



Southern Grampians
SHIRE COUNCIL

Provision of Council Services on
Catastrophic and Extreme Fire
Danger Days Policy
2024-2027

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Council Managers and Supervisors are responsible for:

- Briefing all people under their supervision on the terms of this policy and its procedures as well as any changes to Council service delivery
- Emergency Management team to distribute policy to all staff via various communication channels at the commencement of the Fire Danger Period.

For information regarding service delivery, see Section 5 of this document.

4. OBJECTIVES

The objective of this policy is to provide guidance for determining provision of Council services on days of Catastrophic FDR, specifically:

- Leave entitlements.
- Service delivery, in recognition that services may need to be modified or cancelled, and/or staff may be required start work earlier to provide provision of essential services.

Council recognises that many employees are primary carers for children, siblings, and parents. This duty of care may take precedence over work commitment on days declared as Catastrophic FDR. Childcare services, kindergartens, schools and aged care services may be closed on Catastrophic FDR days and accordingly, Council staff will be able to access Family Care Leave if they are the primary care giver and family members are in need of care.

Family Care Leave will also be available to those employees who have property that is threatened by disaster resulting from the Catastrophic FDR day.

Council recognises that some employees are members of emergency service agencies and will allow them to actively participate with these agencies on Catastrophic FDR days. Refer to Councils Release from Duty to attend Emergencies Procedure Council will inform the community via various communication channels of impacted service delivery affected on Catastrophic Fire Danger Rating days.

5. SERVICE DELIVERY

Services	Extreme FDR Detail	Catastrophic FDR Detail	Responsible Officer
CHILD HEALTH/DAY CARE SERVICES			
Maternal and Child Health	Hamilton Monday – Friday 9.00am-5.00pm Office staff dependant.	Service deferred.	Manager Community Wellbeing
Family Day Care	As per Department of Education and Training requirements.	As per Department of Education and Training requirements.	Manager Community Wellbeing
LOCAL LAWS			
Parking	Service deferred based on risk assessment. All actions to comply with the working in adverse conditions procedure.	Services deferred based on risk assessment. All actions to comply with the working in adverse conditions procedure.	Manager Shire Strategy and Regulation
Animals	Animal welfare and community safety activities only. Apply risk assessment.	Animal welfare and community safety activities only. Apply risk assessment.	Manager Shire Strategy and Regulation
School Crossing Supervisors	Normal duties if school is operating. Assess any travel risk to avoid travel between towns. 8.00am-9am and 2pm-3pm if open.	Normal duties if school is operating. Assess any travel risk to avoid travel between towns. 8.00am-9am and 2pm-3pm if open.	Manager Shire Strategy and Regulation

OTHER SERVICES				
Council Visitor Information Centres	Hamilton and Dunkeld open. Preference to utilise local staff where possible.	Hamilton open – local staff only. Dunkeld open with Council staff, based on risk assessment.	Coordinator Visitor Economy	
Inspection services – building, planning environmental health	Inspections in Hamilton only. No inspections after 11am.	Serviced deferred.	Manager Shire Strategy and Regulation	
Work Operations	All Works staff will be required to undertake depot-based maintenance such as plant cleaning, housekeeping and general servicing. Emergency and essential works will be performed subject to risk assessment.	All Works staff will be required to undertake depot-based maintenance such as plant cleaning, housekeeping and general servicing. Emergency and essential works will be performed subject to risk assessment.	Manager of Works	
Livestock Exchange	The Stand Still Plan would apply for livestock movements. Varying activities based on individual risk assessments, minimal manual handling. All actions to comply with the working in adverse conditions procedure.	The Stand Still Plan would apply for livestock movements. Varying activities based on individual risk assessments, minimal manual handling. All actions to comply with the working in adverse conditions procedure.	Manager of Works	
Waste Management	Hamilton Transfer Station open. Other transfer stations closed. Skip trucks to only operate in Hamilton.	All Transfer Stations closed. Skip trucks not operating. No kerbside waste collection.	Sustainable Community Lead	

	Kerbside collection will occur at alternative hours.		
Pools See Operations of Outdoor Pools Policy (Oct 2017)	All pools open as per usual hours of operation. Note: all pools are open subject to staff availability.	Outdoor pools closed. HILAC pool open as per usual hours of operation. Note: all pools are open subject to staff availability.	Manager Community Wellbeing
Public events wholly managed or staged by Council	Only events that can be staffed locally will occur (no travel by staff). Event timing and location may be varied subject to availability of staff and risk assessment.	All public events cancelled.	Manager Communications and Engagement
L2P Program	Will operate within Hamilton town limits only. Car must have a working air conditioner.	Service deferred.	Manager Communications and Engagement
Mobile Library	Service deferred.	Service deferred.	Manager Communications and Engagement
General		Any service requiring staff to travel outside town boundaries on a Catastrophic FDR day will be subject to variation or deferment. Consideration needs to be made that any service provided is complying with the SGSC Work in Adverse and High Weather Conditions procedure, Other services may be varied, limited or withdrawn at the	

		discretion of Council Management. Contractors will follow the guidelines set by SGSC unless that is in conflict with a more conservative instruction from their own employer (e.g. cease all work activities on an Extreme FDR day). Further information will be outlined within the work instructions of each business unit as required.	
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6. FAMILY CARE LEAVE PROCEDURE

Declaration of Catastrophic Fire Danger Rating will likely, (yet not always) occur 24 hours ahead of time. This procedure is most practicable with 24 hours' notice to allow employees to make considered decisions regarding their family commitments.

- Ideally, those who are primary care givers (as defined in the Enterprise Agreement) to immediate family will be able to nominate to their supervisor or manager prior to the Catastrophic FDR day that they will be taking Family Care Leave.
- Lodgement of the leave will be required to be completed by the employee and approved by their supervisor or manager.

There may be occasions where leave application will be completed retrospectively if there is insufficient prior warning of the Catastrophic FDR day.

7. VARIATION OR SUSPENSION OF WORK

- a. Staff may be advised not to attend work for part or all day on a Catastrophic or Extreme FDR day.
- b. Staff may undertake varied duties or work varied hours at the discretion of their supervisor or manager, consistent with employment arrangements.
- c. Staff will be compensated in line with normal work attendance under these circumstances.
- d. If an employee elects not to attend work on a Catastrophic or Extreme fire danger day for the purposes of activating their personal fire plans leave will be taken as agreed with their supervisor or manager.
- e. Staff who have close relatives whose bush fire plans outline the need to be cared for by the staff member, or who need to care for children who are unable to attend school due to its closure, may have access to additional Family Leave. Close relatives are as defined in the Enterprise Agreement. See Family Care Leave Procedure above.

8. COMMUNICATIONS WITH STAFF AND COMMUNITY PROCEDURE

INTERNAL

When a Catastrophic FDR day is predicted –

- *Supervisors and Managers will consult with their staff regarding the Catastrophic Fire Day policy
- Supervisors and Managers will communicate with their staff to determine roster or changes to service in anticipation of Catastrophic FDR. *Referring to 6. Variation or Suspension of Work.*
- Staff will refer to 5. *Family Care Leave Procedure* or 6. *Variation of Suspension of Work.*

*Whilst every effort will be made to advise staff of Catastrophic FDR days, the timing of such declarations may not allow for the distribution or consultation of policy on all occasions.

EXTERNAL

When a Catastrophic FDR day is predicted –

- Council will issue changes to service delivery via various communication channels, including updates to the Council website
- Council will align emergency messaging and/or share emergency services updates via communication channels.

- **Individual communications to specific community group or clients will be the responsibility of the given departments.

**Whilst every effort will be made to advise staff of Catastrophic FDR days, the timing of such declarations may not allow for the distribution of individual communications.

9. RELATED PROGRAMS AND DOCUMENTS

Working in Adverse Conditions Procedure

OHS Policy

Operation of Greater Hamilton Outdoor Pools Policy

Risk Management Policy

Release from Duty to attend Emergencies Procedure

Occupational Health and Safety Act 2004 (VIC)

Occupational Health and Safety Regulations 2017 (VIC)

Emergency Management Act 2013

10.CHARTER OF HUMAN RIGHTS AND COMPLIANCE

It is considered that this policy is compatible with the relevant human rights identified in the *Charter of Human Rights and Responsibilities Act 2006 (Vic)*.

11.GENDER EQUALITY COMPLIANCE

It is considered that this policy is compatible with the relevant gender equality principles identified in the *Gender Equality Act 2020*.

Is a Gender Impact Assessment required?

☐ Yes

☒ No

12.REVIEW

Every three years and after any changes to legislation or guidance that may impact on this policy.

13.AUTHORISED

CEO

Signature

Date



Neighbourhood Safer Place – Bushfire Place of Last Resort Designated sites state-wide as at 22/01/2024 (alphabetical by Township)

Municipality	Township	Name/Location	Sub Location	House/Street
Surf Coast Shire	Aireys Inlet	Grassed road reserve between 73 Great Ocean Road and Bambra Road		Great Ocean Road (between number 73 and Bambra Road)
Surf Coast Shire	Aireys Inlet	Aireys Inlet Bottom Shops	Car parking area in front	Great Ocean Road (opposite Inlet Crescent)
Murrindindi Shire	Alexandra	Leckie Park	Cricket Oval	Station Street (opposite Lamont Street)
Surf Coast Shire	Anglesea	River Bank		Great Ocean Road (opposite Minifie Avenue)
Surf Coast Shire	Anglesea	Anglesea Shopping Strip	Car parking area in front	Great Ocean Road (between Camp Road and McDougall Road)
West Wimmera Shire	Apsley	Apsley Recreation Reserve	South west quarter of Oval only	Splatt Street (opposite Johnston Street)
Ararat Rural City	Ararat	Alexandra Oval	Carpark north end of oval next to tennis courts	1 Waratah Avenue
Strathbogie Shire	Avenel	Avenel Recreation Reserve	Pavilion	Bounded by Swamp Road, Anderson Street and Watson Street
Pyrenees Shire	Avoca	High Street Median Strip		High Street (Sunraysia Highway) between Cambridge St & Russell St
Greater Bendigo City	Axedale	Axedale Primary School	Oval	Bounded by McIvor Highway (High Street), Shadforth Street, Mitchell Street and Raglan Street
Ballarat City	Ballarat Central	Central Business District		Sturt Street (between Dawson Street & Lydiard Street)
Southern Grampians Shire	Balmoral	Balmoral Memorial Hall and Bowls Club	Grounds	Corner Stirling Street (Natimuk-Hamilton Road) and Glendinning Street
Southern Grampians Shire	Balmoral	Balmoral Community College	Car parking adjacent to gymnasium/tennis courts	Harrow - Balmoral Road
Southern Grampians Shire	Balmoral	Balmoral Mechanic Institute and Memorial Hall		26 Glendinning Street
Mornington Peninsula Shire	Balnarring	Balnarring Village Shopping Centre	Car Park Areas	Bounded by Frankston-Flinders Road, Balnarring Road and Russell Street
Pyrenees Shire	Barkly	Barkly Public Hall		451 Landsborough-Barkly Road
Indigo Shire	Barnawartha	Barnawartha Sports Ground	Pavilion	Corner Soldiers Road and Stanley Street
Colac-Otway Shire	Barwon Downs	Barwon Downs Parkland (Old school site)		1595 Birregurra-Forrest Road (near corner Wickhams Lane)
Colac-Otway Shire	Barwon Downs	Barwon Downs Community Hub	Club Rooms at rear of CFA Fire Station	1599 Birregurra-Forrest Road
Pyrenees Shire	Beaufort	Wotherspoon Park		Cnr Lawrence Street (Skipton Road) and Havelock Street
Colac-Otway Shire	Beecac	Beecac Park		Corner of Main Street (Colac-Ballararat Road) and Wallace Street
Colac-Otway Shire	Beech Forest	Gravel area next to The Beechy Hotel		35 Main Road (Beech Forest-Mount Sabine Road)



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Indigo Shire	Beechworth	Police Paddocks		High St (between Williams St & Camps St - Rear of Police Station)
Indigo Shire	Beechworth	Memorial Hall		Ford Street (between Williams Street and Camp Street)
Yarra Ranges Shire	Belgrave	Recreation Reserve		Reserve Road
Yarra Ranges Shire	Belgrave	Alexanders Car Park (rear of Shopping Centre)		Reynolds Lane
East Gippsland Shire	Bemm River	Bemm River Hotel		3-5 Sydenham Parade
East Gippsland Shire	Benambra	Benambra Oval		Tip Road
Greater Bendigo City	Bendigo	Queen Elizabeth Oval		Corner View Street and Barnard Street
East Gippsland Shire	Bendoc	Bendoc Hall	Car Park	Dowling Street (Lower Bendoc Road)
Colac-Otway Shire	Birregurra	Birregurra Park	Grassed area at Northern corner	35-39 Main Street (Corner of Strachan Street)
Mornington Peninsula Shire	Blairgowrie	Blairgowrie Shopping Strip	Car Park and grassed area	Point Nepean Road (between St Johns Wood Rd & Mackie Court)
Casey City Council	Blind Bight	Kestral Close & Petrel Close		Kestral Close & Petrel Close
East Gippsland Shire	Bonang	Bonang Hall	Grounds	Bonang Road
Mansfield Shire	Bonnie Doon	Peppin Point Holiday Park	Tennis Court/Swimming Pool Area	75 Peppin Drive
Mansfield Shire	Bonnie Doon	Bonnie Doon Recreation Reserve	Car park off Davon Street adjacent to oval	Bounded by Arnot Street, Zimmerman Avenue, Davon Street and Wilson Street
Latrobe City	Boolarra	Boolarra & District Memorial Hall	Grounds	Corner Christian Street (Boolarra-Churchill Road) and Church Street
Loddon Shire	Boort	Boort Football Club and Harness Racing	Oval	Malone Street
Southern Grampians Shire	Branxholme	Unused Bowling Green	Opposite Fire Station	Best Street (between Cox Street and Brown Street)
Loddon Shire	Bridgewater On Loddon	Bridgewater Memorial Hall	Grounds	Corner Erskine Street and Eldon Street
Alpine Shire	Bright	Pioneer Park	Football Oval	55-71 Coronation Avenue
Mitchell Shire	Broadford	Harley Hammond Reserve	Sports oval and car park area	Bounded by Hamilton Street, Gavan Street and Powlett Street
East Gippsland Shire	Buchan	Buchan Oval		Buchan-Orbost Road



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Ballarat City	Buninyong	Central Business District		Bounded by Learmonth St (Midland Hwy), Inglis, Forest, & Warrenheip St
Mount Alexander Shire	Campbells Creek	Campbells Creek Community Centre		Corner Elizabeth Street and Cemetery Road
Corangamite Shire	Camperdown	Service road on north side of Manifold Street including centre reserve		Manifold Street (Princes Hwy) between Harrison Street & Cressy Street
Ballarat City	Canadian	Residential Parkland		Provincial Way (between Broderick Court & Ryder Court)
East Gippsland Shire	Cann River	P-12 College		Cnr Tamboon Road and Stephenson Street
Golden Plains Shire	Cape Clear	Cape Clear Recreation Reserve		Cemetery Road (near corner of Pitfield-Scarsdale Road). Enter via access road (locally known as Recreation Rd) off Pitfield-Scarsdale Rd
Bass Coast Shire	Cape Paterson	Anchor Parade Reserve		Corner Anchor Parade and Park Parade
Bass Coast Shire	Cape Woolamai	Woolamai Park		11-19 Sunnyside Avenue (entry also available from Corona Road)
Mornington Peninsula Shire	Capel Sound	Truemans Road Recreation Reserve	Grassed area surrounding cricket training nets	113-119 Truemans Road (opposite John Street)
Central Goldfields Shire	Carisbrook	Market Reserve		Bounded by Green Street, Urquhart Street, Powlett Street and Birch Street
Glenelg Shire	Casterton	Casterton Central Business District		Henty Street (Glenelg Highway) between Hutton Street and Clarke Street
Mount Alexander Shire	Castlemaine	Victory Park and Mostyn Street (between Barker Street and Hargraves Street)		Park bounded by Barker Street, Forest Street, Frederick Street and Mostyn Street (between Barker Street and Hargraves Street)
Southern Grampians Shire	Cavendish	Cavendish Town Square Memorial Park		Corner Barker Street and Scott Street
Buloke Shire	Charlton	Charlton Shire Hall		9-11 Armstrong Street (Charlton-St Arnaud Road) opposite Camp Street
Wangaratta Rural City	Cheshunt	Cheshunt Hall		Corner King Valley Road and Upper King River Road
Indigo Shire	Chiltern	Memorial Hall		Conness Street (between Kilgour Street and Alliance Street)
Hepburn Shire	Clunes	Central Business District		Fraser Street (between Templeton and Service Streets)
Corangamite Shire	Cobden	Curdie Street Median Strip		Curdie Street (between Adams Street and Victoria Street)
Moir Shire	Cobram	Sports Complex	Netball Courts	Campbell Road (entry via Doug Robinson Drive)
Cardinia Shire	Cockatoo	Cockatoo Community Complex	Community Hall	Pakenham Road (between McBride Street and Alexander Road)

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Municipality	Township	Name/Location	Sub Location	House/Street
Gannawarra Shire	Cohuna	Cohuna Secondary College	Oval	Murray Valley Highway
Yarra Ranges Shire	Coldstream	Halley Supple Reserve		Bounded by South Gateway and North Gateway
Southern Grampians Shire	Coleraine	Coleraine Railway Reserve		Pilleau Street (near corner of Read Street)
Towong Shire	Corryong	Attree Park (Town Centre Parkland)	Adjacent to the Tourist Information Centre	Bounded by Hansen Street (Murray Valley Highway), Jardine Street and Harris Street
Bass Coast Shire	Cowes	Cowes Recreation Reserve		2-8 Church Street (between Park Street & Dunsmore Road)
Colac-Otway Shire	Cressy	Cressy Public Hall		41 Yarima Road
Colac-Otway Shire	Cressy	Cressy Public Hall	Grassed area at front	41 Yarima Road
Hepburn Shire	Creswick	Creswick Visitor Information Centre	Car Park (behind the building)	Cnr Victoria Street and Albert Street
Towong Shire	Cudgewa	Cudgewa Recreation Reserve	Community Building (Football Netball Club)	Cudgewa Valley Road (between Carkeeks Road and Germans Road)
Mildura Rural City	Cullulleraine	Johanansen Memorial Recreation Reserve		Lake Park Road (near Sturt Highway)
Moorabool Shire	Darley	Darley Civic and Community Hub (Former Secondary School Campus)	Oval	Wittick Street (opposite Lewis Street)
Glenelg Shire	Dartmoor	Dartmoor Recreation Reserve		Corner Ascot Street and Egan Street. Entry from Ascot St (opposite Wood St) or Egan St (opposite Glenelg Tce)
Towong Shire	Dartmouth	Hotel		Murtagh Place
Hepburn Shire	Daylesford	Central Business District	Pavement Areas	Bounded by Bridport, Albert & Camp Streets & Central Springs Road
Surf Coast Shire	Deans Marsh	Martians Cafe site	Car Park	Cnr Birregurra-Deans Marsh Road and Deans Marsh-Lorne Road
Alpine Shire	Dederang	Community Hall		Kiewa Valley Highway (near Streets Lane)
Golden Plains Shire	Dereel	Dereel Open Space	Parking Area	Dereel-Rokewood Junction Road (between Judge Road and Tantaus Road)
West Wimmera Shire	Dergholm	Dergholm Recreation Reserve	South West corner of Oval	Casterton-Apsley Road (Casterton-Naracoor Road) near corner of Dergholm-Chetwynd Road
Corangamite Shire	Derrinallum	Derrinallum Park Recreation Reserve	Car Park and North West area of Oval	Hamilton Highway (near corner Camperdown-Derrinallum Road)
Benalla Rural City	Devenish	Devenish Public Hall		34 Main Street (between McCallum Street and Devon Street)
Nillumbik Shire	Diamond Creek	Community Centre		Reserve Circuit (entry off Main Hurstbridge Road)



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Hindmarsh Shire	Dimboola	Bicentennial Community Park	Between Carpark and High Street	Corner High Street (Dimboola-Rainbow Road) and Lloyd Street
Yarra Ranges Shire	Dixons Creek	Dixons Creek Recreation Reserve	Oval Area	Melba Highway (between Pinnacle Lane and Lorimers Lane)
Buloke Shire	Donald	Donald Recreation Reserve	Hammill Street entry area and south east half of Jeffcott Oval	45 Hammill Street (Borong Highway) opposite Mill Street
Mornington Peninsula Shire	Dromana	Recreation Reserve		Cnr Pier Street and Charles Street (enter off Pier Street)
Southern Grampians Shire	Dunkeld	Dunkeld Community Centre – Sterling Place		14 Sterling Street
Central Goldfields Shire	Dunolly	Gordon Gardens		Bounded by Barkly Street, Thompson Street and Market Street
Greater Bendigo City	Eaglehawk	Canterbury Park Sports Precinct	Car parks and Event space	16 Simpsons Road (opposite Trumble Street)
Campaspe Shire	Echuca	Echuca South Recreation Reserve	Oval	High Street (opposite Minor Street)
West Wimmera Shire	Edenhope	Lake Wallace Reserve		Corner Lake Street and Anzac Avenue
Murrindindi Shire	Eildon	Eildon Basketball Courts Open space		Corner Centre Avenue and Main Street
Wangaratta Rural City	Eldorado	Eldorado Memorial Hall		Main Street (opposite McCoy Street)
Ararat Rural City	Elmhurst	Elmhurst Mechanics Institute	Footpath and forecourt in front	34 High Street (Pyrenees Highway) between Elmhurst-Glenpatrick Road and Degraeves Street
Nilumbik Shire	Eltham	Car Park between Dudley Street and Arthur Street		Between Dudley Street and Arthur Street
Cardinia Shire	Emerald	Worrell Reserve	Oval and Car Park Areas	Junction of Belgrave-Gembrook Road and Emerald-Monbulk Road
Casey City Council	Endeavour Hills	Barry Simon Reserve	(NE Corner)	10 Gleneagles Drive
Towong Shire	Eskdale	Eskdale Recreation Reserve	Mitta Valley Sports Complex Building	3645 Omeo Highway (1.3km west of Little Snowy Creek Road)
Strathbogie Shire	Euroa	Euroa Swimming Pool Car Park		16a Bury Street
Mornington Peninsula Shire	Flinders	Shopping Precinct		Cook Street (between Norman Street and Wood Street)
Murrindindi Shire	Flowerdale	Flowerdale Hall		Whittlesea-Yea Road opposite Broadford-Flowerdale Road
Colac-Otway Shire	Gellibrand	Rex Norman Park		Corner of Colac-Lavers Hill Road and Old Beech Forest Road
Cardinia Shire	Gembrook	Gembrook Community Centre	Carpark	Cnr Beenak East Road and Gembrook Road (entry off Gembrook Road)
Hepburn Shire	Glenlyon	Eldon Street		Eldon Street (between Molesworth Street and house number 19)



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Wangaratta Rural City	Glenrowan	Glenrowan Recreation Reserve	Community Centre Hall	Daniel Lane
Southern Grampians Shire	Glenthompson	Vacant land adjacent to Glenthompson War Memorial Swimming Pool		Corner Henry Street and Cameron Street (Maroona-Glenthompson Road)
Benalla Rural City	Goorambat	Goorambat Public Hall		Halls Road near corner of Park Street
Moorabool Shire	Gordon	Community Hall		Main Street (opposite Russell Street)
West Wimmera Shire	Goroke	Goroke Recreation Reserve	Football Oval	85-101 Main Street (between R Walkers Road and Camp Street)
Mansfield Shire	Goughs Bay	Goughs Bay - Howes Creek Fire Station		Corner Walshs Road and Howes Creek-Goughs Bay Road
Bass Coast Shire	Grantville	Memorial Park		Cnr Bass Highway and Pier Road
Moorabool Shire	Greendale	Egans Reserve		Greendale-Ballan Road (entry via Bradys Lane)
Nillumbik Shire	Greensborough	Diamond Hills Reserve	Oval	244-246 Plenty River Drive (between Brentwick Dve & Bayonne Cl)
Nillumbik Shire	Greensborough	Collendina Reserve		Bounded by Killarney Ridge, Eastgate Drive and Collendina Crescent
Nillumbik Shire	Greensborough	Outdoor Performance Area		Civic Drive (opposite Brentwick Drive)
Mount Alexander Shire	Guildford	John Powell Reserve		Bounded by Midland Highway (Parker Street and Templeton Street) and Fryers Street
Golden Plains Shire	Haddon	Haddon Primary School Oval		Sago Hill Road
Northern Grampians Shire	Halls Gap	Halls Gap Playground and Picnic Area		Between Grampians Road and School Road
Southern Grampians Shire	Hamilton	Hamilton Showgrounds		27 Horner Street
Mount Alexander Shire	Harcourt	Harcourt Valley Primary School Basketball Stadium		Mills Road (between Bingham's Road & Coolstore Road)
Alpine Shire	Harrierville	Community Hall		Great Alpine Road (opposite Feathertop Lane)
Moyne Shire	Hawkesdale	Hawkesdale Hall Grounds and Service Road		Dawson St (Penshurst-Warrnambool Rd) btwn Austin & Spring St
Yarra Ranges Shire	Healesville	Queens Park		Bounded by Don Rd, Maroondah Hwy & Badger Creek Rd (entry off Don Road)
Yarra Ranges Shire	Healesville	RACV Healesville Country Club	Underground Car Park	Healesville-Kinglake Road (near corner Chum Creek Road)
Greater Bendigo City	Heathcote	Holy Rosary Primary School	Oval	Bounded by Ebdon Street, Pohlman Street and Playne Street

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Municipality	Township	Name/Location	Sub Location	House/Street
Hepburn Shire	Hepburn	Hepburn Recreation Reserve (Laurie Sullivan Reserve)	Netball Pavilion	Corner Hepburn-Newstead Road (Main Road) and Twentieth Street
Glenelg Shire	Heywood	Heywood Central Business District		Edgar Street (Princes Highway), including Service Roads, between Lindsay Street and Cameron Street
Horsham Rural city	Horsham	Sawyer Park		Corner Hocking Street and Firebrace Street
Mansfield Shire	Howqua	Camp Howqua	Lodge Building	127 Howqua River Road
Nillumbik Shire	Hurstbridge	Hurstbridge Community Hub	Hurstbridge Hurricanes Basketball Stadium	Graysharps Road (at the roads end)
Loddon Shire	Inglewood	J. Sloan Park	Playground between Swimming Pool and Tennis Club	Corner Calder Highway (Heales Street) and Grant Street South
Bass Coast Shire	Inverloch	Community Hub Grounds		Cnr Reilly Street and A Beckett Street
Ballarat City	Invermay	Invermay Recreation Reserve	Grassed area between car park and oval	Corner Muscatel Street and Swingers Road
Mildura Rural City	Inyempe	Henshilwood Oval		Karadoc Avenue (between Casuarina Crescent & Armagh Crescent)
Mansfield Shire	Jamieson	Jamieson Memorial Hall		Corner Perkins Street and Grey Street
Surf Coast Shire	Jan Juc	Bob Pettit Reserve	Oval and adjacent soccer pitch and car park	Sunset Strip (between Wattle Court and Domain Road)
Hindmarsh Shire	Jeparit	Skate Park and Playground Area		Corner of Broadway and Edith Street
Casey City Council	Junction Village	Recreation Reserve		1-3 Sherwood Road
Greater Bendigo City	Junortoun	Lords Raceway		Mclvor Highway (entry opposite Atlas Road)
Greater Bendigo City	Kangaroo Flat	Centro Lansell (Lansell Plaza)	Car Park	Calder Highway (High Street) opposite Symes Street
Greater Bendigo City	Kangaroo Flat	Dower Park		Cnr Station Street & Olympic Parade (entry off Station Street)
Gannawarra Shire	Kerang	Alexandra Park	Kerang Racecourse	Kerang-Koondrook Rd. Entry also off Park Rd (opp. Keats St)
Mitchell Shire	Kilmore	Grassland Opposite Kilmore Racing Club		Corner East Street and Gipps Street
Mitchell Shire	Kilmore	Bitumen car park	Adjacent to Trackside Function Centre, Kilmore Racecourse	East Street (opposite Gipps Street)
Mitchell Shire	Kilmore	Kilmore Racing Club	J Kelly Pavilion	East Street (opposite Gipps Street)
Murrindindi Shire	Kinglake West	Kinglake West Recreation Reserve		Corner of Whittlesea-Kinglake Road and Recreation Road
Gannawarra Shire	Koondrook	Koondrook Football Oval		Penglase Street (opp. Reserve Street)



Neighbourhood Safer Place – Bushfire Place of Last Resort Designated sites state-wide as at 22/01/2024 (alphabetical by Township)

Municipality	Township	Name/Location	Sub Location	House/Street
Moyne Shire	Koroit	Victoria Park	Car parking area at entry to oval	High Street (between King Street and Garden Street)
Horsham Rural city	Laharum	Laharum Football Ground (Cameron Park)	Oval area in front of Club Rooms	1473 Northern Grampians Road
Ararat Rural City	Lake Bolac	Lake Bolac Information Centre	Car Park and Footpath area	2116 Glenelg Highway (near corner Mortlake-Ararat Road)
Macedon Ranges Shire	Lancefield	Lancefield Mechanics Institute		4 The Crescent (Corner High Street)
Pyrenees Shire	Landsborough	Landsborough Recreation Reserve		Corner Back School Road & Forestry Road
Pyrenees Shire	Lexton	Toll Bar Recreation Reserve		Williamson Street (between Sunraysia Highway & Skene Street)
Yarra Ranges Shire	Lilydale	Lake Park		Swansea Road
Yarra Ranges Shire	Lilydale	Reserve		Main Street (Maroondah Highway) opposite Hutchinson Street
Golden Plains Shire	Linton	Linton Recreation Reserve		Brooke Street
Corangamite Shire	Lismore	Lismore Recreation Reserve	Area between two Ovals opposite Heriot Street	Seymour Street (opposite Heriot Street)
Wellington Shire	Loch Sport	Lions Park		Lake Street opposite Second Street North
Strathbogie Shire	Longwood	Longwood Recreation Reserve	Pavilion	Down Street (Depot Road)
Surf Coast Shire	Lorne	Point Grey	Picnic Area and Carpark	Great Ocean Road (between Mountjoy Parade and Hird Street)
Surf Coast Shire	Lorne	Lorne Foreshore		Mountjoy Parade opposite William Street
Casey City Council	Lysterfield South	Council Road Reserve (Melbourne Water Retarding Basin)		98 Churchill Park Drive
Casey City Council	Lysterfield South	Municipal Reserve		Chr Parkside Boulevard and Lake Park Court
Macedon Ranges Shire	Macedon	Tony Clarke Reserve	Macedon Community Centre	Waterfalls Road (between Honour Avenue and King Street)
Greater Bendigo City	Maiden Gully	Maiden Gully Primary School	Basketball courts and surrounds	Corner Carolyn Way and Glenelg Drive
Mansfield Shire	Maindample	Maindample Fire Station	Shed	Main Street, near Railway Street intersection
Mount Alexander Shire	Maldon	Bill Woodfull Recreation Reserve	Pavilion	Francis Street
Mount Alexander Shire	Maldon	Bill Woodfull Recreation Reserve	Oval	Francis Street
East Gippsland Shire	Mallacoota	Mallacoota Foreshore Holiday Park	Waterfront area between boat ramp and Captain Stevenson's Point	12 Allan Drive
Strathbogie Shire	Mangalore	Mangalore Airport	Main Building	Mangalore Airport Road (off Aerodrome Road)



