.webloc
Regional City of Warrnambool – Regional Development Victoria.webloc
Search collections.webloc
Top 10 Things to Do in Warrnambool, VIC, 2023 – Top Oz Tours.webloc
Tourist flock to Great Ocean Road…Standard – Warrnambool, VIC.webloc
Visit Great Ocean Road – Whereunta…ives – Visit Great Ocean Road.webloc
Warrnambool Brand – Great Ocean Road Regional Tousim.webloc
Warrnambool Tourism (2023) – Australia, Travel Guide – Holidify.webloc
Warrnambool Travel Guide – Plan Your Warrnambool – Traveller.com.au.webloc
Warrnambool Travel Guide – Warrnambool Tourism – KAYAK.webloc
Warrnambool Travel Guide – Wotif.webloc

Flagstaff Hill Attendance.pdf
IVS_Tourism_results_YE_JUN_2019.xlsx
National-visitor-survey-results-september-quarter-2022.docx
NVS-Tourism_Results_YE_Jun_2019.xls
NVS-Tourism_Results_YE_Sep_2022_2021.xlsx
SMA Tourism Report.pdf

9

Appendix 9

Operational and Lifecycle Benchmarking Report

wtpartnership.com

1 November 2023

Stephanie Hope
RP Infrastructure
Sydney Melbourne Brisbane
Stephanie.Hope@rpinfrastructure.com.au

Dear Stephanie

WARRNAMBOOL ART GALLERY, LIEBIG STREET

OPERATIONAL AND LIFECYCLE BENCHMARKING REPORT (UPDATED)

Please find attached our Operational and Lifecycle Benchmarking Report produced for the Warrnambool Art Gallery redevelopment.

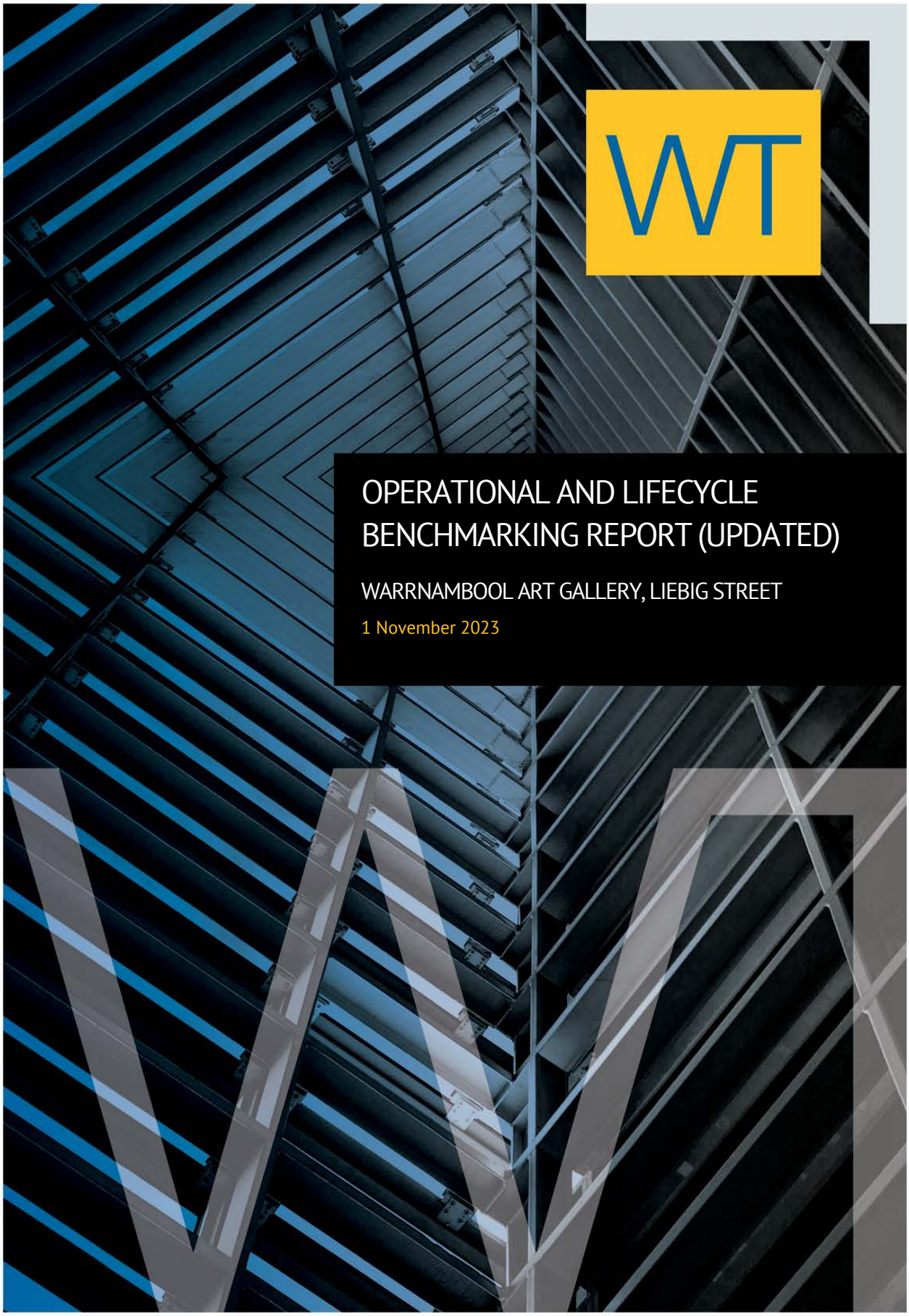
We trust the report is self-explanatory and in accordance with your current requirements. If you have any queries regarding this matter, please do not hesitate to contact the undersigned.

Yours sincerely



JOSHUA KNAGGS
Associate Director
WT

WT REF: PR-016482-03 - LCC & OPEX - EST 3 (UPDATED)



OPERATIONAL AND LIFECYCLE BENCHMARKING REPORT (UPDATED)

WARRNAMBOOL ART GALLERY, LIEBIG STREET

1 November 2023



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3	LIFECYCLE EXPENDITURE	4
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6	DISCLAIMER	6

APPENDICES

APPENDIX A LIFECYCLE MODEL

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1 INTRODUCTION

WTP Australia Pty Ltd (WT) were engaged by RP Infrastructure to prepare this report to provide estimated costs for the future ongoing maintenance and lifecycle works in relation to the proposed Warrnambool Art Gallery development as the Liebig Street site (The Project).

This report is carried out for the benefit of RP Infrastructure in the planning of future maintenance and lifecycle works and to support future budgeting requirements for their proposed Project.

WT has collected benchmark costs from a number of other projects which have similarities to this Project.

1.1 BACKGROUND & PURPOSE

This report has been compiled by WT Australia Pty Ltd ('WT').

We work in partnership with our Clients and their advisors throughout the life of projects from origination, through construction and operation, to divestment and disposal. Our approach centres on giving professional, timely and reliable advice on all aspects of strategy, procurement, delivery and operation.

We advise on a wide range of projects around the world, drawing on the resources of over 1,300 staff operating from over 50 offices across North America, the United Kingdom, Europe, Asia, Central America, Australia and the Pacific regions. As one of the only major international firms that is privately owned and operates all of our offices, our open structure enables us to work flexibly and collaboratively to serve our clients based upon long-term relationships. Our global reach and resource depth enable us to leverage world's best-practice, a huge data footprint and our own subject matter experts to provide clients with a focused high performance team on each and every project.

1.2 WARRNAMBOOL ART GALLERY

WT understand the proposed Project at Liebig St, Warrnambool includes demolition of the existing structure and construction of a new gallery building which comprises amenities, bar & servery, food & beverage, gallery spaces, observation area, seminar space, staff offices, visible collection storage and associated landscaping and site services and infrastructure. Total GFA of 4,366m² as provided in the FJC Studio Presentation dated 04 October 2023.

2 OPERATIONAL EXPENDITURE

2.2 METHODOLOGY

To estimate the annual operating expenditure, WT has considered the functional areas of the proposed development. WT has then utilised industry benchmark rates per m2 for maintenance, utilities and cleaning operating costs and applied these in accordance with the functionality of each space. These rates consider best practise maintenance being undertaken. Industry benchmark rates have been adjusted to 2023 Australian Dollars where necessary. WT has additionally allowed for adjustments to rates based on the anticipated frequency of use of each area.

2.3 ESTIMATED ANNUAL OPERATIONAL EXPENDITURE

The estimated annual operational expenditure for the development is provided in the table below.

Estimated annual operational expenditure is calculated based on the building areas stated within WT's WAG Estimate No. 3- Budget Estimate No.3 – FJC Studio Presentation – Strategy 2, dated November 2023.

Costs are shown in 2023 Australian Dollars and Exclude GST.

TABLE 1 – ESTIMATED ANNUAL OPERATIONAL EXPENDITURE

	OPERATING BUDGET - LOW RANGE ($ EXCL GST)	**OPERATING BUDGET - HIGH RANGE ($ EXCL GST)**
Fixed Charges		
Insurance Premiums	30,800	37,700
Air Conditioning / Ventilation	11,900	14,600
Cleaning	44,000	53,700
Operating Expenses		
Utilities	25,200	30,800
Fire Protection	15,200	18,600
Pest Control	3,900	4,800
Lift & Dock Leveller	18,000	22,000
Maintenance & Window Cleaning	74,800	91,500
Ground Maintenance	68,700	84,000
TOTAL	**$292,500**	**$357,700**

We advise the above costs may be modelled for Year 1 of operations and then escalated at a suitable rate for future years.

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2.4 INCLUSIONS

The outgoings estimate is inclusive of the following operating expenses, to be incurred by the building owner:

- HVAC contract services
- Cleaning
- Maintenance of physical Utility assets
- Fire Protection Equipment
- Lift Maintenance (1 nr. Lift)
- Dock Leveller
- Pest Control
- General Maintenance
- Utilities consumption operating expenses
- Insurance
- Grounds Maintenance

2.5 EXCLUSIONS

- The outgoings estimate excludes the following:
- Taxes, charges, and fees such as council rates and audit fees.
- Building Management & Administration (if required)
- Events Management
- Security (Physical Patrols),
- IT Systems and Associated Software
- Business Vehicles
- Offsite Document Storage
- Business Insurances
- Lifecycle replacement works to buildings and services (included in WT's lifecycle estimate – refer section 4)
- Furniture, Fixtures, and Equipment including window furnishings and street furniture
- Outside Catering
- Statutory Outgoings
- Ongoing costs associated with any heritage related works
- All other business-related operating expenses
- GST

3 LIFECYCLE EXPENDITURE

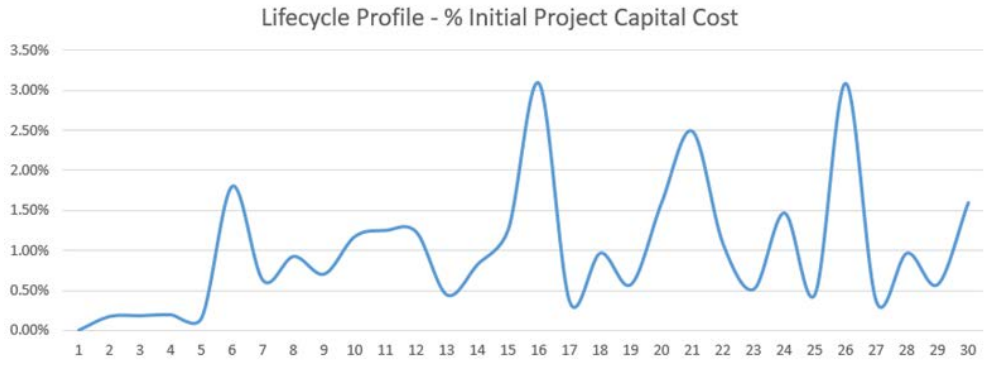
3.1 PREMISE

Once an asset has been installed within a building there is a requirement to maintain the asset during its normal economic life and a requirement to replace the asset at the end of its normal economic life.

The Lifecycle costs that are presented in this report consider replacement costs that will be incurred by the building owner for the replacement of assets and periodic redecoration works to the property.

3.2 BENCHMARKING

WT has analysed Lifecycle data from several public and private sector projects and assessed the annual expenditure from these projects as a percentage of the initial project capital cost. The benchmark Lifecycle profile as a percentage of initial project capital cost across is detailed in the chart below.



Typically, WT has observed that Lifecycle expenditure ranges between 0% and 3.5% per annum and is equivalent to between 20% to 40% of the initial capital construction cost of a project over a 30-year operational period.

We highlight that the above Lifecycle expenditure curve is a 'smooth' curve, with costs that are spread out across the horizon period. As the above data is taken from live projects, actual asset performance is represented by the expenditure curve, which includes some assets failing earlier than expected, and other assets lasting longer than expected.

We anticipate that the lifecycle expenditure that is modelled for the development of the Warrnambool Art Gallery, Victoria will be a 'lumpy' lifecycle model, with costs peaking at 5 and 10 year intervals in line with our standard lifecycle assessment.

3.3 METHODOLOGY

Lifecycle costs have been modelled from the anticipated date of completion of the development of the Warrnambool Art Gallery, Victoria.

For the purposes of this modelling and in lieu of a fixed program for the project, we have assumed that year one of the building operation will occur in the year 2027 (referred to as Year 1 on our Lifecycle model).

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Trade and item costs within the lifecycle model are based on WT's Budget Estimate No.3 – FJC Studio Presentation – Strategy 2, dated November 2023. WT reviewed the costs included in this Cost Plan to remove items with no lifecycle cost requirement, such as demolition, site works and consultant costs.

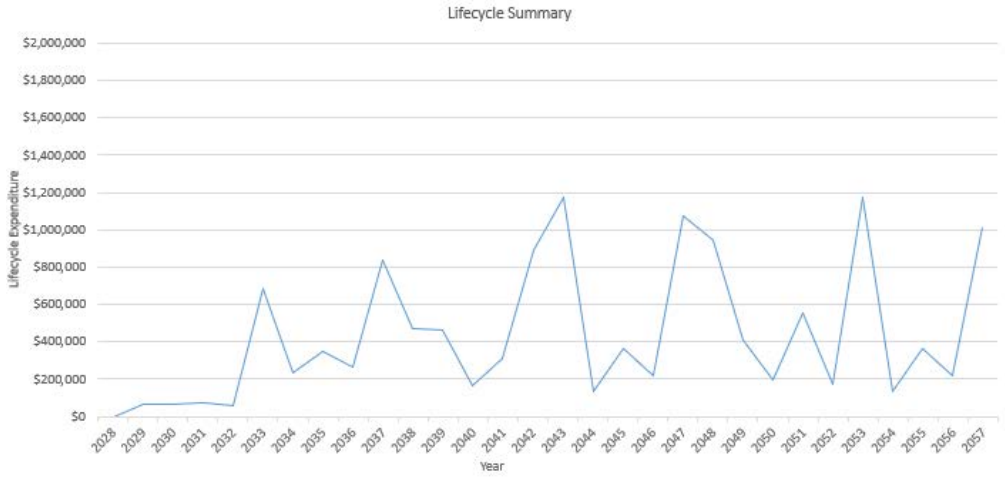
This lifecycle assessment has been calculated by modelling building fabric assets and by applying benchmark lifecycle percentages for the replacement of building services assets.

3.4 ASSUMPTIONS

All costs are shown in end of November 2023 Australian dollars (WT Cost Plan Base date November 2023) and exclude GST. No further escalation has been applied to future lifecycle costs within the 30-Year model.

4 LIFECYCLE EXPENDITURE MODEL

WT has modelled the following lifecycle profile for the base building development. These costs are expected to be borne by the building owner.



The above estimated lifecycle expenditure for the base building development is $13,089,094 excluding GST, or 24.93% of the initial capital construction costs, in line with the mid-range of our anticipated benchmarking.

As discussed at section 3.2, the lifecycle expenditure that has been modelled for the development of the Warrnambool Art Gallery, Victoria is a 'lumpy' lifecycle model, with costs peaking at 10 and 15 year intervals in line with our standard lifecycle assessment.

We highlight FF&E is excluded from WT' cost plan and this lifecycle model.

Please refer to Appendix A for line-by-line details of the above lifecycle modelling.

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5 NEXT STEPS

WT recommend that a more detailed lifecycle modelling exercise is completed once the design is complete to a level that allows for this task to be undertaken at an asset level.

Following completion of the project WT recommends the analysis should be updated regularly to reflect the true value of future inflation and other assumptions included herein.

6 DISCLAIMER

WT highlights this Report should be considered as indicative only of the replacement costs that may be incurred by the operator for the replacement of assets and periodic redecoration works to the property.

WT is not and does not hold out to be a building diagnostician or an expert in the assessment of building materials design lives. WT does not represent that the information included within this report is the limit of all issues that may be experienced over the lifecycle horizon of the assets.

This benchmark analysis is prepared for the express purpose of assisting RP Infrastructure in their general understanding of maintenance strategies. It should not be used for any other purpose or by a third party without the written consent of WT.