Neighbourhood Safer Place – Bushfire Place of Last Resort Designated sites state-wide as at 22/01/2024 (alphabetical by Township)

Municipality	Township	Name/Location	Sub Location	House/Street
Mansfield Shire	Mansfield	Recreation Reserve Sporting Complex		Highbett Street (between Victoria Street and Curia Street)
Central Goldfields Shire	Maryborough	Jack Pascoe Reserve	Oval	Bounded by Gillies Street, Majorca Road and Cadle Street
Central Goldfields Shire	Maryborough	Princes Park	Oval	40 Park Road (between Nightingale Street and Wills Street)
Murrindindi Shire	Marysville	Marysville Community Centre	Located in Gallipoli Park	Falls Road
Mornington Peninsula Shire	McCrae	McCrae Plaza	Car Park	Corner Point Nepean Road and Lonsdale Street
Mildura Rural City	Merbein	Kenny Park		Bounded by Calder Hwy (3rd St), Smith & Box St (Enter: Cnr Smith & Box)
Glenelg Shire	Merino	High Street Service Road	Between Fire Station and Public Hall	High Street (Portland-Casterton Road) Service Road between house number 6 and 10
Mansfield Shire	Merrijig (Mount Buller)	Merrijig Public Hall		Corner Mount Buller Road and Alpha Street (opposite Fire Station)
Mansfield Shire	Merton	Merton Recreation Reserve Racecourse	Grassed area between sports hall and pergola	Merton-Euroa Road near junction of Maroondah Highway
Mildura Rural City	Mildura	Mildura Recreation Reserve	No. 3 Oval	121-191 Eleventh Street
Mildura Rural City	Mildura	Mildura Recreation Reserve	No.1 & 2 Ovals (Harness Racing Track)	121-191 Eleventh Street
Mildura Rural City	Mildura	Old Aerodrome Sporting Complex	Ovals	Cnr Eleventh Street (Ranfurly Way) & Flora Avenue (Ranfurly Way)
Yarra Ranges Shire	Millgrove	Millgrove Recreation Reserve		Moore Crescent
Yarra Ranges Shire	Monbulk	Monbulk Recreation Reserve	Oval	2B Moores Road
Pyrenees Shire	Moonambel	Moonambel Recreation Reserve		Stawell-Avoca Road (opposite Moonambel-Natte Yallock Road)
Surf Coast Shire	Moriac	Moriac Newling Reserve	Grassed area at rear of Moriac Community Centre building	830 Hendy Main Road (between Deppeler Avenue and Cooks Lane).
Moyne Shire	Mortlake	Mortlake Market Square		Bounded by Shaw St (Hamilton Hwy), Officer St & Townsend St
Alpine Shire	Mount Beauty	Sports Stadium		Pool Road
Mount Buller and Mount Stirling Alpine Resort	Mount Buller	Village Square Plaza		3 Summit Road
Ballarat City	Mount Clear	Midvale Shopping Centre	Car Park	Cnr Ballarat-Buninyong Road & Whitehorse Road



Neighbourhood Safer Place – Bushfire Place of Last Resort Designated sites state-wide as at 22/01/2024 (alphabetical by Township)

Municipality	Township	Name/Location	Sub Location	House/Street
Mornington Peninsula Shire	Mount Eliza	Emil Madsen Reserve	Oval 1	261 Wooralla Drive (near Moorooduc Highway)
Yarra Ranges Shire	Mount Evelyn	Yarra Hills Secondary College - Mount Evelyn Campus	Sports Oval	Burdap Drive
Mornington Peninsula Shire	Mount Martha	Shopping Precinct	Car Park	Bay Road (between Howey Road and Langrigg Avenue)
Surf Coast Shire	Mount Moriac	Mt Moriac Reserve	Western half of No. 1 Oval (Main)	755 Reservoir Road (between Ervins Road and Drewry Lane)
Ararat Rural City	Moyston	Moyston Recreation Reserve		Corner Moyston-Great Western Road and Ararat-Halls Gap Road
Gannawarra Shire	Murrabit	Football Ground	Oval	Browning Avenue (opposite Danson Street)
Mildura Rural City	Murrayville	Murrayville Caravan Park and Swimming Pool	Grassed area between Poole Street and Last Street	34 Reed Street (between Poole Street and Last Street)
Alpine Shire	Myrtleford	McNamara Reserve	Ablett Pavilion	35 Lewis Avenue
Alpine Shire	Myrtleford	McNamara Reserve	Oval	35 Lewis Avenue
Strathbogie Shire	Nagambie	Nagambie Regatta Centre		Loddings Lane (off Vickers Road)
Casey City Council	Narre Warren North	Municipal Reserve		100 Crawley Road (opposite Jack Robbie Court)
Horsham Rural city	Natimuk	Natimuk Showgrounds Recreation Reserve	Entry access road and car park in north west corner	48 Jory Street (Corner Mitchell Street)
Pyrenees Shire	Natte Yallock	Natte Yallock Recreation Reserve	Oval area in front of club house	Reserve Road (off Maryborough-St Arnaud Road)
Glenelg Shire	Nelson	Grassed area (River Bank) adjacent to Visitor Information Centre	From Bridge in the north to Kiosk in the south	Leake Street (between Kellett Street and Portland-Nelson Road)
Glenelg Shire	Nelson	Nelson Boat Ramp Car Park		Corner Leake Street and Kellett Street
Mount Alexander Shire	Newstead	Newstead Community Centre		9 Lyons Street (Pyrenees Highway)
Hindmarsh Shire	Nhill	Davis Park Recreation Reserve	South east quarter of Oval	Bounded by Davis Avenue, Park Street, King Street and Fraser Street
Corangamite Shire	Noorat	Noorat Recreation Reserve	Oval	65 Mackinnons Bridge Road
Greater Bendigo City	North Bendigo	Showgrounds		Bendigo-Eaglehawk Road (Holmes Road) opposite Havilah Road
East Gippsland Shire	Omeo	Omeo Recreation Reserve		Corner Day Avenue and Park Street
East Gippsland Shire	Orbost	Orbost Cricket Club Oval		Cnr Nicholson St and Gladstone St (entry off Gladstone St)

Neighbourhood Safer Place – Bushfire Place of Last Resort

Designated sites state-wide as at 22/01/2024 (alphabetical by Township)



Municipality	Township	Name/Location	Sub Location	House/Street
Mildura Rural City	Ouyen	Blackburn Park		Cnr Farrell Street (Calder Hwy) & Hughes Street (Mallee Hwy)
Moyne Shire	Panmure	Panmure Public Hall Grounds	including open space out front	Princes Highway at Service Road entry
Manningham City	Park Orchards	Domeney Reserve	Pavilion Verandah	24-52 Knees Road (opposite Orchid Court)
East Gippsland Shire	Paynesville	A.J. Freeman Reserve Oval 1		Main Road between King Street and Ashley Street
Casey City Council	Pearcedale	Pearcedale Recreation Reserve	Oval (first oval on entry) and surrounding car park	720 Baxter-Tooradin Road (opposite Gracemere Drive)
Southern Grampians Shire	Penshurst	Grassed road reserve at rear of Penshurst Senior Citizens Centre		French Street between Bell Street and Watton Street
Moyne Shire	Peterborough	Monument Car Park		Irvine Road (at the roads end on the Coast)
Alpine Shire	Porepunkah	Community Hall		1 Martley Street
Alpine Shire	Porepunkah	Oval		Cnr Nicholson Street & Martley Street
Wellington Shire	Port Albert	Port Albert Boat Ramp	Car park and surrounds	Cnr Wharf St (Yarram-Port Albert Rd) & Bay St
Corangamite Shire	Port Campbell	Port Campbell Foreshore		Cairns Street (between Tregoe Street and Lord Street)
Glenelg Shire	Portland	Civic Hall	Car Park	30 Bentinck Street (between Glenelg Street and Gawler Street)
Mornington Peninsula Shire	Portsea	WE Newton Reserve		Point Nepean Road (opposite Nepean Place)
Mitchell Shire	Pyalong	Pyalong Recreation Reserve	Building	Northern Highway (near corner of West Road)
Loddon Shire	Pyramid Hill	Mitchell Park	Oval	Gladfield Road
Hindmarsh Shire	Rainbow	Federal Street	Footpath area outside MECCA building	Corner of Federal Street and Butter Factory Lane
East Gippsland Shire	Raymond Island	Raymond Island Community Centre Hall		Corner Fifth Parade and Sixth Avenue
Greater Bendigo City	Redesdale	Agnes Mudford Recreation Reserve	Open space between Public Hall and Oval Pavilion	2631 Kyneton-Redesdale Road
Mildura Rural City	Red Cliffs	Quandong Park		Cnr Erskine Avenue & Calder Highway (entry off Erskine Ave)
Mornington Peninsula Shire	Red Hill	Red Hill Recreation Reserve Top Oval (closest to Arthurs Seat Rd)	Eastern half of oval on tennis club side	184 Arthurs Seat Road (corner Arkwells Lane)
Pyrenees Shire	Redbank	Redbank Recreation Reserve	Grassed area between playground and Burge Street	Burge Street
Macedon Ranges Shire	Riddells Creek	Riddells Creek Leisure Centre	Stadium	Cnr Sutherlands & Racecourse Rds (entry off Sutherlands Rd)
Swan Hill Rural City	Robinvale	Recreation Reserve		Latje Road



Neighbourhood Safer Place – Bushfire Place of Last Resort Designated sites state-wide as at 22/01/2024 (alphabetical by Township)

Municipality	Township	Name/Location	Sub Location	House/Street
Mornington Peninsula Shire	Rosebud	Olympic Park		80 Besgrove St opposite Lyndon Drv (entry also Eastbourne Rd)
Golden Plains Shire	Ross Creek	Ross Creek Recreation Centre Car Park		Sebastopol-Smythesdale Road (near Lacys Road)
Strathbogie Shire	Ruffy	Ruffy Recreation Reserve Oval	"Maygar Park"	Noye Lane (off Buntings Hill Road north east of Ruffy)
Indigo Shire	Rutherglen	Rutherglen Showgrounds Arena	South of AE Henderson Pavilion	High Street opposite Indigo Court
Mornington Peninsula Shire	Rye	Shopping Strip and Foreshore		Township area between Dundas St & Hygeia St (including foreshore)
Indigo Shire	Sandy Creek	Sandy Creek Recreation Reserve	Club Rooms	Lockharts Gap Road between Sandy Creek Road and Reserve Road
South Gippsland Shire	Sandy Point	Sandy Point Community Centre		Corner Ocean View Parade and Church Parade
Loddon Shire	Serpentine	Janiember Park (formerly Serpentine Recreation Reserve)	South east quarter of Oval only	Corner Chapel Street and Park View Drive
Mitchell Shire	Seymour	Chittick Park	Oval	Pollard Street
Corangamite Shire	Skipton	Skipton Recreation Reserve	Oval	Bounded by Smythe Street, Johnson Street, Osborne Street and Anderson Street
Golden Plains Shire	Smythesdale	Smythesdale Recreation Reserve	Area in front of main pavilion	55 Heales Street
Pyrenees Shire	Snake Valley	St Brigid's Catholic Church	Open space on north side	Cnr Linton-Carngham Road & Murrays St
Mornington Peninsula Shire	Sorrento	David MacFarlan Reserve		Cnr Melbourne Road and Hotham Road
Wangaratta Rural City	Springhurst	Springhurst Community Hall		111 Anzac Road
Northern Grampians Shire	St Arnaud	Lord Nelson Park Oval (Harness)		Dunstan Street (off Charlton-St Arnaud Road)
Indigo Shire	Stanley	Stanley Recreation Reserve	Pavilion	Pioneer Road
Northern Grampians Shire	Stawell	Cato Park		Victoria Street (opposite Haitts Lane)
Strathbogie Shire	Strathbogie	Strathbogie Golf Club	Club House	Armstrong Avenue
Greater Bendigo City	Strathfieldsaye	Strathfieldsaye Recreation Reserve, Club Court	JG Edwards Oval east of cricket pitch to Uxbridge Street	9 Uxbridge Street (opposite Apsley Street)
Ararat Rural City	Streatham	Streatham Memorial Hall	Footpath and forecourt in front	30 Campbell Street (Glenelg Highway)



Neighbourhood Safer Place – Bushfire Place of Last Resort Designated sites state-wide as at 22/01/2024 (alphabetical by Township)

Municipality	Township	Name/Location	Sub Location	House/Street
Swan Hill Rural City	Swan Hill	Showgrounds Recreation Reserve		McCallum Street
East Gippsland Shire	Swan Reach	Swan Reach Oval		Duffy Street (opposite Swan Street)
Benalla Rural City	Swanpool	Swanpool and District Memorial Hall		Midland Highway
Central Goldfields Shire	Talbot	Pioneer Reserve		Cnr Fyfe Street and Scandinavian Crescent
Towong Shire	Tallangatta	The Triangle		Parkland area at intersection of Towong Street and Banool Road
Mitchell Shire	Tallarook	CWA Park		Corner Main St (Upper Goulburn Road) and Railway Place
Indigo Shire	Tangambalanga	Tangambalanga Community Centre		29 Kiewa East Rd
Mount Alexander Shire	Taradale	Taradale Hall		Corner High Street (Calder Highway/Malmsbury-Elphinstone Road) and De La Beche Street
Benalla Rural City	Tatong	Tatong Recreation Reserve	Community Hub	Corner of Coghill Road and Tiger Hill Road
Alpine Shire	Tawonga	Hall		44 Kiewa Valley Highway
Corangamite Shire	Terang	Terang Recreation Reserve		25 Strong Street
Benalla Rural City	Thoona	Thoona Memorial Hall		Corner Sargeant Street and Nichol Street
Murrindindi Shire	Thornton	Thornton Recreation Reserve	Oval	Taggerty-Thornton Road (near corner Goulburn Valley Highway)
Corangamite Shire	Timboon	Timboon and District Hall		53 Bailey Street (near corner George Street)
Mansfield Shire	Tolmie	Tolmie Fire Station		Cnr Old Tolmie Rd (Spring Creek Rd) & Tolmie-Mahaikah Rd
Mitchell Shire	Tooborac	Tooborac Recreation Reserve	Public Hall	Northern Highway (between Seymour-Tooborac Road and Middle Springs Road)
Hepburn Shire	Trentham	Central Business District		Camp Street (between Cosmo Road and Bowen Street)
Mildura Rural City	Underbool	Underbool-Linga Memorial Hall		Corner Monash Avenue and Malkin Avenue
Yarra Ranges Shire	Upwey	Dandenong Ranges Community Cultural Centre 'Burrinja'	Car Park at North of site	Corner Glenfern Road and Matson Drive
Yarra Ranges Shire	Upwey	Recreation Reserve		Alexander Ave (opposite Austral Ave) entry also via Chosen Ave
Strathbogie Shire	Violet Town	Violet Town Recreation Reserve	Pavilion	Tulip Street opposite Hyacinth Street
Mitchell Shire	Wallan	Hadfield Park	(outdoors area)	Bounded by Northern Hwy, Wallan-Whittlesea Rd, Windham St & Queen St
Yarra Ranges Shire	Wandin North	Wandin North Reserve		Corner Clegg Road and Warburton Highway
Yarra Ranges Shire	Warburton	Warburton Recreation Reserve	Oval	Warburton Highway
Yarriambiack Shire	Warracknabeal	Anzac Park	Open Space out front of Community Centre	Bounded by Scott Street, Arnold Street, Molyneux Street and Gardiner Street



Neighbourhood Safer Place – Bushfire Place of Last Resort Designated sites state-wide as at 22/01/2024 (alphabetical by Township)

Municipality	Township	Name/Location	Sub Location	House/Street
Manningham City	Warrandyte	Skate Park and Basketball Courts		Corner Taroona Avenue and Heidelberg-Warrandyte Road
Warrnambool City	Warrnambool	Albert Park - Mack Oval	Car Park	Grafton Road
Warrnambool City	Warrnambool	Lake Pertobe Adventure Playground	Car Park	Pertobe Road (Opposite Warrnambool Surf Life Saving Club)
Warrnambool City	Warrnambool	Merrivale Recreation Reserve	Car Park	Cnr Merrivale Drive & Landmann Street (entry off Merrivale Drv)
Warrnambool City	Warrnambool	Albert Park - Football Club	Car Park	Cramer Street
Warrnambool City	Warrnambool	Davidson Oval	Car Park	Cnr Caramut Road & Fairfax Avenue (entry off Caramut Road)
Warrnambool City	Warrnambool	Albert Park - Walter Oval	Car Park	Coulstock Street Entry (opposite Foster Street)
Warrnambool City	Warrnambool	EJ King Reserve	Car Park	Simpson Street (between Otway Road and Bostock Street)
Warrnambool City	Warrnambool	Albert Park - Reid Oval	(sealed road at southern edge)	Coulstock Street Entry (between Japan St & Foster St)
Pyrenees Shire	Waubra	Waubra Recreation Reserve	Grassed area between bowling club and oval	2091 Sunraysia Highway
Loddon Shire	Wedderburn	Donaldson Park/Wedderburn Harness	Oval	Bounded by Chapel Street, Hospital Street, Godfrey Street and Peters Street
Mitchell Shire	Wandong	Wandong Plaza and IGA Supermarket Carpark		3272 Epping-Kilmore Road
Wangaratta Rural City	Whitfield	Whitfield Recreation Reserve	Sports Pavilion	Mansfield-Whitfield Road
Whittlesea City	Whittlesea	A.F. Walker Reserve		Cnr Laurel Street and Forest Street
Ararat Rural City	Willaura	Willaura Memorial Hall	Footpath and Car Park in front	Main Street (opposite Commercial Street)
Surf Coast Shire	Winchelsea	Service Lane/Shopping Strip	Car Park	Princes Highway service lane (between Hesse Street and Palmer Street)
Wodonga City	Wodonga	Martin Park	Oval No.2	Gordon Street (Entry opposite Mark Street)
Wodonga City	Wodonga	Birallee Park	Football Ground	Marshall Street
Wodonga City	Wodonga	Kelly Park Soccer Ground		Lawrence Street
Manningham City	Wonga Park	Dudley Road Reserve		Dudley Road (between house number 35 and Wonga Park Primary School Netball & Basketball Courts)
Macedon Ranges Shire	Woodend	Buffalo Stadium		1-29 Forest Street (Tylden-Woodend Road)
Mansfield Shire	Woods Point	Woods Point	The Adit	Kenny's Track near Scott Street (rear of Police Station)
Yarra Ranges Shire	Woori Yallock	Woori Yallock Recreation Reserve	Oval	Healesville-Koo Wee Rup Road opposite Nester Road

Neighbourhood Safer Place – Bushfire Place of Last Resort

Designated sites state-wide as at 22/01/2024 (alphabetical by Township)



Municipality	Township	Name/Location	Sub Location	House/Street
Indigo Shire	Yackandandah	Memorial Gardens		Cnr High Street and Wellsford Street
Indigo Shire	Yackandandah	Yackandandah Senior Citizens Hall		14 Wellsford Street
Murrindindi Shire	Yarck	Yarck Recreation Reserve		Corner Yarck Road and Goodear Lane
Yarra Ranges Shire	Yarra Glen	Yarra Valley Racing Centre	Car Park	2 Armstrong Grove (Corner Healesville-Yarra Glen Road)
Yarra Ranges Shire	Yarra Junction	Recreation Reserve		Park Road (off Warburton Highway)
Nillumbik Shire	Yarrambat	Yarrambat Golf Course	Clubhouse	649 Van Yean Road
Moira Shire	Yarrowonga	Victoria Park	Cricket Oval	Dunlop St (opposite Coghill St). Entry also off Woods St
Murrindindi Shire	Yea	Yea Skate Park		Station Street (Melba Highway) opposite Mary Street
Latrobe City	Yinnar	Yinnar Primary School	Netball/Hard Court area	30 Main Street

Public search function is available via [CFA Local information](#) to find nearest NSP-BPLR.



Neighbourhood Safer Place – Bushfire Place of Last Resort Site Assessment Report



Site Details:

NSP-BPLR ID Number	1000103129		
CFA Region	South West	CFA District	CFA District 05
Municipal Council	Southern Grampians Shire		

Location	Grass space on road reserve beside Memorial Hall - Watton Street		
Sub Location			
Address	21 Martin St		
Township	Penshurst	Postcode	3289

Location Type	Open Space
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Best Access to Site	
Brief Description of Use	Road reserve on Council land

Site Assessment Officer Details:

Name	Jessica Sutherland
Assessment Date	9/5/2024

Result:

Assessment Result	<u>COMPLIANT</u>
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COMPLIANT	Meeting the CFA assessment criteria on the day of assessment
COMPLIANT/PRESCRIPTIONS	Meeting the CFA assessment criteria on the day of assessment, provided that the prescriptions for grassland management* are implemented throughout the fire danger period; and secured by agreed terms entered into by the landholder(s) ¹
NON-COMPLIANT	Not meeting the CFA assessment criteria on the day of assessment

The assessment result is determined in accordance with the CFA NSP-BPLR Assessment Guideline. The Guideline has been prepared and approved by CFA, published in the Government Gazette and on the CFA website, pursuant to s.50E of the *Country Fire Authority Act 1958*.

Certification Details:

	Manager Community Safety	Assistant Chief Fire Officer
Name	James Haley	Kade Dowie
Date	23/5/2024	20/6/2024

¹ The landholder may be the council, a public authority, an agency, or a private person. Evidence of grassland management agreement(s) noting the specific prescriptions within this assessment report must be provided to CFA with notification of council designation or continued designation as part of review.



Neighbourhood Safer Place – Bushfire Place of Last Resort Site Assessment Report



NSP-BPLR ID Number	1000103129			
Location	Grass space on road reserve beside Memorial Hall - Watton Street			
Address	21 Martin St			
Township	Penshurst	Postcode	3289	
Location Type	Open Space			

Assessment Factors:

		North Aspect	East Aspect	South Aspect	West Aspect
Vegetation Type		No Classified Vegetation Type / BAA N/A	No Classified Vegetation Type / BAA N/A	AS3959 Grassland / BAA Grassland (pasture)	No Classified Vegetation Type / BAA N/A
Separation Distance to Vegetation (m)	Actual	NA	NA	288	NA
	Prescribed (Grassland only)				
Vegetation Height		NA	NA	1	NA
Effective Slope (°)		0	0	0	0
Site Slope (°)		0	0	0	0
Deemed to Satisfy Requirements (Actual or Prescribed) for Distance Achieved (Distance ≥ 140m Building; ≥ 310m Open Space)		Yes	Yes	No	Yes
Deemed to Satisfy Requirements for Slope Achieved (Effective Slope < 20°)		Yes	Yes	Yes	Yes
(If DtS is not achieved) Calculated Heat Flux (kW/m ²) (To be ≤ 2kW Open Space; ≤ 10kW Building)	Actual	NA	NA	0.24	NA
	Prescribed (Grassland only)				
*Prescriptions for grassland management					
Overall Criteria Achieved		Yes	Yes	Yes	Yes

CFA Assessment Criteria:

An NSP-BPLR should provide protection to people from lethal levels of radiant heat through an appropriate separation distance between the bushfire hazard (vegetation) and the outer edge of the NSP-BPLR.

An NSP-BPLR must meet the following maximum radiant heat criteria.



Neighbourhood Safer Place – Bushfire Place of Last Resort Site Assessment Report



NSP-BPLR type	Maximum radiant heat	Separation distance
Building	10kW/m ²	> 140m
Open space	2kW/m ²	> 310m

The separation distance in metres (m), in the above table, is from the outer edge of a proposed or existing NSP-BPLR to a forest fuel hazard and represents an acceptable evidence-based measure to comply with the maximum allowable radiant heat criteria. Where NSP-BPLRs are abutting less than extreme fuel hazards the separation distance may be reduced so long as the criteria for maximum radiant heat are met.

Compliance with the CFA assessment criteria is the first step in a broader municipal council process for a site to be considered for designation or ongoing designation as part of review.



Vicky Collins
Southern Grampians Shire

Dear Vicky

**Neighbourhood Safer Place – Bushfire Place of Last Resort (NSP-BPLR) CFA
Assessment 1000103129 Grass space on road reserve beside Memorial Hall -
Watton Street**

Section 50G of the *Country Fire Authority Act 1958* (CFA Act) sets out obligations for CFA in relation to Council proposed NSP-BPLRs as follows:

(5) On receiving a request (for assessment from Municipal Council), the Authority must-

- (a) assess the place; and*
- (b) if the place meets the criteria set out in the CFA Assessment Guidelines, certify in writing that the place meets those criteria.*

This letter and the associated assessment report is designed to meet these obligations and aid Council in determining the suitability of potential NSP-BPLRs.

The below site has been assessed in accordance with the CFA NSP-BPLR Assessment Guideline criteria and is based on the quantity of vegetation determined at the time of assessment. It is Council's responsibility to maintain all NSP-BPLRs pursuant to section 50I of the CFA Act.

1000103129 Grass space on road reserve beside Memorial Hall - Watton Street 21 Martin St, Penshurst 3289 has been determined as **compliant** with the CFA assessment criteria.

It is Council's responsibility to designate this site as an NSP-BPLR. Following due process and MEMPC or relevant sub-committee deliberation and recommendation to Council. Council must notify CFA via the CFA NSP CRM of Council's designation decision – either designated or not designated, for this compliant site.

Notification of council designation must include the following attachments for the Municipal Association of Victoria check process:

1. Council minutes (or relevant excerpt) from the meeting when the NSP-BPLR was officially designated.

2. Landowner/manager consent for the use of the place as an NSP-BPLR (if not council owned/managed).

Designation notification must also include the following attachment where CFA compliance result is based on grassland management during the declared fire danger period.

1. Grassland management agreements from landholder(s)/manager(s) noting the treatments and prescriptions defined in the CFA assessment report.

Yours sincerely

James Haley
Manager Community Safety
South West
j.haley@cfa.vic.gov.au |

Reconciliation Action Plan

**Southern Grampians Shire Council
Reflect – Reconciliation Action Plan
July 2024 – July 2025**

Southern Grampians Shire Council

Reflect Reconciliation Action Plan July 2024 – July 2025

Our Business

Southern Grampians Shire Council was formed in September 1994 by the amalgamation of the former Shires of Dundas, Mt Rouse, Wannon, and the City of Hamilton. With a landscape dominated by the spectacular Grampians mountain range, ancient volcanoes, tranquil rivers, and waterfalls, and undulating pastoral land dotted with majestic red gums, the Southern Grampians spans the heart of the Western District of Victoria. The Shire is located 290 kilometres west of Melbourne and 500 kilometres south-east of Adelaide. With a population of approximately 16,500, Southern Grampians covers an area of 6,652 square kilometres. Hamilton is the main retail and service centre supported by the nine surrounding townships of Balmoral, Brankholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshhurst, and Tarrington.

Agriculture, with its associated industries, is the largest employment sector with this intensive agriculture production contributing significantly to the Victorian and Australian economies. Processing, manufacturing, research and development, engineering, retail, tourism, aged and health care services, and education are also important employment sectors across the Shire. The Southern Grampians Shire has a keen sense of community with people working together to achieve common goals and outcomes. This sense of community benefits the entire municipality and Southern Grampians Shire Council will continue to encourage and acknowledge the community interests in the development of the Shire.

Southern Grampians Shire Council is responsible for delivering more than 70 services to the Southern Grampians community. This includes everything from family and children's services, arts and culture services, community engagement programs and services, youth programs, health and safety services, parks and recreation management, community facilities, waste management, roads management and community buildings; to business development, planning for appropriate asset management, major infrastructure projects and ensuring accountability for Councils budget.

As well as implementing various Commonwealth and State Government programs, Council also provides a range of discretionary services in response to community needs. This broad range of community services and infrastructure for residents, supports the wellbeing and prosperity of our community.

Currently, Southern Grampians Shire Council employs over 200 full-time and part-time staff members with the number increasing to approximately 300 employees when including casual staff members. Presently, Southern Grampians Shire Council recognises having two Aboriginal and/or Torres Strait Islander staff onboard. Council is hopeful that in the future there will be more Aboriginal and/or Torres Strait Islander people employed.

Our Reconciliation Action Plan

Southern Grampians Shire Council acknowledges that having a Reflect Reconciliation Action Plan that is endorsed by Traditional Owners of Gunditjmara, Jardwadjali and Tjap Wurrung Nations is vital, as it furthers our understanding on the requirements for the development on Country. It is essential that Southern Grampians Shire Council has continuous and strong communications with local Registered Aboriginal Parties; Gunditj Mirring, Eastern Maar, & Barengi Gadjin, as well as other First Nations stakeholders to ensure that the organisation's Reflect Reconciliation Action Plan is endorsed and implemented to establish a culturally safe and inclusive community and workplace. Developing a Reconciliation Action Plan provides practical actions and a written strategic document that is established to drive Southern Grampians Shire Council's contribution to the reconciliation process whilst developing an understanding about local First Nations communities that the Council operates in.

The development and implementation of Southern Grampians Shire Councils Reconciliation Action Plan is led by the Reconciliation Action Plan Working Group, providing consultations between Council, our Registered Aboriginal Parties, and local Aboriginal and/or Torres Strait Islander community members. Currently, the Reconciliation Action Plan Working Group consists of Southern Grampians Shire Council's Mayor, Deputy Mayor, CEO, Communications & Engagement Manager, Community Development Coordinator, First Nations Community Engagement Officer, a Gunditjmara Elder and the CEO of Winda-Mara Aboriginal Corporation.

Southern Grampians Shire Council has appointed a First Nations Community Engagement Officer to facilitate and guide the development and implementation of the organisation's Reconciliation Action Plan alongside the Reconciliation Action Plan Champion Tony Doyle. Southern Grampians Shire Council's CEO. This position enables Council to effectively consult and liaise with local Aboriginal and/or Torres Strait Islander communities, in turn establishing and securing our commitment to embedding the Reconciliation Action Plan within the organisation and local communities.

Southern Grampians Shire Council is committed to reconciliation and has chosen to develop a Reflect Reconciliation Action Plan as part of its initial steps along the reconciliation journey. In the development of a Reflect Reconciliation Action Plan, the organisation commits to identifying practical actions that will contribute to reconciliation and improve relationships with Aboriginal and/or Torres Strait Islander peoples and communities. Southern Grampians Shire Council commits to completing the documented actions and objectives over the following 12 months to ensure that the organisation is fulfilling its commitment to reconciliation and contributing to a positive, diverse, and inclusive change within the community as well as the workforce.

Our Partnerships/Current Activities

Southern Grampians Shire has a rich and diverse heritage, with Traditional Owners maintaining their spiritual connection to the land. The original inhabitants the Gunditjmara, Tjap Wurrung and Jardwadjali people are today represented through Eastern Maar Aboriginal Corporation, Gunditji Mirring Traditional Owners Aboriginal Corporation and Barengi Gadjin Land Council. These three Registered Aboriginal Parties (RAPs) were appointed by the Victorian Aboriginal Heritage Council under the Aboriginal Heritage Act 2006.

Southern Grampians Shire Council has progressed community partnerships with local Aboriginal and/or Torres Strait Islander communities to support, encourage and inaugurate a culturally inclusive community. Council is actively engaging with local Aboriginal and/or Torres Strait Islander communities and organisations to ensure that there is an open channel for communication occurring particularly about the areas of opportunity for Council to improve cultural awareness and develop cultural protocols that could be implemented with project development and community engagement.

Council actively participates in reconciliation activities and have collaborated with local Aboriginal and/or Torres Strait Islander communities, in addition to working together to assist in establishing a culturally inclusive community. Council leads in creating events, conversations and opportunities for staff and the community to join Council's reconciliation journey, learnings, and experiences for National Reconciliation Week. Council staff are encouraged to participate in National Reconciliation Week activities, shows and events to educate themselves on the cultural significance of National Reconciliation Week and NAIDOC Week.

Southern Grampians Shire Council collaborates and consults with Winda-Mara Aboriginal Corporation, for guidance and advice on First Nations cultural matters. Council also supports and collaborates with Winda-Mara Aboriginal Corporation on community-based activities and events. Council

is working on strengthening partnerships with Gunditj Mirring Traditional Owners Aboriginal Corporation, Eastern Maar Aboriginal Corporation and Barengi Gadjin Land Council to strive for better reconciliation outcomes and engagement to improve the organisations and community understanding of Aboriginal and/or Torres Strait Islander cultures, practises, experiences, and histories.

Southern Grampians Shire Council has implemented training, events, and information sessions across the organisation to develop employee's understanding of Aboriginal and/or Torres Strait Islander practices and protocols. For instance, Council held a Cultural Capability session which provided insight into the various aspects of Aboriginal cultures. This was comprised of cultural protocols and sensitivities for engaging with Aboriginal and/or Torres Strait Islander communities respectfully, importance of diversity and representation across all industries, and historical information to support the conversation on respect and acknowledgement.

Southern Grampians Shire Council acknowledges the necessity to increase the current community engagement and interaction with Aboriginal and/or Torres Strait Islander communities and organisations to strengthen the participation and involvement with developing partnerships with communities while providing recognition and understanding of the importance of Aboriginal and/or Torres Strait Islander cultures.

Relationships			
Action	Deliverable	Timeline	Responsibility
1. Establish and strengthen mutually beneficial relationships with Aboriginal and Torres Strait Islander stakeholders and organisations.	Continue to identify Aboriginal and Torres Strait Islander stakeholders and organisations within our local area or sphere of influence.	July 2024	First Nations Officer
	Maintain and strengthen Council's ongoing relationships with the Traditional Owner groups across the region: including Barengi Gadjin, Eastern Maar, and Gunditj Mirring	July 2024	First Nations Officer & CEO
	Research best practice and principles that support partnerships with Aboriginal and Torres Strait Islander stakeholders and organisations.	July 2024	First Nations Officer
2. Build relationships through celebrating National Reconciliation Week (NRW).	Circulate Reconciliation Australia's NRW resources and reconciliation materials to our staff.	May 2025	Communications Coordinator
	RAP Working Group members to participate in an external NRW event.	27 th , May-3 rd , June 2025	Community Development Coordinator & First Nations Officer
	Encourage and support staff and senior leaders to participate in at least one external event to recognise and celebrate NRW.	27 th , May-3 rd , June 2025	Community Development Coordinator
3. Promote reconciliation through our sphere of influence.	Communicate our commitment to reconciliation to all staff.	July 2024	CEO & Community Development Coordinator
	Communicate our commitment to reconciliation publicly	May 2025	Communications Coordinator & CEO
	Continue to identify external stakeholders that our organisation can engage with on our reconciliation journey.	August 2024	CEO & First Nations Officer

	Continue to identify RAP and other like-minded organisations that we could approach to collaborate with on our reconciliation journey.	October 2024	CEO & First Nations Officer
4. Promote positive race relations through anti-discrimination strategies.	Research best practice and policies in areas of race relations and anti-discrimination.	September 2024	Community Development Coordinator
	Conduct a review of HR policies and procedures to identify existing anti-discrimination provisions, and future needs.	September 2024	Community Development Coordinator

Respect			
Action	Deliverable	Timeline	Responsibility
5. Increase understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge, and rights through cultural learning.	Develop a business case for increasing understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge, and rights within our organisation.	August 2024	First Nations Officer & Community Development Coordinator
	Investigate cultural learning opportunities for staff.	July 2024	First Nations Officer
	Conduct a review of cultural learning needs within our organisation.	August 2024	People and Culture Coordinator & First Nations Officer
6. Demonstrate respect to Aboriginal and	Develop an understanding of the local Traditional Owners or Custodians of the lands and waters within our organisation's operational area.	November 2024	CEO

Torres Strait Islander peoples by observing cultural protocols.	• Increase staff's understanding of the purpose and significance behind cultural protocols, including Acknowledgement of Country and Welcome to Country protocols.	November 2024	First Nations Officer
	• Encourage and support staff to include an Acknowledgement of Country or other appropriate protocols at the commencement of important meetings.	January 2025	First Nations Officer
7. Build respect for Aboriginal and Torres Strait Islander cultures and histories by celebrating NAIDOC Week.	• Raise awareness and share information amongst our staff about the meaning of NAIDOC Week.	June 2025	First Nations Officer
	• Introduce our staff to NAIDOC Week by promoting external events in our local area.	June 2025	First Nations Officer
	• RAP Working Group to participate in an external NAIDOC Week event.	July 2024 and 2025	RAP Working Group Chair

Opportunities			
Action	Deliverable	Timeline	Responsibility
8. Improve employment outcomes by increasing Aboriginal and Torres Strait Islander recruitment, retention, and professional development.	• Develop a business case for Aboriginal and Torres Strait Islander employment within our organisation.	January 2025	Community Development Coordinator
	• Build understanding of current Aboriginal and Torres Strait Islander staffing to inform future employment and professional development opportunities.	October 2024	Learning and Development Officer & First Nations Officer
9. Increase Aboriginal and Torres Strait	• Develop a business case for procurement from Aboriginal and Torres Strait Islander owned businesses.	October 2024	Procurement Coordinator

Islander supplier diversity to support improved economic and social outcomes.	Investigate Supply Nation membership.	July 2024	First Nations Officer & Procurement Officer
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Governance			
Action	Deliverable	Timeline	Responsibility
10. Establish and maintain an effective RAP Working Group (RWG) to drive governance of the RAP.	Continue to maintain a RWG to govern RAP implementation.	July 2024	First Nations Officer
	Review and Update Terms of Reference for the RWG.	July 2024	First Nations Officer
	Maintain Aboriginal and Torres Strait Islander representation on the RWG.	May 2025	Community Development Coordinator & First Nations Officer
11. Provide appropriate support for effective implementation of RAP commitments.	Define resource needs for RAP implementation.	July 2024	First Nations Officer
	Continue to engage senior leaders in the delivery of RAP commitments.	July 2024	Community Development Coordinator & First Nations Officer
	Appoint and maintain a senior leader to champion our RAP internally.	September 2024	Community Development Coordinator
	Define appropriate systems and capability to track, measure and report on RAP commitments.	October 2024	Governance Coordinator

12. Build accountability and transparency through reporting RAP achievements, challenges, and learnings both internally and externally.	• Contact Reconciliation Australia to verify that our primary and secondary contact details are up to date, to ensure we do not miss important RAP correspondence.	July 2024 and June 2025	Community Development Coordinator
	• Contact Reconciliation Australia to request our unique link, to access the online RAP Impact Survey.	1 August 2024	Community Development Coordinator
	• Complete and submit the annual RAP Impact Survey to Reconciliation Australia.	30 September 2024	Community Development Coordinator
13. Continue our reconciliation journey by developing our next RAP.	• Register via Reconciliation Australia's website to begin developing our next RAP.	March 2025	Community Development Coordinator

Contact details: Name: Jane Coshutt Position: Community Development Coordinator Phone: 03 5573 0444 Email: jcoshutt@sthgrampians.vic.gov.au



Southern Grampians
SHIRE COUNCIL

Planning Committee

Minutes

24 July 2024

Meeting held at 9.30 am in the
Martin J Hynes Auditorium
5 Market Place, Hamilton

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1. PRESENT**Councillors**

Cr Mary-Ann Brown (Chair)

Officers

Mr Rory Neeson, Director Wellbeing Planning and Regulation

Ms Marg Scanlon, Director Infrastructure and Sustainability

Daryl Adamson, Manager Shire Strategy and Regulation

Andrew Nield, Planning Coordinator

Anita Collingwood, Senior Statutory Planner

Tendai Mhasho Statutory Planner

Trudy Rickard, Planning Consultant

Andrew Lacey (Applicant)

Kath and Tim Hartwich (owners 394 Hartwicks Road)

Minutes

Sharon Clutterbuck, Executive Assistant - Director Wellbeing Planning and Regulation

2. WELCOME

Cr Mary-Ann Brown welcomed everyone

3. APOLOGIES

Cr Fran Malone

4. CONFIRMATION OF MINUTES

Minutes of the Meeting held on 20 May 2024 have been circulated.

RECOMMENDATION

That the Minutes of the Planning Committee meeting held on 20 May 2024 be confirmed as a correct record

COMMITTEE RESOLUTION

That the Minutes of the Planning Committee meeting held on 20 May 2024 be confirmed as a correct record

Moved: R Neeson
Seconded M Scanlon

Carried

5. DECLARATION OF INTEREST

Nil

6. MATTERS FOR DECISION

6.1 TP-01-2024 394 Hartwicks Road, Hamilton

Summary

Planning application TP-01-2024 seeks a permit for the subdivision of land at 394 Hartwicks Road, Hamilton into two lots, excising the existing dwelling on an 8.549ha lot and leaving the remainder as a farming lot of 48.26 hectares.

A permit is required under Clause 35.07-3 (Farming Zone) to subdivide land. Lots which have an area of less than 40 hectares may be created, provided the subdivision is to create a lot for an existing dwelling and the subdivision is a two-lot proposal. The proposal meets this nominal requirement but does not advance the purpose of the Farming Zone and is therefore recommended for refusal.

A permit is also required to subdivide land in the Heritage Overlay pursuant to Clause 43.01-1. The proposed boundary traverses this heritage place (HO467) and therefore does not support the ongoing conservation, maintenance and protection of the heritage place.

The Planning Committee is the delegate for planning applications recommended for refusal.

Proposal

The application proposes a two-lot dwelling excision with Lot 1 comprising an area of 8.549ha and containing the heritage place HO467 Wattle Park (German Cottage). Lot 1 has a frontage of 724.20 to Hartwicks Road and no change is proposed to the current road access. Lot 2 is proposed with an area of 48.26ha and a frontage to Hartwicks Road of 194.2m.

The cottage and associated heritage buildings are clustered in a garden setting with mature trees and hedgerows in the northwest corner of the site. Proposed Lot 1 includes these features, as well as the wastewater treatment system of the dwelling. The dam to the east of the dwelling is also proposed to be included in Lot 1, thereby separating it from the remaining Lot 2 farmland. Water from the dam is proposed to be continually used for the irrigation of the European garden around the cottage and is supplied with a pump and underground electricity supply on the western side of the dam.

According to the Applicant's written submission (Pierrepont Planning, 2024, page 7), the area of land between the cottage (dwelling) and dam is low lying and has heavy soils which are not agriculturally productive. The land area is irrigated during summer to provide a green fire break on the eastern side of the dwelling. The land is within the Bushfire Prone Area and therefore subject to a bushfire hazard.

Lot 2 is vacant of any development save an old horse shelter setback approximately 32m from Hensley Park Road. The land has been used for sheep grazing, with the ground being sown with pasture grass and benefitting from wind buffers.

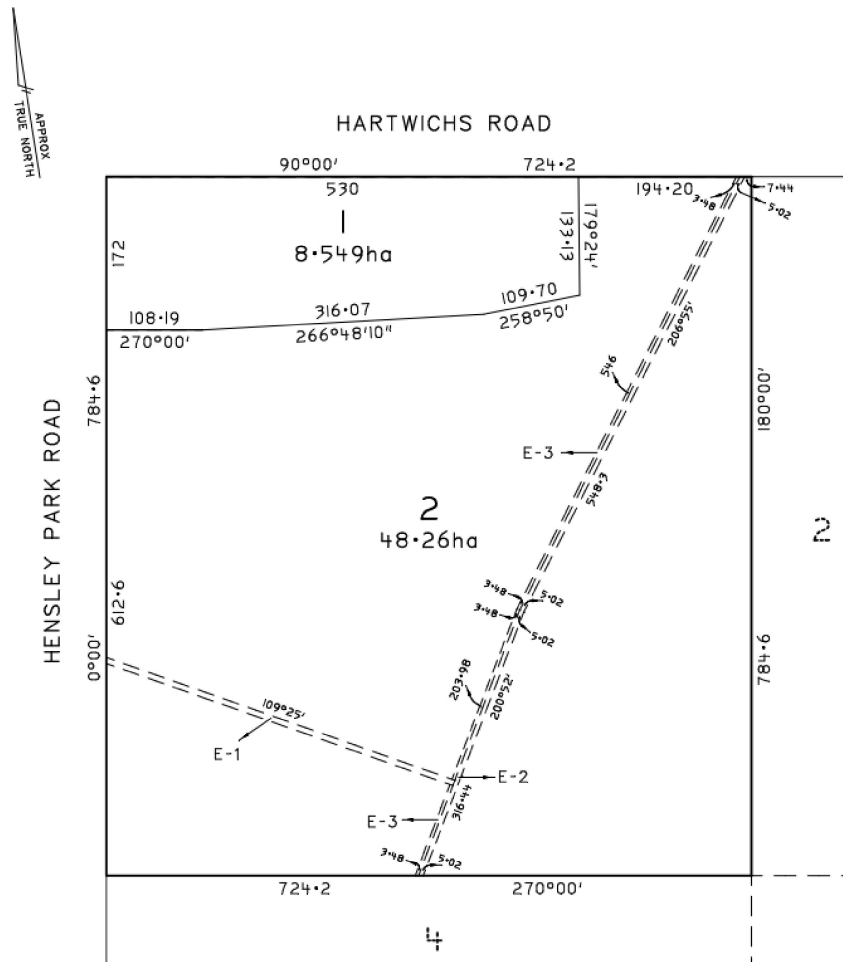


Figure 1 Proposed subdivision layout

Subject site and surrounding locality

The subject site is situated north of the Hamilton township at the corner of Hartwicks Road and Hensley Park Road. The site is known on title as Crown Allotment 1 Section 11 Parish of Hamilton North. The lot has no encumbrances other than two easements in favour of the Hamilton Waterworks Trust, as shown on the title plan.

The land has access via Hartwicks Road to the north. A dwelling (German cottage) and associated outbuildings, gardens and wastewater treatment system are located in the north-western corner of the site. The site has one dam and associated drainage lines. As per the further information provided by the applicant on 22 March 2024 (on page 48 of the Attachment 1), a disused pony stable and water tank are to be removed from the site.

The northwest corner of the site is mapped within the Heritage Overlay, as shown in pink on the map at Figure 4 below. The Heritage Place is defined as all the house, the lehmwickle bar, the timber stables, the timber barn and all of the land within 25 metres of the significant buildings. The proposed new boundary will traverse this heritage place as mapped in the Planning Scheme.

The surrounding area is used primarily for sheep grazing, with some scattered dwellings and contiguous land to the south and east being in the same ownership as the subject site.



Figure 2 Site map including contiguous land in common ownership, Pozi

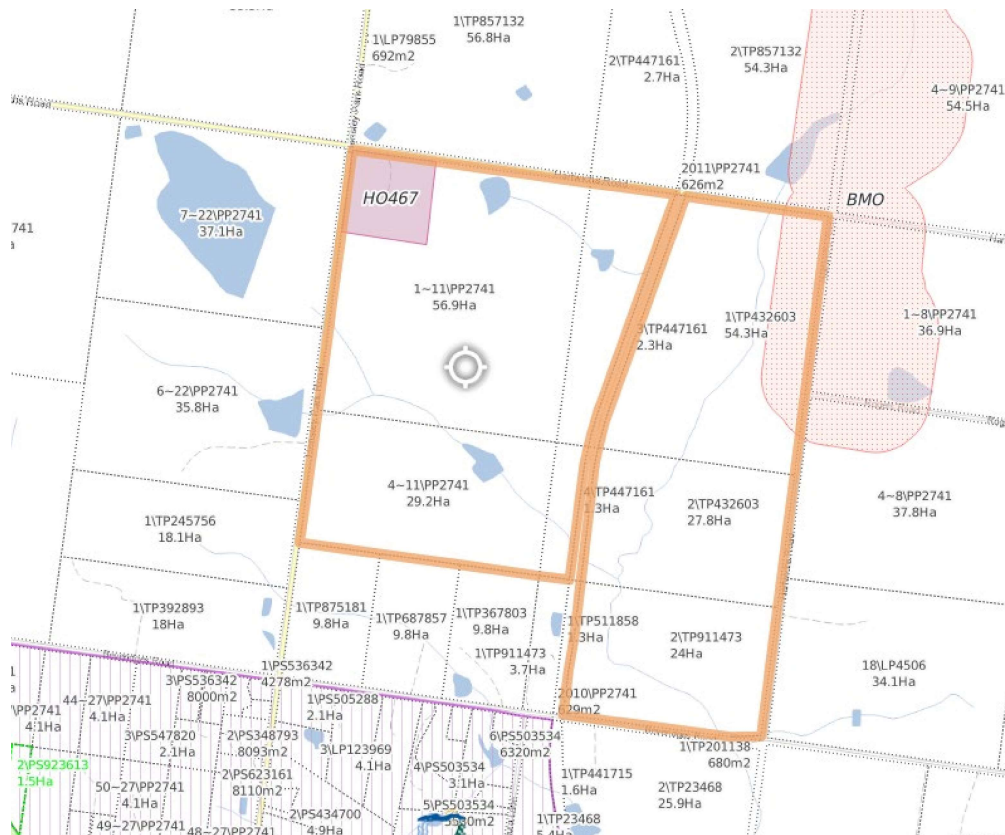


Figure 3 Site map showing planning overlays

Site history

Planning advice was given in 2020 relating to the construction of a shed which required a permit due to the shed being within a nominated setback of the Farming Zone.

The heritage place is of historical and architectural significance to the Southern Grampians Shire and is known for its ownership by the Hartwich family, with the fifth generation currently owning the land. Johann Carl Hartwich and his wife Anna Rosina, nee Raschke were German Lutheran immigrants who purchased the land in 1855 and constructed the early buildings. Johann and Anna's son Johann ('John') became known as one of the best farmers and graziers in the Hamilton District and continued to develop Wattle Park.

The current dwelling appears to be a late 19th-century structure and may not have been the original dwelling. The dwelling has been modified at various times, with the replacement of the original verandah being an evident change. The dwelling remains in good condition. A section of the original barn survives and features a traditional lehmwickle construction method. The barn was in poor condition at the time of the statement of significance (Attachment 2) being written in March 2004. The timber stables and barn are weatherboard framed and appear to date from the 1860s. These structures were, at the time of assessment, in fair condition and had only minor alterations to their original form. The established European style garden contributes to the significance and appeal of the heritage place.

Referrals

External: No referrals are required by the Planning Scheme.

Internal: The application was referred to Council's Environmental Health department. A response has not been received to date.

Public notice

The application has been advertised pursuant to Section 52 of the Planning and Environment Act 1987, by:

- Sending notices to the owners and occupiers of adjoining land.
- Placing signs (two) on site facing each road abuttal, and
- SGSC Website

The notification has been carried out correctly.

Council has received no objections to date, though one submission has been received.

Land to the west of the subject site (415 Hensley Park Road) is owned and managed by Wannon Water and is used for the Hartwicks Reservoir. Notice of the application was given to Wannon Water who has written to Council (17 June 2024, Attachment 3) to say the authority has no objection to the granting of a permit. Wannon Water requests the inclusion of a condition on any permit granted, though the authority is not a referral authority. The condition requires the plan of subdivision submitted for certification to be referred to Wannon Water in accordance with Section 8 of the *Subdivision Act 1988*. This is a requirement of the Act in any case and a permit would require such a condition to be included in accordance with Clause 66.01-1 of the Planning Scheme (*Mandatory conditions for subdivision permits*).

Planning framework

- Clause 10 Planning Policy Framework
- Clause 11 Settlement
 - Clause 11.01 Victoria
 - Clause 11.03 Planning for Places
- Clause 13 Environmental Risks and Amenity
 - Clause 13.02 Bushfire
- Clause 14 Natural Resource Management
 - Clause 14.01 Agriculture
- Clause 15 Built Environment and Heritage
 - Clause 15.01 Built Environment
 - Clause 15.03 Heritage

Clause 30 Zones

- Clause 35.07 Farming Zone

A permit is required to subdivide land pursuant to Clause 35.07-3.

Each lot must be at least 40 hectares. A permit may be granted to create smaller lots if any of the following apply:

- The subdivision is to create a lot for an existing dwelling. The subdivision must be a two lot subdivision.
- The subdivision is the re-subdivision of existing lots and the number of lots is not increased.
- The subdivision is by a public authority or utility service provider to create a lot for a utility installation.

A permit cannot be granted which would allow a separate lot to be created for land containing a small second dwelling (N/A).

Clause 40 Overlays

- Clause 43.01 Heritage Overlay

A permit is required to subdivide land pursuant to Clause 43.01-1.

Clause 50 Particular Provisions:

- None apply to this provision.

Clause 60 General Provisions:

- Clause 65 Decision Guidelines

Because a permit can be granted does not imply that a permit should or will be granted. The responsible authority must decide whether the proposal will produce acceptable outcomes in terms of the decision guidelines of this clause.

- Clause 66.01 Subdivision Referrals

The proposed subdivision does not require referral to any external agency, as per the provisions of this clause. Mandatory conditions do apply, should a permit be granted for the application.

Other Considerations

Title Restrictions: None

Aboriginal Cultural Heritage: None mapped

Bushfire Prone Area: Yes, entire site is mapped.

Summary of key issues

1. Creation of a lot less than 40 hectares in area within the Farming Zone and on land that could readily be used for farming purposes.
2. Excision of a dwelling within close proximity of farming activities and with the potential to have no connection to farm activities once the land is sold on.
3. Creation of a lot boundary within close proximity of a dam.
4. Creation of a lot boundary within close proximity of heritage buildings and which traverses HO467 as mapped in the Planning Scheme.

Assessment

The application has been assessed against the relevant planning policy and provisions of the Southern Grampians Planning Scheme.

Clause 13.02-1S requires consideration of bushfire risk to people and property due to the site being within a bushfire prone area and the land being used for Accommodation. The proposed subdivision is unlikely to have a significant impact on the bushfire safety of the dwelling, although the reduced setback to the south would mean any future landowner or resident would have less defensible space which they can manage themselves and would rely on the owner of Lot 2 maintaining the grass on the southern side of the new boundary. The landscaped garden, absence of large native trees (which can lead to ember attack) and the availability of water from the dam for fire fighting and fire preparedness offer some protection for the dwelling and therefore the proposal is considered to maintain a suitable level of mitigation for bushfire risks.

Clause 14.01-1L seeks to ensure that subdivision and the use of land for accommodation do not compromise the existing and ongoing agricultural use of land. Strategies employed to achieve this objective include –

- Discourage subdivision and accommodation that do not relate to or directly support the use of land for agriculture.
- Retain agricultural land in parcels of sufficient size that can allow viable agriculture.
- Discourage subdivision unless it is to excise an existing dwelling that is excess to the requirements of a rural use.
- Site and design dwellings to minimise impacts on agriculture.
- Provide adequate separation distances from dwellings to agriculture.
- Restructure lots to create a smaller lot for a dwelling instead of creating additional lots.

Further policy guidelines of this clause which are of relevance are the requirement for a newly created lot for an existing dwelling to have a maximum size of 2ha unless this is not practical, a greater area is required for a dam for domestic purposes and/or the land is demonstrably to be used for agricultural purposes. Any lot created for an existing dwelling must also be habitable, compliant with the Building Code of Australia. In response to this guidance, it is noted that the proposed lot for the existing dwelling exceeds 2ha, having an area of 8.549ha, and is designed to include the cluster of buildings, on-site wastewater treatment infrastructure and the large dam which is used for irrigating the garden surrounding the dwelling. The dwelling, too, is in a habitable condition as determined by Council's assessing planner upon inspection on 12 February 2024 and therefore these preliminary expectations are met.

With regard to the purpose and strategies of Clause 14.01-1L and the purposes and decision guidelines of the Farming Zone (Clause 35.07) and Heritage Overlay (Clause 43.01), the application does not demonstrate the proposed dwelling excision is appropriate for the site. As discussed in the assessment below, the application does not meet the key objectives and is not considered to be orderly planning as required by Clause 65 Decision Guidelines.

The subject site has been used by a grazier family for several generations and the dwelling on-site is still owned and inhabited by members of that family. The application does not demonstrate that the dwelling is surplus to the needs of the farm, and the proposed Lot 1 will result in a small, eight-hectare lot being created that has no association with farmland or farming activities.

Aerial photographs of the locality indicate adjoining land owned by the family have dwellings and other buildings, however should the land be excised and sold-on, Lot 1 could be purchased and inhabited by residents with no association to the surrounding farmland. Such an arrangement has the potential to lead to land use conflicts and environmental impacts, such as spray drift, mechanical noise and animal noise and odour from farming operations so close. The proposed southern boundary for Lot 1 encircles the southern-most hedgerow but provides no meaningful buffer for the dwelling from current or future farm activities to the south.

A further consequence of house lot excisions is the unintended impact to land values. In considering subdivision proposals, Clause 14.01-1S requires the responsible authority to consider the impacts on the continuation of primary production on adjacent land, with particular regard to land values and the viability of infrastructure for such production. The creation of small residential lots in non-residential areas alters the value of surrounding land and gradually transforms the rural character and viability of the farming zone. Small residential lots attract investment, such as the installation of telecommunications connections, rubbish collection and other utilities and services, thereby increasing the value of the land, enticing non-farmer

settlement and manipulating neighbouring land prices. Farmland prices increase, making the market increasingly difficult for new farmers to find affordable land. Additionally, the presence of scattered dwellings, particularly on small lots, sets a precedent and example for neighbouring landowners to construct dwellings, further fragmenting farmland and taking it permanently away from primary production. Gradually the landscape is transformed and the ability for Council to uphold and ability for farmers to benefit from the purpose of the Farming Zone becomes increasingly difficult.

Another land use concern is the proposed separation of the dam in the northeastern part of the site from the remaining land on Lot 2. The dam is of a substantial size and can be used, if not already, for irrigation of the land to support grazing and alternative farm activities (such as horticulture or the production of hay, pasture grass or other supplementary food). Currently, the dam is used to support the European style garden around the dwelling. It is acknowledged that the garden forms an important component of the heritage place and should be maintained, however the capacity of the dam should be sufficient to support the garden, bushfire prevention and farm needs of the land forming the subject site.

Another concern with the proposed subdivision layout is the proposed boundary skims the southern edge of the dam and appropriate setbacks have not been provided to ensure the dam can be easily repaired, maintained and drained by the landowner. The State of Victoria Department of Environment, Land, Water and Planning *Guidance Note on Setbacks near Dams* 2022 document (Attachment 4) provides hydrological and geotechnical advice on dams and sets out setbacks for dams based on the size and design of dams, applying to dams with an embankment height of between 0.5m and 15m and sloping land downstream of dams of up to 10 degrees. Under this guidance note, a setback of up to 30 metres could be required. The applicant's marked up aerial photo (Attachment 5) indicates the boundary proposed will touch the southern embankment of the dam and therefore no setback is provided at all. No guarantee can be given that Lots 1 and 2 would be owned by the same person/s in perpetuity and therefore ongoing maintenance and repair of the dam may not be easily conducted without neighbourly issues. The proposal presents various safety and practical risks and therefore is not satisfactory.

A further concern with the proposed subdivision layout is the alignment of the proposed boundary which traverses the Heritage Place mapped in the Planning Scheme. Lot 1 would, as shown on the plans and marked up aerial photograph, include the buildings and garden but provides no buffer to ensure the land can be easily protected and maintained. Splitting the area of the overlay across two lots which can be sold to different owners will likely cause confusion for maintenance and future planning applications and is not orderly planning. Should a permit be granted for the dwelling excision, the southern boundary should be realigned to ensure the whole HO467 overlay area is located in a single lot to provide a better buffer and clear ownership obligations.

The proposed boundary does ensure the current wastewater system for the dwelling is included within the lot boundaries of the dwelling lot and is provided with a 20m setback for ease of maintenance. The marked up aerial photo shows the approximate location of the septic tank and pipeline, east of the dwelling. Whilst advice has not been given by Council's Environmental Health officer, the 8.549ha would be capable of accommodating an upgraded wastewater treatment system which will be required to bring the site up to compliance.

Conclusion

The proposed subdivision presents two new lots, one which would contain the existing historical residence and its associated buildings, garden, Hartwich Road access and dam, the other containing grazing land with two road frontages for new access. The northwest corner of the site is subject to the Heritage Overlay which covers the German cottage, stables and barns, as well as a well-kept European garden. Key concerns resulting from the creation of a small 8.5ha lot in an established farming zone include land use conflicts which may lead to

environmental and human harm, alteration of land values and permanent loss of viable agricultural land, including that on proposed Lot 2 due to necessary setbacks for the heritage place, on-site wastewater treatment infrastructure and dam. The proposed lot boundary traverses the Heritage Overlay, as mapped in the Planning Scheme, and provides little buffer for the ongoing protection and maintenance of the heritage place. Likewise, the subdivision provides no setback to the southern end of the dam and will result in future difficulties for the management and repair of the dam. The proposed subdivision is not supported by Council's assessing planning officer and therefore recommended for Refusal by the Planning Committee, delegate of the Responsible Authority.