This Report is solely for the use of the party by whom we were instructed and for no other purpose. We owe no duty of care to any third party who becomes aware of this Report and, without our knowledge, chooses to act or rely on the whole or any part of it.

Neither the whole nor any part of this Report nor any reference thereto may be included in any document, circular or statement without our approval of the form and context in which it will appear.

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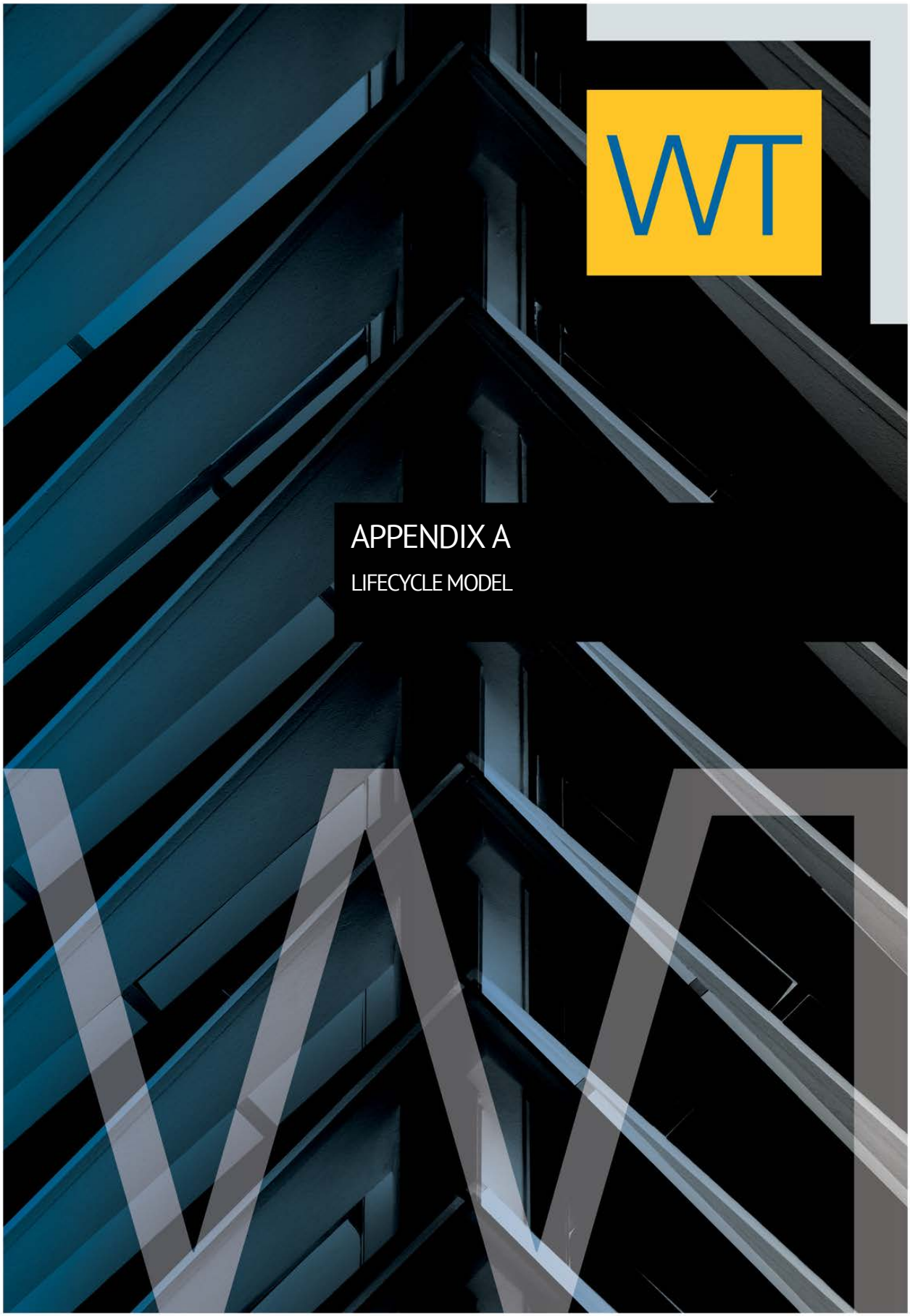

APPENDIX A

LIFECYCLE MODEL

WT

Warrnambool Art Gallery

Disclaimer / Notes
All costs are shown in current day dollars excl GST - zero escalation applied post completion of the project
This lifecycle assessment has been calculated by applying benchmark lifecycle percentages of replacement to the Initial Capital Costs for Building Assets
Cyclical asset replacements are planned in line with industry published guides on asset design lifespans
The Capital Costs and the Year of Completion for each item has been obtained from WT's Estimate WAG Budget Estimate No.3 November 2023
Project On-Costs have been added to the direct costs from WT's Estimate WAG Budget Estimate No.3 November 2023 on a pro-rata basis. Risk costs have apportioned to construction items only

24.95%

| | | |

WT

Warrnambool Art Gallery

Disclaimer / Notes
All costs are shown in current day dollars excl GST- zero escalation applied post completion of the project
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WT

Warrnambool Art Gallery

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24.95%

| | | |

Warrnambool Art Gallery

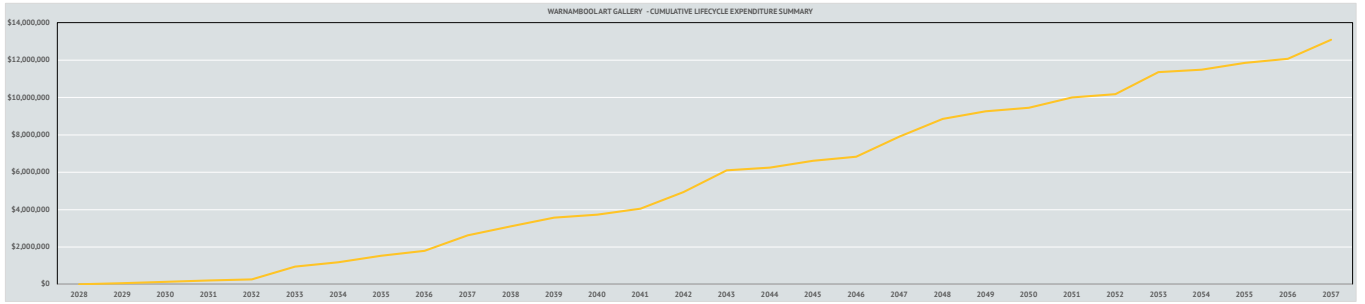
ANNUAL LIFECYCLE PROFILE (NON-ESCLATED)

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	ALL
ANNUAL EXPENDITURE	$0	$65,202	$68,654	$75,264	$58,025	$682,720	$256,978	$549,912	$266,317	$854,275	$473,252	$465,629	$167,363	$312,188	$889,604	$1,170,855	$136,185	$565,977	$216,423	$1,076,583	$944,055	$420,068	$199,954	$556,115	$170,491	$1,170,855	$156,185	$565,977	$216,423	$1,016,534	**$11,089,094**



CUMULATIVE LIFECYCLE PROFILE (NON-ESCLATED)

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057
CUMULATIVE EXPENDITURE	$0	$65,202	$133,856	$209,120	$267,145	$949,865	$1,206,843	$1,756,755	$2,023,072	$2,877,347	$3,350,599	$3,816,228	$3,983,591	$4,295,779	$5,185,383	$6,356,238	$6,492,423	$7,058,400	$7,274,823	$8,351,406	$9,295,461	$9,715,529	$9,915,483	$10,471,598	$10,642,089	$11,812,944	$11,969,129	$12,535,106	$12,751,529	$13,768,063



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WARRNAMBOOL REGIONAL AIRPORT REFERENCE GROUP (WRARG) MINUTES			
Date:	Monday 13 November 2023.	Time: 11.00 am.	Location: Airport Terminal.
Meeting Objective:	Discussion & Advise on Airport Operations and Development, Security, and Emergency Management.		
Attendees:	Stephen Lucas (Chairman) Cr Max Taylor (Warrnambool City) Jim Doukas (Moyne Shire) John Stuart, Patrick Donaldson (HEMS4 MICA Paramedic) Stephen Wood, Senior Base Pilot (Off Shore Services)		
WCC Attendees:	David Leahy (Director City Infrastructure) Abel Farrell (Manager Infrastructure Services) Terry O'Sullivan (Coordinator Airport Operations & Compliance)		
MSC Attendees;	Michelle Grainger (Manager Energy Projects Officer)		
For Information:	Shane Robe (ARO)		
Apologies:	Errol Stewart.		

No	Discussion	Who	Action	
1.	**Welcome & Apologies.**	Chairman.		
2.	**Declaration of conflict of interest.**		Stephen Lucas – Hangar Owner/Aero Club. John Stuart – Hangar Owner.	
3.	**Confirmation of minutes of Meeting Monday 28 August 2023.** Minutes tabled as follows: Executive Management Team Meeting Tuesday 5 September. Council briefing Monday 11 September. Council Meeting Monday 2 October.	All.	**Moved: John Stuart.** **Seconded. Cr Jim Doukas.** **Carried.**	
4.	**Business arising from the Minutes.**		Nil.	
5.	**2021 Airport Development Plan, ADP.** Future development of the Airport is centred on enhancing safety and catering for larger Aircraft as the region grows. Going forward there is a need for a Strategic Plan to complement the ADP **covering but not limited to closer liaison with Moyne Shire** (on nearby development, protection of Airspace, etc) leases, commercial activities, permitted usage, etc.	David Leahy/Abel Farrell.	Strategic Plan being externally reviewed to ensure right amount of detail and information is included and that the document is not too onerous. Reference Group to be provided opportunity to review Plan prior to it being presented to Council for adoption.	

	Officers to review the Airport Development Plan and to develop an Airport Strategy with particular reference to the protection of Airspace around the Airport (Minimum Safe Altitude, MSA, and Obstacle Limitation Surfaces, OLS, as highlighted by recent State Government Panel Hearing's on Windfarm Developments. Any future development on site, applicants will require Councils in principal approval for use and consent to build in the first instance and specifically if the need arises to make application for a Planning Permit to the Moyne Shire for uses other than primary Aviation based uses.		Moyne Shire to also review the Plan.	
6.	**CASA.** **6.1.** ARO received phone call 14 September from Airport Inspector advising request for exemption granted to WCC to undertake proposed works for Runway 13/31 maintaining a 150M runway strip/OLS. **6.2.** 3 x CASA Staff on site Wednesday 25 and Thursday 26 October conducting RAMP's with Operators. **6.3.** Advisory Circular. Assessing and reporting runway surface conditions, proposed new rules. The amendment will have you providing a runway condition report every time it rains day or night as you will have to provide them for all "scheduled, anticipated or on going" aircraft operations. They have not defined "aircraft" so it includes helicopters and recreational aircraft. The proposed change is not optional – you must do it even if an aircraft operator tells you that it is not required – there are no exclusions or opt-out options.		E-Mail received from CASA 9 November confirming that proposed works for Runway 13/31 can be done maintaining a 150M runway strip/OLS. Council to make comment on advisory circular stating this is an unnecessary burden and cost to Council owned and operated Regional Airports. Also question where is the safety case as there is no evidence that this is a safety issue in Australia, in particular at Warrnambool, and it appears that it is only required to enhance the operation (increase pay load) of large aircraft.	
7.	**Runway 13/31.** Western end of Runway swept Thursday 7 September and markings repainted Tuesday 24 October.	For information.	Noted by Group.	

8.	**Runway 04/22**. Usage of Runway continues to increase. Runway markings painted Monday 23 October and swept Thursday 2 November.	For information.	Noted by Group.	
9.	**Apron/parking area.** The Apron pavement is subject to ongoing failure due to larger and heavier Aircraft mainly from AW 139 Rotary Aircraft. Proposed to reconstruct eastern side of Apron where pavement is continually failing. Staff working on design and costing for works. Works to commence 19 February 2024 in drier conditions and done in consultation with owners/tenants/users Hangars 2-7.	Abel Farrell/Terry O'Sullivan.	There will be need to be restriction to non-local Aircraft operations, especially Flight Training Schools, for the duration of the works and all movements will require Prior Notice (PN) from the Airport Operator. Aero Medical patient transfers by AV/RFDS and other Emergency Services will be exempt from PN. Local operators to liaise closely with ARO/WSO for their movements. The area in front of the Terminal is to be keep clear for on-site commercial/recreational operators, and for Aero Medical patient transfers by AV/RFDS. NOTAMS/MOWP to be issued for works.	
10.	**Off Shore Operations.** Operations for the Thylacine Gas Rig are planned for 8 November to 20 December. Operations recommence 15 January and will continue all year. Will be a Company change Integrated Helicopter Services (IHS) 15 January. Request for Pavement Concession for these Aircraft received and approved.	Terry O'Sullivan/Stephen Wood.	Group advised that it is not planned for any Fly In Fly Out, FIFO, operations by fixed wing Aircraft whilst reconstruction works on the Apron are in progress.	

11.	**Air BP Fuel Site.** Air BP had site inspection with ARO Tuesday 17 October. Current refuelling agent is relocating and Air BP are in process of recruiting a replacement agent. A daily fuel check is standard procedure for Air BP. Air BP have plans for upgrades to the fuel site later in year. Installation of a double skin Avgas tank. Discussion also on position of pumps and them being to close thus not allowing 2 aircraft to refuel at once plus provision to refuel truck on site.	For information.	Council/Airport Staff to take on role of refuelling agent with training to occur later in month. AirBp will make financial contribution to Council for providing this service. This role to be reviewed by Council in new year.	
12.	**Obstacle Limitation Surfaces, OLS.** 2023 annual survey undertaken Wednesday 28 June as required by CASA Manual of Standards for Airports. Senior ARO maintains ongoing consultation with neighbouring property owners with regard to any vegetation identified infringing the approach, transition, and take off surfaces.	For information.	Tree trimming to be undertaken with consent of property owners/s and when ground conditions are suitable for personal and equipment.	
13.	**Wind Farm Developments.** As previously agreed Council's position that no change to the MSA occur in order to protect the current Airspace. **13.1. Moyne Shire Council**. Moyne Shire Council's current resolution is to oppose all new wind farms in Moyne. In future Warrnambool to attend and make representation at hearings in unison with Moyne. Critical that Development and Strategy Plans for the Airport are adopted by Council. **13.2. Woolsthorpe.** Outcome of Planning Permit Application/Panel Hearing released Friday 15 September. Panel outcome conclusion as follows: Warrnambool Airport is a certified airport that must comply with CASA's regulations.	WCC & MSC Staff.	The Panel supports raising the MSA. The Panel does not see, in spite of the objection by Warrnambool City Council, any impediment to raising the MSA to 2200 feet.	

	As discussed in the above Chapter, the turbines do not need to be modified to achieve airport safety. Accordingly, **13.3. Hawkesdale.** Works in progress. **13.4. Hexham.** Moyne Shire has covered off on issues in relation to scoping for aviation see below para's: The scoping requirements refer to cumulative impacts. This project is situated in the middle of the Shire adjacent to 2 clusters of projects in the north-east and west of the Shire. Whilst cumulative impact assessment is common to environmental and landscape it needs to be substantially broadened to consider the impacts on land use, aviation, social and economic impacts, and community sentiment. Aviation is a significant issue with the proximity of the land to the Warrnambool Airport, the scoping requirements reflect this in land use and socio-economic section but the principles of "agent of change" are not mentioned. The airport exists, plays a significant regional role and has an adopted Masterplan. Surely mitigation of impacts on aviation should consider the precautionary principles. **13.5. Offshore.** Federal Government announcement in Portland Wednesday 28 June of Offshore windfarms plans.		ARO to liaise with AirServices to ensure changes to MSA are undertaken in a timely manner. In accordance with section 97M of the Planning and Environment Act 1987, the applicant may not apply to the Victorian Civil and Administrative Tribunal for a review of any condition in this permit. The proponent for the Hexham development is the same for Willatook. They are currently assessing the decision of Panel Hearing for Willatook and how that may impact or change proposed plans for the Hexham development.	

14.	**Leases.** A further meeting between the Reference Group Chair and Council Property Officers has occurred and feedback has been taken on board. Some further amendments are being made to the template before the finalised version will be circulated.	For information.	As a considerable time has passed since initial discussions finalising lease agreements needs to be fast tracked.	
15.	**Fees and Landing Charges.** Income for 2023/2024 to date: Avdata charges $7,070.00 Local Commercial Operators $7,472.00 " Recreational " $3,427.00 Aircraft Movements: August 420. September 576. October 227. Numbers increase when local & other training + Ag Ops occur.	For information.	Noted by Group.	
16.	**Ambulance Victoria/Pelair.** Fleet upgrade being 2 x Beechcraft King Air 260 and 2 x 360 Aircraft has been delayed until March/April 2024.	For information.	Noted by Group.	
17.	**Air Transport Operations.** Sharp Airlines flight from Kangaroo Island: Thursday 12 October, 12 Pax. Friday 27 October, 14 Pax. Sunday 5 November, 14 Pax. Thursday 9 November, 14 Pax.	For information.	Noted by Group.	
18.	**Airport Works, Maintenance, & Miscellaneous.** SW TAFE visit Tuesday 5 September. Fencing Contractor on site Tuesday 5 September undertaking repairs/maintenance of runway/grazing land fencing.	For information.	Noted by Group.	