MEETING PROCESS

The meeting was held in accordance with standard meeting procedures

Andrew Lacey, Planning Consultant

Mr Lacey attended the meeting speaking in support of the application on behalf of the owners of the land at 394 Hartwicks Road.

Prior to the meeting an email from Mr Lacey highlighting concerns about the references to the heritage overlay throughout the report. Planning Scheme maps seem to indicate the heritage overlay affected the application being discussed but the citation relates to a second property.

Director Rory Neeson responded and advised that Senior Planning Officer would provide a response in her presentation. Appears to be a mapping error.

Consultant report should have acknowledged the mapping error when it was written in December 2023.

Application lodged in December 2023 and was delayed in part due to requests for further information.

Kath Hartwich, Owner 394 Hartwicks Road

Hartwich Farm was purchased in mid 1850s. The house where the owners currently live is part of the original purchase. Hartwicks wish to keep original farm in family due to historical significance to the family. The intention is to still live in the present home but wish to proceed with subdivision to include the dam and the original farm in the excision and retain the majority of the original farm as a separate lot. The original homestead is currently being maintained with the intention that it be fully restored and lived in. It is the main home on the property. To ensure the viability of property the best outcome would be to excise the house and dam, rather than sell the whole 140 acres on the current title. Farm currently has 5 titles.

By subdividing house and retaining the rest of the farm it is felt that the Southern Grampians Planning Scheme requirements will be fulfilled by retaining agricultural land and parcels of land of significant size.

Tim Hartwich, Owner 394 Hartwicks Road

It is felt that the application would be best for the rest of the family farm as excision would assist in allowing the rest of the farm to be kept as a whole parcel of farming ground.

Andrew Lacey – Planning Consultant

Acknowledgement of Planning Policy and controls encourage protection of broadacre agricultural land right across the state.

Proposal is for 8.5 hectares excision which is slightly larger than usual. However this is because the dam is also part of the proposal which is relied on for domestic purposes.

Farming Zone provisions encourage protection of agricultural land but the application is made under Clause 35.07.0s which caters for small lot subdivisions. Planning Scheme provides the opportunity to make these sort of applications

Proposed boundary has been altered in response to concerns about the proximity of effluent lines and amended plans have been submitted to address that.

Meeting held with Planning Officer and in lieu of having a building assessment it was agreed that the house was habitable.

Encouraged committee to support the application. Planning Scheme provides ability for proposal to be approved.

Question – Cr Brown application is for 8.5 hectares which is quite large and asked if the reason was so that the dam could be included. Mr Lacey confirmed that this was the reason for the slightly larger size than usual as there is no real opportunity to build another dam closer to the house. The gardens rely on the dam for water.

Plan for 2 hectare subdivision was prepared by Brayley and Hayes but owners did not wish to pursue that due to loss of dam. Garden relies on water as well as for fire protection. Garden also provides fire break. No other opportunity to build another dam due to location of optic fibres.

Anita Collingwood, Senior Statutory Planner

Regarding Bushfire planning – planning scheme requires the application to give consideration to bushfire safety.

Clause 13.021s of the Planning Scheme – must be applied to all applications within a designated bushfire prone area. Subdivision applications are not exempt from this.

Under Clause 14.01 local policy – a requirement that any subdivision that creates a lot for an exiting dwelling then it is a requirement that the house needs to be habitable which is why the inspection was undertaken.

Dam setback could be up to 30 metres. Guidelines in attachments provide details of how that is calculated.

RECOMMENDATION

That Council, having given notice of planning application TP-01-2024 under Section 52 of the *Planning and Environment Act 1987* and having considered all the matters required under Section 60 of the *Act*, resolves to Refuse to Grant a Permit under the provisions of Clauses 35.07 and 43.01 of the Southern Grampians Planning Scheme in respect of the land known and described as 394 Hartwicks Road, Hamilton, Crown Allotment 1 Section 11 Parish of Hamilton North for the subdivision of land into two lots for a dwelling excision with the application dated 21 December 2023, subject to the following grounds of refusal:

1. The application is inconsistent with the purpose and outcomes sought by Clause 14.01-1S, Clause 14.01-1L and Clause 35.07 as it proposes a house lot excision that is not demonstrably necessary and which is likely to negatively impact primary production, land values and orderly use of the land within a Farming Zone.
2. The application is inconsistent with the purpose and outcomes sought by Clause 15.03-1S, Clause 15.03-1L and Clause 43.01 as it does not promote the ongoing protection and maintenance of a Heritage Place.

COMMITTEE RESOLUTION

That Council, having given notice of planning application TP-01-2024 under Section 52 of the *Planning and Environment Act 1987* and having considered all the matters required under Section 60 of the *Act*, resolves to Refuse to Grant a Permit under the provisions of Clauses 35.07 and 43.01 of the Southern Grampians Planning Scheme in respect of the land known and described as 394 Hartwicks Road, Hamilton, Crown Allotment 1 Section 11 Parish of Hamilton North for the subdivision of land into two lots for a dwelling excision with the application dated 21 December 2023, subject to the following grounds of refusal:

1. The application is inconsistent with the purpose and outcomes sought by Clause 14.01-1S, Clause 14.01-1L and Clause 35.07 as it proposes a house lot excision that is not demonstrably necessary and which is likely to negatively impact primary production, land values and orderly use of the land within a Farming Zone.

Moved: R Neeson
Seconded: M Scanlon

Carried

6.2 TP-101-2023 24 Griffin Street, Hamilton

Executive summary

Planning Application TP-101-2023 seeks a permit for the demolition of the heritage dwelling and associated sheds and garage on the land at 24 Griffin Street, Hamilton and construction of a replacement dwelling, together with garage and carport.

The land is located within the Neighbourhood Residential Zone and subject to the Heritage Overlay (HO), heritage place HO347 Church Hill Precinct Hamilton. A permit is required under Clause 43.01-1 (HO) for demolition of buildings, construction of buildings and the carrying out of works.

The application is recommended for Refusal on grounds of the demolition of the existing dwelling being inconsistent with the purpose of the Heritage Overlay and a poor planning outcome within a heritage precinct. The Planning Committee is delegated to determine an application where refusal to grant a permit is recommended by the planning officer.

Proposal

The application proposes the demolition of the existing early-20th-century dwelling and construction of a new dwelling in its position. Associated buildings and works, including a carport, garage, driveway, retaining wall and fences and tree removal are also proposed.

The existing single storey dwelling and its associated outbuildings, comprising two sheds and a large garage, are proposed to be demolished.

A total of fourteen tree and shrubs are proposed to be removed from the site, according to the submitted plans. Tree controls apply to the property under the Heritage Overlay Schedule 347. The proposed dwelling occupies a larger area than the existing dwelling and has a single storey form. A front setback of 5.67m is provided and a rear setback of 21.5m. The dwelling is setback 4.0m from the south-western boundary to accommodate a driveway and the proposed carport and a 3.02m setback to the north-western side boundary. The carport and garage are both setback 200mm from the side boundary and the garage setback 1.0m from the rear boundary. The dwelling has an alfresco to the rear and a landscaped garden with retaining walls and aggr drains for drainage. A new timber picket fence is proposed at the front boundary, with a gate and path providing pedestrian access. The existing vehicle crossing is to be retained.

Subject Site

The subject site is known as Crown Allotment 6 Section 16B Township of Hamilton Parish of Hamilton North. The lot has a rectangular shape oriented to the northwest and fronting Griffin Street. The lot has an area of 910.63 square metres.

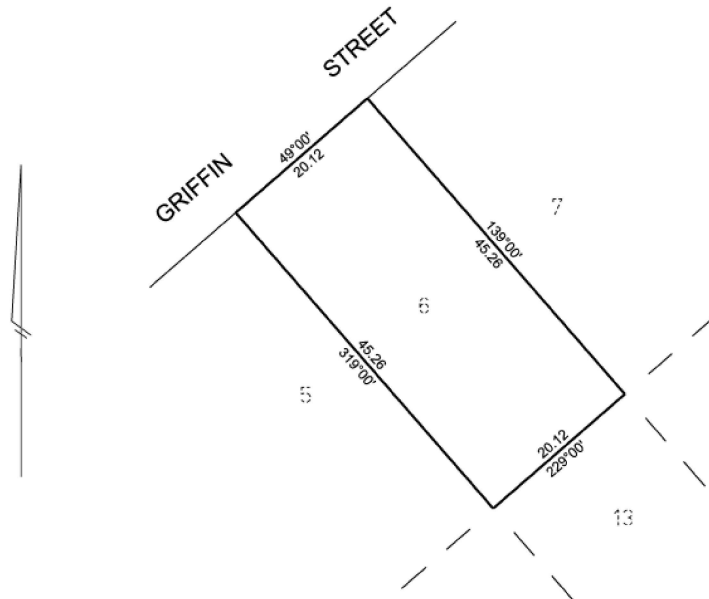


Figure 4 Title Plan

The site is developed with an early 20th-century dwelling with weatherboard cladding, tiled roof and a complex roof room. An open metal fence is erected along the street boundary and is a cream-white colour which coordinates with the white colour of the dwelling cladding. The site also has two sheds to the rear and an established garden.

The site is located southwest of the St Andrews Presbyterian church complex at the corner of McIntyre and Griffin Streets and is one of six residential lots on the south-western side of Griffin Street which feature heritage dwellings.

Council's planner viewed the site from Griffin Street on 12 February 2024. The photo below was taken on that occasion.



Figure 5 Site photograph taken from Griffin Street 12 February 2024

Site history

Church Hill is known for its two towering church buildings, being the Christ Church Co Cathedral and St Andrew's Presbyterian Church, and prestigious residences. This precinct, as the name suggests, is elevated on a hill and is prominent from the surrounding area. Avenue tree planting, cottage gardens hedges and ornate fences also characterise the area and provide on-site and street amenity.

The subject site has remained relatively unaltered as far as Council's planning records show, with no recent planning applications or permits being found on file and no obvious additions being made to the site in recent years.

Public notice

The application has been advertised pursuant to Section 52 of the *Planning and Environment Act 1987*, by:

- Sending notices to the owners and occupiers of adjoining land,
- Placing one sign on site facing Griffin Street,
- SGSC Website.

The notification has been carried out correctly.

No objections have been received.

Referrals

External: No referrals are required by the Planning Scheme.

Internal: The application was referred to Council's Heritage Advisor who responded on 13 June 2024. The response has been included as Attachment 2 and is summarised as follows:

- The proposed dwelling is slightly larger than the existing dwelling and a modest dwelling designed in accordance with six points of advice provided previously.
- The demolition of the existing dwelling is not supported.

- The existing dwelling is reasonably intact and could be reasonably adapted to increase its liveability and improve energy ratings.
- The Heritage Overlay has been applied to ensure that the temptation to expediently replace dwellings which require maintenance and upgrades does not decimate the heritage character of our historic built environment.

Planning framework

Clause 10 Planning Policy Framework

- Clause 10 Planning Policy Framework
- Clause 11 Settlement
 - Clause 11.01 Victoria
 - Clause 11.01-1S Settlement
 - Clause 11.01-1R Settlement – Great South Coast
 - Clause 11.03 Planning for Places
 - Clause 11.03-1S Activity centres
 - Clause 11.03-6S Regional and local places
 - Clause 11.03-6L Hamilton
- Clause 15 Built Environment and Heritage
 - Clause 15.01 Built Environment
 - Clause 15.03 Heritage
- Clause 16 Housing
 - Clause 16.01 Residential Development

Clause 20 Local Planning Policy Framework

Planning Scheme Amendment C59sgra was gazetted on 16 July 2020. PSAC59 replaces the Local Planning Policy Framework of the Southern Grampians Planning Scheme with a new Municipal Planning Strategy, a modified Planning Policy Framework and local schedules to overlays and operational provisions as part of the Smart Planning Rules and Policy Program.

Clause 30 Zone

Clause 32.09 Neighbourhood Residential Zone

Pursuant to Clause 32.09-5, a permit is required to construct or extend one dwelling on a lot less than 300 square metres. As the lot is greater than 300sqm and there is only one dwelling on the lot, a permit is not required for the proposed dwelling extension.

Clause 40 Overlays

Clause 43.01 Heritage Overlay

Pursuant to Clause 43.01-1, a permit is required to:

- Demolish or remove a building,
- Construct a building or construct or carry out works,
- Remove trees where tree controls apply.

Clause 43.01-8 sets out decision guidelines to be considered.

Clause 50 Particular Provisions

No Particular Provisions apply.

Clause 60 General Provisions

Clause 65 Decision guidelines

Because a permit can be granted does not imply that a permit should or will be granted. The responsible authority must decide whether the proposal will produce acceptable outcomes in terms of the decision guidelines of this clause.

Other Considerations

Title Restrictions: None

Aboriginal Cultural Heritage: None

Bushfire Prone Area: Not applicable

Summary of key issues

1. Demolition of an intact heritage building for the purpose of redevelopment of the land.
2. Construction of a new building in a heritage precinct.

Assessment

The purpose of the Heritage Overlay is –

- To implement the Municipal Planning Strategy and the Planning Policy Framework.
- To conserve and enhance heritage places of natural or cultural significance.
- To conserve and enhance those elements which contribute to the significance of heritage places.
- To ensure that development does not adversely affect the significance of heritage places.
- To conserve specified heritage places by allowing a use that would otherwise be prohibited if this will demonstrably assist with the conservation of the significance of the heritage place.

Clause 15.03-1S seeks to ensure the conservation of places of heritage significance. Significant sites are included in the planning scheme for the purpose of protection, maintenance and enhancement. As articulated in the opening page of 'The Burra Charter', The Australia ICOMOS Charter for Places of Cultural Significance, 2023, "places of cultural significance enrich people's lives, often providing deep and inspirational sense of connection to community and landscape, to the past and to lived experiences". Buildings and other places of historical significance, such as the churches and residences within the Church Hill Precinct, are historical records and provide us a standing monument of Hamilton's past and continue to provide beauty and a sense of belonging for the township. These buildings are irreplaceable and therefore any proposed demolition of buildings and other contributory features must be weighed up carefully.

The Church Hill precinct has regional significance, as detailed in the Statement of Significance (Attachment 3 provided), and the residences in the precinct were constructed primarily for leading business and professional men and required squatters. The dwellings have been continuously surrounded and enhanced by planted trees and gardens, including strategic street tree planting. Griffin Street is in an older part of the precinct and Hamilton township and features bluestone cobble gutters and grass nature strips. The precinct reminds us of days past, of prominent townsmen and pastoralists and graziers of the Western District in Victoria.

The residence at 24 Griffin Street is one of six dwellings on the south-eastern side of Griffin Street from the corner of McIntyre Street that are mapped within the Heritage Overlay and is located in the middle of that row of properties. As such, the dwelling cannot easily be discarded without leaving a noticeable gap in the streetscape. Furthermore, the dwelling, which is an intact early 20th-century free-standing house significant to the precinct and, according to Council's heritage advisor, "makes a strong contribution to the heritage character of the place". The Heritage Overlay has been applied to prevent replacement of this and other significant dwellings in the precinct.

The dwelling has been modified previously to have a metal tiled roof and enclosed front verandah but is otherwise reasonably intact and maintains its historical integrity. The building could be carefully adapted to improve internal amenity and energy ratings rather than replaced altogether and thereby maintain its place in the precinct whilst being liveable for residents. Council's heritage advisor and assessing planning officer are of the opinion such a

modification would be a much better outcome for the heritage place. This opinion is reflective of the Burra Charter which, as articulated on page one, “advocates a cautious approach to change: do as much as necessary to care for the place and to make it useable, but otherwise change it as little as possible so that its cultural significance is retained”.

The overall development cost estimated by the applicant is \$500,000, for both the demolition and redevelopment and it is anticipated that the retention and adaptation of the dwelling, as an alternative approach to replacing the dwelling entirely, should not be cost-prohibitive for the landowner/s.

The proposed demolition will diminish the heritage place rather than maintain and enhance it and therefore is not supported by heritage principles and planning policy.

Tree removal:

Limited detail has been provided around the age, species and health of trees to be removed, however from the street view of the site it appears the trees are of good condition and contribute to the garden setting of the subject site and its surrounding landscape. The applicant has provided photos of trees and other vegetation on the Demolition Site Plan (Shape Building Design, no date). Though the trees to be removed appear well established, some are small species which do not significantly add to the garden character of the street. At a minimum, the two trees shown on the plan which are immediately in front of the dwelling should be retained as they provide mature greenery and appear healthy.

Development:

The proposed development, which comprises a new single storey dwelling, garage and carport, would be a sensitive addition to the site and heritage precinct were the existing dwelling not worthy of retention. The proposed dwelling is of a modern design but evidently inspired by the surrounding characteristics of the heritage place with the inclusion of a steeply pitched hip roof and horizontal cladding to match the existing dwelling's cladding. A front verandah with timber posts and gable roof also reflects the early-20th-century dwelling entryway of the existing and surrounding dwellings.

The proposed carport, to the south-western side of the dwelling, has a roof extension from the dwelling to tie in with the dwelling and provides a practical parking space for residents. The garage to the rear would provide further covered parking and storage space for residents and is setback from the street sufficiently to reduce its impact to the streetscape.

The erection of a timber fence to the north-eastern side of the dwelling facing the street is not supported the fence will obstruct the side view of the dwelling and reduce the ability of the site to contribute to the garden character of the street by having a visible side garden. Indigenous flora is included in landscape plan and is supported.

Overall, the proposed development is considered to be appropriate for the Church Hill Precinct, being of a sympathetic design and a similar scale to neighbouring dwellings. Should a permit be granted for the demolition of the existing dwelling and construction of a replacement dwelling, a condition of the permit should require the establishment of a side garden and omission of the side front fence, or a minimum setback for the fence to ensure a side garden is established which can be viewed from the street.

Conclusion

The proposal includes two components, the demolition of the existing buildings on the subject site, including a heritage-protected early-20th-century dwelling which contributes to the Church Hill precinct, and the construction of a replacement dwelling and outbuildings to provide a new residence. The proposed development in itself is acceptable in a heritage place, however the loss of the existing heritage dwelling would diminish the heritage place rather than maintain and enhance it.

Church Hill is regionally significant for its architectural and social history, such as the two churches, and its prestigious and largely intact early 20th century and inter-war residences with their gardens and established street tree planting. The demolition of the dwelling from the site would create a noticeable impact on the street character, particularly as the dwelling is situated centre of a row of heritage houses and so close to St Andrew's Presbyterian Church.

The proposed dwelling and associated buildings and works, though well-designed and appropriate for the site in of themselves, cannot be supported as it relies on the destruction of the existing heritage protected dwelling. Heritage places are irreplaceable and are a living record of times and people past. For the Southern Grampians Shire, Church Hill Precinct is a reminder of prominent businessmen, graziers and squatters in Hamilton's early history.

It is recommended that the application be refused as it is inconsistent with planning and heritage principles, guided by the Burra Charter and explicitly managed by the Southern Grampians Planning Scheme, which seek to protect places of historical importance.

MEETING PROCESS

Anita Collingwood, Senior Statutory Planner

Application is for demolition of the existing dwelling at 24 Griffin Street and replacement with a new dwelling.

When there is a heritage building that is protected, the heritage overlay is there to protect. Planning Scheme is looking for enhancement of heritage places, keeping them in good condition and maintaining their use. Concern is that the proposal would allow demolishing a building that is integral to the precinct and is contained in a row of heritage houses.

While design of new house is respectful for a heritage precinct, it does provide a gap. Existing house appears to be in good condition. The cost of adapting would likely be less than a new build cost.

Recommending refusal due to losing an intact heritage style in the precinct.

RN – Question on front extension on original house. Front verandah looks like it has been built in.

Heritage adviser believes verandah hasn't been built on, rather it has been built in. No aerial photos have been looked for that might help clarify that further.

No building report on condition of building has been received.

Looks like there has been a number of changes to the building – roof, extensions. In regard to the timber, Cr Brown wondered how much of the heritage character has been preserved. It's a very mixed precinct.

Heritage adviser provided advice to applicants about ways to keep the original building but no further advice was sought.

Design of proposed house appears to be in keeping with the character of the area.

RECOMMENDATION**Refusal**

That Council, having given notice of planning application TP-101-2023 under Section 52 of the *Planning and Environment Act 1987* and having considered all the matters required under Section 60 of the *Act*, resolves to Refuse to Grant a Planning Permit under the provisions of Clause 43.01 of the Southern Grampians Planning Scheme in respect of the land known and described as 24 Griffin Street, Hamilton, for Demolition and Buildings and Works subject to the following grounds:

Grounds of Refusal

1. The proposed demolition of the dwelling is inconsistent with the purpose of Clause 15.03 and Clause 43.01 of the Southern Grampians Planning Scheme which seek to conserve, maintain and enhance places of heritage significance.

COMMITTEE RESOLUTION

That Council, having given notice of planning application TP-101-2023 under Section 52 of the *Planning and Environment Act 1987* and having considered all the matters required under Section 60 of the *Act*, resolves to Grant a Permit under the provisions of Clause 43.01-1 of the Southern Grampians Planning Scheme in respect of the land known and described as 24 Griffin Street, Hamilton, for Demolition and Buildings and works in accordance with the endorsed plans, with the application dated 4 December 2024 subject to the following conditions.

ENDORSED AND FURTHER PLANS

1. Before the commencement of the use and/or development, amended plans must be submitted to and approved by the Responsible Authority. When approved the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale and dimensioned and must be generally in accordance with the plans submitted with the application, but modified to show:
 - a. Any side and front fencing designed to complement the heritage character of the site and maintain views to the garden.
 - b. An amended landscape plan showing the following details:
 - i. A survey of all existing vegetation to be retained and/or removed, including the botanical name of each species.
 - ii. A description of the landscape character of the Church Hill heritage Precinct and a Design Response for the landscaping of the site which is consistent with this landscape character.
 - iii. Details of surface finishes of pathways and driveways, consistent with any other plans showing this information.
 - iv. A planting schedule of all proposed trees, shrubs and ground covers, including botanical names, common names, sizes at maturity, and quantities of each plant. The Plan must not include the use of any

- environmental or declared noxious weeds and all plant species selected must be to the satisfaction of the Responsible Authority.
 - v. Landscaping and planting within all open areas of the site where practicable.
2. The demolition and development as shown on the endorsed plans must not be altered without the written consent of the Responsible Authority.

LANDSCAPING AND NATIVE VEGETATION

3. Within three (3) months of the completion of the dwelling or within the next applicable planting season, whichever is the earlier; the landscaping works shown on the endorsed plans must be carried out and completed to the satisfaction of the Responsible Authority. The landscaping must thereafter be maintained to the satisfaction of the Responsible Authority, including that any dead, diseased or damaged plants are to be replaced.

DRAINAGE

4. All runoff from stormwater, including overflow from water storage, must be directed to a legal point of discharge to the satisfaction of the Responsible Authority.

EXPIRY AND TIME LIMITS

5. This permit will expire if one of the following circumstances applies:
- a. The demolition, development or tree removal is not started within two years of the date of this permit.
 - b. The demolition, development and tree removal is not completed within four years of the date of this permit.

In accordance with section 69 of the Planning and Environment Act 1987, the Responsible Authority may extend the periods referred to if a request is made in writing before the permit expires, or within six months of the permit expiry date, where the development allowed by the permit has not yet started; or within 12 months of the permit expiry date, where the development has lawfully started before the permit expires.

Permit Notes

- This permit does not authorise the commencement of any building works. Building approval must be obtained under the Building Regulations 2018 prior to the commencement of any approved works.
- The existing street tree/s must not be removed or damaged.

Moved: Marg Scanlon
Seconded Cr Brown

Carried

7. NEXT MEETING

28 August, 2024

16 September, 2024

8. CLOSE OF MEETING

Meeting closed at 10.49am

Southern Grampians Shire Council

Southern Grampians Shire Council's
Submission

Plan for Victoria



Southern Grampians region

With a landscape dominated by the spectacular Grampians (Gariwerd) mountain range, ancient volcanoes, tranquil rivers and waterfalls and undulating pastoral land dotted with majestic red gums, the Southern Grampians region spans the heart of Victoria's Western District.

The Shire is located 290 kilometres west of Melbourne and 500 kilometres south-east of Adelaide. With a population of 16,470 the Shire covers an area of 6,652 square kilometres.

The traditional owners of the Southern Grampians area are the Bunganditj, Gunditjmara and Tjap Wurong Aboriginal people.

Hamilton is the main retail and service centre supported by the smaller towns of Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Penshurst and Tarrington. Agriculture, with its associated industries, is the largest employment sector with agricultural production contributing significantly to the Victorian and Australian economies.

Processing, manufacturing, research and development, engineering, retail, tourism, service and professional industries, aged and health care services, and education are also important employment sectors across the shire.

This submission to 'Plan for Victoria' provides a response to some of the State Government's targets and initiatives outlined through its Housing Statement released in 2023. It also provides additional areas where the government can provide support to Councils to help enable more houses to be built in the Shire and some of the additional challenges that Southern Grampians faces when approving the construction of housing in townships and rural areas across the Shire.



Region Specific Targets on Greenfield versus Infill Development

As part of the Victorian Housing Statement, a target is included that states the new Plan for Victoria will bring to life the State Government's target for 70 per cent of new homes to be built in established areas, while making sure growth areas deliver 30 per cent of new homes.

While this target may be achievable in metropolitan Melbourne and other well serviced regional areas of Victoria, this is something that is not achievable in all of the communities in the Southern Grampians Shire, especially in any of the townships which have no or limited connection to town sewerage systems where increased development is already unable to be achieved due to the limitations of lot sizes (this is explained in this submission).

Council calls for these targets to be reviewed or be region specific to ensure they are both achievable and attainable in rural and regional areas across Victoria.

Windfall Gains Tax

The Windfall Gains Tax, which came into effect on 1 July 2023, is limiting development and housing in rural and regional areas.

Developers, in response to the tax, are inclined to pass on the additional costs to buyers and investors. This approach is having an adverse effect on towns with lower land values. These towns are seeing their development prospects become increasingly marginal or even unviable, directly contradicting the goals of initiatives in regional housing developments and town structure plan reviews.

The tax's regressive nature raises questions about its alignment with broader state government housing policies. Rather than enabling new residential development, it is inadvertently acting as a deterrent, potentially undermining the objectives of affordable and sustainable housing in regional areas.

In rural areas, where property markets tend to be thin and development is often on the edge of viability, the Windfall Gains Tax exacerbates challenges. Developers in these regions are frequently local families and small investors committed to their communities. In such contexts, the tax may inflate development costs and property values, further draining or limiting the capacity for growth.

Given these potential negative repercussions, it is imperative to reconsider whether the Windfall Gains Tax is actually providing the benefits it was proposed to complete or whether it is creating a barrier (especially for smaller housing lot subdivisions that may be sold over a ten year period by investors) to see more houses constructed in rural and regional areas. This will be especially important for Southern Grampians with any recommendations that may be included in the structure plans for Cavendish and Coleraine currently being completed.

Investment in Enabling Infrastructure to Support Housing

Reticulated Sewerage

Southern Grampians only has town sewerage connections in three of its 10 towns.

Non-reticulated sewerage towns

For the towns with no sewerage infrastructure, this means that small lot sizes are unable to support sewerage infill development with Council having to refuse planning applications for subdivisions due to onsite wastewater systems being unable to be installed to meet EPA requirements.

Penshurst, a typical small town with no reticulated sewerage (even though it is gazetted as a declared reticulated sewerage district), has 75% of lots unable to contain wastewater on-site long term and 93% of onsite wastewater management systems having potential major environment and human health risks.

Penshurst was recently involved in a trial led by Wannon Water to pilot a whole-of-town wastewater solution. As a first step, one part of town was selected to trial a pilot wastewater management and water recycling system. The idea was that it would capture wastewater near the source, treat it and then re-use it on public open space. The benefit of a precinct and module wastewater solution are that the adaptive wastewater infrastructure can be installed as required, in stages.



The functional designs for the Penshurst wastewater recycling project have been scoped to support a 75% development growth within the Township Zone. If implemented, this project could increase the Penshurst population by 67 people (14% of the current population) and create 33 full-time equivalent jobs by 2046.

Due to rising costs, the local water authority Wannon Water recently made the decision to abandon the pilot with their consultant estimating that the cost of the pilot project had risen from \$1.7M to \$2.7M and the total project cost had risen from \$10M to almost \$20M.

While Council is disappointed by this decision, Council does understand why it was made. However, this issue of development in non-reticulated towns is still an issue both in Southern Grampians and across rural towns in Victoria. It does mean that it is impossible for towns such as Penshurst to meet the 70/30 targets released by the State Government.

Council would be supportive of further work being completed in Penshurst using the preliminary data that had been obtained from the pilot. Council strongly supports the State Government providing further funding through an Environment levy or the re-establishment of grant programs that provided for reticulated sewerage systems in rural and regional Victoria previously offered to water authorities.



Reticulated Sewage Towns

While Council does have three towns that have reticulated sewerage or are partially seweraged (Hamilton, Coleraine and Dunkeld), the expansion of these town systems to meet current and predicted growth areas is also providing a barrier to housing builds.

In Dunkeld, a Planning Scheme Development Plan Overlay (DPO) exists for a section of the township that has the potential for see over 40 new houses constructed. This overlay requires developments to connect to reticulated sewerage, but no such services are available nearby, making extensions financially unviable.

While Council supports the principle of connection to a reticulated sewerage system with the majority of this land owned by small or single lot investors, the cost per lot ranging between \$100,000 – \$400,000 to connect to the town system and needing a majority of these property owners to approve an extension of the sewer scheme, it was recently decided by Wannon Water not to proceed with the sewer extension. As part of the Water Act, Wannon Water are not required or able to contribute to the scheme to reduce the cost to property owners. Wannon Water are also not supporting Council to change the requirement of the DPO around wastewater connection meaning that this whole section of land is unlikely to be developed.

There are other examples of this situation occurring that exist within growth areas of Hamilton, Southern Grampians biggest town.

Reticulated Sewerage installation costs have increased in the range of 59% to 179% in the 2023–2024 period with Wannon Water cancelling or placing on hold all reticulated sewerage extension projects within the Shire due to rising costs.



Council calls on the State Government for a change in policy to proactively support water authorities and land owners to extend reticulated sewerage systems, and enable properties to connect to reticulated sewerage services by:

- Enabling property owners to reasonably contribute to reticulated sewerage extension when extensions run past their property for a new development.
- State Government policy clearly defining reasonable reticulated sewerage costs.
- State Government policy clearly defining when a property is reasonably required to connect to reticulated sewerage and water.
- Permit water authorities to spread reticulated sewerage operations, extensions and connection costs across their network of reticulated sewerage customers.
- Change the Water Act to allow Water Authorities to contribute to sewer extension projects.

Enabling Infrastructure

Council is currently negotiating with developers for the sale of 22 hectares of residentially zoned land in Hamilton to create the Lakes Edge subdivision. One of the key requirements for this site once developed is the creation of an additional road including a bridge over the Grange Burn that connects to Lake Hamilton to ensure a current traffic bottleneck at the intersection of Ballarat Road and Rippon Road is not increased through the construction of the new housing at this site.

While Council has had discussions with Department of Transport and Planning staff around this issue, there is no clear funding stream currently available for Council to apply to for the construction of this new road onto Mill Road, north of the development.

Council seeks a commitment from the State Government to invest in projects such as this through a dedicated funding program to ensure that this new housing build doesn't create additional access issues in the town. It is estimated that over \$4M is required to build this new road and bridge to the development.



Investment Fast-track and Navigation of the Complex Planning and Regulatory System

The process of obtaining planning approvals in regional and rural areas is marred by complexities, involving the navigation of multiple departments, substantial costs, and time-consuming procedures, particularly where land is caught between competing agency requirements e.g. DEECA and/or CFA. As a result, potential investors are discouraged, and there is a prevailing perception that approval timelines are longer in Victoria compared to other states, negatively impacting the State's business reputation.

Recognising the resource constraints of local authorities exploring solutions, such as dedicated investment panels, planning and regulatory facilitators, or outsourcing expertise, is essential to bridge the talent gap and facilitate smoother navigation of the regulatory landscape, fostering investment and economic growth in regional Victoria.

To fast-track investment processes and navigate the complex planning and regulatory environment the following is recommended:

- **Simplify and expedite the planning approval procedures to reduce complexities and delays, making it easier for investors and developers to navigate the regulatory landscape.**
- **Increase the capacity of rural councils through state-sponsored planners and resources for key projects.**
- **Conduct a consultative evaluation of the Development Facilitation Program, including its composition, location, capabilities, decision-making procedures, and coordination mechanisms. Identify areas for improvement and implement necessary changes to enhance its effectiveness and efficiency. Ensure that the evaluation committee includes representation from rural and regional local government authorities to align with their specific needs and challenges.**
- **Ensure the program is adequately resourced, minimising cost to councils.**



Streamlining Planning Scheme Amendments

The current process for planning scheme amendments is complex, costly and time-consuming, leading to delays in project delivery and hindering the development of affordable housing and growth industries in regional and rural areas.

The administrative burdens and lengthy assessment processes create barriers for developers and investors, slowing down the development of much-needed housing and infrastructure projects.

In order to streamline planning scheme amendments and expedite the delivery of projects the following is recommended:

- Simplify documentation and planning scheme amendments to reduce administrative burdens.
- Undertake hearings based on written submissions and involve the panel only in areas of unresolved dispute.
- Deemed approvals through logical inclusions by approving projects that align with the current structure plan.
- Expand funding to the Victorian Government's Regional Planning Hub program to increase the availability of support for rural and regional councils with insufficient planning resources to conduct strategic and statutory planning.

A recent example in Southern Grampians was a relatively simple re-zoning in Taylor Street, Dunkeld to support four new housing lots that took over 15 months to complete due to additional work being requested from Department of Transport and Planning Officers before authorising the Amendment to proceed, despite the amendment being supported by a structure plan and a Council resolution.



Public Transport Funding

While the Victorian Housing Statement outlines significant investment in metropolitan Victoria, the Southern Grampians continues to suffer from inadequate public transport in both Hamilton and its smaller communities.

Regularly, Council hears of students having to share taxis from Hamilton to Warrnambool to attend education and similar stories of residents travelling to attend medical appointments in Ballarat, Geelong, Melbourne and Warrnambool.

Council continues to advocate for a return of passenger rail to Hamilton but also asks the State Government to investigate increased investment in the VLine bus services currently provided to some of our smaller towns to allow for more frequent services at better aligned times to connect to other services in major regional centres.

Council also asks for the State Government to further investigate subsidised air travel options with the Shire being home to the Hamilton Regional Airport which previously had daily air travel from Hamilton to Melbourne but is now no longer feasible due to rising costs. This type of regional air travel subsidy occurs in many other states across Australia.



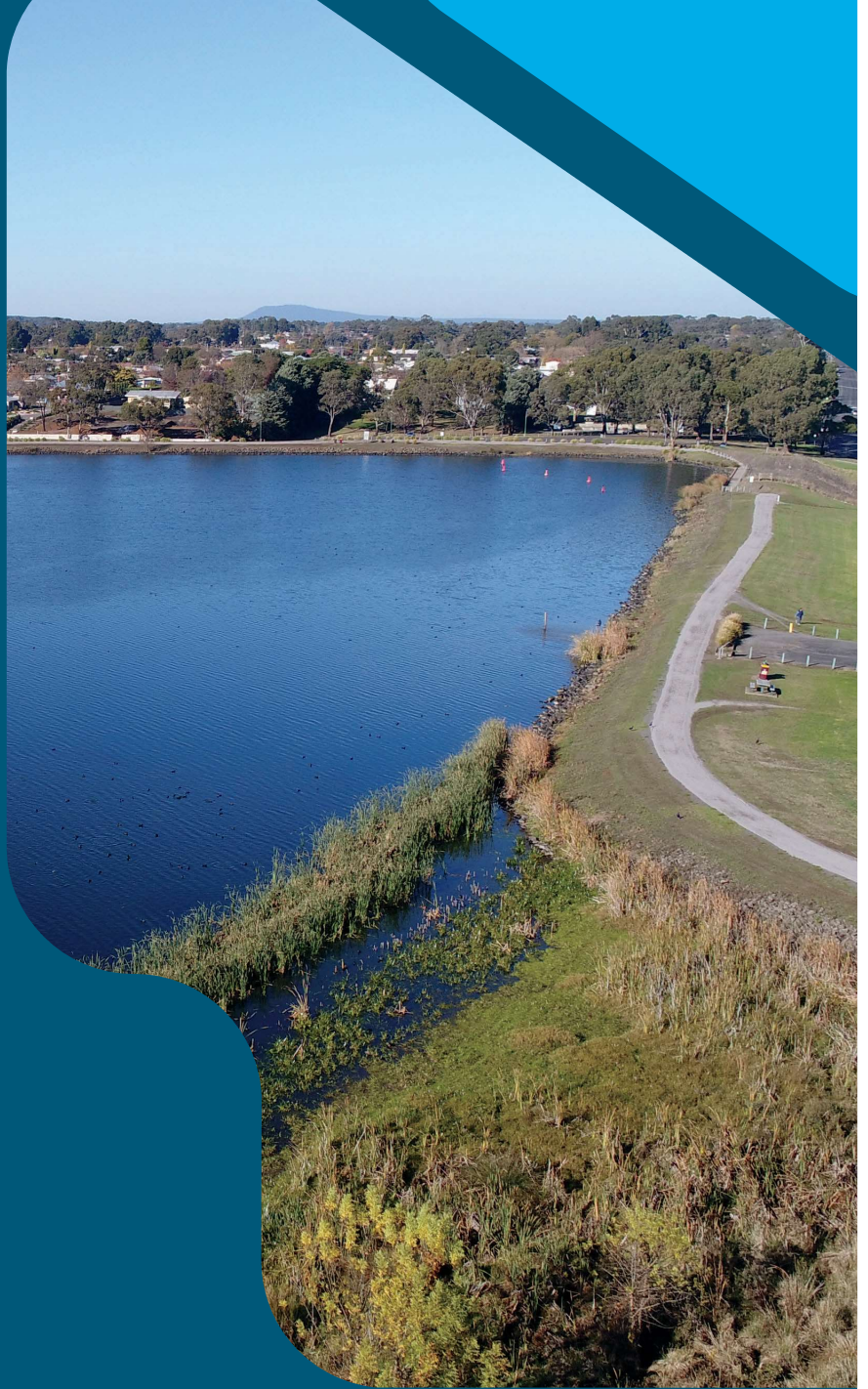
Housing Targets

As part of the recently released housing targets across the State, Southern Grampians housing target is listed at 1,200, the lowest for the Great Southern Coast region.

This target is not aspirational as the Shire currently has a 10-year average of 49 dwelling approvals per year meaning that the Shire is not predicted to increase its current trend. This is despite Council currently in negotiations to sell a 22-hectare site in Hamilton to deliver over 200 lots of various sizes mentioned earlier in this submission.

Despite the region's low unemployment rate, the Council seeks assurances from the State Government that this lower housing target, compared to other similar Councils across the state, will not impact future funding allocations for enabling infrastructure and other State Government services in the Shire, such as schools, hospitals, and public transport. The Council also requests more information on how this housing target was calculated and whether any mandatory reporting measures will be imposed on Councils once formalized, especially regarding infill and greenfield developments.





HRLX Business & Marketing Plan

PART 2 – STRATEGIC ROADMAP

APRIL 2024

SED

REGIONAL ADVISORY

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1. Executive Summary

In August 2023, SED Advisory was engaged to develop a strategic business and marketing plan to guide the continued growth of the operation and long term sustainability of the Hamilton Regional Livestock Exchange (HRLX).

The scope included an assessment of regional competition, industry status, infrastructure and operational function and was supported by targeted stakeholder engagement. Key findings from this assessment was reported in Report *Part 1 - Research and Analysis*.

This report builds on Part 1 to incorporate its findings into the development of Business and Marketing Plan to guide prioritisation of HRLX future initiatives and support effective business planning execution.

Strategic factors driving the Business and Marketing Plan

- Research and analysis concluded that the evidence for long term investment in HRLX is strong. It represents an important regional asset with medium-long term strength.
- Relationships and operating style are important. There is mutual benefit for key stakeholders of the facility to work together, and by doing so generate improved throughput, operational efficiency and improved Return of investment (ROI).
- Strong financial returns support long term security of the facility, and provides investment capital required to secure its position as a region leader in sale-yards operations.
- In terms of marketing HRLX and growing throughput, a key recommendation is to consider differential pricing for cattle.
- The HRLX business is in a transitional phase from its past practices to meet future requirements. That is, it now needs to organise its business operations for future success. This activity forms the first order of priorities and includes:
 - o Investment: Continue demonstrated support for facilities investment

- o Governance: Composition, skills balance and cooperation of stakeholders is critical to HRLX success
- o Monitoring: The need for accurate and timely information to inform decision making (financial systems)
- This review also covered alternate uses of the facility for additional income, which have been captured in the plan. For example broader utilisation of the facility, yards/truckwash and agistment as complementary revenue sources. But first and foremost, focus on optimising the core business (HRLX) must take precedence. The saleyards are a place of work and the yards generate significant throughput and revenue.
 - Secondary order issues (e.g. solar panels) should be pursued as funding for environmental activities arise.
 - The Business and Marketing plan is designed to support execution of the developed strategy. The plan focuses on supporting organisational alignment with purpose, strategy, governance and investment matters. The activity plans utilise balanced scorecard principles to promote alignment of ongoing renewal and sustainability.

The case for Council investment

It is well understood that Council has many competing priorities that require funding, of which HRLX is just one. However, given that Council has chosen to continue to own and operate the facility, there are also reasons that should support ongoing functional investment in HRLX;

1. As the owner of the facility, there is an expectation that Council is the natural party to invest in it.
2. In this respect, if Council show reticence to do so, then any co-funding partners are less likely to contribute, either financially, or in-kind, negating any incentive to make resources go further, or to encourage a sense of community ownership over the project.

3. Unlike most of Council's capital improvement responsibilities, HRLX is one of a few that provides a return on investment. This said, it operates in a competitive environment with demands that the facilities meet industry standards.
4. Given the economic profile specific to Southern Grampians, it is in Council's interest to support initiatives that encourage red meat production, an industry that contributes greatly to SGSC's rate base. Investment in HRLX is a pragmatic acknowledgement of this community interdependency.
5. Animal welfare of farmed animals has become a salient issue within Australian society. Consumers are increasingly expecting higher standards of welfare and the supply side of the industry is now concluding that welfare investment delivers economic outcomes.
6. With reported estimated annual sales serviced through HRLX of \$190M in 2021/22, a significant figure for any regional community. It creates significant economic activity and "churn", as the money recycles through local suppliers and other businesses. While it may be the case that much of the cash would continue to flow into Hamilton should producers sell their livestock elsewhere, it would nonetheless be impacted. For example, there is no guarantee that local carriers or agents would get the same work. For perspective, if agents' fees for smaller producers typically run around 5%, this would be equivalent to \$9.5M, a significant impact on the local economy.
7. There is strong evidence of the leading role that HRLX provides to community resilience, both through the social cohesion provided by interaction between producers and others, as well as the community benefit created through providing employment opportunities, particularly to entry-level, first-time employees to give them the understanding, skills and experience to initiate, engage and develop their careers.

The Strategic Business and Marketing Plan outlines the priorities to build its capability and a culture of financial rigour which will support long term sustainability. This approach will enable the Saleyards to remain in control of its facility for benefit of its community. The detailed priorities, indicative timelines, planning requirements and strategic policy context are all

contained within this document. It should also be referenced to the supporting document titled "Part 1 – Research and Analysis".

2. Introduction and report purpose

SED has been engaged to review operational performance and develop a business and marketing plan for HRLX, one that supports growth and sustainability of the business. Key to development of a rigorous plan is alignment from organisational purpose through to execution of strategy. The report provides a summary of recommendations and direction.

SED has applied the mapping structure above on the basis of assessment of the status of the hierarchy elements:

- | | |
|--------------------------------|--|
| 1. Purpose: | SGRC has declared its commitment to ongoing support of the saleyards |
| 2. Governance: | The governance structure has been adopted and is operational |
| 3. Strategic direction: | Strategy has been adopted and communicated in 2022/23 annual report |
| 4. Investment Logic: | Part 1 - Research and Analysis, assessed the market, the facilities and the prioritisation to align with the strategic direction. |
| 5. Execution of Plans: | Part 2 - This Business plan aligns work completed in items 1-4 above and provides proposed actions that will support delivery of desired outcomes. |

The Business plan has been developed in accordance with the practice of “clear line of sight” – starting with organisational purpose, governance oversight matters, strategic direction and investment priorities to inform business plan activities. This mapping framework is summarised below in Figure 1.

HRLX mapping for effective oversight and management

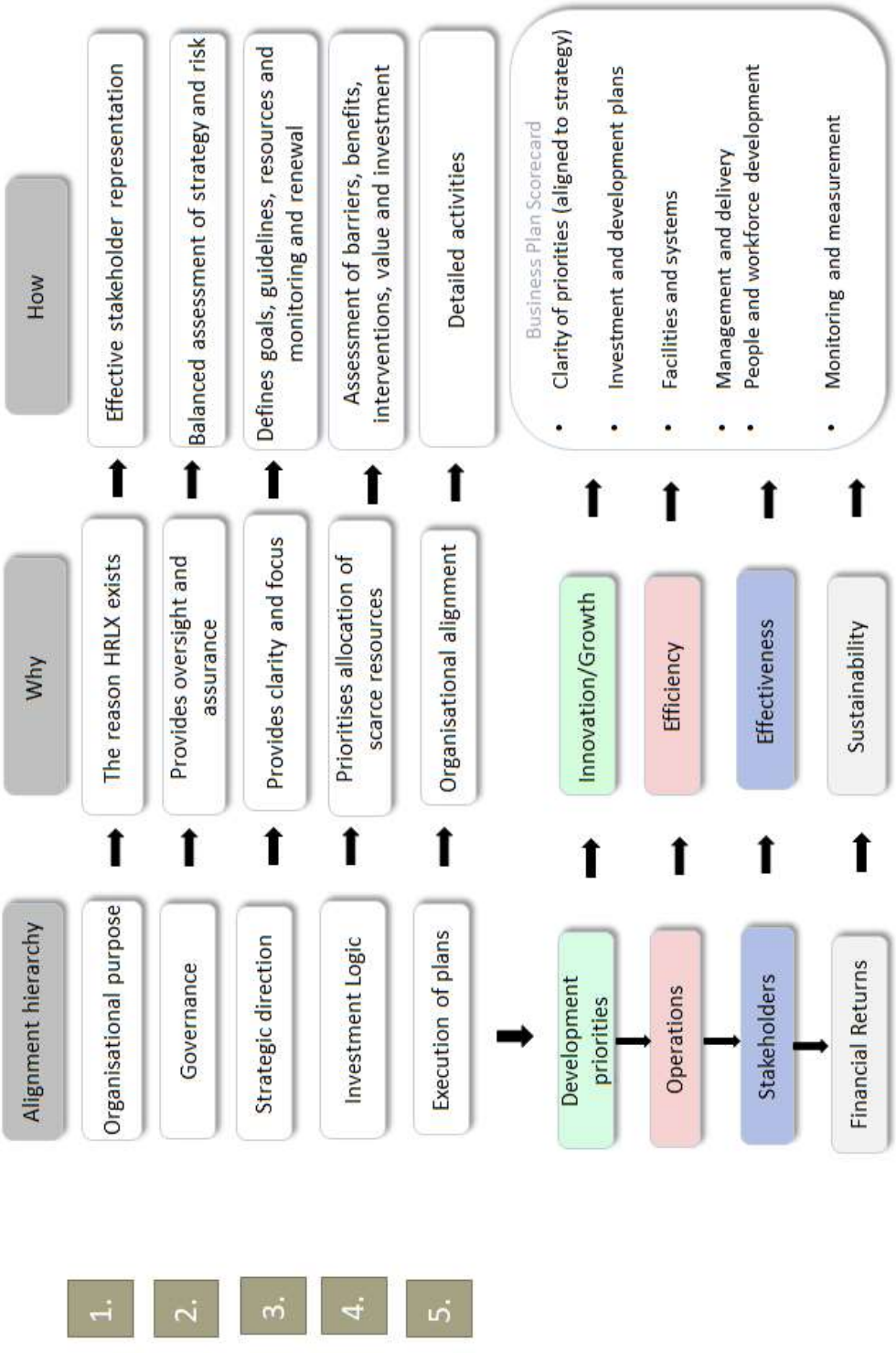


Figure 1 - HRLX Mapping for Effective Oversight & Management

3. Direction – 2024 and beyond

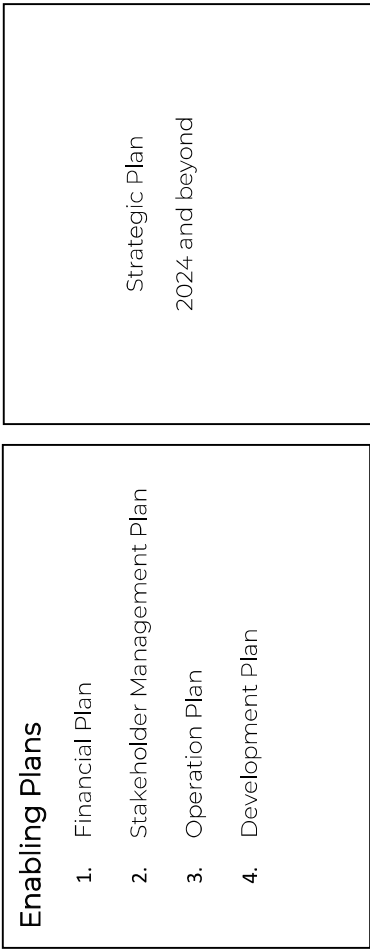
3.1 Vision:

Hamilton Region Livestock Exchange represents an important regional infrastructure asset that generates economic and social benefits to the community. The Strategic Vision for HRLX is to consolidate its long term sustainability with actions and investments targeted at:

- Management of the operation as a commercial enterprise
- Building on its position as premier sheep market sales facility in Western Victoria
- Consolidating and expanding its position as cattle market
- Be a best practice facility encompassing environmental, biosecurity and compliance requirements
- Continue to contribute to the social and economic fabric of the Greater Hamilton region.

3.2 Objectives:

1. Build independent financial sustainability
2. Support growth in throughput through stakeholder engagement
3. Implement high standards of management operations and performance measurement
4. Undertake infrastructure development to secure long term viability



4. Strategic roadmap to 2027

Scorecard Pillar	Focus areas for a sustainable operation	Objective	Actions FY24-25 Adapting and consolidating	Actions FY25 -27 Building sustainability
Financial sustainability	- Sustainable Annual Budget - Financial forecasting by key activity drivers - Funds reinvestment strategy - Debt Servicing capacity - Building diversity of income sources - Reduce operating costs as % of revenue	To ensure HRLX future is financially sustainable	- Develop purposeful financial systems that enable clarity – performance, position, cash flow and funds flow. - Build improved reporting tools to support accuracy & reliability of financial figures and throughput activity - Commence business case for roof works (Pens 163 & 164 plus Cattle Yards)	- Fund staged development of facilities and master plans - Strategic prioritisation of SOSC appetite for long term investment and maintenance year funding plan - Develop business cases as priorities are agreed
Stakeholder management	- Effective relationships with facility stakeholders - Marketing and Public Relations for community engagement - Application of user fees that reflect market value - Management of Community expectations of environmental and sustainability matters	To build stakeholder engagement and strengthen HRLX value proposition in the community	- Develop accurate marketing Database - Adopt high priority PR initiatives for way-finding and Social media presence - Pricing strategy engagement and review process - Identify and pursue funding opportunities for environmental projects	- Signage improvements for facility - PR relationships with peak bodies, community groups
High standards of management and performance	- Effective governance/management structure - Efficient management systems - Strong administration and compliance - Effective measurement and reporting - Efficient facility usage management systems	To have in place an effective, efficient structure with systems that reflect high industry standards	- Development of MOU - Compliance with operating standards - Review of corporate overheads - Programmed minor repairs and maintenance, utilisation of down times where capability exists - Subcommittee structure for specialised advice - Performance management & remuneration review	- Succession planning - roles and responsibilities for management and governance with Annual review – HRLXAC performance - Reporting – develop an improved recording system (ie Outcross) - Identify shared service administration options
Infrastructure development and growth	- Rollout an infrastructure plan aligned with strategy, strategic options - Investment summary and business case - Identification of innovation initiatives	Protect asset values and invest in capable people, infrastructure and systems to entrench long term sustainability	- Adopt long term capital works plan - Finalise priority plans & funding for upgrade to facilities - Succession management and renewal for employee development. - Project management Roles and Responsibilities	- Rollout of ongoing capital works priorities - As funding opportunities arise, invest in ongoing renewable energy (solar panels) and water management improvements

	• Build people and resource capability				

5. Business Plan 2024/2025

Business Plans for each of the four pillars of the balanced scorecard reflect the alignment with organisational purpose, governance, strategy and business development logic. They represent the key matters for action. That is, they are focused on key requirements rather than an extensive list of operational activities. The Business Plan activities are supported by content included in Part 1 (Research and Analysis) and “Supporting Detail to the Business Plan” in [Section 6](#) of this report.

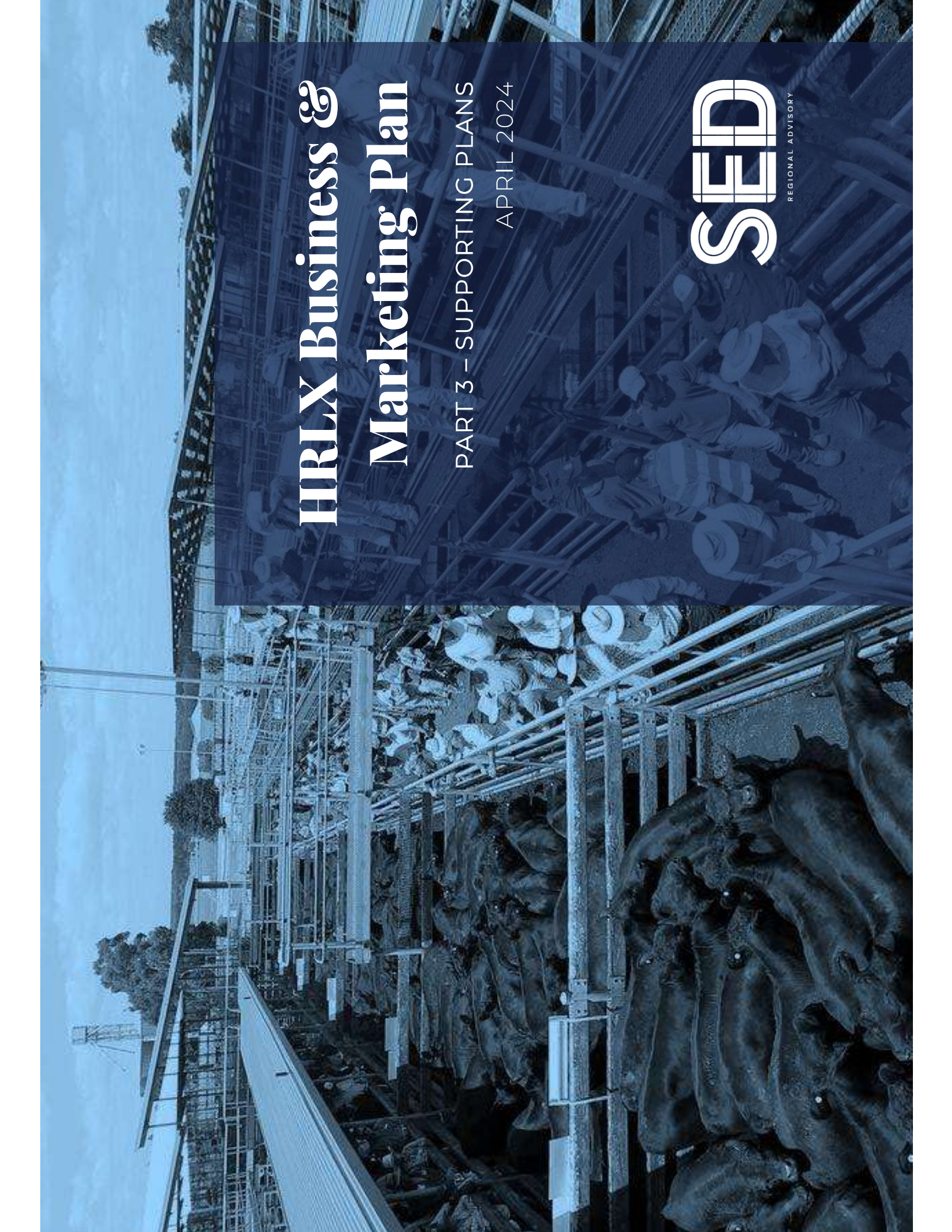
This activity represents the Business Plan for the next financial year. It should be updated annually, referencing the strategic roadmap outlined in [Section 4](#).

Financial	Activity FY 24- FY25	Priority	Responsibility
To ensure the HRLX future is sustainable long term	Formalise decision for independent financial management system for HRLX, and to operate as a separate financial unit from July 1st 2024.	H	SGSC
	Reporting capability to enable purposeful financial reports that provide clarity on performance (profit and loss), capital position (balance sheet), cash flow (liquidity) and funds flow (use and application of funds)	H	SGSC
	Build improved reporting tools to support accuracy & reliability of financial data and throughput activity, noting that HRLXAC cannot manage what it can't measure.	M	SGSC CFO/HRLXAC sub committee
	Commence development business case for cattle roof extension works and soft flooring throughout the facility. A sample business case template is provided as a tool for internal use and preliminary assessment. Applications for state and federal government funding significant funding will require additional rigour, outlined in their specific funding application requirements	M	SGSC CFO/HRLXAC sub committee
	SGSC form a funding strategy for future capital expenditure projects that needs to be developed in conjunction with the necessary design and cost estimate	H	SGSC CFO/HRLXAC sub committee

Stakeholders	Activity FY 24- FY25	Priority	Responsibility
To build stakeholder engagement and strengthen HRLX value proposition in the community	Formalise role of SGSC Marketing resources to focus on Public Relations activities (Outlined in section 6.4 of this report)	M-L	SGSC
	Reconsider HRLXAC composition to include active representative of Agents, operating within principles of governance outlined in Governance section and consistent with an agreed MOU	H	SGSC
	Design and adopt an appropriate MOU between 2 principal parties (Council and Stock Agents Association) for clarity of roles and responsibilities	M-H	SGSC and Stock agents
	Address stakeholder priority for investment in roofing (including pens 163 & 164) to support regional competitiveness.	H	SGSC
	Consider and adopt a differential pricing to achieve strategic objectives. Specifically reduce rates on cattle tariff to attract more sales through the facility.	M-H	SGSC CFO/HRLXAC sub committee

Management and operations	Activity FY 24- FY25	Priority	Responsibility
To have in place an effective, efficient structure with systems that reflect high industry standards	Formalise ongoing review of HRLX risk profile and its implications for strategic plan	M	HRLXAC sub committee
	Review corporate overheads through a commercial lens to assess the quantum, efficiency and effectiveness of the resources allocated. This will provide a more reliable ROI.	H	SGSC CFO/HRLXAC sub committee
	Establish delegation of HRLXAC sub-committee to support BH recommendation for appropriate skills sets of Marketing/communications, OHS, Animal welfare and Biosecurity skills to oversight plans and protocols (refer to 6.1 Governance supporting document) and better engagement with HRLX stakeholders.	M	SGSC
	Develop a recording system (preferably with Outcross) that can provide monthly and consolidated annual reports covering throughput nos., by type, price, origin, buyer and destination	H	SGSC
	Consider and implement recommendation for MOU as outlined in section 7.2 of this report and management of ongoing relationships	H	SGSC CFO/HRLXAC sub committee
	Initiate annual review of HRLXAC performance to set the 'tone from the top' of high standards.	M	HRLXAC sub committee
	Refine saleyard manager <u>autonomy</u> and delegated authority levels	H	HRLXAC sub committee
	Undertake review of current insurance arrangements and Clarify council / agents' liability (i.e. agents' employees / Council's workplace)	H	SGSC CFO/HRLXAC sub committee

Development	Activity FY 24- FY25	Priority	Responsibility
Protect asset values and invest in capable people, infrastructure and systems to entrench long term sustainability	Develop a process for identifying and prioritising capital works projects in consultation with stakeholders, including those responsible for operational matters including design & development process, costing & business case process and Funding sources	H	HRLXAC/HRLX Management/Agents
	Adopt business case criteria and Identify likely funding internal and external sources (with reference to case for Council investment)	H	HRLXAC/SGSC
	Adoption of long term capital works plan and finalise priority plans & funding for upgrade to facilities (dual purpose design) as follows: i. Completion of roof extension (a key component of regional competitiveness) ii. Address renewal of Pens 163 & 164 iii. Extension of soft flooring throughout the facility iv. Upgrade truck wash facilities	H	HRLXAC/SGSC



HRLX Business & Marketing Plan

PART 3 – SUPPORTING PLANS
APRIL 2024



6. Supporting detail to the business plan

6.1 HRLX Governance

6.1.1 Understanding of the model

SED has assessed governance arrangements of HRLX on the understanding that Council has previously determined that;

- HRLX will be owned by Council, and will be operated by Council.
- That HRLXAC has transitioned to a 'delegated committee' as defined by the Local Government Act 2020, and recommended in the BIH report.
- The role of HRLXAC is to report to Council in an advisory capacity only. Council has not delegated any powers to the Committee and remains responsible for all decisions relating to HRLX.
- It is noted that while HRLXAC is a delegated committee, as it has no powers, there is scope for members with pecuniary interests to be appointed with appropriate conditions.
- That HRLX will operate and be accounted for as a separate business unit, within Council.