	Pavement improvements works carried out Hangar 4 Apron Wednesday 13 September. Pavement improvements works carried out around storm water pit in taxi lane servicing Hangars 2- 4 Apron and at Threshold Runway 13 south side, Tuesday 19 September. MSC Street Sweeper on site Thursday 5 October sweeping Taxi lane servicing Hangars 2-7, entrance road, car park, and access roads in Aviation Park. New lights x 4 installed on IWI Tuesday 17 October along with new lights x 2 car park lighting. Friday 3 November full day's work applying herbicide on runway edges, markers, taxiways, drains, etc, to control vegetation. Bureau of meteorology staff on site Friday 3 November at weather station undertaking annual service of site. Flight Training. Ideally a provider should be based locally and have aircraft on site. Little bit of training occurring with provider from Barwon Heads. Drag Race Club. Nothing further to report since last meeting.			
19.	**Aero Club.** Works continue in redevelopment of Clubrooms/Office space. Lease agreement to be updated.	For information	Club undertaking baling of hay again with proceeds being injected into redevelopment.	
20.	**Miscellaneous Usage.** **20.1.** Driver Training scheduled for Tuesday 21 and Wednesday 22 November and Monday 10 January. Use of Aviation Park Taxiway and Terminal with daily hire fee of $550.00.	Terry O'Sullivan.	Noted by Group. Both events are under supervision of the duty Airport Reporting Officer.	

	20.2. Targa Classica – motor sport event, use of ABP taxiways/entrance Roads proposed in March 2024. WCC Events Unit awaiting formal application for consideration of Council.			
21.	**Australian Airports Association, AAA.** **21.1.** National Conference is in Melbourne 13-17 November. **21.2.** Aviation White paper. Submission on the Governments White Paper close 30 November. The AAA are working on a submission and a draft will be provided to Members. It's important and the AAA encourages individual Airports/Council's to make submissions. Being a Regional Airport we need to be sustainable and resilient. Airport is a vital piece of infrastructure servicing the SW Region.	All.	Council to make submission touching on the following points: Funding Capital Works, Federal Government is taking a view especially for Local Government owned/operated Airport that funding comes from State and/or Local Government and take more responsibility. Development, NASAG, protection of Airspace/OLS, maintain 24/7 operations, nearby development/noise complaints. Legislation CASA MOS & OLS Reform. Implementation of landing/pax fees, is it legal and how do Airports deal with non-payment. Income being directed into consolidated revenue/off set operational loss/capital improvements. Employment, trained and experienced staff. Climate change/Net Zero/Environment Officers. Disability/Accessibility.	
22.	**Hangar/Building Construction Lot 14.** Lease agreement to be entered into.	For information.	Nothing further to report since last meeting.	

23.	**Communications & Water Towers.** 10275 Princes Highway (Speedway) and 295 Hopkins Point Road. Tuesday 19 September Air Services advised that the proposed activities would not have an impact on Air Services designed Airspace Procedures, CNS facilities or ATC operations at Warrnambool Airport.	For information.	Noted by Group.	
24.	**Emergency Exercise.** Suggested consideration be given to facilitate an Emergency Exercise on site in the near future. Included as an Agenda item for the Municipal Emergency Management Planning Committee Meeting held on Wednesday 20 September for consideration/discussion. CASA has also flagged with Airports to recommence exercises as per Airport Standards/Manuals.	David Leahy.	General consensus that exercises are well worthwhile. Best that an exercise is facilitated through the Municipal Emergency Management Planning Committee. A date and a scenario can be determined and then can be include in the yearly calendar for exercises.	
25.	**General Business.** **25.1.** Raised that Council forward plan and investigate ways to ensure that the Airport has a number of personnel suitably trained and experiences for its operations. This potentially could be a mix of Council Staff and others on site involved in Aviation. **25.2.** O'Sullivan attended CFA Fire Bombing Aircraft Loading refresher training Friday 10 November at Hamilton Airport.		Noted by Group.	
26.	**26.1. Next Meeting.** **26.2. Close of Meeting.**		Monday 12 February 2024. 11.55am.	

MINUTES

PLANNING ADVISORY COMMITTEE

Date:	Wednesday, 29 November 2023	Time:	4 PM	Location:	Reception Room, Warrnambool Civic Centre & Teams

Committee Members In Attendance	Cr. Angie Paspaliaris, Chair Fiona Golding Jeff Moreland-Hunt John McNeill William (Bill) Welsh Leanne Williams Willy Benter Kerri-Anne Tatchell Cameron McNeill
Council Officers Attendance	Luke Coughlan – Director City Growth James Habel - Acting Manager City Strategy & Development Robert Wandell – Coordinator City Development Morteza Mirgholami – Strategic Planner Sarah McKeown – City Growth Support Officer

No.	What	Actions
1.	Welcome & Apologies	Apologies: Jeff Moreland-Hunt Julie McLean John Edwards
2.	Conflict of Interest Declaration	Nil
3.	Minutes from Previous Meeting - 6 September 2023	True & Correct **Moved:** Kerri-Anne Tatchell **Second:** Cameron McNeill
4.	Warrnambool City Future Blueprint	Morteza Mirgholami presented:

		The purpose of the project is to unify land use vision for the City for the next 25 years that will advance goals around urban development, the economy, the environment and climate change, housing and community services and integrate land use and transport. This project will be in additions with the W2040. The desired outcome is to develop an agreed City-Wide Plan and land-use vision for Warrnambool that enable the municipality to embrace change and accommodate future needs in terms of land use and infrastructure while preserving and restoring city's past and present qualities and assets in a sustainable way Proposed to have 8 stages of the project, broken down over 5 phases. BW: What stage are we currently at? MM: Project will be done external but Council has not engaged a consultant yet. Tender to go out shortly. Budget for the project is currently around $200,000. AP: Is it external funding? MM/LC: It's all Council funded at the moment. KA: Is that committed Council budget clarification LC: Was approved funding a number of years ago, that's been rolled due to staffing shortages. KA: Suggestion of extending title on this project to 2050, due to timeframe once it actually is implemented. MM: Will be a further discussion to clarify this to ensure it's correct to now.
5.	Modernising Car and Bicycle Parking Discussion	Robert Wandell presented: The state government are seeking advice on how we might change car and bicycle parking requirements in the Planning Scheme. VC90 June 2012 introduced a new clause 52.06 which contained updated car parking rates for different land uses.

		There are two categories of rates – a standard "Column A" rate and a lower "Column B" rate. The "Column B" rate will only apply where a specified in a schedule to the Parking Overlay. Which WCC have not activated in the current Planning Scheme. The Parking Overlay allows revised parking rates and provisions for the local area. A review of Warrnambool's register suggests there are over 200 applications to reduce/waive car parking requirements since the inception of the digital system. The four main changes proposed are: 1. Adopt a new PTAL (Public Transport Accessibility Level) – aligned car parking policy to remove or refine minimum car parking rates and apply a maximum car parking rates. 2. Remove outdated land use terms and consolidate land use terms into seven categories base on demand. 3. Implement updated car parking rates to align with public transport accessibility and the proposed PTAL parking policy. 4. Adopt a new minimum rate and new design standards for bicycle parking and end of trip facilities .A consolidated parking and EoT facilities requirements in the VPP. The car parking design standards are not proposed to be changes. They have provided an email that we will circulate to the committee for anyone wanting to provide feedback. CM: Car parking requirements definitely needs a review. Hard to foreseen the day to day within WCC. Wouldn't think it would have much of an impact.

		KA: Very different requirements in regional areas compared to inner city. Submission needed. Learnings from other Councils with parking overlays. BW: Same comments, needs a submission. Not sure, why it needs to be state when regional is very different. WB: Some bad parking examples already in WCC. Hospital, Tafe, Cannon hill. Strategic parking opportunities missed. Any feedback/comments are welcome to be sent through to Council. No timeframe for submissions.
5.	General Business • Harrington Road Development	Luke Coughlan presented: Current proposal presented to Council to create an affordable housing and key worker accommodation development to help with the current housing crisis within Warrnambool. Concept idea is to construct around 40-50 temporary dwellings in a section of land on Harrington Road Dennington. Presentation to Dennington area around this project to help clarify what the project is about. Link to presentation send to the committee with the minutes. FG: Is this project just to increase the rental properties, not to buy. LC: WCC will lease to a housing provider/agency. LW: No affordable housing in this area that we know of. WB: The proposed cost for the development doesn't seem like enough. LC: Council has done a lot of costings around this area. The development will be budgeted/funded up front.

		WB: How will the land be leased **LC:** Still to be worked out as it's only in early discussion stage
6.	Next Meeting – TBC 2024	Suggestion of potential time change. To send out some suggestions with dates in the new year. To also included attachment within the agenda for prior reading. Meeting finish 5.40pm

Modernising car and bicycle parking requirements

Discussion paper October 2023



VICTORIA State Government | Department of Transport and Planning

Acknowledgment

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.



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Modernising car parking and bicycle facilities requirements

Parking plays an important role in broader transport and land use strategies. Parking policies can have both a direct and indirect impact on the ability to achieve transport objectives and strategies.

DTP is seeking feedback on proposed reforms to planning requirements for car parking and bicycle facilities.

Why are we proposing changes to car parking and bicycle parking and facilities requirements?

Numerous changes have occurred in the way we work, shop and travel. A review of car and bicycle parking rates and bicycle facilities requirements will enable an update to the relevant planning provisions in line with current government policies for an integrated transport system, 20-minute neighbourhoods and the move towards net zero carbon emissions.

Clause 52.06 (Car parking) of the VPP sets out the standard rates and design requirements for car parking facilities. A planning permit is required to reduce or waive car parking requirements specified in Clause 52.06 or in a Parking Overlay.

An analysis of planning permit applications received between 1 July 2021 and 30 June 2022 showed that 862 new or amended planning permits were issued to waive or reduce car parking requirements. The average number of days for deciding on one of these applications was 121 days.

The current car parking requirements also result in the need to allocate land for car parking in areas where it may not be required, leading to inefficient use of limited available land which could be better utilised for housing, employment or open space.

Including a car parking space in a residential development can add up to $50,000 to the cost of an apartment[1]. Minimum car parking requirements can encourage an oversupply of car parking, which results in increased traffic, noise and emissions and a poorer quality urban environment.

Electric vehicle charging requirements are proposed to be implemented through the National Construction Code 2022.

1 P. Hatch, "Kids but no car: Meet one of the rarest families in Melbourne', *The Age*, January 4, 2023, National Infrastructure Victoria, "Our home choices, How more housing options can make better use of Victoria's infrastructure, March 2023

Clause 52.34 (Bicycle facilities) of the VPP sets out the standard rates and design requirements for bicycle parking facilities.

The use of bicycles as a mode of urban transport has increased in popularity. More bicycle parking, lockers, showers and change rooms are needed to encourage cycling as a viable alternative to car use and keep up with growing demand from bicycle users.

There are number of benefits for updating the bicycle parking rates and end-of-trip (EoT) facilities requirements. Cycling makes people physically active which in turn improves wellbeing, mental health and reduces risk of chronic disease. It also helps reduce greenhouse gas emissions as well as noise and pollution associated with cars.

Bicycle riding also reduces the need for surfaces to be paved for cars, thereby providing opportunities for less concrete and planting more canopy tress, which can improve the quality of the urban environment.

What changes are we proposing?

- **Public transport accessibility level (PTAL)** – Adopt a new PTAL-aligned car parking policy to remove or refine minimum car parking rates and apply maximum car parking rates.
- **New land use groups** – Remove outdated land use terms in Clause 52.06 and consolidate land use terms into seven categories based on car parking demand.
- **Updated car parking rates** – Implement updated car parking rates to align with public transport accessibility and the proposed PTAL parking policy.
- **Bicycle parking and end of trip (EoT) facilities** – Adopt new minimum rates and new design standards for bicycle parking and EoT facilities.
- **A consolidated parking and EoT facilities requirement in the VPP**

Proposal 1 – Public transport accessibility level (PTAL)

Proposed changes

- Adopt a new, PTAL-aligned car parking policy position to remove or refine minimum car parking rates and apply maximum car parking rates.
- Develop PTAL mapping for all parking requirements.
- Digitally integrate parking rates with VicPlan.

What is PTAL?

PTAL is a measure of connectivity by public transport. The PTAL of a location is a representation of how well it is connected to public transport services (trains, trams and buses). It does not include trips by car.

A location will have a higher PTAL if:

- It is a short walking distance to the nearest station or stop.
- The wait time for nearby public transport services is short.
- More services pass at the nearest stations or stops.
- There are major transport hubs nearby.

A location will have a lower PTAL if:

- The nearest public transport services are beyond a reasonable walking distance.
- The nearest public transport services are infrequent.
- Few services pass at the nearest stations or stops.
- There are no major transport hubs nearby.

PTAL has been used overseas, including in London and Manchester in the United Kingdom, and in Ahmedabad and Surat in India, to inform car parking requirements and a range of other transport, development and planning policies.

How is PTAL calculated?

To calculate the PTAL value of a location, four sets of data could be used to determine the destinations that are accessible within a 60-minute public transport journey of that location:

1. A grid of locations over a specified area (e.g. Victoria, with the Melbourne GPO at the centre of the first grid square).
2. The location of all public transport stations and stops.
3. Walk networks (including all streets and paths) to calculate the walk time to the public transport network.
4. All public transport routes and their service frequency.

The PTAL value of each location is then converted to an index so it can be mapped. The index is proposed to have PTAL categories of high, medium, low and poor. This methodology is subject to data availability.

Chapter 2 of Assessing transport connectivity in London explains how to undertake the full calculation and understand the output.



How is the PTAL value for a location determined?

The PTAL value will fall within one of four categories; high, medium, low and poor. Some examples of areas in Victoria that could fall within each value are specified below.

High PTAL

- Areas within or adjacent to the Melbourne central city, and some major suburban and some regional centres.
- Very good/excellent access to multiple modes of public transport via multiple transport nodes.

Medium PTAL

- Areas peripheral to the central city or along key public transport corridors, or some major suburban and regional centres.
- Good access to multiple modes of public transport that connect to the central city or other urban centres.

Low PTAL

- Suburban areas with some proximity to public transport services and some regional centres.
- Access to some public transport with linear connections and limited transport modes.

Poor PTAL

- Suburban areas remote from public transport and some rural/regional areas.
- Limited or no public transport provision.

How is PTAL applied to car parking requirements?

A PTAL-aligned approach would result in the removal or refinement of existing minimum parking rates, while introducing a maximum car parking rate for some contexts, based upon the PTAL value of the area.

Under the proposed PTAL-aligned approach:

- **Minimum** car parking space rates would continue to apply if the PTAL is poor.
- **Maximum** car parking space rates would apply if the PTAL is high but there would be no minimum rate.
- **Both minimum and maximum** car parking space rates may apply if the PTAL is low or medium.

What are the benefits of the PTAL approach?

There are several benefits:

- **Reducing the number of planning permits to reduce or waive car parking**

A shift from minimum to maximum parking requirements in some areas would reduce the administrative burden on councils and applicants. A permit would only be required if a proposal seeks to exceed the maximum car parking rate in high and medium PTAL areas, rather than the current situation where a permit is required to reduce the standard number of car parking spaces.

- **No need to apply a Parking Overlay to vary the rates**

The Parking Overlay is the current tool to manage and enable local variations to the car parking requirements set out in Clause 52.06 for a given precinct or area. Councils are required to do a lot of strategic work to justify an overlay, and undertake a planning scheme amendment to implement the overlay which can be time consuming and costly.

- **PTAL is more sophisticated than the current default distance from the Principal Public Transport Network (PPTN)**

The PPTN is a tool for users to define areas 'well-serviced by public transport'. Unlike the PTAL methodology, the PPTN does not account for capacity, frequency and quality of transport.

- **Better use of land**

Using PTAL would provide an opportunity to better utilise urban land instead of providing car parking spaces.

- **Supports changing lifestyle and general behaviour**

Fewer car parking spaces in high PTAL areas may help to shift the community from being car dependent to being able to use alternative modes of transport if they choose.

What happens to the Parking Overlay?

The Parking Overlay in the VPP would remain unchanged to provide flexibility for local areas and specific strategic planning outcomes if needed by councils.

The Parking Overlay may continue to be required to reduce or increase parking requirements, or in areas where discrete factors exist outside of the PTAL calculations, which may allow a reduction of parking requirements such as where new public transport services or infrastructure is imminent.

Digital implementation

The PTAL and corresponding parking requirement for different land uses could be directly integrated into VicPlan (the state-wide digital mapping tool), made accessible through a GIS mapping layer, and appear on planning property reports.

This would provide direct and accurate parking requirement information for parties interested in the development of a parcel of land.

It would also help to improve transparency in decision-making for state and local governments by making all car parking rates available on an accessible online platform.

This tool could also potentially be used to calculate rates on a property-by-property basis, depending on local conditions.

Tell us more

- Do you think PTAL is an appropriate way to apply car parking requirements?
- What do you think about the methodology used to define the suggested PTAL for Melbourne?
- Do you agree with removing minimum car parking rates in areas with a medium or high PTAL?
- What do you think about implementing a PTAL-aligned approach in regional Victoria?
- Do you agree that the Parking Overlay should remain in the planning scheme?
- What do you think about digital implementation of recommended rates through VicPlan?



Proposal 2 - New land use groups

Proposed changes

- Update land use terms for car parking by removing outdated terms and grouping land uses together based on parking demand.

Land uses currently contained in Clause 52.06-5 are proposed to be removed and replaced with an improved list of land use groups and car parking rates. This approach will allow for more streamlined consideration of applications when assessing land use changes that might not alter the likely trip generation levels. A trip is defined in transport modelling as a single journey made by an individual between two points by a specified mode of travel and for a defined purpose. Trip generation is the process of estimating the amount of traffic a proposed development will have once it is built and the land use is operating.

It is proposed to:

- remove outdated land use terms
- introduce new land use terms
- group land use terms based on trip generation characteristics
- update how required car parking spaces are calculated.

Land use categories

Seven typologies of land use that are based on the assessment of trip generation characteristics have been created, derived from how they generate visitor, student, resident and employee parking demand, as well as accessibility to public transport.

The seven land use groups and examples of land use term for those categories are shown in Table 1 and Figure 1.

Adopting minimum and maximum car parking rates

The table of proposed car parking rates has been developed to determine car parking requirements for various PTAL areas (see tables 3 to 9 'Proposed car parking rates'). These rates set out minimum and/or maximum car parking requirements.

For some PTAL categories, only maximum car parking rates apply and there are no minimum car parking requirements. The proposed removal and revision of minimum rates and inclusion of new maximum rates represents a new approach and the rationale for each proposed car parking rate is provided in tables 3 to 9.

The proposed rates provide the choice for people to reduce their use of cars and increase their use of alternative forms of transport.

Where public transport accessibility is higher, the proposed parking rates require fewer car parking spaces, more bicycle parking and more EoT facilities than is required under the existing rates.

It is expected that the new rates and land use groups will result in an overall reduction in applications for permits to reduce or waive existing car parking requirements.

Benefits

There are a number of benefits to the proposed car parking rates and land use terms and groups:

- **Fit for purpose rates better aligned with land use characteristics**

This will reduce unused car parking spaces, reduce an oversupply of parking spaces, and provide the appropriate number of spaces for particular uses and locations.

- **Fewer applications for planning permits to reduce car parking rates**

Making an application for a car parking waiver or reduction is costly and time consuming. A reduced car parking requirement is appropriate in locations well serviced by public transport.

- **Less need to prepare a Parking Overlay to vary rates**

Introducing the PTAL methodology will result in fewer planning scheme amendments to implement a Parking Overlay, which can be time consuming and costly to councils and proponents.

- **Ensuring efficient use of land in locations well serviced by public transport**

Maximum car parking rates will allow land to be better utilised for other purposes, providing other benefits. It will also reduce the overall costs of new developments and will mean that those who choose not to own a car may not have to pay for parking to be constructed in a new development.

- **Drive behavioural change to other transport options**

Limiting car parking spaces in locations that are well serviced by public transport will provide people with more choice to reduce their use of a car and increase their use of alternative forms of transport. This will decrease dependency on car ownership, reducing costs for households and providing many other benefits for the economy, society and environment.



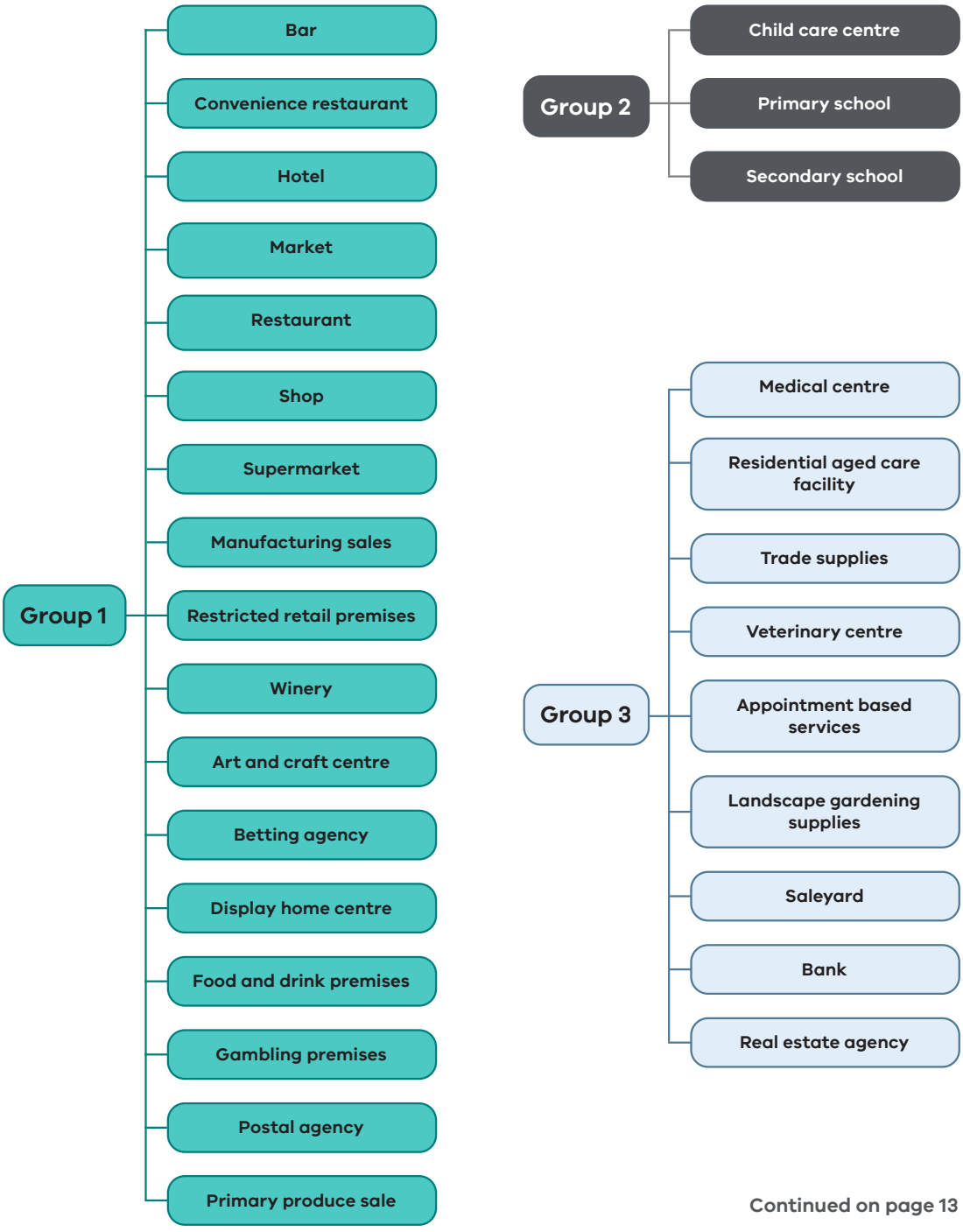
Proposed land use groups and associated characteristics

Table 1: Proposed land use groups and associated characteristics

Land Use Group	Characteristics	Example of proposed land use groupings
Group 1	• High short/long-term visitor demand and medium employee demand • High reduction in car parking demand as public transport access increases	• Bar • Convenience restaurant • Hotel • Market • Restaurant • Shop • Supermarket
Group 2	• High short-term visitor demand and medium employee demand • Limited reduction in car parking demand as public transport access increases, highly affected by peak hour	• Childcare • Primary School • Secondary School
Group 3	• Moderate short-term visitor demand and medium employee demand • Limited reduction in car parking demand as public transport access increases	• Medical centre • Residential aged care facility • Trade supplies • Veterinary centre • Appointment based services
Group 4	• High residential demand and low visitor demand • Moderate reduction in car parking demand for dwellings as public transport access increases	• Dwelling • Residential hotel
Group 5	• High long-term visitor demand • Limited reduction in car parking demand as public transport access increases	• Cinema based entertainment facility • Funeral parlour • Place of assembly • Restricted recreation facility • Swimming pool
Group 6	• High employee demand, low visitor demand • High reduction in car parking demand as public transport access increases	• Industry • Office • Research and development centre • Warehouse
Group 7	• High short-term visitor demand, medium employee demand • High reduction in car parking demand as public transport access increases	• Education centre (other)

Examples of proposed land use groups and associated characteristics

Figure 1: Examples of proposed land use groups and associated characteristics



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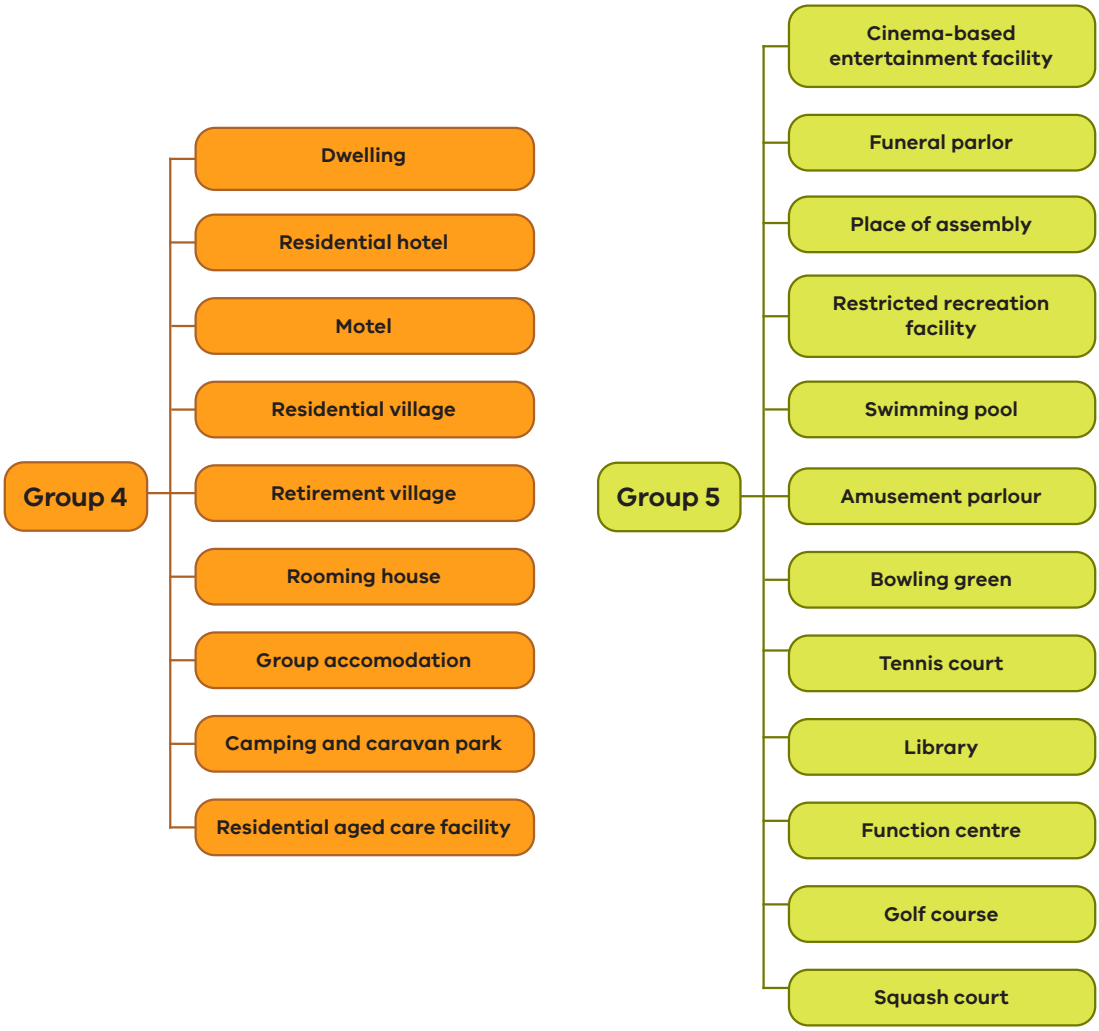

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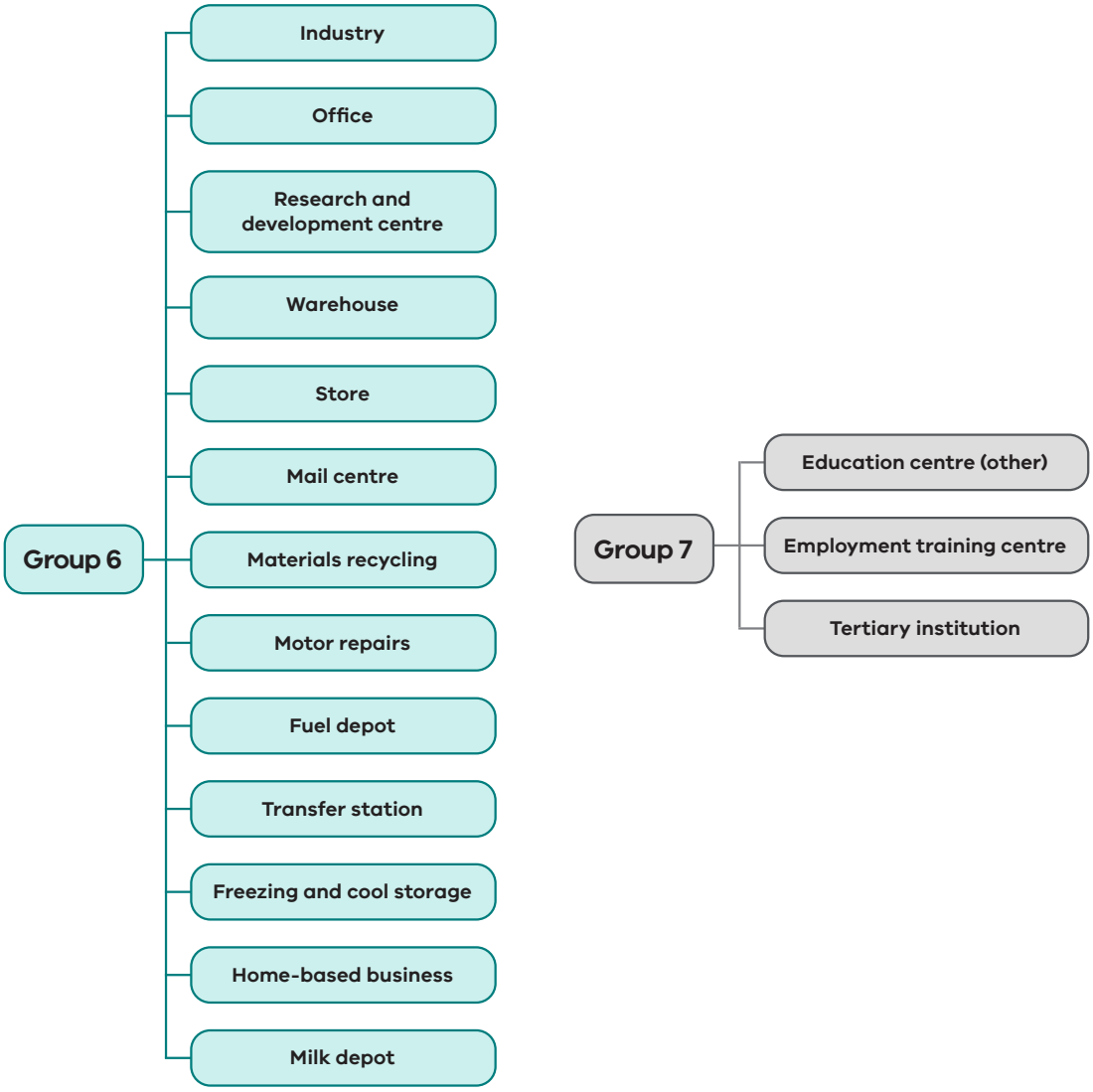

Group 6
Industry
Office
Research and development centre
Warehouse
Store
Mail centre
Materials recycling
Motor repairs
Fuel depot
Transfer station
Freezing and cool storage
Home-based business
Milk depot
Group 7
Education centre (other)
Employment training centre
Tertiary institution

Proposal 3 – Updated car parking rates

Proposed changes

- Implement car parking rates aligned with public transport accessibility level (PTAL).

Calculating the new car parking rates

New car parking rates are required to increase the proportion of active and public transport trips and lower the share of car trips. The rates were determined using the demand from employees, students, visitors and residents, the location of the site where the land use is proposed in relation to the relevant PTAL and the targeted proportion of trips by each transport mode.

Some of the car parking rates are required to be calculated from a maximum number of visitors for that land use. The maximum number of visitors have been calculated by using the demand generated by the car parking rates for those land uses from Clause 52.06. Table 2 below contains the specified maximum number of visitors for land uses in groups 1 and 5, where this is required to be calculated.