Furthermore, the September 2022 HRLX strategic vision states the goals are for it to;

- operate as a commercial enterprise
- build on its position as the premier sheep market sales facility in western Victoria
- consolidate and expand its position as a cattle market
- be a best practice facility encompassing environmental, biosecurity, and compliance requirements
- continue to contribute to the social and economic fabric of the Greater Hamilton region.

Accordingly, we have reviewed the current structure of the HRLXAC as to whether it is 'fit-for-purpose' in that it has the appropriate relevant skill sets and operational scope.

6.1.2 Observations

6.1.2.1 Council Role

The BIH report informs us that the skills required were determined by 'a recent workshop attended by SGSC Councillors and Executive' If it is the intention of Council and the Executive for HRLX to remain solely an organ of Council, representing Council's interests then, for the reasons outlined in Part 1 of the report, particularly the level of revenue generated by the sheep as opposed to cattle, best practice would suggest that an appropriate skilled person with experience in sheep industry also be appointed.

If, however, the Committee is to reflect the true business of HRLX, then in our view, it needs to represent all relevant stakeholders. We note references made in the BIH report as to the Advisory Committee's skills and composition;

"Having an Advisory Committee made up of industry representatives can be advantageous due to their specific industry knowledge but can also come with considerable negatives as well. Some of the potential negatives include possible conflict of interest, potential for having an overly-operational lens on the business and potentially not having a complement of other skills by which to strategically advise Council," and,

"..... current non-Councillor membership represents an industry stakeholder group of individuals that derive their income directly or indirectly from HRLX's operations. This allows for the potential for conflicted advice to come to Council",

We don't disagree with these sentiments; however, we believe the advice received should be both 'relevant and balanced', that does relate back to the core purpose of the committee and the interests it represents.

6.1.2.2 Agents role, expectation and responsibility

Consultation with the agent's indicates that there is a significant gap between identification and expectations relating to the respective roles of the two principal stakeholders in HRLX operations.

While the agents acknowledge Council built and own the infrastructure, they are of the opinion that they built and own the business conducted there. It didn't happen by chance and the business generated came from their application, diligence and networks. This principal best defines their view of the respective roles of each party.

They make reference to the agent's fee charged by Council as 'the lease' to describe how they interpret the relationship; as one of landlord and tenant.

While this may not accord with Council's view of the relationship, it is their belief that this was the original understanding between the parties and, while acknowledging there are no living witnesses to the understanding, they believe that there hasn't been any formal agreement to change the arrangement, as is set out in Hamilton and District Stock Agents' Association constitution.

Recommendations

The BIH report further notes that the workshop further determined the skills thought best required for HRLX's new Committee included:

- Marketing and Communication, to assist in more strategic positioning of HRLX and better engagement with HRLX stakeholders.
- OHS, as this is an issue of growing importance from a compliance and legislative perspective.
- Bio Security, as an emerging factor that may impact on saleyards operations
- Animal Welfare, with increasing activism by animal welfare lobbyist groups
- Financial and Data Analytics, applying a financial governance lens to identify trends, threats and opportunities to HRLX and sector."

While these skills are relevant and are representative of potential threats to the HRLX business model, we question whether they should be the main focus at the expense of day-to-day operational issues encountered by those responsible for making HRLX function.

In our view the functions outlined above are more akin to a 'risk and audit' function of a sub-committee, rather than addressing 'the business aspects' of HRLX. Again, the BIH report is informative in this respect;

"... there could be scope in the TOR for the Delegated Committee to bring in industry specialist expertise or stakeholder groups to assist in informing the Committee on a discretionary basis when required. This would negate the need for the Committee to recruit industry stakeholders or highly specific expertise onto the Committee."

As such, we would suggest that the first four points relating to the desired skill sets above would be more appropriately delegated to a sub-committee to ensure there are sufficient protocols and plans in place to cover such events, using outside specialist expertise and that these be updated on an annual basis.

Furthermore, it is difficult to identify, perhaps with the exception of biosecurity, which independent members have specific expertise in these areas. The last point is more aligned with what we would view as with the normal commercial business function of HRLX.

We view the current composition and focus of the Advisory Committee as different to that of the BIH report, in that if it is to include the core business function of HRLX, then it needs operational representation, including agents and the HRLX manager/supervisor. If this is not deemed the forum for informed decision making, what is the alternative mechanism for those parties responsible for generating and executing business of the HRLX to be heard?

We understand the potential for disagreement and diversion of opinion, however alternate views typically provide for better clarity and decision making. What is evident from Part 1 of the report, is that the regional competitive environment is already challenging and, for the sake of all stakeholder interests involved in HRLX, internal cooperation should be paramount, not division.

While there will be disagreements, there needs to be an open forum where these matters can be canvassed to avoid misunderstandings and give context as to why decisions are made, hence we recommend that agents' have an active representative on the HRLXAC, beyond the current capacity as a 'guest'.

As for the potential for conflicted advice and pecuniary interests of parties, in the current context, these are mostly well understood and should be able to be managed through an appropriate Terms of Reference (ToR) with a suitable Conflict of Interest clause. We have sighted the ToR for

both the Naracoorte Livestock Exchange Board and the Mount Gambier and District Saleyard Strategy Committee in this assessment.

Furthermore, along with the sheep industry member, one stock agent representative and the HRLX manager on their own will not carry enough votes to carry any one motion and, in the end, Council still maintains the right of veto over any decision put forward. From our consultation, there appear to be examples of differences between the decision-making priorities and outcomes of the two variants of the Advisory Committee as outlined above that include:

- As discussed previously; the roles and expectations around marketing
- Different priorities in capex priorities, roofs and dust suppression as opposed to security gates.

6.1.3 Memorandum of Understanding (MOU)

Whether or not there is a change in the structure of the HRLXAC, there is a need for an effective understanding between the two principal parties responsible for the effective function and future operation of HRLX.

The role of stock agents in the future success of HRLX, as indicated, needs to be both recognised and supported. They are responsible for generating, organising and executing HRLX's core business function, yet there appears to be no agreement or detailed understanding of the respective roles and responsibilities between Council and the Stock Agents' Association,

To some extent, it appears the agents and Council operate in parallel universes, which, while not necessarily leading to conflict, can still lead to negative outcomes.

Recommendation;

While negotiating an MOU may raise dissenting views from both parties, it is a conversation that needs to be had, as an agreement needs to be reached to provide clarity for both parties for the business to function effectively.

A Draft MOU has been included for comment that could provide a basis for discussion between the two principal parties.

6.1.4 Guidelines for effectiveness

SED has applied a strong focus on the importance of alignment from strategy to execution in the development of the business plan. In this case, they are applied to the strategic objectives of HRLX; to operate as a commercial enterprise, it's primacy as a premier sheep market sales facility, expanding its cattle market position, development of a best practice facility and social and economic contribution to the Greater Hamilton region.

For ongoing review by SGSC and HRLXAC, we have applied the ten Australian Institute of Company Directors (AICD) best practice guidelines to shape recommendations. These are outlined below in Table 1

Table 1 - AICD Governance Principles & context to HRLX

AICD Principle	Objective Statement	Action
1. Purpose and strategy	Via SGSC, HRLX has a clear purpose & strategy that aligns its activities to its purpose	Adoption of this plan to deliver the stated strategy and priorities of the proposed activities.
2. Roles and responsibilities	There is clarity about the roles, responsibilities, and relationships of the HRLX Advisory Council, Management & SCS	With observations raised in this report, all parties should consider implications and then either re-state and/or confirm roles and responsibilities. It is important that all members be clear of roles, responsibilities and expectations to increase likelihood of success
3. Advisory Council composition	The Advisory Council's structure and composition enable it to fulfil its role effectively	Consider engagement of a specific skills based operator/s for significant projects and appropriate mechanism to engage with a sheep industry member, a stock agent and operational input from the HRLX manager.
4. Advisory Council effectiveness	The Advisory Council is run effectively, and its performance is periodically evaluated	This requirement should be included in HRLXAC annual review calendar, to ensure review discipline.
5. Risk Management	HRLXAC decision making is informed by an understanding of risk and how it is managed	This Business plan provides a high level assessment of key strategic and operation risks. Periodic review has been included as a business plan action.
6. Performance	HRLX uses its resources appropriately and evaluates its performance	It is clear that tools for measurement of performance are currently inadequate and need work. This is a first order priority.
7. Accountability and transparency	The Advisory Council demonstrates accountability by providing information to stakeholders about HRLX as a business, and its performance	Accountability and reporting of HRLXAC is to the CEO of SGSC which is appropriate. However linked to principle 6 above, better reporting systems are required for financial review and facility throughput.
8. Stakeholder engagement	There is meaningful engagement of stakeholders, and their interests are understood and considered by the Advisory Council	This requirement should be included in HRLXAC annual review calendar, to ensure review discipline. Adoption of recommendations outlined in principle 3 may also influence this.

9. Conduct and compliance	The expectations of behaviour for the people involved in the organisation are clear and understood	Application and annual review of conduct and compliance should be based upon existing SGSC documents for policies including extracts from Councillor Codes of Conducts and governance guidelines. It should be adapted for the purposes of HRLXAC and those involved in the facility and include requirements for disclosure by agents and others of any pecuniary interests.
10. Culture	The Advisory Council models and works to instil a culture that supports HRLX's purpose and strategy	Culture and expected behaviours to be demonstrated by SGSC, HRLXAC, employees and users of the facility. The culture must reflect stated expectations in HRLX strategy and be demonstrated in implementation of the plans.

6.2 Risk Assessment

The Business Plan has applied a strategic risk lens to its development of the plan and accompanying recommendations. Adoption of the plan and its execution will provide comfort that risks are effectively managed. Key strategic and operational risks are summarised below.

Risk Category	Appetite and assessment	Implications for Strategy
Strategic Risks		
Strategic positioning risks	SGSC has endorsed its strategic commitment, and will pursue recommended initiatives subject to rigorous scrutiny	SGSC has commissioned this independent report to validate alignment of activities with its strategic direction.
Community Licence	The SGSC is aware of its obligations and the importance of ongoing engagement and adoption of management practices expected by its community.	The focus of the business plan is alignment of strategy and structure to the implementation of proposed initiatives that represent current and most effective industry practices.
Macroeconomic factors	A governing framework has been established to support independent monitoring and timely response to macro (and micro) changes.	Saleyards are a business subject to seasonality however the assessment outlined in Part 1 report indicates longevity of saleyards subject however to ongoing strategic investment
Wider stakeholder advocacy	SGSC, through its annual report, outlines how it contributes and advocates for its community. HRLX plays a key role in social and economic impact for the region.	The governing structures are established to maintain contact with stakeholders directly impacted to HRLX. Periodic research confirms that the community values the saleyards, noting that animal welfare, environmental and sustainability are of increasing importance.
Governance	The risk has been assessed based upon the maxim that “Good governance sets the tone” for operational performance.	The plan encourages continuous improvement measures with a separate governance section outlining elements of this plan.
Investment of reserves	As a council with a significant footprint, there are competing priorities for scarce funds.	The long term objective of the HRLX strategy is to generate increased returns from its current and future investment in this facility for regional benefit.
Government policy risk	SGSC adheres to government Policy. As with other Councils, SGSC operates in an environment of some dependence, and therefore uncertainty with State and Federal Funding.	Project investment may require Government funding support in an economic climate of limited available funding. This may require re-prioritisation of project to align with available funding.
Market Risks	The SGSC operates in an environment of change, but has in place a governance and management structure to obtain active and ongoing awareness of changes to enable a timely response.	The research and analysis conducted as part of this review has concluded that while market changes have been evident in recent years, SGSC can have some confidence of a sustainable future with effective execution of its strategy.

Operational Risks		
Financial risk	Strategic capital expenditure or investment must be accompanied by rigorous scrutiny	Capital investment will require the development of a business case for approval by SGSC. A sample template format has been provided in section 7.1.
Capability risks	The business seeks to pursue development of people and conditions to improve the quality of the service offered.	It focuses attention on the need for ongoing training, development and succession for roles. It also reinforces need for clear roles and responsibility definition.
Safety (OH&S)	SGSC has a commitment to OH&S and will not put safety of people at risk.	There is ongoing commitment to improvements to the HRLX that also improve safety noting recent investment of \$40k in a new cattle crush, new holding yards and a laneway to better manage stock through the Portland Road underpass. The yards were designed to make handling of all stock as stress-free and safe as possible.
Asset Security risk (IP and Data) including technology	SGSC is conscious of the need to protect key physical and digital assets.	The facility will need to invest in technology to strengthen security and quality of software for managing performance.
Project management risk	SGSC only proceeds with investment in significant projects if they are supported by strong project plans and business case	This is dependent on both external funding and management of priorities with scarce resources. Evidence from the research and analysis conducted identifies that investment in infrastructure in the short term will likely have a significant positive impact in the long term sustainability.
Commercial/service delivery risk	SGSC and HRLXAC are open to opportunities that help adapt to changing delivery needs subject to sound and rigorous business case.	Adoption and execution of this business plan will support management of this risk.

6.4 Financial

6.4.1 Summary overview

The Strategic Plan is designed to build long term sustainability for HRLX. The review of financial data was restricted due to limited and poor quality reports that rendered it difficult to assess like-for-like comparisons of trends and cost allocation consistency. Notwithstanding this, data from existing reports enabled SED to analyse the status of three important elements:

- A. HRLX performance trends (i.e. profitability)
- B. HRLX strength of investment (Balance sheet assets)
- C. Indicative returns on Investment (ROI)

6.4.2 Financial Management

In accordance with the newly defined strategic direction and governance structure, it has been agreed that while HRLX will remain a business unit owned by Council, it will be accounted for as a separate entity and have its own balance sheet. Given the recent determination, there is little specific financial information relating to HRLX operations, as they have previously been consolidated into Council operations. Consistent with the Business Plan, Council will need to integrate Performance, Position, Liquidity and Funding reports for a complete picture of trends. This will require integrated accounting software that can manage commercial business requirements as well as forecast scenarios. Further, the ability to utilise activity drivers for budgeting and forecasting in addition to historic financial data would be valuable. The reporting structure will require a chart of accounts that categorises expenditure in clusters that can provide a clear picture of activity and trends.

- Income Sources: To be categorised by major revenue streams (e.g. Agistment, Cattle, Sheep, Other income)
- Cost categories: To be classified by variable costs directly linked to revenue streams, and to fixed cost items including Repairs and Maintenance, Employment costs, Marketing and PR, Utility costs, Project Management, Financing costs, Insurance, vehicle, equipment and other expenses.

6.4.3 Financial Performance summary

Despite the seasonality challenges of the business, the financial performance of HRLX is relatively consistent on the basis of revenue and EBITDA. Application of corporate overheads, while necessary for measuring returns, hinders a clear understanding of the business performance (i.e. its contribution to the investor). The Bringing it Home (BIH) report summarised earlier results as follows;

	2014/15	2015/16	2016/17	2017/18	2018/19
Net Operating Profit before Corp. charges	841,592	825,124	682,809	731,331	748,145
Corporate Support inc. Depreciation	(421,073)	(424,798)	(649,315)	(696,788)	(698,137)
Loss on Revaluation		(1,206,989)			(144,881)
Net Operating Profit after Corp. charges	420,519	(806,663)	33,494	34,543	(94,873)

Table 2 – BIH report Profit and Loss summary

A more definitive account of past financial performance has been provided from an estimate provided by John Hope, an HRLXAC member and Chartered Accountant, following an assessment of HRLX's financial records in discussion with SGSC finance management. SED has added the 2023/24 budget details contained in the council plan for comparative purposes. This is summarised below;

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Actual	Actual	Actual	Actual	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenues	1,338	1,528	1,611	1,773	1,807	1,790	1,916
Expenditures	(1,049)	(1,209)	(1,032)	(890)	(966)	(984)	(1,347)
EBITDA	289	319	579	882	841	806	569
EBIT	19	48	261	501	573	413	TBA
Abnormals (Write-offs)	-	145	93	-	-	-	-
Net Profit a/f abnormals	19	(97)	169	501	573	413	569

Table 3 –Estimate of HRLX recent financial performance [Source; J. Hope]

In addition, as part of our review, we were granted access to financial results for the first 7 months of the 2022/2023 year. While further information is required to confirm alignment of these figures, given their inconsistency with previous years, based on the estimate provided it would suggest that:

- HRLX performance is holding, with revenues reasonably stable.
- There is sufficient profitability to cover depreciation charges being made and to cover further capital investments over the short term.
- Operating cashflow is positive with surpluses expected over the medium and longer terms.

6.4.4 Revenues

An understanding of the distinction between operating revenues generated by sheep and cattle is important, as it has implications for both HRLX's business and marketing strategies. With regard to the relative contributions of each species to revenue;

	2021/22	2022/23
Yard dues - Sheep		\$1.10
Agistment fee - Sheep		\$0.50
Yard dues - Cattle		\$14.50
Throughput - Sheep		889,943
No. sheep agisted		143,518
Throughput - Cattle		24,224
Agistment		243,503
<u>Receipts</u>		
Yard dues - Sheep	\$951,628	\$1,222,440
Agistment fee - Sheep	\$243,503	\$444,972
Total Sheep	\$1,195,131	\$1,667,412 (82.6%)
Total Cattle	\$257,562	\$351,248 (17.4%)

Table 4 – Comparison of species generated income

For the purposes of the comparison, we have used figures provided from John Hope's (HRLXAC member) financial summary for the 2021/22 season and estimated the return using published HRLX fees and throughputs for the 2022/23 year. We have added agistment to sheep revenues, as we understand they largely compose agistment income.

The purpose of the comparison is to highlight the relative contribution of each to HRLX's bottom line. Clearly, sheep pay all the bills, and, in our view, that should put the emphasis on cattle into context.

6.4.5 Pricing Strategy – Fees and Charges

The BIH report details the background to recent changes in the yard dues levied by Council following on from a comparison of then current charges levied by other competing regional saleyards.

Table 5 indicates changes in charges over the past 9-years projected out to 2024. The 5-year period represents the time prior to the BIH review and the 4-year period the time after the review.

Timeframe	Period	Sheep & Lambs		Cattle	
		% Increase	CAGR	% Increase	CAGR
2014/15 - 2023/24	(9-years)	71.4%	6.2%	66.7%	5.8%
2014/15 - 2019/20	(5-years)	25.7%	4.7%	22.0%	4.1%
2019/20 - 2023/24	(4-years)	36.4%	8.1%	36.6%	8.1%

Table 5- Changes to HRLX yard dues

Indications are, that albeit from a relatively low base, it has been determined that the yard dues should be increased to match those levied by other yards.

	Sheep & Lambs		Cattle	
	2022/23	2023/24	2022/23	2023/24
HRLX	\$1.10	\$1.20	\$14.50	\$15.50
Naracoorte	\$1.16	\$1.24	\$12.38	\$13.37
Mount Gambier	\$1.15	\$1.24	\$13.91	\$15.02

Table 6 – Yard dues comparison with other regional council-owned saleyards

Table 6 would indicate that price parity has largely been achieved.

Understanding that yard fees are a major contributor to Council's return on their investment in HRLX and that HRLX needs to pay its way, there are a number of factors that need to be considered when setting ongoing yard fees;

- Firstly, they are a relatively blunt instrument. They are a fixed amount, not a percentage, hence there is no flexibility in cost to the producer in relation to changing industry circumstances and margins.

- This means that while returns to producers are increasing, there is scope to increase, however, they never reduce when prices fall. This effect will likely impact the channel the producer decides to use when marketing their livestock, particularly when prices decline.
- As outlined previously in the report, if throughput is used as a proxy for competitiveness, then is it reasonable that the cattle tariff be set at the same rate as yards with two, three and four times the throughput?
- If the comparison is being made to privately owned cattle saleyards, is this a reasonable comparison, given their stated business model is based on an annual throughput of 80,000 head?
- From a marketing aspect, if the stated aim is to increase the cattle throughput of HRLX, does it make sense to charge the same premium rate as other larger yards?
- From a financial aspect, given the great reliance on sheep revenues previously described, there appears scope to introduce a more attractive cattle tariff without a significant loss of revenue.
- Furthermore, this could easily be recovered by a resultant increase in turnover. One extra head increase in throughput equates to the return to Council generated by 15 head at the latest annual fee increase of \$1.00 per head.

Recommendation:

Our recommendation, understanding that HRLX has a competitive advantage in sheep sales, would be to introduce a differential pricing policy; reducing the rate of increases applied to the cattle tariff to attract more sales through the facility, while maintaining sheep increases that are marked to the market of the day.

We believe a reduced cattle tariff could be revenue neutral, or even positive, depending on the level success in generating increased cattle numbers. Such a measure could assist the two new agents to prioritise their sales through HRLX, should a greater difference be established with these fees levied by Mortlake.

This option would appear an opportunity missed in that the published tariffs preclude implementation of the policy until 2024/25 and then it could take a number of years further to achieve a differential that is sufficient to make a difference, unless there is a decision taken to lower the current cattle component.

6.4.6 Capital expenditure

6.4.6.1 Regional competitiveness

Part 1 of the report, indicates that those owner/operators that make the necessary infrastructure investments, maintain or increase their market share at the expense of those that do not. The evidence is that saleyards that fail to meet these competitive standards lose throughput to nearby, usually larger, yards.

It is interesting to note that the only planned current known capex projects are being undertaken by Council-owned yards, on the advice of their respective advisory committees. They have proposed that these are necessary on the understanding that they have more work to do to consolidate their market positions.

Notwithstanding the need to prioritise projects that remediate acute operational issues, when it comes to funding priorities, as previously outlined, roofs have been at the centre of most capital projects, if not all. Roofed area is a key component of relative competitiveness.

Recommendation:

HRLX still has an outstanding challenge in this regard (including pens 163 & 164) that most stakeholders would like to see addressed as a priority.

6.4.6.2 The capacity 'paradox'

Part 1 of the report also reinforces that competitiveness, and sustainability equates to throughput. There is a balance to be found between saleyard capacity and throughput, given the seasonality of production cycles,

In the case of HRLX in 2022/23, 61.0% of all sheep came through the yard in the period of November to December, with a history of record-breaking sales over several years, numbers only being restricted by yard capacity. Cattle, while far lesser in number, suffer from the same constraint, with 61.5% of annual throughput occurring in the month of January that, in reality, equates to the week of the annual weaner sales.

Ideally, a number of sales would be spread over a longer timeframe to adjust for the extra turnover, however in practice it doesn't necessarily follow. As an example, the weaner sales were spread over two weeks, however, many of the buyers left after the first week, leaving producers selling in the second week disappointed.

This often means relatively poor utilisation of the asset, however, throughput, whenever it happens, is the primary driver of sustainability, hence saleyards need to accommodate as many head as possible as required.

This paradox has implications for a number of factors, not only in relation to the business case for future capital expansion, but for future growth opportunities, as well as the number of agents required to service the facility.

Recommendation

Understanding that sheep and cattle sales are held on different days; while designated an extension of the cattle yard roof, with regard to the design of the new roofed area, consultation suggests, similar to the previous cattle roof project, it will need to be a dual-purpose design that provides the greatest flexibility to both cattle and sheep sale days.

6.4.7 Business Case

Clearly, with the expenditure of ratepayers' funds, there should be rigour applied to any investment undertaken by Council. Furthermore, as Council are the owners of the facility, it is Council's role as the principal, to undertake the process of determining whether the investment is value-for-money, not only for stakeholders, but for ratepayers as well.

There are a number of considerations that need to be balanced;

- Long-term return on the investment, while important, not just from direct project returns, but from the increased economic activity created in the shire.
- That not making the investment equates to maintaining the status quo. As described in Part 1, there is a real cost if the facility is not of an equivalent standard to its competition.
- The financial case involving improvements in animal welfare and WHS investments can be difficult to quantify, however remain valid.

6.4.8 Funding Sources

Analysis indicates, with the exception of the recent Mortlake purchase by one private owner from another, the recent flow of private equity into the industry appears to have abated, although the fallout and final landscape is still being determined. Indications are, that external funding will likely be less accommodating for Council-owned yards as well, given the recent

withdrawal of federal government grants and nature of state government finances.

As indicated in Part 1 of the report, Naracoorte (NRLE) determined to fund their project internally using debt. Mount Gambier, coming from a lower base, and requiring roughly six times the amount, have gone to the Federal Government for a third time to fund 50% of their project. They had already been successful, only to have to reapply as a result of the incoming government cancelling the previous funding.

In the case of Mount Gambier, a significant proportion of Council's funding came from an associated sunk fund from saleyard operations. NRLE are looking to repay debt based on future saleyard receipts.

The strong financial position of both saleyards enables them to make the proposed contributions to the project. Further, it provides surety to funders that, over time, the competent management of the facility ensures that the operations remain viable and increasingly self-funding.

We understand that there is a proposed timeline of 2025/26, however it is unclear whether this is for scoping the project, with a construction date yet to be determined, or, more importantly, how it will be funded. While there is a figure of \$3M provided, given the project is yet to be scoped, it would appear an indication at best.

Recommendation

SGSC form funding strategy for future capital expenditure projects that needs to be developed in conjunction with the necessary design and cost estimate

6.4.9 Investment returns

Included in page 14 of the BIH report in September 2022, a summary of FY 2022 results and accompanying recommendation for the Return on Investment (ROI) was provided. It noted that the rate of return was 4.4% well below a target rate of 9.5%, but also noting that ROI can vary materially after review of land values, infrastructure and corporate charges. It should be noted that, while 9.5% approximates returns for commercial entities, this is Council operated which must also factor in the impact of social and community benefits that incur costs and thereby reduce ROI. Typically local government and statutory authorities adopt a lower ROI at circa 6% to reflect this. In addition corporate overheads need to be reviewed through a commercial lens to determine a true ROI.

6.4.10 Measures of Performance:

To support the recommendation for implementation of accounting software for HRLX as a standalone business unit, we have identified 5 key measures of performance to be applied for the FY2025 year.

- Performance of facility against budget and asset value (Council)
- Effectiveness – delivery to strategy
- Competitiveness – Benchmark to competitors
- Return on Investment
- Efficiency – cost to income ratios

6.4.11 Implementation steps:

A project plan to convert accounting systems to a separate business unit model will need to be developed. The plan should address the 3 recommendations listed below.

- Rationalise the Chart of Accounts
- Standardise reporting with Net Profit before abnormals and measurement of contribution margin
- Review of allocated of employment costs and overheads

6.5 Marketing Plan

Marketing of HRLX requires clarity about the target audience. Understanding that Council does not conduct the core business of HRLX, it is necessary to define then, what is Council's role in the marketing and promotion of the facility. The respective roles should then be aligned to its function within the HRLX. Consultation indicates confusion over the roles and expectations of different participants

6.5.1 Agents role

The Agents primary role is to attract throughput through HRLX, service their clients and by generating this activity generate returns for their efforts and for the use of the facility.

Regarding the generation of sales through the facility, the agents believe that marketing is their responsibility, not Council's. Their view is that their relationship with the producer, who often regards the agent as their primary marketing advisor, is paramount in attracting throughput. Agents do not see, and are not looking for, Council to play a role in this regard. This is consistent with practices in other Council management facilities.

6.5.2 SCSC role

The agent's role does not discount the importance of the role for Council in its capacity as the owner and operator of the facility. Council has three primary roles in the marketing of the facility:

- It's Investment purpose and priorities ,
- Pricing for users of the facility

- Promotion, communication and engagement function to highlight community benefit:

With regard to investment, if we were to use a lease analogy, then Council's role in marketing the facility relates to maintaining the facility and allied services; such as agistment, truck wash etc., to a competitive standard.

Pricing of HRLX fees and charges represents a commercial lever at Council's disposal that does directly affect throughput. More specifically this represents yard fees, payable by the producer. Differential pricing policy is addressed in financial section of this report.

Consistent with the HRLX Vision statement, there is a role for Council to improve the public's awareness and knowledge of how the facility continues to contribute to the social and economic fabric of the Greater Hamilton region. This is not a marketing activity as much as it is a public relations one that will require resource support of Council, given the specialised nature of the required communications and activities to be successful.

The HRLX Marketing and Public Relations Plan included in Section 7.3 has been developed to:

- Reposition the facility in the minds of the local community
- Build purposeful community engagement to generate patronage, interest, engagement and even volunteerism
- Promote the economic and social value of the facility to the SCSC community

6.5.3 Marketing – Strategy purpose

IN 5 YEARS, WE WANT TO BE KNOWN FOR:	- A leading livestock exchange in Western Victoria - A centre for community engagement, particularly amongst the region's farming community - A 'meeting place' for the region's producers, stock agents and livestock industry stakeholders - A fully compliant livestock centre, featuring up-to-date biosecurity and quality amenities that are well-regarded and utilised by community groups and members - An operation that leads and facilitates social and business networks to be formed amongst those interested in and working in the region's agricultural sector - Playing a role in facilitating agricultural employment pathways for young local residents - Delivering a tangible financial benefit to the Southern Grampians Shire, that demonstrates the financial benefit of maintaining the HRLX
WE WANT TO BE KNOWN FOR	- Efficient operations - Modern, well-maintained facilities and layout that are accessible and secure - Professional presentation of HRLX facilities, including paid employees - Our role in hosting events or initiatives related to rural health, social wellbeing and developing agricultural business networks - Forward-thinking and innovative in how we create connections between stakeholders - Innovative and effective in our initiatives to engage with and inform the wider community of the value of the HRLX - Our positive engagement with stock agents and producers - Providing value for money to those who utilise the exchange and its auxiliary services - Creating commercial opportunities via the use of our facilities and leveraging the regular traffic at the exchange - Facilitating pathways to a career in agriculture for the SCS's younger residents
WE SEEK TO LEVERAGE OPPORTUNITIES	Southern Grampians Shire HRLX AC Committee - Working with the events and communications team to set an annual schedule of quarterly, on-site events - Helping ensure the promotion of activities, events and initiatives to the wider community that lies outside the regular users and visitors of the facility HRLX Operations - Ensuring activities and initiatives work with the operations of the HRLX and enhance what is being offered - Update and maintain the physical environment when/as needed - Identify new opportunities for engagement Wider community involvement - Awareness of the place HRLX plays in supporting the local economy - The social benefits of the HRLX and its role as a community centre - Form and maintain partnerships to diversify activities and patronage at the HRLX on sale days

The summary table highlights Ideas generated from the committee engagement and stakeholder consultation. This Plan should be read in conjunction with Council's own promotion and communication plans and policies. It does not seek to replicate the marketing and communication plans that already exist.

6.5.4 Marketing & Public Relations Plan Summary:

The Table below summarises focus areas for the SGSC marketing and communications team to support HRLXAC in implementation of the Business and Marketing Plan. A detailed guide outlining implementation suggestions is provided in section 7.3. Priorities should be determined by AC based on available budget and personal resources

Table 7 – Marketing & Public Relations Plan Summary

Focus areas	Priority	Benefits:
Physical presentation of HRLX	H	Improve presentation and patron experience, foster greater interaction between sale-day patrons
HRLX-branded, industry-relevant merchandise	M	Create branding opportunities Keep HRLX top of mind for agents & producers
On-site events & 'pop up' services	M	Form & enhance stakeholder relationships Showcase the facility, personnel and industry Networking opportunities Increase facility use Community engagement and fundraising potential Introduce new patrons Showcase producers
Partnership with outside groups	M	Enhance community connection Develop business relationships Cross-promotion opportunities Build volunteer and employment base
Stakeholder consultation	M	Gain on-the-ground insights Build connections Improve operations and engagement
Social media & promotion	H	Educates community Builds engagement and ownership Promotes personnel & activity
Commercialisation of auxiliary amenities		Increase revenue Build connections Demonstrate value of facility

6.6 Business Development logic map

What (Need)		Why (Benefits)	How (Improvements)
Governing model that is effective	HLRX is comprised of three parties which need to work cooperatively to deliver sustainable outcomes: - Council - focused on the asset - HLRXAC - focused on performance and activity rather than acting as an intermediary - Agents - focused on the operation, market & price	- Better representation of client/stakeholder base - Stakeholders' role/purpose is clarified and formally communicated - Provide AC with greater insight to the operational environment of HRLX - AC undertakes a mediation role of expectations between stakeholders - AC focus on business performance as opposed to management of asset	HLRXAC composition/membership, that includes:: - Clarity of responsibility, priorities and implementation - Alignment 'effective governance' fundamentals - Introduction of an AC/Agents Agreement/ MOU - Model for AC access to stakeholders: - Agent representative - Sheep producer representative - Council operational management representative - The need for an independent member of the AC with commercial acumen should be explicit. - Better understanding of financials at HRLXAC level - HLRXAC aligned Skills Matrix - Provides financial clarity to all stakeholders with optional shared performance benchmarks to be developed.
	To be effective, HRLX must keep abreast of the market in which it operates, including the two sources of competition: - Other saleyards - Other sales platforms Part 1 of the report highlights the competitive nature of the industry and, generally, those that invest in their facilities take market share from those that don't;	- Operating environment is highly competitive with new investment. Centres performing well have invested and improved facilities. - It could be expected that the value of red meat will continue to increase due the ongoing pressure on global rangelands and the possible implementation of a form of methane tax. - As a result, it can alternate channels will likely continue to evolve to reflect this premium. - The increased use of financial complexity and technology may equally apply to, or rely on, saleyards, just as is the case for other sales channels.	- Ensure pricing reflects the market and is aligned with strategy - Strategic prioritisation of SGSC appetite for long term investment and maintenance - Clear strategy to implement & manage differentiation of income sources: - Primary focus: sheep and maintaining market share along with supporting infrastructure (agistment, truck wash, effluent etc.) - Emerging focus: Cattle - Supplementary activity: augmented product/services/third party investment - Utilisation of technology/online sales programs, with an eye towards the use of artificial intelligence. - Mechanism for a watching brief for opportunities to diversify income sources that don't distract from the core business.

Facility and infrastructure priorities	HRLX's regional location, facilities and infrastructure provides it with competitive advantages. Maintaining this advantage is important to maintaining competitiveness with new investment in other centres. The community support and expectations for the facility is also an important consideration for HRLX sustainability. This requires ongoing focus on animal welfare improvements and consideration of environmental commitments within these expectations. Proponents for investment must define the motive/imperative as to why Council should invest	Clarity of a financial plan for future capital development including;	Development process • Process for identifying and prioritising capital works projects • Confirm design & development process • Costing & business case process • Funding sources Ongoing finance strategy, that addresses: • Capital retention through profits • Improved/more detailed balance sheet • Potential for a Sunk fund (matching) to address future plans Further analysis • Of user-pays/pricing strategy Application of measures of relative scale with competitors, noting that scale is a proxy measure of competitiveness
		• Reinforce market confidence with the finalisation of incomplete facility upgrades • Upgrades that meet industry needs and expectations	• Finalise long term capital works plan • Complete roof extension • Upgrades to address the constriction 'paradox' and provide flexibility in operations, for dual purpose sheep & cattle facilities. • Allow for soft flooring throughout facility
		Potential improvements to • environmental outcomes • animal welfare • bio-security risk mitigation-	• Upgrade current effluent system • Upgrade of Truck wash facilities • Effectiveness of security gates as a biosecurity measure
		What are the long-term costs and benefits to Council	• Is there a case for Council investment • Does the business case meet the Council's criteria for investment. • Does Council receive long-term benefit from the investment

Management & operational efficiency	HLRX provides social and economic benefits to the region. It terms of performance and effectiveness, HRLXAC's clear purpose is to oversee HRLX operations through the application of commercial principles. Current barriers to this include: • A clear line of sight for financial activities and performance is lacking in both clarity and independence. • Both financial and performance (throughput) information is deficient • Conflicting messages with regard to operational requirements and strategic direction • Cost allocation practices and participant coverage (e.g. Workers' compensation insurance). • Insufficient clarity of roles and responsibilities with respect to operational requirements and strategic direction	• Greater accuracy and reliability of performance results • Improved detail in terms of the type and measurement of throughput • Measures for assessing viability and long term sustainability • Provides KPI indicators for early identification of issues	• Develop a recording system (preferably with Outcross) that can provide monthly and consolidated annual reports covering throughput nos., by type, price, origin, buyer and destination. • Initiate a process for financial information gathering as a designated financial role to ensure that the reliability and timing is adequate. • It is understood that this cost may be significant, however, investigate whether the cost may be ameliorated with similar business function carried out by Council (e.g. the airport and HILAC) R&M; Understanding the seasonality of operations, identify capacity of HRLX staff to undertake R&M and where contractor support is required and allocate resources accordingly • Process for identifying priorities including future industry capex trends and any alternative yard design advantages. • Implement system improvements to reporting, covering accuracy and reliability of financial results and also activity figures (throughput).
		Clarity of purpose, roles and responsibility to improve accountability Operational buy-in to formulation of key decisions (i.e. bottom up) which balances risk and informs top-down decision making.	• Refine saleyard manager <u>autonomy</u> and delegated authority levels. • Revise position descriptions & tasks to ensure coverage of all operational & responsibilities, eg: Agistment, Yard cleaning, Repairs & maintenance in down time • Undertake review of current insurance arrangements • Clarify council / agents' liability (i.e. agents' employees / Council's workplace)
		Cover-off compliance risk, regulations and responsibilities	Provide operational efficiency and traceability technology crucial to compliance and biosecurity monitoring. Need to assess allocation of cost and determine whether it is an infrastructure requirement or service cost.

HRLX Business & Marketing Plan

PART 4 –SUPPORTING TOOLS

APRIL 2024



7. Supporting tools

7.1 Project Business Case pro-forma (sample)

Project Name			
Project Proponent	Manager – HRLX	Project Manager	TBC
Date of proposal	TBC	Project approval date	TBC
Recommendation	One paragraph summary of the recommendation		
Contribution to Business strategy	• Alignment to strategy (list relevant strategic goals) • What problem does it solve • How is this different to what we have and how will it benefit HRLX users and the community		
Options considered	• List potential options including: ◦ Do nothing or exit ◦ Low cost improvement ◦ Merger/acquisition ◦ Developer/Lease ◦ Outsource/Insource		
Benefits	• Financial outcomes • Member benefits • Efficiency (Cost, resource use, timeliness, ROI) • Quality (Satisfaction, engagement, appropriateness) • Effectiveness (outcomes)		
Timeframes	• Outline project plan timelines including milestones • Impact on other projects or operations and management thereof		
Costs	• Capital Costs (QS) • Operating Costs		
Expected ROI	• Return on Investment ◦ Expected case and scenario analysis • Impact on Budget and Cash Flow • Funding model		
Risks	• Assessment of potential risks v/s appetite • Quantification of impact and likelihood • Mitigation of risk strategies • Internal or external capability		
Management Recommendation	Project Proponent: Approve project and why Countersigned by CEO: Support/Reject Project Business Case		
Council/HRLXAC Recommendation	Strategic: Should we? Corporate: Can we? Operationally: Is it viable? Project: Can we execute?	Is it consistent with our purpose Y/N Do we have the capability Y/N Do we accept its impact on other SGSC opportunities Y/N Is the project plan clear Y/N	

7.2 Proposed Memorandum of Understanding

Proposed Memorandum of Understanding (sample)

Abiding principles Memorandum of Understanding (MOU) between Southern Grampians Shire (SGSC) and the Hamilton and District Stock Agents' Association (Agents' Association) in relation to the operation of the Hamilton Regional Livestock Exchange (HRLX).

On the understanding that it is Council's stated intention to continue to own and operate HRLX and that the Agents' Association supports them to continue to do so 'at arms-length', as independent parties on an equal footing, it is agreed between the two parties that the following set of principles shall form the basis for determining both parties' interactions with regard to HRLX operations;

- The Agents' Association accepts that Council is entitled to operate HRLX for a profit and that it should not be run at a cost to ratepayers.
- Council accepts that the operating charges levied for the use of HRLX should be commensurate with other competing regional saleyards.
- Council shall account for HRLX operations as a distinct business unit, not separate from, but as a part of, Council operations.
- As such, Council will appoint an advisory committee, reporting to Councillors, on the strategic direction of HRLX.
- The Agents' Association, in consultation with HRLX management, will be responsible for determining sale day scheduling.
- That the registered agents shall be solely responsible for organising, yarding and conducting sales at all scheduled HRLX livestock markets.
- The Agent's Association accepts that Council fees should be sufficient to allow monies to be set aside (fixed/unfixed amount or percentage) sufficient to contribute to future capital expenditures.
- The Agent's Association will have the opportunity to inform the advisory committee of agents' views with regard to HRLX current and future operations and capital expenditure priorities.
- The Agent's Association will be responsible for the division monies owing to Council between the respective individual registered Agents.
- Both Agents and Council have a shared responsibility in relation to compliance with NLIS, biosecurity, animal welfare and WHS requirements.

7.3 Proposed Marketing & Public Relations Plan

UPDATES TO THE PHYSICAL PRESENTATION OF HRLX			
WHAT	WHY	HOW	WHO
Installation of a series of way-finding signage throughout the facility to assist newcomers and present a more cohesive and professional appearance of the HRLX.	▪ To create a more welcoming and well-presented facility overall.	▪ Undertake an audit of facility signage, to identify all current and potential touchpoints and opportunities, and need/opportunity for updates or introduction	▪ SGCS Comms Team
	▪ This is particularly important if we are to increase community awareness and involvement (eg: attracting more 'new faces' to the HRLX population)	▪ Engage a specialist way-finding design company to present options/recommendations ▪ Adopt a staged schedule of installation/updates over the next two years, to best-manage the updates (likely to be a large task) ▪ Adopt a staged maintenance schedule to ensure signage is well-maintained and well-presented and effective	▪ HRLX Management
Update and/or remove out of date signage and notices around the facility.	▪ To ensure information is up to date and relevant.	▪ Undertake a notice audit (perhaps at the same time as the signage audit) to identify: - o Current notice board locations	▪ HRLX Management
	▪ Reinforce the good management of the HRLX ▪ Enhance the facility's position as a community hub	- o Potential notice board locations - o Out of date notices - o Incomplete notices - o Strategic location of notices ▪ Create and maintain a calendar or schedule of notices, that ensures they are monitored regularly (eg: monthly) and that messages and notices are routinely checked, removed as needed and displayed when and where is relevant.	▪ SGCS Comms Team ▪ SGSC OH&S Team

Review and, if necessary, update HRLX Staff Uniforms	▪ To ensure: ▪ HRLX employees are distinctive and easy to find and identify, particularly on busy sale days, particularly to HRLX newcomers who may not be familiar with the facility and its people ▪ HRLX employees are well presented, particularly to those new to the centre and its operations ▪ A collegiate culture of pride can be fostered and maintained amongst employees ▪ HRLX can present to potential employees/producers/stakeholders that the centre is well-run and considers presentation to be just as important for its people as it does the livestock	▪ Review current uniforms – perhaps they already fulfil this role adequately? ▪ Consider a basic uniform policy, that outlines expectations and requirements ▪ Consider needs of employees across various roles and activities they would undertake. EG: particular garments may or may not be appropriate for all activities, or necessary. Branded shirts may not be necessary on maintenance days, but perhaps fluoro safety work shirts would be more useful for this role ▪ Identify the best way to present the employees cohesively. EG: it may just be the use of one shirt, that is a particular style and colour, with jeans, pants, skirt or shorts to be optional additions. ▪ Seasonal updates should be considered (eg: beanie, fleece, puffer jacket or vest)	▪ HRLX Management ▪ HRLX employees
Update of facilities/amenities around canteen to encourage use. EG: ▪ Verandah/shelter out the front ▪ Installation of picnic/tables and chairs outside verandah	▪ Social Value of Saleyards Research Report (2022) identified canteen as a key central hub for interaction and networking. ▪ Adding to the amenities of the area (eg: shelter, outside seating) may increase this part of the HRLX's place and appeal as a hub, generating greater interaction amongst stakeholders on sale day.	▪ Investigate structural capacity ▪ Investigate funding capacity ▪ Investigate design potential	▪ HRLX Management ▪ SGSC Infrastructure Team ▪ HRLX Advisory Committee

Undertake a review of the on-site catering/canteen facilities to identify how this 'central point' of the HRLX operations can be best utilised. EG: ▪ Is internal presentation clean and as good as it can be? ▪ Is high-quality food being produced? ▪ Ensure the best-possible catering is being offered to patrons. ▪ If not, consider securing a high-quality contractor to provide the on-site catering. ▪ Also ensure the environment presents as hygienic and welcoming. ▪ Once it is, promote this widely via social media channels	▪ The Social Value of Saleyards Research Report (2022) identified that 56% of surveyed respondents considered the on-site canteen to be a vital component in their attendance at their local saleyards. ▪ It is considered a point of networking, discussion, a hub for interaction, information and farmer, 'check ins'. ▪ It also provides a vital service – being food and sustenance. ▪ It presents a ripe opportunity to create a canteen and hub that becomes an 'unmissable' component of the saleyards, and, depending on quality of what's produced, even attract outside patrons to access the quality food. ▪ Obviously, this also creates a commercial opportunity.	▪ Undertake a review of what is currently offered ▪ If it's not up to standard/expectations, consider a plan to update the environment and offering	▪ HRLX Management? ▪ Current catering contractor ▪ HRLX Advisory Committee Members
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HRLX-BRANDED, INDUSTRY RELEVANT MERCHANDISE			
WHAT	WHY	HOW	WHO
Consider the purchase and distribution of small items of branded merchandise that could help to promote HRLX and provide stakeholders with a useful product that is used external to attending the HRLX. EG: ▪ Peaked caps ▪ Beanies ▪ High-SPF sunscreen on carabiner clip ▪ A6, vinyl-coated notebooks ▪ Silicon phone pockets ▪ Insulated mugs or drink bottles	▪ Small pieces of everyday merchandise that are either already used, or likely to be useful to stakeholders, help to underline: ▪ The presence of HRLX ▪ The 'partnership' between HRLX and stakeholders ▪ That HRLX is considerate of its stakeholders, their position, jobs, roles and responsibilities ▪ The HRLX 'gives back' to those that are part of its community	▪ Consult a small group of stakeholders that might provide insight into what could be used or useful (eg: 1 or 2 x stock agents, 1 or 2 farmers, staff members). ▪ Identify an annual budget. ▪ Price items in line with budget (eg: it may be that only one item can be purchased and distributed each year.) ▪ Purchase and brief staff on how/when to distribute, ensuring the distribution is widespread and generous, but also purposeful, in order to maximise impact and benefit.	▪ HRLX Management ▪ SGSC Comms Team ▪ Merchandise provider

ON SITE EVENTS & 'POP UP' SERVICES			
WHAT	WHY	HOW	WHO
Annual 'Agents' Feast' – a catered, but relatively informal event at the HRLX canteen that provides an opportunity to engage with and acknowledge the HRLX's key stakeholders and influences. Invitees may include: ▪ HRLX agents and their staff ▪ HRLX employees ▪ HRLX Advisory Committee Members ▪ SGSC Staff (small number that interact with, or are involved 'behind the scenes')	▪ Create an annual get-together and acknowledgement of the stakeholders that have the most influence on the HRLX through-put.	▪ Identify a date or time of year that is relevant but also not inconvenient (eg: don't hold it too close to Christmas, or before a major sale period – perhaps it can be held as the 'end of annual sale period or before the winter season?')	▪ HRLX Management ▪ SGSC Events Team ▪ HRLX contracted caterer
	▪ Its also an opportunity to:	▪ Consult with one or two key stock agent personnel to ensure it remains relevant and attractive to potential attendees.	▪ HRLX Agents
	▪ Introduce SGSC employees that may be involved 'behind the scenes'	▪ Engage with relevant local caterer and producer/s to ensure local produce can be a feature of the event.	▪ HRLXAC Members
	▪ Showcase local produce via the food that is provided	▪ Seek post-event feedback to facilitate continuous improvement and maintain relevance and appeal	
	▪ Use on-site facilities on a day other than sale day		
'Shave & A Haircut' Sessions Run regularly (once a month? Once a quarter) barber day on-site, providing quick, cheap haircuts to HRLX patrons in a sectioned-off area of the facility.	▪ Foster social engagement and connections	▪ Identify two or three local operators willing to take part	▪ HRLX management
	▪ Support local business	▪ Isolate a suitable area at HRLX to ensure there will be space/facilities to do it before its presented	▪ SGSC Events and/or Comms team
	▪ Provide a complimentary service to patrons that attend HRLX		▪ Hamilton Regional Business Association
	▪ Create a distinct point of difference from other LX in the region		

Investigate opportunities with local schools to run the kitchen once a term, or similar? Based on the success of the volunteer army helping around the yards, reach out to the secondary schools to see if their home economics, Vocational Major and/or commerce students would be available to run the canteen once a term, OR regularly supply a series of items to the canteen	- Introduce more young people to the operations of HRLX - Expand the facility's connection with local youth - Provide patrons with variety from the canteen - Create a point of difference to other livestock centres - Establish HRLX as a true community facility - Attract new patrons to HRLX, raising greater awareness - Connect with a local school (eg: Hamilton College, SW Tafe) to discuss or negotiate - Likely to require negotiation with the current tenant - HRLX Management - Local school - HRLX canteen tenant - SCSC Procurement department
Mini, on-site market day run once or twice a year. EG: - Bullrush - Hamilton Hamper Co - Only Ewe - Presence - Local nursery (Hamilton Garden Supplies? Or Hamilton Trees?) - Taylor's Motors - Hamilton Farm Supplies Pick good time to a) make the most of good stock prices/high numbers and b) prepare for events such as Mothers Day, Fathers Day or Christmas.	- To attract a broader crowd to sale day and encourage wider community engagement with the facility. - To expand the engagement with the local business community. - To provide a point of difference to other livestock centres. - To create a different reason to attend the facility. - To demonstrate the value of the centre to other local businesses - Identify potential times of year it could be held - Reach out to HRBA to see if they would assist in rallying businesses to participate - Generate a list of businesses that may participate - Investigate how it would be hosted (eg: would it need a marquee on-site, similar to Sheepvention?) - Ensure event is widely promoted, to generate interest and patronage - HRLX Management - SCSC Events &/or Comms team - HRBA - Other local businesses

Hold an annual 'Paddock to Plate Day' annually to raise money for a rural health cause (tie in with NCFH for concept). Feature sale of food/items from local producers. Eg: ▪ Steak sandwiches or kebabs ▪ Shepherd's pie or lamb casserole ▪ Cakes/pastries cooked with local eggs ▪ Ensure items and suppliers are displayed prominently/promoted widely ▪ Cause to benefit also benefited/promoted widely ▪ Consider working with SW Tafe Hospitality students or similar, to utilise their skills to prepare and serve the food ▪ Advisory Committee members could be included amongst those who participate.	▪ To involve patrons in a related community fundraising activity. ▪ To strengthen the relationship with WDHS NCFH. ▪ To build relationships with producers. ▪ To showcase producers' product. ▪ To create a point of interest and topic of conversation amongst HRLX stakeholders. ▪ To generate community interest and awareness of the 'other roles' HRLX plays in local community. ▪ To build community relationships. ▪ Contact WDHS NCFH ▪ Contact SW Tafe ▪ Identify a cause or charity to support ▪ Engage HRLX Advisory Committee members to assist ▪ Secure product/menu to feature (eg: engage with suppliers/producers.) ▪ HRLX Management ▪ SCSC Events and/or Comms team ▪ WDH NCFH ▪ SW Tafe
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Upgrade to the horse auction ring to increase its appeal and capacity for use for other activities, and commercial appeal. EG: ▪ Charity auctions ▪ Speaking events by individuals associated with agricultural industry ▪ Presentation on topics of relevance to agricultural industry, eg: ○ Farm succession planning ○ Centrelink information ○ Tax policy or changes ○ Weed management/prevention	▪ Better-utilise a community asset ▪ Share a community asset ▪ Generate commercial benefit. ▪ Engage with community on relevant topics. ▪ Showcase the historical features of the HRLX ▪ Investigate heritage overlays on facility ▪ Invest in a master plan for the ring, to ensure can be maintained/updated without compromising its historic integrity ▪ Investigate funding opportunities/sources ▪ HRLX Management ▪ SCSC Infrastructure team
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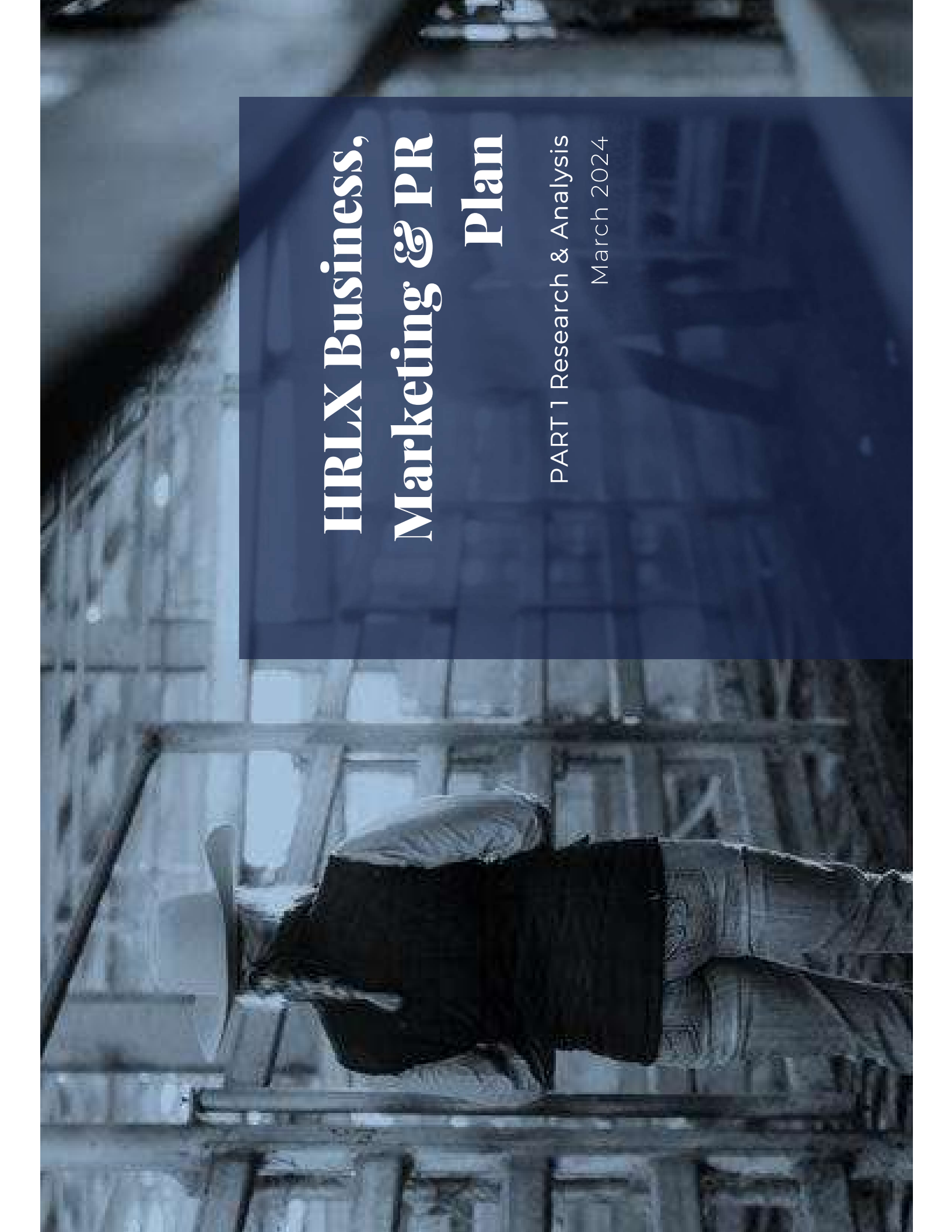
PARTNERSHIPS WITH OUTSIDE GROUPS				
WHAT	WHY	HOW	WHO	
Establish a relationship with WDHS National Centre for Farmer Health (NCFH) to identify opportunities for engagement and hosting over 12 months. EG: • Farmer health workshop • Blood Pressure Testing Day • RU OK Day (or similar)	Livestock exchanges around the country have been identified as a means of connecting farmers and others working in agricultural industries. The revolutionary NCFH, located in Hamilton, could be an ideal synergy. HRLX can utilise the expertise and initiatives of the NCFH to deepen their relevance and connection with the community, particularly re: farmer health and wellbeing	▪ Establish a relationship with WDHS NCFH to identify what initiatives, programs or services could be offered ▪ Establish an annual schedule of activities, days, speakers, events or messages that can be hosted or promoted in partnership with HRLX	▪ SGCS Comms Team ▪ HRLX Management ▪ WDHX NCFH	
Work with a local school provider to host (not organise) a 'Careers in Ag' day. Information presented by: ▪ RIST ▪ Marcus Oldham ▪ Longrenong Agricultural College ▪ Melbourne University (inc Dookie) ▪ SW Tafe ▪ La Trobe University ▪ Other key agricultural businesses, eg: ◦ Transport company ◦ Ag contractors ◦ Machinery sales company? ◦ Dept of Agriculture, Fisheries & Forestry and/or Agriculture Victoria	▪ Help to underline the benefit/value of agricultural sector ▪ HRLX seen to be supporting and facilitating careers in agriculture ▪ Ensuring local youth interested in agriculture are familiar with HRLX and have positive association with it ▪ Help boost the volunteer group that assists at HRLX	▪ Held during school year, but outside busy exam or assessment times ▪ Invite all local students that participate in the weekly sale day preparation ▪ Start close to home (eg: Hamilton/SCS), then add schools from across Sth West Victoria	▪ Local school ▪ HRLX management ▪ HRLX Advisory Committee ▪ SGSC Events team	

STAKEHOLDER CONSULTATION			
WHAT	WHY	HOW	WHO
Separate to Advisory Committee, establish a regular and formal Stakeholder Exchange of information between stakeholders to ensure AC remains across issues, sentiment, needs and ideas of users. Include: - Stock agent representative(s) - Key producer – cattle and sheep - Site manager - Who do they engage with at the schools? Is there a truck driver/transport company that could be of benefit (regular user)	- Insight from day-to-day, on-the-ground stakeholders can help inform AC members and planning, and ensure those responsible for the Governance of the facility are in-touch with the operations. - Also helps to forge relationships between the facility's governors and those involved every day. - Will help ensure a circular exchange of ideas, opinions and feedback, rather than just top-down, ensuring better customer experience and more responsive planning	- Ascertain terms of reference for Stakeholder Exchange or Stakeholder experience group, that includes: - Clear purpose - Clear schedule for meeting - Sample agenda (to ensure exchanges remain productive and relevant) - Identify suitable stakeholder groups to engage - Approach identified stakeholders	- URLX AC - URLX Management - Stakeholders: - Stock agents - Producers - Staff - Suppliers - Community member/s
URLX AC Member calendar Ensure at least one (preferably 2) AC members attend a sale day for approx. 15 hours once a month (eg: attend for lunch, walk the walkways)	- To establish a regular routine opportunity for AC members to see the centre in action, 'first hand' - To build connections with URLX stakeholders - To see first-hand how changes are being implemented & impact they are having on URLX - To help to communicate their role and interest in facility and its success	- Build a schedule - Ensure URLX manager knows they will be in attendance - Try and make sure lunch is purchased every day, considering the canteen is an obvious 'social hub'	- URLX Advisory Committee members - URLX Management
SOCIAL MEDIA ACTIVITY & PROMOTION			

WHAT	WHY	HOW	WHO
Focus social media activity on the extended benefits, happenings and outcomes at the HRLX. Eg: Student volunteers: ▪ Weekly pics of the young volunteers before and after sale day ▪ Regular interview/profile on a participant ▪ Monthly update on how many volunteers helped out for 30 days prior ▪ Stories about the program: ◦ how it came about, ◦ interviews with participants about why they do it, ◦ find a local leader who started there, who can explain why they did it and what they learned, Each story should sign off with a line about ways and means that interested students can be involved.	▪ Engagement with wider community ▪ Creates a talking point about HRLX ▪ Demonstrates wider value of HRLX to community ▪ Embeds community awareness and relationships with HRLX ▪ Encourages community to attend events ▪ May help generate greater volunteer numbers	Will need to engage regularly with HRLX management and stakeholders to generate content	▪ HRLX Management ▪ SGSC Events & Comms team
Focus social media activity on the extended benefits, happenings and outcomes at the HRLX, eg: Monthly 'market report' on yards throughput, that quantifies basic activity in a way that will connect with wider community. ▪ Head of cattle: ▪ Head of sheep: ▪ Key sales: ▪ Estimated value of animals through the HRLX in XX Month	▪ Engagement with wider community ▪ Creates a talking point about HRLX ▪ Demonstrates wider value of HRLX to community ▪ Embeds community awareness and relationships with HRLX ▪ Encourages community to attend events ▪ May help generate greater volunteer numbers	Will need to engage regularly with HRLX management and stakeholders to generate content	▪ HRLX Management ▪ SGSC Events & Comms team

Focus social media activity on the extended benefits, happenings and outcomes at the HRLX, eg: Highlight other initiatives as they occur ▪ Health and wellbeing days (as already suggested) ▪ Mini Market Days ▪ Catering offering Feature staff, stock agents and key producer profiles If an archive of photos or videos exist, consider sharing these on a regular basis (eg: first day of each month)	▪ Engagement with wider community ▪ Creates a talking point about HRLX ▪ Demonstrates wider value of HRLX to community ▪ Embeds community awareness and relationships with HRLX ▪ Encourages community to attend events ▪ Will need to engage regularly with HRLX management and stakeholders to generate content ▪ HRLX Management SGSC Events & Comms team
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COMMERCIALISATION OF AUXILIARY FACILITIES			
WHAT	WHY	HOW	WHO
Commercialisation of the truck wash, and promotion of it outside HRLX users. EG: - Horse floats - Commercial buses - Privately owned trucks and utes - Boats	- Better-utilise a community asset - Share a community asset - Generate commercial benefit	- Update the wash signage and appearance to ensure it presents well, and that directions are clear - Identify easy (free) ways to identify with user groups. Eg: - Directly communicate with local pony clubs - Contact key local transport/logistic companies to let them know - Promote on social media	- HRLX Management - SCSC Comms team



HRLX Business, Marketing & PR Plan

PART 1 Research & Analysis
March 2024

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Glossary

ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences	PIRSA	Department of Primary Industries and Regions (SA)
ALC	Australian Lamb Company	RIPL	Regional Investment Pty Ltd
BCR	Benefit Cost Ratio	SELX	South-Eastern Livestock Exchange
BIH	The 'Bringing It Home' report	SGSC	Southern Grampians Shire Council
c.f.	Compared with	TFI	Thomas Foods International
CAGR	Cumulative average growth rate	ToR	Terms of Reference
CALM	Computer Aided Livestock marketing	VLE	Victorian Livestock Exchange
Capex	Capital Expenditure	WA	Western Australia
CCTV	Closed Circuit Television		
DCG	District Council of Grant		
FTE	Full Time Equivalent		
GIS	Geographic Information System		
LSAV	Livestock Saleyards Association of Victoria		
MLA	Meat and Livestock Australia		
MSA	Meat Standards Australia		
NLIS	National Livestock Identification System		
NPV	Net Present Value		
NRLE	Naracoorte Regional Livestock Exchange.		
NRMR	Natural Resource Management Region		
NT	Northern Territory		
OTH	Over the Hooks		
PIP	Palisade Investment Partners		

Data source use and management

While undertaking research for the report it has been necessary to use multiple sourced data and information, including from the MLA, LSAV, various annual reports and saleyard management, in order to provide linear data sets suitable for analysis.