Table 2: Maximum number of visitors

Land use	Maximum number of visitors (/100m2)
Bar	7
Convenience restaurant	7
Hotel	7
Market	7
Restaurant	7
Shop	7
Supermarket	5
Manufacturing premises	7
Restricted retail premises	2
Swimming pool	5
Amusement parlour	9

The proposed rates (specified as a ratio), along with a rationale (specified as a percentage) for each proposed rate, is set out in tables 3 to 9. The 'max on site' refers to the maximum number employees/visitors on site at any one time.

Proposed car parking rates

Table 3: Group 1 Car parking rates

PTAL level	Minimum/Maximum	Hotel, market, shop, supermarket, convenience restaurant, bar and restaurant
Poor	Minimum car	1 per 2 maximum visitors, and 1 per employee (max on site) Provides car parking for all employees. Assumes an average of 2 visitors per car accommodating for 100% car mode share
	Maximum car	N/A No maximums have been provided in Poor PTAL areas.
Low	Minimum car	1 per 2 employees (max on site) and 1 per 4 maximum visitors. Provides car parking for 50% of employees. Assumes 50% of employees travel by modes other than personal car transport. Assumes 25% of visitors will drive, with the remainder being passengers or using other modes of transport.
	Maximum car	1 per employee (max on site) and 1 per 2 maximum visitors Allows developers to provide up to one car park per employee. Allows for up to 50% of visitors to drive, with the remainder being passengers or using other modes of transport.
Medium	Minimum car	N/A Minimums have usually not been provided in Medium PTAL areas.
	Maximum car	1 per 2 employees (max on site) and 1 per 3 maximum visitors Prevents the oversupply of car parking in areas with multiple public transport options by providing a maximum of 50% of employees and a third of visitors.
High	Minimum car	N/A Car parking minimums have not been provided in High PTAL areas.
	Maximum car	1 per 4 employees (max on site) and 1 per 5 visitors Prevents the oversupply of car parking in areas with multiple public transport options by provided for a maximum of 25% of employees and 20% of visitors.

Table 4: Group 2 Car parking rates

PTAL level	Minimum/ Maximum	Childcare centre	Primary school and secondary school
Poor	Minimum car	1 per employee (max on site) Provides car parking for all employees	1 per employee (max on site) Provides car parking for all employees
	Maximum car	N/A No maximums have been provided in Poor PTAL areas.	N/A No maximums have been provided in Poor PTAL areas.
Low	Minimum car	1 per 2 employees (max on site) Provides car parking for 50% of employees. Assumes 50% of employees travel by modes other than personal car transport.	1 per 2 employees (max on site) Provides car parking for 50% of employees. Assumes 50% of employees travel by modes other than personal car transport.
	Maximum car	1 per employee (max on site) Allows developers to provide up to one car park per employee.	1 per employee (max on site) Allows developers to provide up to one car park per employee.
Medium	Minimum car	1 per 4 employees (max on site) It is expected that in Medium PTAL areas a parking provision for 25% of employees is necessary for education centres with children for safety and access reasons.	1 per 4 employees (max on site) It is expected that in Medium PTAL areas a parking provision for 25% of employees is necessary for education centres with children for safety and access reasons.
	Maximum car	1 per employee (max on site) Education facilities in medium PTAL areas should retain the option to provide parking for employees.	1 per employee (max on site) Education facilities in medium PTAL areas should retain the option to provide parking for employees.
High	Minimum car	N/A Car parking minimums have not been provided in High PTAL areas.	N/A Car parking minimums have not been provided in High PTAL areas.
	Maximum car	1 per 2 employees (max on site) Education facilities may choose to provide car parking for up to 50% of employees for safety and accessibility reasons.	1 per 2 employees (max on site) Education facilities may choose to provide car parking for up to 50% of employees though parking remains limited to 25% of visitors with the remainder expected to use alternative modes of transport

Table 5: Group 3 Car parking rates

PTAL level	Minimum/ Maximum	Trade supplies	Medical centre and veterinary centre	Appointment based services	Residential aged care facility
Poor	Minimum car	1 per employee (max on site), and 1 per 1 maximum visitors Provides car parking for all employees. Assumes an average of 1 visitor per car due to the nature of the land use.	1 per employee (max on site), and 2 per appointment room Provides car parking for all employees. Assumes one client in an appointment and one client waiting for each appointment room accommodating for 100% car mode share.	1 per employee (max on site), and 2 per appointment room Provides car parking for all employees. Assumes one client in an appointment and one client waiting for each appointment room accommodating for 100% car mode share.	1 per employee (max on site), and 1 visitor park per 5 dwellings Provides car parking for all employees. Accommodates for 1 visitor per 5 residents at any one time.
	Maximum car	N/A No maximums have been provided in Poor PTAL areas.	N/A No maximums have been provided in Poor PTAL areas.	N/A No maximums have been provided in Poor PTAL areas.	N/A No maximums have been provided in Poor PTAL areas.
Low	Minimum car	1 per 2 employees (max on site) 1 per 2 maximum visitors Provides car parking for 50% of employees. Assumes 50% of employees travel by modes other than personal car transport. Assumes 50% of visitors will drive, with the remainder being passengers or using other modes of transport.	1 per employee (max on site), and 1 per appointment room Provides car parking for all employees. Assumes one client in an appointment and one client waiting for each appointment room accommodating for 50% car mode share with the remainder using other modes of transport.	1 per employee (max on site), and 1 per appointment room Provides car parking for all employees. Assumes one client in an appointment and one client waiting for each appointment room accommodating for 50% car mode share with the remainder using other modes of transport.	1 per 2 employees (max on site), and 1 visitor park per 8 dwellings Provides car parking for 50% of employees. Car parking accommodates for 1 visitor per 8 residents at any one time. Remaining employees and visitors will be accommodated by other modes of transport.
	Maximum car	1 per employee (max on site), and 1 per 1 maximum visitors Allows developers to provide up to one car park per employee one car park per visitor.	1 per employee (max on site), and 2 per appointment room Allows developers to provide car parking for all employees. Assumes one client in an appointment and one client waiting for each appointment with 100% car mode share.	1 per employee (max on site), and 2 per appointment room Allows developers to provide car parking for all employees. Assumes one client in an appointment and one client waiting for each appointment with 100% car mode share.	1 per employee (max on site), and 1 visitor park per 5 dwellings. Allows developers to provide car parking for all employees. Car parking accommodates for 1 visitor per 5 residents at any one time. Remaining visitors will be accommodated by other modes of transport.

Continued on page 19

PTAL level	Minimum/ Maximum	Trade supplies	Medical centre and veterinary centre	Appointment based services	Residential aged care facility
Medium	Minimum car	1 per 2 employees (max on site), and 1 per 10 maximum visitors Due to the nature of the service provided at this land use, it is expected that some employees and visitors will require car parks for access, safety and mobility issues.	1 per 4 employees (max on site), and 1 per 2 appointment rooms Due to the nature of the service provided at this land use, it is expected that some employees and visitors will require car parks for access, safety and mobility issues.	1 per 2 employees (max on site), and 1 per 2 appointment rooms Due to the nature of the service provided at this land use, it is expected that some employees and visitors will require car parks for access, safety and mobility issues.	1 per 4 employees (max on site), and 1 visitor park per 10 dwellings Due to the nature of the service provided at this land use, it is expected that some employees and visitors will require car parks for access, safety and mobility issues.
	Maximum car	1 per employees (max on site), and 1 per 4 maximum visitors Trade supplies stores in Medium PTAL areas should retain the option to provide parking for employees, though parking remains limited to 25% of visitors with the remainder expected to use alternative modes of transport.	1 per employee (max on site), and 1 per appointment room Medical Centres and Veterinary centres in Medium PTAL areas should retain the option to provide parking for employees, though parking remains limited to 50% of visitors with the remainder expected to use alternative modes of transport.	1 per employee (max on site), and 1 per appointment room Appointment-based services in Medium PTAL areas should retain the option to provide parking for employees, though parking remains limited to 50% of visitors with the remainder expected to use alternative modes of transport.	1 per 2 employees (max on site), and 1 visitor park per 5 dwellings. Aged care services in Medium PTAL areas should retain the option to provide parking for 50% of employees and for 1 visitor per 5 dwellings, recognising the accessibility needs of aged care services
High	Minimum car	N/A Car parking minimums have not been provided in High PTAL areas.	N/A Car parking minimums have not been provided in High PTAL areas.	N/A Car parking minimums have not been provided in High PTAL areas.	N/A Car parking minimums have not been provided in High PTAL areas.
	Maximum car	1 per 2 employees (max on site), and 1 per 4 maximum visitors Trade supplies stores in High PTAL areas should retain the option to provide parking for 50% of employees, though parking remains limited to 25% of visitors with the remainder expected to use alternative modes of transport.	1 per 2 employees (max on site), and 1 per appointment room Medical Centres and Veterinary centres in High PTAL areas should retain the option to provide parking for 50% of employees, though parking remains limited to 50% of visitors with the remainder expected to use alternative modes of transport.	1 per 2 employees (max on site), and 1 per appointment room Appointment-based services in High PTAL areas should retain the option to provide parking for 50% employees, though parking remains limited to 50% of visitors with the remainder expected to use alternative modes of transport.	1 per 4 employees (max on site), and 1 visitor park per 5 dwellings Aged care services in High PTAL areas should retain the option to provide parking for 25% of employees and for 1 visitor per 5 dwellings, recognising the accessibility needs of aged care services

Table 6: Group 4 Car parking rates

PTAL level	Minimum/ Maximum	Residential hotel	Dwelling
Poor	Minimum car	1 per dwelling, and 1 per employee (max on site) Provides 1 car park per guest group, while providing car parking for 100% of employees.	1 per 1 bedroom dwelling, and 1 per 2+ bedroom dwelling, and 1 visitor space per 5 dwellings. Provides a minimum of 1 car park per dwelling, while providing appropriate off-street parking for short term and overnight visitors in developments of 5 or more dwellings.
	Maximum car	N/A No maximums have been provided in Poor PTAL areas.	N/A No maximums have been provided in Poor PTAL areas.
Low	Minimum car	1 per dwelling, and 1 per 2 employees (max on site) Provides 1 car park per guest group, while providing car parking for 50% of employees.	0.5 per 1 bedroom dwelling 1 per 2+ bedroom dwelling, and 1 visitor space per 10 dwellings. Allows for up to 50% of one bedroom dwellings to provide zero car parks with the remaining dwellings providing at least one park, while providing appropriate off-street parking for short term and overnight visitors to developments of 10 or more dwellings.
	Maximum car	1 per dwelling, and 1 per employee (max on site) Provides 1 car park per guest group and allows developers to continue to provide parking for all employees in Low PTAL areas.	1.5 per 1 bedroom dwelling, and 3 per 2+ bedroom dwelling, and 1 visitor space per 5 dwellings. Provides very light-touch limits on off-street residential car ownership in Low PTAL areas. Limits visitor spaces of 1 per 5 dwellings to encourage alternative modes of transport.
Medium	Minimum car	N/A Minimums have usually not been provided in Medium PTAL areas.	N/A Minimums have usually not been provided in Medium PTAL areas.
	Maximum car	1 per 2 dwellings, and 1 per 2 employees (max on site) Provides a maximum of 1 car park per two dwellings assuming 50% of guests will not require cars, and limits employee parking to 50%.	1 per 1 bedroom dwelling 2 per 2+ bedroom dwelling 1 visitor space per 10 dwellings. Provides light-touch limits on off-street residential car ownership in Medium PTAL areas. Limits visitor spaces to a maximum of 1 per 10 dwellings to encourage alternative modes of transport.
High	Minimum car	N/A Car parking minimums have not been provided in High PTAL areas.	N/A Car parking minimums have not been provided in High PTAL areas.
	Maximum car	1 per 5 dwellings, and 1 per 5 employees (max on site) Provides a maximum of 1 car park per 5 dwellings assuming 80% of guests will not require cars, and limits employee parking to 20%.	1 per 1 bedroom dwelling, and 2 per 2+ bedroom dwelling, and 1 visitor space per 10 dwellings. Provides light-touch limits on off-street residential car ownership in High PTAL areas. Limits visitor spaces to a maximum of 1 per 10 dwellings to encourage alternative modes of transport.

Table 7: Group 5 Car parking rates

PTAL level	Minimum/Maximum	Swimming pool/Gym, Cinema based entertainment facility, Place of assembly (other) and Restricted recreation facility
Poor	Minimum car	1 per employee (max on site), and 1 per 3 maximum visitors Provides car parking for all employees. Assumes three visitors per car due to high propensity for children, families and elderly to attend.
	Maximum car	N/A No maximums have been provided in Poor PTAL areas.
Low	Minimum car	1 per 2 employees (max on site), and 1 per 4 maximum visitors Provides car parking for 50% of employees. Assumes 25% of visitors require car parks due to high propensity for children, families and elderly to attend.
	Maximum car	1 per employee (max on site), and 1 per 2 maximum visitors Allows developers to provide car parking for all employees. Allows for up to 50% of visitors to drive, with the remainder being passengers or using other modes of transport.
Medium	Minimum car	N/A Minimums have usually not been provided in Medium PTAL areas.
	Maximum car	1 per 2 employees (max on site), and 1 per 3 maximum visitors Prohibits the oversupply of car parking in areas with multiple public transport options by providing for a maximum of 50% of employees and a third of visitors.
High	Minimum car	N/A Car parking minimums have not been provided in High PTAL areas.
	Maximum car	1 per 4 employees (max on site), and 1 per 5 visitors Prohibits the oversupply of car parking in areas with multiple public transport options by providing for a maximum of 25% of employees and 20% of visitors.

Table 8: Group 6 Car parking rates

PTAL level	Minimum/Maximum	Warehouses (other), Office (other), Industry (other) and Research and development centre
Poor	Minimum car	1 per employee (max on site) Provides car parking for all employees.
	Maximum car	N/A No maximums have been provided in Poor PTAL areas.
Low	Minimum car	1 per 8 employees (max on site) Provides car parking for 12.5% of employees. Assumes remaining employees are capable of using other parking options, public transport and active transport.
	Maximum car	1 per employee (max on site) Allows developers to provide car parking to all employees.
Medium	Minimum car	N/A Minimums have usually not been provided in Medium PTAL areas.
	Maximum car	1 per 4 employees Prohibits the oversupply of car parking in areas with multiple public transport options by providing for a maximum of 25% of employees as this is a regular place of work where active and public transport should be encouraged.
High	Minimum car	N/A Car parking minimums have not been provided in High PTAL areas.
	Maximum car	1 per 8 employees Prohibits the oversupply of car parking in areas with multiple public transport options by providing for a maximum of 12.5% of employees as this is a regular place of work where active and public transport should be encouraged.

Table 9: Group 7 Car parking rates

PTAL level	Minimum/Maximum	Education centre (other)
Poor	Minimum car	1 per employee (max on site), and 1 per student (max on campus) Provides car parking for all employees and students.
	Maximum car	N/A No maximums have been provided in Poor PTAL areas.
Low	Minimum car	1 per 8 employees (max on site), and 1 per 8 students (max on campus) Provides car parking for 12.5% of employees and students. Assumes remaining employees and students are capable of using other parking options, public transport and active transport.
	Maximum car	1 per employee (max on site), and 1 per student (max on campus) Allows developers to provide car parking to all employees and students.
Medium	Minimum car	N/A Minimums have usually not been provided in Medium PTAL areas.
	Maximum car	1 per 4 employees (max on site), and 1 per 4 students (max on campus) Prohibits the oversupply of car parking in areas with multiple public transport options by providing for a maximum of 25% of employees and students as this is a regular place of work and education where active and public transport should be encouraged.
High	Minimum car	N/A Car parking minimums have not been provided in High PTAL areas.
	Maximum car	1 per 8 employees (max on site), and 1 per 8 students (max on campus) Prohibits the oversupply of car parking in areas with multiple public transport options by providing for a maximum of 12.5% of employees and students as this is a regular place of work and education where active and public transport should be encouraged.



Proposal 4 - Bicycle parking and end of trip facilities

Proposed changes

- Increase minimum rates for bicycle parking and EoT facilties.
- Introduce new design standards for bicycle parking and EoT facilities.

Cycling has become more popular over the past two decades. More than one million Victorians ride a bike each week and four in 10 Victorians say they would be interested in cycling more often to local services if the infrastructure was in place and the cycling experience was more desirable and appealing.

Increasing the minimum bicycle parking rate and adopting new design standards for bicycle parking and EoT facilities is necessary to increase the uptake of cycling as an active and sustainable mode of transport. Changes to bicycle parking and EoT facilities will also help to achieve the strategic goals of 20-minute neighbourhoods and net zero greenhouse gas emissions by 2050.

New bicycle parking rates and EoT facilities requirements

It is proposed to increase minimum rates for bicycle parking and adopt new design standards for EoT facilities based on the proposed land use and aligned with each PTAL.

The proposed rates (specified as a ratio), along with a rationale (specified as a percentage) for each proposed rate, is set out in tables 10 to 16. All bicycle parking spaces are required to be provided as secure bicycle parking spaces. The basis for the proposed bicycle parking and EoT facilities rates is a continuation of the existing minimum rates approach. The new bicycle parking rates are based on the land use and the PTAL.

The proposed rates draw upon baseline bicycle mode shares for different urban contexts set out by Austroads in Research Report AP-R528-16 Bicycle Parking Facilities: Updating the Austroads Guide to Traffic Management (2016) (AP-R528).

The proposed bicycle parking rates generally reflect the rates in AP-R528 revised to match the comparable PTAL, as this is the framework that has been adopted for the proposed car parking rates to create consistency for how the planning scheme could apply the car and bicycle parking requirements. Some adjustments have been made to reflect specific land uses within a PTAL column. The proposed EoT facilities rates reflect an increase to those in AP-R528.

The location-based targets of bicycle parking set out in AP-R528 are:

- Central City/Metropolitan Activity Centres – 30 per cent bicycle mode split target reflecting the high propensity for these urban environments to attract bicycle use, as they are major trip attractors and employment generators.
- Major Activity Centres – 20 per cent bicycle mode split target reflecting the moderate propensity for these urban environments to attract bicycle use, especially for local and short trips.
- Other urban areas – 10 per cent bicycle mode split target reflecting a reasonable starting point for general urban environments.

The EoT facilities rates recommended in AP-R528 are:

- One shower for the first five bicycle spaces or part thereof, plus an additional shower for each 10 bicycle parking spaces thereafter.
- One change room or direct access to a communal change room per shower.
- The proposed EoT facilities rates are set out in table 17.

Proposed new design standards for bicycle parking

New design standards for bicycle parking will be implemented in the VPP:

- **Bicycle parking to be conveniently located to allow quick, easy access to and from destinations, bicycle routes and complementary facilities**

Conveniently located and clearly signed bicycle parking, particularly in areas with good existing active transport infrastructure, are required to enable and promote a higher cycling mode share.

- **Visitor bicycle parking to be at ground level, either inside buildings or on site, within 30 metres of the main entrance and clearly signed**

Visitor bicycle parking spaces that serve the building and site visitors by being accessible at-grade inside the building, within the site, or within 30 metres of the main entrance, are required to promote cycling as a mode of transport.

The inclusion of visitor bicycle parking located within 30 metres of the main entrance reflects the current Victorian provisions that require bicycle parking to be located within 30 metres of bicycle routes.

- **Long-stay bicycle parking to be provided at ground level or should be accessible via a ramp**

Long-stay bicycle parking located within a consolidated, secure location within the building with easy, at-grade access from storage to the street is required to ensure accessibility to a wide range of users.

- **All visitor parking and at least 50 per cent of long-stay bicycle parking to be horizontal and floor-mounted**

Horizontal bicycle parking prevents the need for lifting and increases accessibility for all cyclists and different bicycle models (e.g. cargo bicycles and electric models).

- **Bicycle parking to be clearly visible or clearly signed from main site entrances**

Bicycle parking that is clearly signed or visible from main site entrances will support a cyclist's decision-making process when choosing their mode of travel, particularly those navigating to unfamiliar destinations. Clear signage facilitates the findability of bicycle parking and ensures that bicycles are parked in appropriate locations.

This is particularly important at transport hubs and in inner-city areas to ensure that bicycle parking is sufficiently separated from vehicular parking areas.

- **At least 5 per cent of bicycle parking to allow users to park and lock electric bicycles and cargo bicycles**

Horizontal spaces with additional dimensions in all directions are required to enable larger models of bicycles such as electric and cargo bicycles to be parked and secured. This will ensure that bicycle parking facilities remain accessible and inclusive to a wide variety of cyclists.

- **Bicycle parking to be protected against theft, damage, and weather**

Double locking of a bicycle frame and at least one wheel should be achievable on all bicycle racks. Bicycle parking is required to be well lit, in a secure location, and either visible, under passive surveillance or monitored by security systems at all hours. Global best practice also indicates an industry standard to incorporate weather protection wherever possible.

Benefits

There are number of benefits for proposed bicycle rates and EoT facilities:

- **Encourage sustainable modes of transport**

Cycling helps reduce greenhouse gas emissions as well as noise and pollution associated with cars.

- **Cost savings without private car ownership**

The cost of buying and maintaining a bike is considerably less than buying and maintaining a car. Bicycle parking is also usually more accessible and more convenient than car parking.

- **Promote health and wellbeing (Clause 18.02)**

Cycling makes people physically active, which can improve wellbeing, mental health and reduce the risk of chronic disease.

- **Dedicated convenient, secure, off-street bicycle parking and EoT facilities**

Convenient and secure off street bicycle parking and EoT facilities makes bicycle riding more attractive.

- **Maximise public investment in bicycle infrastructure**

More people using bicycles as a mode of transport may increase public investment in bicycle infrastructure, which is usually more cost-effective than investing in car infrastructure.

Tell us more

- Do you agree that PTAL should be used to determine bicycle parking rates and EoT facilities for land use groups?
- Do you agree with proposed minimum bicycle parking rates?
- Do you agree with adopting new design standards for bicycle parking and EoT?





Proposed bicycle and end of trip facilities rates

Table 10: Group 1 Bicycle parking rates

PTAL level	Minimum bike	Hotel, Market, Shop, Supermarket, Convenience restaurant, Bar and Restaurant
Poor	Minimum bike	1 per 10 employees (max on site), and 1 per 10 maximum visitors Providing capacity for 10% of employees and visitors to ride to work will help encourage active transport while recognising cars are still the dominant mode of transport in Poor PTAL areas.
Low	Minimum bike	1 per 5 employees (max on site) and 1 per 5 maximum visitors Providing capacity for 20% of employees and 20% of visitors to ride to work will help encourage active transport while recognising cars are still the dominant mode of transport in Low PTAL areas.
Medium	Minimum bike	1 per 3 employees (max on site) and 1 per 3 maximum visitors. Providing capacity for 33% of employees and 33% of visitors to ride will help encourage active transport in Medium PTAL areas.
High	Minimum bike	1 per 3 employees (max on site) and 1 per 3 maximum visitors. Providing capacity for 33% of employees and 33% of visitors to ride will help encourage active transport in High PTAL areas.

Table 11: Group 2 Bicycle parking rates

PTAL level	Minimum bike	Childcare centre	Primary school and Secondary school
Poor	Minimum bike	1 per 10 employees (max on site) Employees should be encouraged to ride to work by providing secure bike parking.	1 per 10 employees (max on site) and 1 per 10 students. Employees should be encouraged to ride to work by providing secure bike parking. Providing capacity for 10% of students to ride to school will assist in promoting active transport.
Low	Minimum bike	1 per 5 employees (max on site) Education centres should encourage active transport for employees by providing secure bike parking for 20% of employees.	1 per 5 employees (max on site) and 1 per 5 students. Education centres should encourage active transport for employees by providing secure bike parking for 20% of employees 20% of students.
Medium	Minimum bike	1 per 3 employee (max on site) and 1 per 3 students Education facilities should actively encourage active transport by providing secure bike parking for 33% of employees and 33% of students.	1 per 3 employee (max on site) and 1 per 3 students Education facilities should actively encourage active transport by providing secure bike parking for 33% of employees and 33% of students
High	Minimum bike	1 per 3 employees (max on site) Education facilities should actively encourage active transport by providing secure bike parking for 33% of employees.	1 per 3 employees (max on site), and 1 per 3 students Education facilities should actively encourage active transport by providing secure bike parking for 33% of employees and 33% of students

Table 12: Group 3 Bicycle parking rates

PTAL level	Minimum bike	Trade supplies	Medical centre	Veterinary centre	Appointment based services	Residential aged care facility
Poor	Minimum bike	1 per 10 maximum visitors Due to the nature of trade supplies stores, it is expected that bike use will be lower than other uses in Poor PTAL areas. Some visitors will still require bicycle parking, particularly for cargo bikes.	1 per 5 appointment rooms Medical centres in Poor PTAL areas should provide a range of parking options to improve accessibility. Allows for approximately 25% of visitors to use bicycles.	1 per 5 appointment rooms Assumes a low bike mode share due to animals being brought to veterinary centres.	1 per 10 employees (max on site) Assumes a low bike mode share due to the nature of the land use.	1 per 10 employees (max on site), and 1 visitor bike park per 10 dwellings Employees should be encouraged to ride to work by providing 10% secure bike parking. Providing capacity for 10% of visitors to ride to aged and retirement care will assist in promoting active transport.
Low	Minimum bike	1 per 5 maximum visitors Due to the nature of trade supplies stores, it is expected that bike use will be lower than other uses in Low PTAL areas. Some visitors will still require bicycle parking, particularly for cargo bikes.	1 per 2 appointment rooms Medical centres should provide a range of parking options to improve accessibility. Allows for approximately 20% of visitors to use bicycles.	1 per 2 appointment rooms While veterinary centres' primary services usually require visitors to transport animals, some visitors will be able to ride with their animals or may be visiting to purchase goods or seek advice without bringing animals. Allows for approximately 20% of users to use bicycles.	1 per 2 appointment rooms Appointment based services should provide a range of parking options to improve accessibility. Allows for approximately 20% of visitors to use bicycles	1 per 5 employees (max on site), and 1 visitor bike park per 5 dwellings Employees should be encouraged to ride to work by providing 20% secure bike parking. Providing capacity for 20% of visitors to ride to aged and retirement care will assist in promoting active transport.

Continued on page 31

PTAL level	Minimum bike	Trade supplies	Medical centre	Veterinary centre	Appointment based services	Residential aged care facility
Medium	Minimum bike	1 per 3 employees (max on site), and 1 per 5 maximum visitors Due to the nature of trade supplies stores, it is expected that bike use will be lower than other uses in Low PTAL areas. Some visitors will still require bicycle parking, particularly for cargo bikes.	1 per 2 appointment rooms Medical centres should provide a range of parking options to improve accessibility. Allows for approximately 20% of visitors to use bicycles.	1 per 2 appointment rooms While veterinary centres' primary services usually require visitors to transport animals, some visitors will be able to ride with their animals or may be visiting to purchase goods or seek advice without bringing animals. Allows for approximately 20% of users to use bicycles.	1 per 2 appointment rooms Appointment based services should provide a range of parking options to improve accessibility. Allows for approximately 20% of visitors to use bicycles.	1 per 3 employees (max on site), and 1 visitor bike park per 3 dwellings Employees should be encouraged to ride to work by providing 33% secure bike parking. Providing capacity for 33% of visitors to ride to aged and retirement care will assist in promoting active transport.
High	Minimum bike	1 per 3 employees (max on site), and 1 per 5 maximum visitors Due to the nature of trade supplies stores, it is expected that bike use will be lower than other uses in Low PTAL areas. Some visitors will still require bicycle parking, particularly for cargo bikes.	1 per 2 appointment rooms Medical centres should provide a range of parking options to improve accessibility. Allows for approximately 20% of visitors to use bicycles.	1 per 2 appointment rooms While veterinary centres' primary services usually require visitors to transport animals, some visitors will be able to ride with their animals or may be visiting to purchase goods or seek advice without bringing animals. Allows for approximately 20% of users to use bicycles.	1 per 2 appointment rooms Appointment based services should provide a range of parking options to improve accessibility. Allows for approximately 20% of visitors to use bicycles.	1 per 3 employees (max on site), and 1 visitor bike park per 3 dwellings Employees should be encouraged to ride to work by providing 33% secure bike parking. Providing capacity for 33% of visitors to ride to aged and retirement care will assist in promoting active transport.

Table 13: Group 4 Bicycle parking rates

PTAL level	Minimum bike	Residential hotel	Dwelling
Poor	Minimum bike	1 per 10 employees (max on site) Employees should be encouraged to ride to work by providing secure bike parking for 10% of employees.	1 per 1 bedroom dwelling, and 2 per 2+ bedroom dwelling, and 1 visitor bike park per 5 dwellings in an apartment development. Secure bike parking should be included for all residents of apartment developments. It is expected that other dwellings will be able to provide secure bike parking within the dwelling.
Low	Minimum bike	1 per 5 employees Employees should be encouraged to ride to work by providing secure bike parking for 20% of employees.	1 per 1 bedroom dwelling, and 2 per 2+ bedroom dwelling, and 1 visitor bike park per 5 dwellings in an apartment development. Secure bike parking should be included for all residents of apartment developments. It is expected that other dwellings will be able to provide secure bike parking within the dwelling. Providing visitor bike parking for 33% of dwellings in apartment development will encourage active transport for visitors.
Medium	Minimum bike	1 per 3 employees Employees should be encouraged to ride to work by providing secure bike parking for 33% of employees.	1 per 1 bedroom dwelling, and 2 per 2+ bedroom dwelling, and 1 visitor bike park per 2 dwellings in an apartment development. Secure bike parking should be included for all residents of apartment developments. It is expected that other dwellings will be able to provide secure bike parking within the dwelling. Providing visitor bike parking for 33% of dwellings in apartment developments will encourage active transport for visitors.
High	Minimum bike	1 per 3 employees Employees should be encouraged to ride to work by providing secure bike parking for 33% of employees.	1 per 1 bedroom dwelling, and 2 per 2+ bedroom dwelling, and 1 visitor bike park per 2 dwellings in an apartment development. Secure bike parking should be included for all residents of apartment developments. It is expected that other dwellings will be able to provide secure bike parking within the dwelling. Providing visitor bike parking for 33% of dwellings in apartment developments will encourage active transport for visitors.

Table 14: Group 5 Bicycle parking rates

PTAL level	Minimum bike	Funeral Parlour	Swimming pool/Gym, Cinema based entertainment facility, Place of assembly (other) and Restricted recreation facility
Poor	Minimum bike	1 per 10 employees (max on site) Providing capacity for 10% of employees to ride will help encourage active transport while recognising cars are still the dominant mode of transport in Poor PTAL areas.	1 per 10 employees (max on site), and 1 per 10 maximum visitors Providing capacity for 10% of employees and visitors to ride will help encourage active transport while recognising cars are still the dominant mode of transport in Poor PTAL areas.
Low	Minimum bike	1 per 5 employees (max on site) Employees should be encouraged to ride to work by providing 20% secure bike parking.	1 per 5 employees (max on site), and 1 per 5 maximum visitors Employees and visitors should be encouraged to ride to recreation facilities by providing 20% secure bike parking.
Medium	Minimum bike	1 per 3 employees Employees should be encouraged to ride to work by providing secure bike parking for 33% of employees.	1 per 3 employees (max on site), and 1 per 3 maximum visitors Providing capacity for 33% of employees and 33% of visitors to ride will help encourage active transport in Medium PTAL areas.
High	Minimum bike	1 per 3 employees Employees should be encouraged to ride to work by providing secure bike parking for 33% of employees.	1 per 3 employees (max on site), and 1 per 3 maximum visitors Providing capacity for 33% of employees and 33% of visitors to ride will help encourage active transport in High PTAL areas.

Table 15: Group 6 Bicycle parking rates

PTAL level	Minimum bike	Warehouses (other), Office (other), Industry (other) and Research and development centre
Poor	Minimum bike	1 per 10 employees (max on site) Providing capacity for 10% of employees to ride will help encourage active transport while recognising cars are still the dominant mode of transport in Poor PTAL areas. This land use is a place of regular employment and so should provide higher than average bike parking.
Low	Minimum bike	1 per 5 employees Employees should be encouraged to ride to work by providing 20% secure bike parking in Low PTAL areas.
Medium	Minimum bike	1 per 3 employees Employees should be encouraged to ride to work by providing secure bike parking for 33% of employees.
High	Minimum bike	1 per 3 employees Employees should be encouraged to ride to work by providing secure bike parking for 33% of employees.

Table 16: Group 7 Bicycle parking rates

PTAL level	Minimum bike	Education centre (other)
Poor	Minimum bike	1 per 10 employees (max on site), and 1 per 10 students (max on campus) Education centres regularly encourage active modes of transport for adult students and secure bike parking should be provided for 10% of employees and students on campus.
Low	Minimum bike	1 per 5 employees (max on site), and 1 per 5 students Employees and students should be encouraged to ride to work by providing 20% secure bike parking in Low PTAL areas.
Medium	Minimum bike	1 per 3 employees (max on site), and 1 per 3 students Education facilities should actively encourage active transport by providing secure bike parking for 33% of employees and students, with the remainder using alternative modes of transport.
High	Minimum bike	1 per 3 employees (max on site), and 1 per 3 students Education facilities should actively encourage active transport by providing secure bike parking for 33% of employees and students, with the remainder using alternative modes of transport.

Table 17: End of trip facilities rates

Land us group	Land uses	End of trip facilities rates
Group 1	Hotel, Market, Shop, Supermarket, Convenience restaurant, Bar and Restaurant	1 locker per bike park, and 1 shower facility per 5 employee bike parks
Group 2	Childcare centre, Primary school and Secondary school	1 locker per bike park, and 1 shower facility per 5 employee bike parks
Group 3	Trade supplies, Medical centre, Veterinary centre, Appointment based services, Residential aged care facility	1 locker per bike park, and 1 shower facility per 5 employee bike parks
Group 4	Residential hotel and Dwelling	N/A
Group 5	Funeral Parlour, Swimming pool/Gym, Cinema based entertainment facility, Place of assembly (other) and Restricted recreation facility	1 locker per bike park, and 1 shower facility per 5 employee bike parks
Group 6	Warehouses (other), Office (other), Industry (other) and Research and development centre	1 locker per bike park, and 1 shower facility per 5 employee bike parks
Group 7	Education centre (other)	1 locker per bike park, and 1 shower facility per 5 employee bike parks

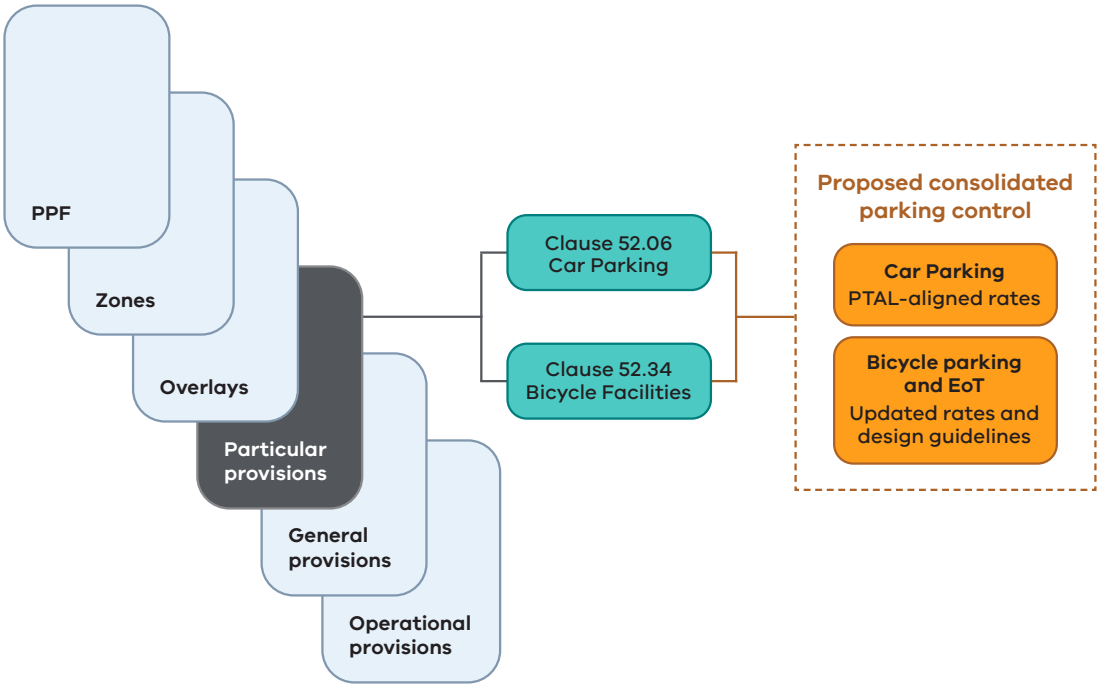
Proposal 5 – a consolidated parking and EoT facilities provision in the VPP

Proposed changes

- Consolidated planning provision for cars, bicycles and EoT facilities that replaces Clause 52.06 (Car parking) and Clause 52.34 (Bicycle facilities).

Car and bicycle parking are currently separated across two provisions in the VPP: Clause 52.06 (Car parking) and Clause 52.34 (Bicycle facilities).

Figure 2: Proposed consolidated planning provisions



It is proposed to consolidate car and bicycle parking requirements into one planning provision in the VPP.

Planning applications to waive or increase car parking requirements

Under a new car parking provision, a planning permit will only be required to provide:

- less than the minimum rate, or
- more than the maximum rate set out in the proposed parking rates, or
- some or all of the parking on another site.

The proposed parking provision will allow an application to provide less parking than what is required by minimum rates set out in the proposed parking rates to be approved if the council is satisfied after considering following decision guidelines:

- The car parking proposed is adequate.
- Existing or planned public transport accessibility would allow convenient access to the site, including for people with disabilities.
- Disabled parking is provided either on the land or at an appropriate alternative location.
- Bicycle parking and EoT facilities are provided in sufficient quantity and quality to encourage active transport access to the site.

An application to exceed the maximum parking rates set out in proposed parking rates could be approved if the council is satisfied after considering following decision guidelines:

The car parking proposed is required, reflecting the specific circumstances of the site, including PTAL accessibility and the nature of the particular land use.

- Additional car parking is required for disability parking.
- Car parking is being provided on the land for precinct parking to service nearby land uses.

Design of car parking spaces

Existing car parking design standards relating to the dimension and access of spaces set out in Clause 52.06 will continue to apply.

Tell us more

- What do you think about consolidating parking requirements within a single, streamlined statutory control for cars, bicycles and EoT facilities?



Have your say

DTP is inviting your feedback on the proposals in this paper. Your feedback will contribute towards better planning and policy outcomes.

Submissions should be emailed to planning.systems@delwp.vic.gov.au

Your submission should clearly explain your, or your organisation's, position on a particular matter and describe any proposed changes, attaching supporting evidence if that would validate or assist in understanding your position.

Your organisation's submission may be made public.

Next steps

DTP will consider all submissions received and will then brief the Minister for Planning on recommendations for implementation.

planning.vic.gov.au


UNLOCKING AFFORDABLE HOUSING AND KEY WORKER ACCOMMODATION IN WARRNAMBOOL
WARRNAMBOOL
CITY COUNCIL
CONCEPT FOR LAND OPPOSITE 177-195 HARRINGTON ROAD

MAIN HOUSING ISSUES IN WARRNAMBOOL

WARRNAMBOOL'S HOUSING CRISIS IS SEVERE AND IS IMPACTING EVERY SOCIAL AND ECONOMIC FABRIC OF THE MUNICIPALITY.

- Rental Vacancy Rate - 0.8% (healthy market rate 4%)
- Median rental price - $500 (av. increase $100 pw)
- Total rentals (18% significantly lower than state average - 30%)
- 1/3rd of renters facing severe rental stress due to increasing rents
- Lack of key worker accommodation is having a negative effect on industries being able to fill positions < economic development
- Lack of local presence of Community Housing Provider

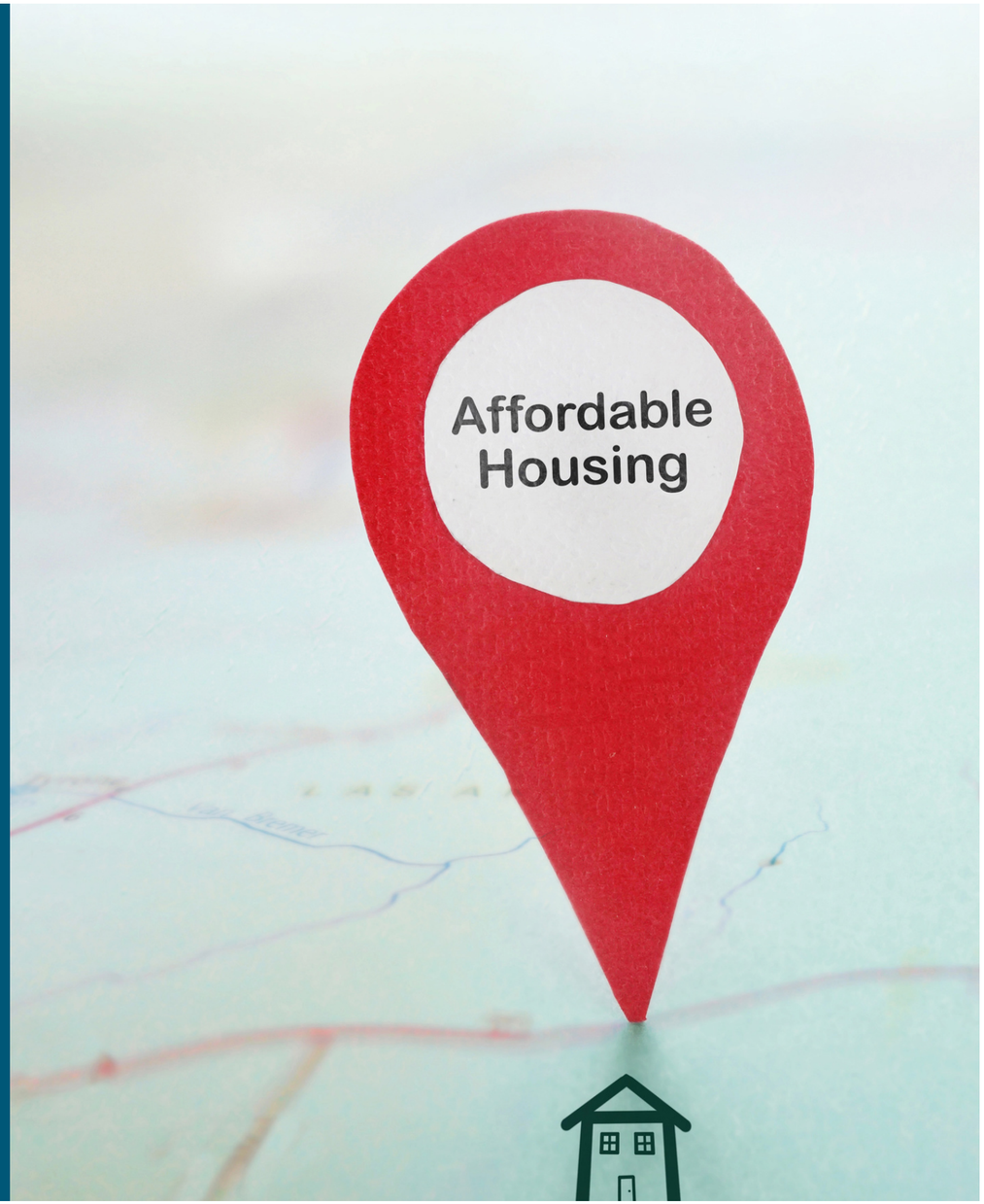
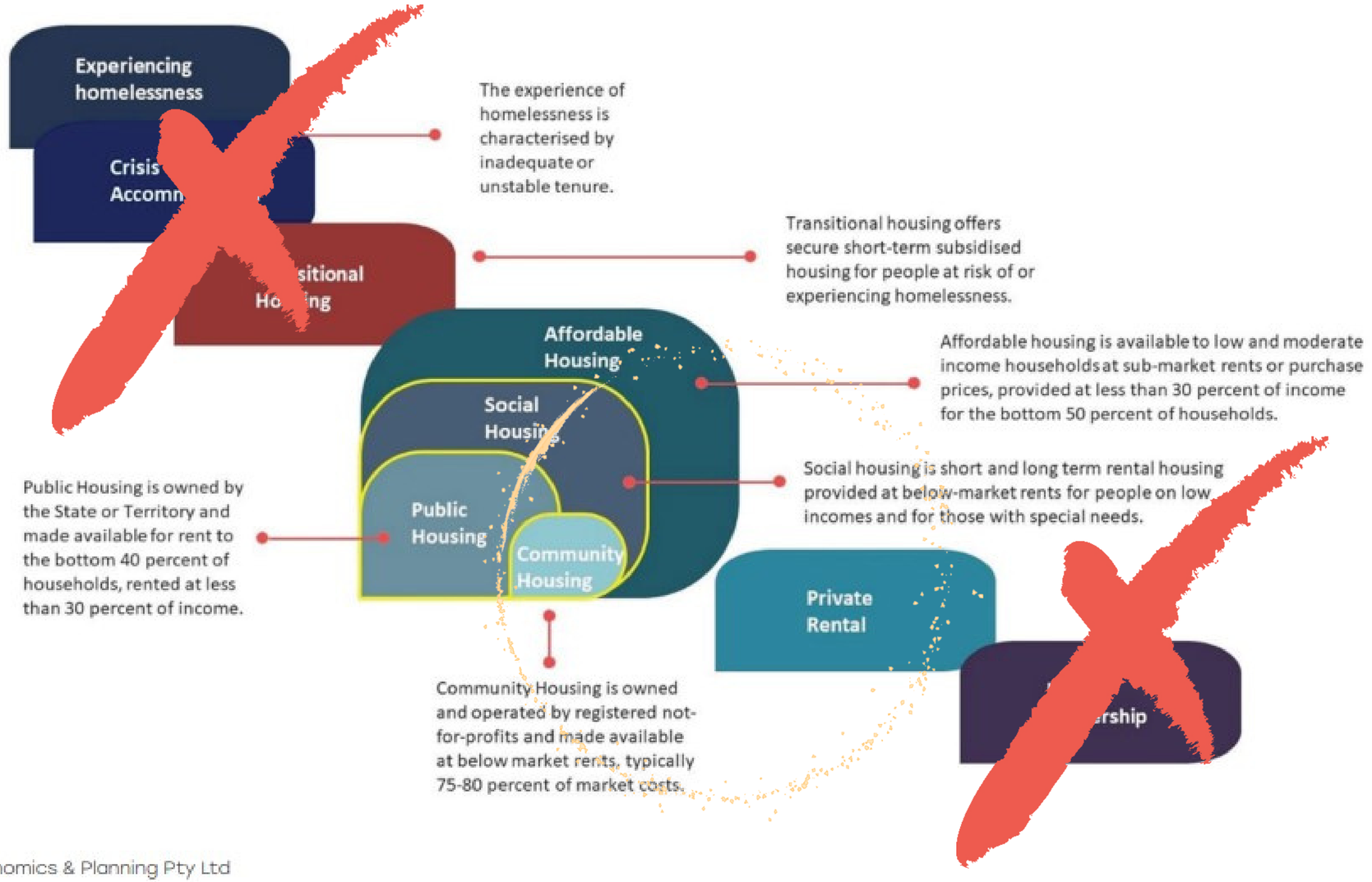
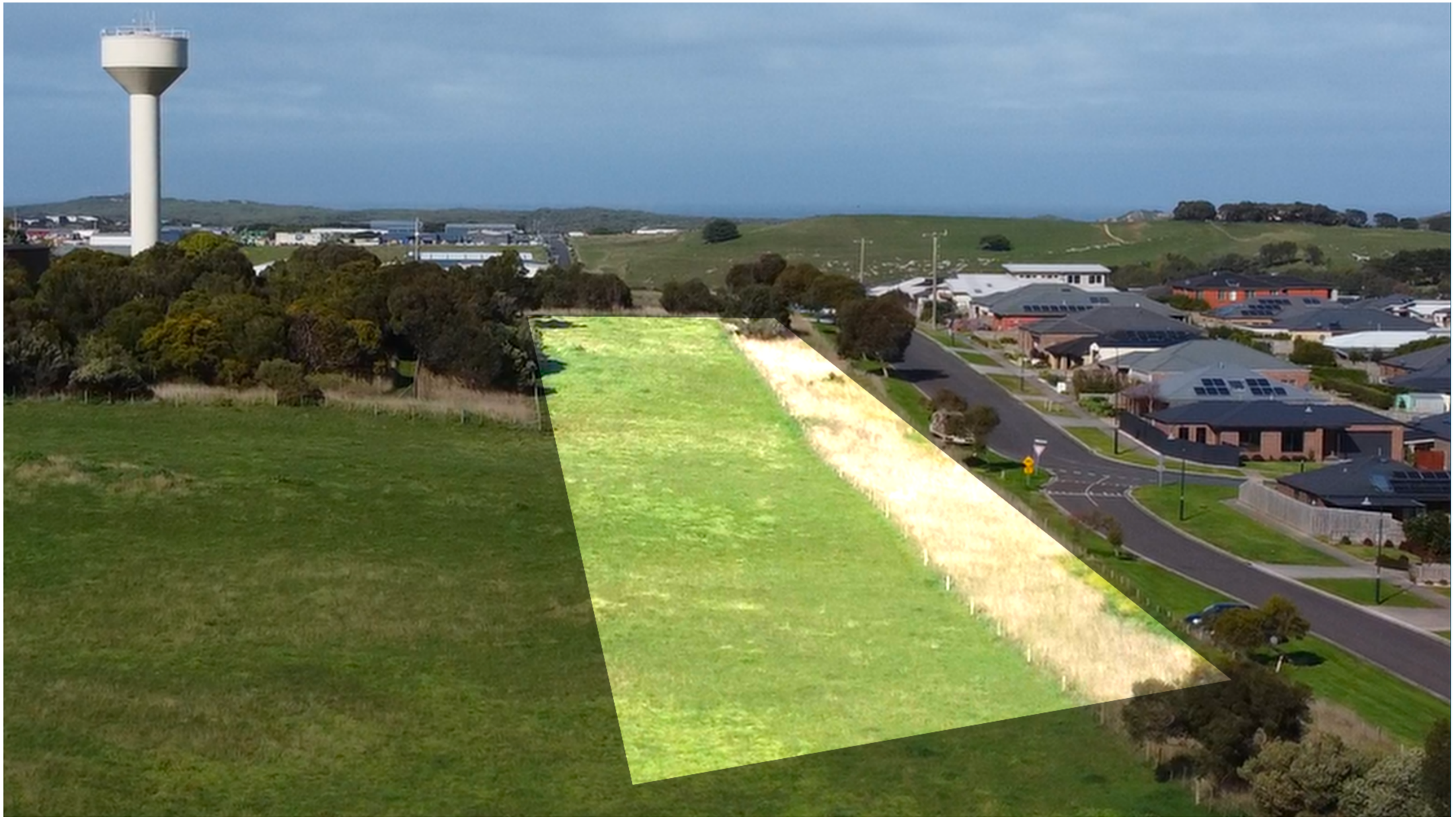


FIGURE 1: HOUSING CONTINUUM



Source: SGS Economics & Planning Pty Ltd



CONCEPT

Construct around 40-50 dwellings

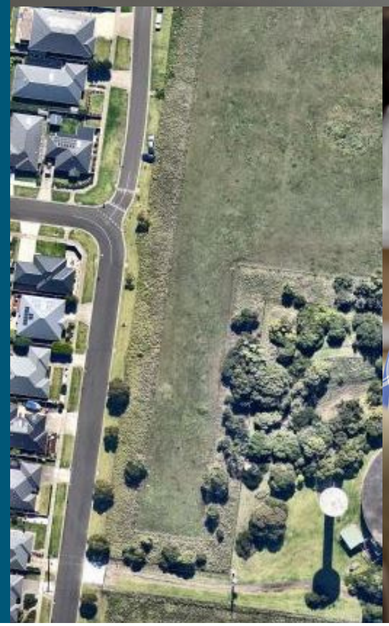
Made up of 1,2,3 Bedroom temporary units

Pre-fabricated buildings - 7 star rated

50% key worker accommodation - 50% affordable housing

Delivery of homes - 12-14 months or earlier







CONCEPT SITE: OPPOSITE 177-195 HARRINGTON ROAD

Activate 10,000-15,000 square metres of land on Harrington Road for a Community Housing Agency to build around 40-50 pre-fabricated dwellings through lease agreement

Drainage and utilities assets adequate to support the project

Current zoned farming and either exemptions or fast-track rezoning to be pursued

Creates an adequate portfolio for a Community Housing Provider to have a local presence.




Concept - Harrington Road Street View



MANAGEMENT MODEL

- *Leasing time period?* 10-12 years
- *Lease value will be determined by property rates payable to Council*
- *Who will manage?* Housing Agency
- *Who will own?* To be determined
- *How much will it cost?* ~ $8-9 million
- *How much return through rent?* ~ $ 10 million through rent without accounting for CPI
- *What happens to units in the end?* Either sell back to builder, transport them elsewhere, or continue to be utilised in another location.
- Any leftover money from Grants and any money realised from sales at the end can go into a Social Housing Growth Fund to facilitate other projects

Supports principle of a circular economy

NEXT STEPS

- Report to Council - Preliminary endorsement by Council to proceed with due diligence - Nov 2023
- Exploration of planning amendments and/or exemptions - Nov 2023 - Feb 2024
- Community engagement - Nov-Dec 2023
- Due diligence with Community Housing Agencies and Expression of Interest - Nov 2023
- Selection of Community Housing Agency and signing of Memorandum of Understanding - Jan 2024
- Due diligence with Federal and State Government entities - Nov 2023 - Feb 2024
- Detailed model and concept design - Jan - Feb 2024
- Report to Council - March 2024



Discussions with Federal & State Government

Australian Government

National Housing Finance and Investment Corporation

VICTORIA State Government

MINUTES

Date:	30 November 2023	Time:	4.05 PM	Location:	Committee Room 1, Warrnambool Civic Centre
Committee Members in attendance	Chair - Cr Richard Ziegeler (Via Teams) Shirley Duffield Sabine Schreiber Geoff Spencer				
Council Officers in attendance	David Leahy – Director City Infrastructure Lauren Schneider –Manager Sustainability & Compliance Justin Harzmeyer - Coordinator Natural Environment & Sustainability Karishma Don – Sustainability Officer Stephanie Bant – City Infrastructure Administration Officer				

No.	What	Green Warrnambool Pillar	Timing	Who
1.	**Welcome & Apologies** Daniela Rizzo, Juan Donis, Bill Yates, Andrew Schultz and Jeff Moreland-Hunt noted as apologies. Chair attended meeting via Teams, asked David Leahy to run through the agenda.	-		Chair
2.	**Conflict of Interest Declaration** Nil.	-		Chair
3.	**Minutes from Previous Meeting - 28 September 2023** **Moved:** Sabine Schreiber **Seconded:** Geoff Spencer	-		Chair
4.	**Lake Pertobe Integrated Water Management Plan** • JH introduced Karishma, Council's new Sustainability Officer, currently in her 3rd week.	Blue		JH

	• Karishma will present to the committee in the future. • The Lake Pertobe IWM is going to Council on Monday 4 December where it will be released for public comment. Improve storm water collected through CBD which enters the lake through outlets. Lake is a one big filter before the water enters the Merri River. • The plan highlights 8 opportunities that include a new basin, lake links, option to treat lakes as one lake and educating community. • Draft document will be provided to the ESAC committee after Monday night for the committee to provide comment. • DL noted the targets are quite ambitious and there is no quick fix. Noted Council will require assist financially to complete some of the projects. • GS questioned where the linkage between the ponds would be to trap litter. JH confirmed it would be located at the top of the stream. • JH explained the way water levels are controlled between different lakes and the river. Explained that during summer when there is less rain there are bores that operate to fill the lake. • Noted there are large amount of nutrients found in the lake. • Explained there is no real monitoring of stormwater coming in. • RZ questioned what sort of quality of water comes out of the bore? - JH advised the bore closer to mini golf has more saline. • DL explained process of filtering water before injecting it into an aquifer to enable stratification to occur whereby the fresh water doesn't mix with the saline water, creating a lens of re-usable water.			

	• GS noted Mangrove trees were thriving in the area. Questioned if the plan looked at vegetation to soak up the nutrients? JH advised it was out of the scope of this plan. Will look at this in the future. • SD suggested it would've been good to do this years ago to keep the natural environment. Stated any loss of the natural environment should not be considered and advised that she didn't like the idea of one big lake. • RZ advised the area used to be a swamp. The presence of the water has been there for a long time. We created the islands to establish Lake Pertobe. Improvements of the water comes down to our efforts to make it a more valuable area for recreation. • GS noted a number of water birds have come to the area. • GS questioned the dates for consultation? JH responded that dates haven't been decided and would most likely will be extended over summer period.			
5.	Flagstaff Hill Public Electric Vehicle Charger • Public electric vehicle charger at Flagstaff hill is up and running. Went through statistics of sessions, revenue and electricity cost over the month of November. • Electric vehicle chargers for council vehicles will be installed at Archie Graham over the next few weeks. Another charger will be installed at the Civic Centre in the New Year. • GS suggested the statistics should be promoted through media. • DL explained the intention now is to decommission Tesla charger in the main street which is very slow.	Zero		JH
6.	Warrnambool Community Stewardship Plan • A part of Green Warrnambool is to do a stewardship plan. Questioned what is the best way to consult with community groups and wider community? • SS suggested to get different community groups into a forum.	Green		JH

	• Noted the CMA had the Merri Alliance which bought groups to work together and not compete. • SS suggested grants would look favorably on working together with community groups. • SD questioned what other community groups were working on Albert Park? - JH advised there were five rotary groups that could potentially work on Albert Park. • SD explained that vegetation had been removed and expressed concern for spraying in the area. *Action: JH to follow up with works depot on reported spraying at Albert Park.*			
7.	Business Renewables Buyers Program • JH advised the City of Yarra had put together a Business Renewables Buying Group for larger businesses who purchase energy and bring them together. Advised that Council had signed on and have until the New Year to get businesses involved.	Zero		JH
8.	Green Warrnambool Strategy - update on Naturally Warrnambool 2040 Goal • Raised by a committee member as agenda item. • The Environment and Sustainability strategy update was done in 2020. In the New Year, we will have more information on this. • SD suggested if there are going to make changes to include page numbers. *Action: Include page numbers in Green Warrnambool Strategy.* • SD noted Council's notice in paper 30/11 of an application to change 19 Horne Road zone from Agricultural to Commercial. Questioned if a Land Capability Study had been done to show best quality farmland locations. • LS advised the work including a land assessment would've been done by the planning area a long time ago.	-		JH

	• SD raised concern that farmers who wanted to sell for the higher price of rezoned commercial status oppose the protection of Agricultural Zone status.			
9.	General Business • SD raised the invasive plant and animal framework, questioned how serious council was with getting rid of invasive plants? Expressed concern for Chilean needle grass entrenched in Albert Park, but not recorded in Moyne Shire or even in Warrnambool outside the park. Concerned about mowers leaving Albert Park without being washed down. Also, strict mowing regime needed during seeding time to prevent seed development as much as possible. - JH responded there is a process for Council machinery to be washed done after use in certain areas. Noted there had been weeds in Albert Plan for a long time and that Council were working a priority of works. • RZ advised there was a Foreshore community workshop after this meeting tonight at 5.30pm in the Reception Room. • SD questioned if there has been an update on management of Maam reserve? Questioned when people will be allowed to go back? - LS confirmed this was discussed at the last meeting. - JH explained that there were processes in place at the moment and advised that soon people will be allowed back with restrictions and hazards to be advised of. End of meeting at 4.52pm.	-		Chair
10.	Next Meeting - Thursday 29 February 2024 Thursday 30 May 2024 Thursday 29 August 2024			

	Thursday 28 November 2024			

Informal Meeting of Council Record

Name of Committee or Group (if applicable):	Informal Meeting of Council (Councillor Briefing)
Date of Meeting:	11 December 2023
Time Meeting Commenced:	3.00pm
Councillors in Attendance:	Cr. B. Blain, Mayor Cr. O. Akoch Cr. D. Arnott Cr. V. Jellie AM Cr. A. Paspaliaris – arrived 3.36pm Cr. M. Taylor Cr. R. Ziegeler
Council Officers in Attendance: Coordinator Project Management	Andrew Mason, Chief Executive Officer Luke Coughlan, Director City Growth Peter Utri, Director Corporate Strategies David Leahy, Director City Infrastructure Ali Kemp, Acting Director Community Development Wendy Clark, Executive Assistant James Plozza, Governance Manager Gareth Colliton, Cultural Development Coordinator 3.00pm – 3.36pm Julie Anderson, Manager Strategic Assets, Property & Projects 3.52pm – 4.04pm Thomas Hall, Coordinator Project Management 3.52pm – 4.04pm Abel Farrell, Manager Infrastructure Services 3.43pm – 3.57pm Dan Selman, Co-ordinator Engineering Design 3.43pm – 3.57pm
Other persons present:	Nil.
Apologies	Nil.
Matters Considered:	1. Public Art. 2. Use of Artificial Intelligence Policy. 3. Ozone Car Park Access alterations. 4. Capital Works Projects Progress report. 5. Viaduct Road Rock Revetment Coastal Processes Study.
Council and Officer Items Raised	• New State run child care centre for Warrnambool. • South West Victoria Alliance AGM Cr Blain now Chair of the Alliance. • Roundtable on developing a new plan for Victoria for regional cities. • Friends of Flagstaff Hill and volunteers. • Highway signage and community noticeboard. • Bus stop in Lava Street footpath repairs, cigarette butt receptacle and speed humps in Lava Street. • Dennington traffic calming measures. • McGennans change boxes. • Compliments to Council staff on speedy removal of weed growing out of pedestrian crossing on Viaduct Road near skatepark. • Complimentary comments on the Mortlake Road roundabout plantings.
Councillor Conflicts of interest Disclosures:	
Councillor /Officer Name: Nil.	
Meeting close time:	4.28pm.
Record Completed by:	Wendy Clark Executive Assistant

Informal Meeting of Council Record

Name of Committee or Group (if applicable):	Informal Meeting of Council (Councillor Briefing)
Date of Meeting:	22 January 2024
Time Meeting Commenced:	3.00pm
Councillors in Attendance:	Cr. B. Blain, Mayor Cr. O. Akoch Cr. D. Arnott Cr. V. Jellie AM Cr. A. Paspaliaris – arrived 3.10pm Cr. M. Taylor Cr. R. Ziegeler
Council Officers in Attendance: Coordinator Project Management	Andrew Mason, Chief Executive Officer Luke Coughlan, Director City Growth Peter Utri, Director Corporate Strategies David Leahy, Director City Infrastructure Ali Kemp, Acting Director Community Development Wendy Clark, Executive Assistant James Plozza, Governance Manager John Brockway, Manager Financial Services – 3pm - 4.14pm Paul Thompson, Manager Tourism 4.46pm – 5.02pm
Other persons present:	Nil.
Apologies	Nil.
Matters Considered:	1. Budget briefing. 2. Chief Executive Employment and Remuneration Policy 2024. 3. Use of Artificial Intelligence Policy 2024. 4. Request to name sports pavilion at Reid Oval. 5. Melbourne advocacy trip. 6. Free camping.
Council and Officer Items Raised	• Recent flood event update. • Closure of Tasty Plate and Library Café. • Prayer and Welcome to Country at Council Meetings. • Visit of Victorian Governor. • Online meeting with Minister for Local Government. • Citizen of the Year awards evening. • Advocacy meetings in Geelong. • AFLW match attendance statistics. • Summer economy update. • Flagstaff Hill patronage. • Highway signage. • Meeting with Hon. Gayle Tierney MP. • Saleyards land. • West Warrnambool Neighbourhood house proposal. • Mobile accessible restroom. • Saleyards masterplan. • Warrnambool RSL. • Midfield Eccles Street housing proposal. • Foreshore strategy.
Councillor Conflicts of interest Disclosures:	
Councillor /Officer Name: Cr M. Taylor – Naming of sports pavilion at Reid Oval - left the meeting during this item.	
Meeting close time:	5.49pm.
Record Completed by:	Wendy Clark Executive Assistant

Informal Meeting of Council Record

Name of Committee or Group (if applicable):	Informal Meeting of Council (Councillor Briefing)
Date of Meeting:	29 January 2024
Time Meeting Commenced:	3.00pm
Councillors in Attendance:	Cr. B. Blain, Mayor Cr. O. Akoch Cr. V. Jellie AM – Arrived 3.29pm Cr. A. Paspaliaris Cr. M. Taylor – Left the meeting at 4.47pm Cr. R. Ziegeler
Council Officers in Attendance: Coordinator Project Management	Andrew Mason, Chief Executive Officer Luke Coughlan, Director City Growth Peter Utri, Director Corporate Strategies David Leahy, Director City Infrastructure Ali Kemp, Acting Director Community Development Wendy Clark, Executive Assistant James Plozza, Governance Manager Stephen Hoy, Economic Development & Events – 3.00pm – 3.27pm Lauren Edney, Service Manager, Events & Promotion – 3.00pm – 3.27pm John Brockway, Manager Financial Services – 3.19pm – 3.50pm Paul Thompson, Manager tourism – 3.43pm – 3.55pm Ashish Sitoula, Manager, Strategic Community Planning & Policy – 4.40pm – 5.33pm Peter Russell, Service Manager, Community Care – 4.40pm – 4.51pm Rachael Edwards, Coordinator Mental Health Service – 4.53pm – 5.33pm
Other persons present:	Linda Tillman & Kushla Gale, The Tillma Group
Apologies	Cr. D. Arnott
Matters Considered:	1. Warrnambool Events Strategy. 2. Short Stay Accommodation Local Law Review. 3. Quarterly Financial Report – October to December 2023 4. Flagstaff Hill Re-Imagined Vision & Opportunities Plan 5. Business Case – New Warrnambool Art Gallery 6. Confidential - Award of Contract 2024016 - Brierly Rec Reserve Eastern Oval Redevelopment - Electrical & Lighting Construction Works 7. S11A Instrument of Appointment and Authorisation – Planning & Environment Act 1987 8. Minutes Middle Island Project Committee meeting – 21 November 2023. 9. Minutes Planning & Advisory Committee meeting – 29 November 2023. 10. Minutes Environment & Sustainability Advisory Committee – 30 November 2023. 11. Winter Solstice 2024. 12. Confidential – Commonwealth Home Support Program. 13. Confidential – Key Worker Accommodation and Affordable Housing. 14. Kepler Street Trees. 15. Mayoral Diary update.
Council and Officer Items Raised	• Seismic testing. • Advocacy meetings in Geelong. • Basketball court Lake Pertobe. • West Warrnambol Neighbourhood House.

	• Clarke Street Allansford. • Parking Freckled Duck, Allansford. • Foreshore carnival. • Lake Pertobe. • Find Your Voice Choir rehearsals. • South West Healthcare and visit of Minister for Health. • Parking and safety issue with parking in Lava Street on the crest of hill. • Naming of Reid Oval pavilion. • Koroit Street planning application and VCAT application.
Councillor Conflicts of interest Disclosures: Cr Richard Ziegeler – Kepler Street Trees – General Conflict - left the meeting during this item.	
Councillor /Officer Name:	
Meeting close time:	6.15pm
Record Completed by:	Wendy Clark Executive Assistant