It has been necessary to combine data sources in order to fill gaps and validate estimates. Similarly, there have been differences in the time basis of some data sets, either being calendar year, or others being financial year.

Given the apparent lack of alternately sourced data, including data directly applicable to HPLX, we have formed the view that, while the data may not be perfect, it is sufficiently robust to inform industry trends and make relevant observations and analysis.

Key Points

- While there is strong competition between marketing systems, platforms and channels, saleyards remain the dominant livestock sales channel in Southern Australia.
- Over the past decade private equity investment has largely driven regionalisation and rationalisation that has seen many new greenfield saleyards grow throughput at the expense of smaller, less well resourced, often council-owned legacy yards, forcing closures.
- Private equity primarily focusses on catchments that could sustain a throughput of around 80,000 head of cattle, offsetting risk where cattle numbers were marginally less in those areas with relatively high sheep turnover. This was largely due to the differential between cattle and sheep fees and charges.
- A consequence of this investment has been that what was originally considered best industry practice animal welfare and WHS compliance in the early rollout, is now considered accepted industry practice.
- The significance of this is that Council-owned saleyards with sustainable throughputs have been forced to invest in their facilities to remain competitive.
- Regional livestock production is nationally significant. The Glenelg-Hopkins NRM is rated the No. 1 ranked sheep and the No. 8 ranked cattle production region
- The fact that the region ranks highly in both sheep and cattle production provides comfort that that there is a contestable supply of livestock sufficient for the sustainable operation of regional multi-species saleyards.
- HRLX is ranked 2nd out of 8 sheep saleyards included in the regional comparison.
- HRLX is ranked 7th for throughput out of the 10 yards with cattle. This will likely become 6th out of 8, with the recent closure of Warrnambool and Millicent.

- While AuctionsPlus is active within the region, physical saleyards maintain a dominant market share.
- Macro-industry factors determine saleyard throughputs, with seasonal conditions the most influential factor.
- Investment must be made to ensure saleyards are at the newly established standard. Otherwise, they will not be competitive in today's environment.
- We view recent private equity investment as 'generational' capital, as it would appear unsustainable at previous levels. We would predict less volatility in future, as regional market shares adjust.
- Declining scale is difficult to arrest. There are many examples where a saleyard's demise has started in small increments over time, however, often assisted by related environmental factors and events, the rate of decline has rapidly increased once it passes a crucial tipping point.
- Of all the indicators, scale is the closest proxy for the relative level of competitiveness between different yards.
- Scale is not only necessary for financial viability; it is the most important marketing advantage of one saleyard over another. The relevance of scale should not be discounted in any business or marketing plan.

1 Introduction

This document forms the first section of the Hamilton Regional Livestock Exchange (HRLX) Business and Marketing Plan. It contains the background research and analysis relied upon to inform the second report, that details the HRLX Business and Marketing and Public Relations Plans.

2 Industry background and environment

There are two broad industry related drivers that will continue to impact the livestock exchange industry overall, via livestock sales in general, as well as the role of saleyard facilities:

1. Competition between alternative livestock marketing systems; and,
2. Direct competition between livestock sales facilities.

2.1 Competition between marketing systems

*"The cattle and beef industry is diverse, complex, and fragmented. There are multiple activities and a variety of channels through which cattle may be grown-out, sold, processed and reach an end market. Production and sales decisions are influenced by a number of factors, including location, climate and size of operation."*¹

2.1.1 Sales method / marketing system descriptions

As there are a number of systems available for livestock producers to use, the sales method chosen by producers to market their livestock, while always price-related, can be complex and are often dependent on multiple factors:

- **Open (English) auction:** commonly practiced at most saleyards. Stock on offer are usually sold to the highest bidder. Bids may be cents per kilogram or dollars per head for either prime or store stock. Vendors normally arrange transport to the saleyards and the

new owner, often a processor in the case of prime sales, organises ongoing transport to a nominated facility.

- **Direct or paddock sales:** where stock are inspected and a price agreed per head in the paddock, although such arrangements usually call for a weight to be established prior to delivery. Change of ownership and transport arrangements are as agreed between buyer and seller at the time of sale.
- **Over-the-hooks (OTH):** where livestock are sold and ownership is transferred according to a specification and the trimmed "hot carcass weight" of the animal after slaughter. The price is often determined using a reference grid that includes measurement of a number of carcass characteristics.
- **Forward sales contracts:** where there is a contractual agreement between a producer and buyer to supply a given amount of product (No. head) at a given time in the future for a given price. Contract terms determine pricing mechanisms (per head or price grid), change of ownership and transport costs.
- **AuctionsPlus:** previously known as CALM (Computer Aided Livestock Marketing), an on-line auction system. The service provides livestreaming of saleyards, store or paddock sales. There are also other similar platforms. This sales system experienced significant increased patronage during Covid-19 when attendances at saleyards were restricted.
- **Alliances:** whereby different participants in the value chain provide branded product to the market, e.g. where producers service prepare their animals and market directly to consumers.

2.1.2 Geography

*"In general, cattle producers use the sales channel they believe will maximise the return on their livestock. However, their ability to do this is influenced by access to the selling method, the sale process, market specifications and buyer preferences."*²

¹ Bezzi, M., (ACCC), (March 2017), Cattle & Sheep Market Study - Final Report p.7.

² Bezzi, M., (ACCC), (March 2017), Cattle & Sheep Market Study - Final Report. p.33.

The impact of geography can be illustrated by the comparative different preferences exhibited by northern and southern livestock producers.

In the north of Australia, the “tyranny of distance”, or relative location between the producer’s property and the nearest saleyard, abattoir or port, and the associated freight cost, is usually the primary consideration defining a destination that then determines the associated market system. There is no point sending cattle to a saleyard when there may be a processing plant or export facility hundreds of kilometres closer.

Furthermore, as much of northern cattle production consists of extensive grazing of natural pastures, that tends to produce a more “standard” type of animal and producers have less flexibility in holding cattle in periods of drought. It is also normal that cattle are turned off at an earlier age for finishing elsewhere, particularly in northern WA and parts of the NT. In this respect, the export trade for feeder cattle is far more evident in the north than in the south, providing an alternative channel to market. A recent LiveCorp report estimates that 50% of Australia’s pastoral zone cattle production is reliant on at least 25% of revenue from live export and 45% is heavily reliant (>60% of revenue).³

The preferred utilisation of alternative selling methods in northern Australia is illustrated in Figure 1.

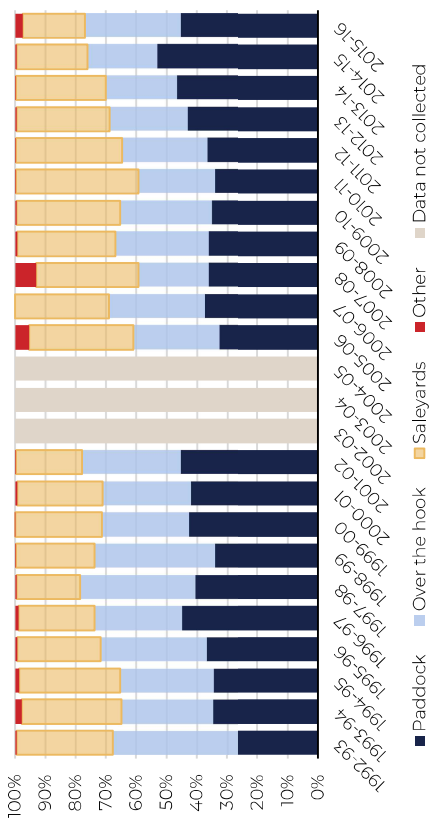


Figure 1 - Preferred method of selling cattle - Northern Australia [Source ACCC]

In southern Australia, where infrastructure has been traditionally more accessible, and unhampered by a wet season, saleyards still account for almost two-thirds of beef cattle sales.⁴ The different characteristics are shown in Figure 2.

³ SED, October 2020, LiveCorp Performance Review

⁴ Bezzi, M. (ACCC), (March 2017), Cattle & Sheep Market Study - Final Report p.9.

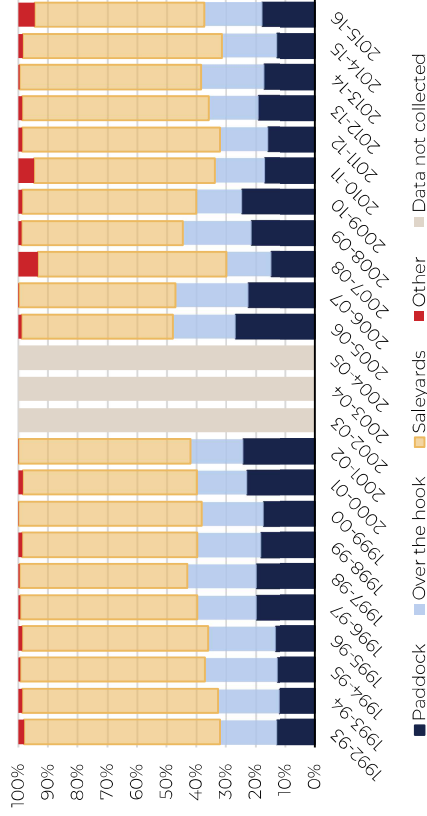


Figure 2 – Preferred method of selling cattle – Southern Australia [Source ACCC]

2.1.3 Herd size

Another important consideration in saleyard performance is herd size.

In northern Australia average herd size is 1576 head per farm, whereas in southern Australia, a large number of relatively small-scale farms results in average herd size of 412 head per farm.⁵ More than 90% of farm herds consist of between 100 – 800 head, this cohort accounting for around two-thirds of the cattle population.

Small producers, whether beef or sheep, are less likely to be able to access sales mechanisms such as OTH or forward sales contracts due to their relatively low herd size and associated transport inefficiencies. As such, saleyards provide the opportunity to aggregate small lots and are likely the most efficient method of sale for small producers, as they enable multiple small lots to be purchased and combined into efficient consignments for transport and processing.

⁵ Bezzi, M. (ACCC), (March 2017), Cattle & Sheep Market Study - Final Report.

2.1.4 Buyer's preference

Buyers will have a preferred method of purchase according to what best suits their production systems:

- **Restockers:** may buy stock using multiple purchase methods including on-farm or saleyard store sales, paddock sales as well as AuctionPlus, Freight is often a key criterion as it may impact their margins at the time of sale.
- **Exporters:** will generally buy direct from the paddock. They are usually purchased subject to the animal meeting the health protocols of the importing country and bought in sufficient numbers in advance to meet quarantine requirements and shipment date.
- **Supermarkets:** involve themselves through the value chain by buying direct from producers into feedlots and then have them contract prepared by various processors. Woolworths and Coles account for around 36% of domestic beef sales⁶. By doing so they believe they can better control production inputs and provide a more consistent quality product to their customers. Forward contracts are the preferred method of sourcing cattle so they can lock in future supply at a known price.
- **Processors:** on the other hand, who own the slaughter capacity, prefer to tie their purchases to carcass yield, hence OTH contracts are their preference and a key factor to their profitability. It is not so important to them when they provide a service-preparation to third parties as the service is usually provided on a price per head basis.

Exporters, supermarkets and processors in particular have another advantage when using their preferred purchase method because, as the transaction is directly with the source supplier, there are no associated costs as a result of double handling through saleyards or quality (curfews and potential bruising). Similarly, from a larger producer's perspective, direct sales may be affected without the use or cost of an agent, or having to pay saleyard fees.

2.1.5 Risk mitigation and surety of supply

As with all commodity trades, most participants with significant investments within the industry, from producers through to processors,

⁶ Ibid.

will seek advantage to arbitrage between markets, whether it be to secure a better average price, or hedge a sales or supply contract.

Processors and supermarkets in particular need to shore up supply arrangements in often volatile markets to meet ongoing supply commitments. It makes perfect sense for them to do so; however, the price paid at the time of contracting may be significantly different than the prevailing price at the time of delivery.

As a result, most will lock in a proportion of their requirement to forward sales and then also operate in the "spot market" to average out the price they pay for their stock, their major cost variable. Consultation with industry buyers indicates some of the major processors forward contract as much 80 – 85% of their annual requirement.

In the case of beef and sheep markets, the spot market usually equates to ongoing saleyard auctions or their indices and it remains an important market price mechanism.

Consultation indicates the recent price spike post-Christmas, was the result of processors allowing producers to 'book space' earlier in the season without commitment. As a result, supply wasn't 'locked in' and the processors were left short, increasing competition in the New Year, illustrating the interdependency and interoperability between supply chain channels.

Saleyard auctions have been the traditional method of selling livestock throughout Southern Australia, including South East South Australia and Western Victoria.

While several alternative marketing systems have been developed over recent years, forecasts of the demise of the saleyard system appear premature, although it will likely continue to operate in an altered form as a part of the mix of channels to market used by producers into the future.

2.2 Competition between saleyards

Saleyards continue to perform several important industry functions that cannot necessarily be reproduced by alternative sales systems.

- **Transparency of pricing:** an open auction system provides transparency while making and setting the market value of different classes of livestock that would otherwise be difficult to replicate or determine.⁷ This method often underpins the values used by alternative sales methods. It also provides all market participants with real-time information to enable them to make marketing and purchasing decisions.
- **Competitive tension:** large yardings of livestock attract multiple buyers who have an opportunity to fill their order books without unnecessary travel or time and effort attending multiple facilities. This provides significant competition in a fair and open manner that should maximise the sale price. This may not necessarily be the case in smaller legacy facilities only attended by a lesser number of buyers.
- **A market for all:** saleyards treat all vendors equally when it comes to the number of livestock a producer has to sell, unlike many direct marketing platforms.
- **An information exchange:** having the spectrum of industry participants from buyers through to producers, allows for the transfer of industry knowledge, trends and issues to be canvassed and discussed in an open forum. This allows the free flow of information and ideas for the benefit of the industry.
- **Ongoing technological innovation:** livestreaming and electronic data transfer and information systems are not only providing operational efficiencies but are also opening new marketing opportunities.
- **What you see is what you get:** visual assessment prior to purchase will remain a strong driver for many livestock buyers.
- **Provides an efficient and effective marketing mechanism** for smaller producers to sell their livestock and provide a simple and effective method for buyers to consolidate smaller lots, providing transport efficiencies that would otherwise be a cost to the producer.

2.2.1 Regionalisation, rationalisation and privatisation

Historically, there were many saleyards at a number of towns and larger centres throughout regional Australia that reflected the nature of the local established livestock industries of the area. These were generally council owned infrastructure that were viewed as community assets and often supported by regional abattoirs. Over time, as processors (principal

⁷ ACCC, March 2017, Cattle and beef market study

buyers of prime stock) have consolidated, transport links have improved, and animal numbers have decreased.

There have been a number of factors leading to the demise of many Council-owned saleyards, leading to facilities closing as they have become increasingly uncompetitive. Councils may not have made the necessary investments, often on financial grounds, and over time their yards have become loss making on the back of falling throughput numbers, old and outdated facilities with high on-going maintenance costs and increasing compliance risk.

Furthermore, due to the longevity of many saleyards, particularly in larger regional centres, urban growth and changing land-use priorities have meant current sites are subject to increasing operational restrictions that lead to them becoming increasingly untenable for their original purpose.

The long tenure of some saleyard operations has meant the cost of the land they occupied has significantly increased in value and could be better utilised for alternative uses.

These factors have led to the rationalisation of many saleyards, one of the most significant being the closure in 1987 of Newmarket in Melbourne's inner west, after 100 years of operation, from which Ballarat and Dandenong were the principal beneficiaries.

A further major development in the evolution of saleyard operations came about when a private consortium, the Victorian Livestock Exchange (VLE), saw an opportunity when the Dandenong saleyards closed in 1998, to open a facility at Pakenham, again because of increasing land value and alternative land use options.

For similar reasons, the original council-owned Ballarat Saleyards was closed and a new privately funded livestock exchange, relocated to Miners Rest, opened in 2018.

Despite delivering the first-in-class modern private livestock exchange and maintaining a throughput of around 100,000 head of cattle annually, VLE announced in November 2023 that it would shut its Pakenham site and move operations to its sister facility at Leongatha.

VLE stated the closure was due to the costs associated with the increasing land value at Pakenham. These increased costs, specifically

land tax and council rates, were equivalent to around \$500,000, or more than \$5 per head, making the facility increasingly less competitive.

While speculative at the time, VLE Pakenham pioneered the fully roofed, soft floored, multi-agent livestock exchange model. VLE has continued to innovate and incorporate technology to increase operational efficiencies, all managed by a third-party on a stand-alone commercial basis. Many similar facilities have since been established, principally funded by Palisade Investment Partners (PIP) along the eastern seaboard.

The resultant increased animal welfare, the seamless introduction of traceability systems and improved WHS and environmental compliance of these facilities means there are now many advantages to these privately-owned exchanges that can only be matched by traditional saleyards if significant investment is made.

Recognising much of the infrastructure was ageing and the limited capacity of councils to reinvest, private operators have identified an opportunity for economies of scale and have designed, constructed and commissioned new larger, purpose-built facilities that meet more advanced levels of accreditation than was otherwise the case.

The investments made by the private sector in saleyard upgrades highlight the significant improvements in the overall quality of the yards and the services they offer. These investments are said to result in lower operating costs to saleyard operators, higher prices to producers and better yields and access for buyers, allowing saleyards to increase service fees and margins.

Table 1 details the current levels of private ownership of saleyards in Australia. Table 2 details the major upgrades undertaken to Australian saleyards over recent years. There have been 12 major saleyard renewal projects, totalling more than \$60 Million,

Owners / Operators	Facility	Location	Development type	Estimated Cost (\$m)	Completed	Indicative Throughput
Victorian Livestock Exchange (VLE)	VLE Pakenham	Pakenham, Victoria	Greenfield	\$9	1999	123,000 Cattle
Victorian Livestock Exchange (VLE)	VLE Leongatha	Leongatha, Victoria	Redevelopment	\$6	2006	136,000 Cattle 20,000 Sheep
Owned by PIP Managed by RIPL	Central Tablelands Regional Livestock Exchange (CTLX)	Carcoar, NSW	Greenfield	\$18	2008	140,000 Cattle 400,000 Sheep
Owned by PIP Operated by RIPL	Tamworth Regional Livestock Exchange (TRLX)	Tamworth, NSW	Greenfield	\$17	2013	120,000 Cattle 206,000 Sheep
Owned by PIP Operated by RIPL	Northern Victoria Livestock Exchange (NVLX)	Barnawartha, Victoria	Greenfield	\$24	2014	200,000 Cattle
Owned by SELX Pty Ltd Operated by SELX Operations	South Eastern Livestock Exchange (SELX)	Yass, NSW	Greenfield	\$15	2015	70,000 Cattle 760,000 Sheep
Owned by PIP Operated by RIPL	Central Queensland Livestock Exchange (CQLX)	Rockhampton, Queensland	Redevelopment	\$12	2018	140,000 Cattle
Owned by PIP Operated by RIPL	Inverell Regional Livestock Exchange (IRLX)	Inverell, NSW	Redevelopment	\$8	2018	80,000 Cattle 88,000 Sheep
Owned by SELX Pty Ltd Operated by SELX Operations	Western Victoria Livestock Exchange (WVLX)	Mortlake, Victoria	Greenfield	\$15	2018	60,000 Cattle
Leased by PIP from Corangamite Shire Council. Managed by RIPL	Corangamite Regional Livestock Exchange (CRLX)	Camperdown, Victoria	Existing		2018	30,000 Cattle
Owned by PIP Managed by RIPL	Central Victorian Livestock Exchange (CVLX)	Ballarat, Victoria	Greenfield	\$24	2018	58,000 Cattle 1,440,000 Sheep
Owned by PIP Operated by RIPL	Hunter Regional Livestock Exchange (HRLX)	Singleton, NSW	Redevelopment	\$6	2019	40,000 Cattle
Totals				\$145		
Average				\$13		

Table 1 - Private investment in livestock selling infrastructure ⁸

⁸ PIP - Palisade Investment Partners
RIPL - Regional Infrastructure Pty Ltd, a subsidiary company of AAM Investment Group

Name	Location	Type of upgrade		Status	Date	Project Cost (\$M)	Funding Sources(\$m)		
							Council	Federal	State
Horsham Regional Livestock Exchange	Horsham – VIC	23,400	No	Completed	Oct 2020	3.4	1.9	1.5	
Warrnambool Livestock Exchange.	Warrnambool – VIC	3,500	No	Completed	2021	0.9	0.5		0.4
Hamilton Regional Livestock Exchange – Stage 2	Hamilton – VIC	5,400	Yes	Completed	2019	1.4	0.7	0.7	
Hamilton Regional Livestock Exchange – Stage 1	Hamilton – VIC.	16,500	Yes	Completed	2017	4.0		1.9	
Scone Regional Livestock Selling Centre	Scone – NSW	7,000	Yes	Completed	Jun 2020	7.1	4.2	2.9	
Inverell Regional Livestock Exchange (IRLX) – NSW	Inverell – NSW	10,000	Yes	Completed	Jun 2020	7.5		2.5	
Northern Rivers Livestock Exchange (NRLX) – Stage 2	Casino – NSW	12,900	Yes	Completed	Jul 2019	7.0			7.0
Northern Rivers Livestock Exchange (NRLX) – Stage 1	Casino – NSW	11,400	Yes	Completed	Jul 2018	7.0	3.5	3.5	
Colac Regional Saleyards (CRS)	Colac – VIC	7,300	Yes	Completed	Aug 2014	1.5			
Dalby Saleyards	Dalby – QLD	16,000	Yes	Completed	Dec 2013	12.6	7.0		5.4
Forbes Central West Livestock Exchange	Forbes – NSW	Yes	Yes	Completed		3.4		1.5	
Naracoorte Regional Livestock Exchange	Naracoorte – SA	12,000	Yes	Completed	2012	4.5		1.8	
Total						60.3			
Average project cost						\$5.0			

Table 2 - Recent saleyards upgrades and associated grant funding⁹

⁹ Compiled by desktop research; the figures used are indicative and the list may not be complete

The investment has been significant, as has the change it has had on the industry landscape. There are some observations worth noting:

- There is greater investment in cattle than sheep facilities. Sheep facilities appear as co-investments with significant cattle turnovers. This likely reflects the differential between yard fees cattle attract compared to the fees applied to sheep.
- Table 1 also supports the reported view, expressed by the owner of seven of these facilities, that a total annual throughput of around 80,000 cattle is required to make a new regional facility commercially viable.¹⁰
- To gain the throughput necessary to be commercially viable, it often requires consolidation/closure of other existing smaller facilities.

A consequence of this ongoing increased capital investment is that what was originally considered best industry practice animal welfare and WHS compliance in the early rollout, is now considered accepted industry practice. This has forced many traditional saleyards operators to also increase related investment in their facilities.

*"The reality is that if saleyard operators do not roof their facilities, they will eventually close."*¹¹

Several existing saleyards that, with the help of State and Federal Government grants, have taken up the challenge of upgrading their facilities to match service levels provided by the private operators and remain competitive (refer to Table 2).

The significance of the investment of both private and council-controlled facilities is indicative of intensifying competition within the industry, resulting in an increasing trend toward consolidation of selling facilities to maximise both throughput and the level of service offered.

2.2.2 Fee-for-service and competitive tension

There are several significant differences between the early business models of council-owned facilities and those which are privately operated.

Council operated facilities were seen as essential community infrastructure, the operation of which provided a net economic benefit to the region. In recognition of their contribution to councils' rate base, many council saleyards were viewed as a service to local producers who, apart from road maintenance, received little else for providing the majority of their councils' rate base. Fees were relatively low and cost recovery was usually sufficient. Community service, not profit, was the primary driver.

Private operators, on the other hand, have no such obligation and use a full fee-for-service model that is required to provide a commercial return on investment to their equity holders. As a result, they look for a return significantly higher than what was the case with the traditional service model. Their increased fees also reflect the size and age of their investment and the associated increased level of service they provide, resulting in higher prices for producers.

Apart from higher fee structures, a further aspect of the private model is that producers and, to some extent, agents, do not necessarily have the same level of influence over the operational management as they did with the traditional saleyard pricing model. Under the private model, they are viewed as one of several parties required to facilitate the sales transaction. This has led to operational changes, such as post-sale instead of presale weighing, that have drawn significant criticism and industry inquiry as a result.

The competitive nature of a sales facility is not determined by the level of infrastructure provided alone. It is also determined by factors such as the suitability of the region for breeding and the growing and/or fattening of livestock. The catchment area is determined by the number and effectiveness of the agents that support the facility and transport costs. These are a function of the distance of the facility to processors' works, feedlot and export facilities, and/or restocker and finisher properties.

¹⁰ Berrigan Shire, June 2020, Finley Saleyards Rectification – Capital Expenditure Review

¹¹ McDonald, J., Executive Officer, Australian Livestock Saleyards Association, 28 January 2022

2.2.3 There are a smaller number of larger yards

A recent ACCC market study report indicates that saleyards are consolidating but competing harder to attract buyers and sellers,¹² with a shift toward fewer and larger saleyards already occurring:

- There were approximately 190 saleyards holding regular sales (of both cattle and sheep) around Australia in 2006
- This fell to approximately 160 saleyards by 2016; and
- Of these 160, a number are completely new, or significantly renovated and modernised.

In addition to a more modern design, newer saleyards tend to have a larger capacity. These design features are more attractive to both buyers and sellers, as they offer better animal welfare outcomes and are safer and more comfortable for those working at or attending the sale.

The study also noted:

- Improved, modern saleyard design results in animals from the sale being more attractive to a greater range of buyers due to improved animal health outcomes;
- Efficiencies of scale mean that larger yards may be able to offer lower costs per head of stock that travel through the yard, making it more attractive to buyers and sellers; and
- In several areas, carriers are establishing or using “consolidation hubs” for smaller lots of stock which would be uneconomical to transport long distances. These animals can then be loaded onto a single large transport and economically taken a longer distance to a large saleyard.

Larger, consolidated yards should offer improved outcomes for competition, provided they attract more buyers. A greater quantity of stock moving through the yards, particularly ones that are attractive to a range of buyers, should make it more likely that a larger number of principals will have an interest, and can expect to acquire a larger number of stock at a single sale.

¹² ACCC, March 2017, Cattle and beef market study — Final

3 Regional competitive environment

3.1 Regional livestock production

HRLX's business model is based around servicing local and regional livestock producers. Generally, the level of regional livestock production will be the major determinant of HRLX throughput and, consequently, the facility's long-term financial sustainability.

There are limited data sets available that can be relied on regarding analysing regional production. As such, we have used data supplied by MLA, LSAV, various saleyard annual reports and saleyards management.

For the purposes of the report, we have also defined the regional boundaries according to the relevant National Resource Management Regions (NRM's) used by the MLA in their periodic livestock counts for both understanding livestock production and saleyard throughput comparisons. We have formed the view that this regional approach provides a more reliable analysis of regional capacity and trends, through understanding the regional production environment and the nature of contestability between saleyards, rather than reviewing individual facilities in isolation.

For the purposes of sheep production, we have included the NRM's of Glenelg Hopkins, South-East South Australia, Wimmera, and Corangamite. For cattle, Glenelg Hopkins, South-East South Australia and Corangamite have been used. These regional figures have been compared to both national and state production to provide context as to both the quantum and sustainability of regional output.

Wagga Wagga is the largest sheep selling centre in 2022/23 with a turnover of around 2.0M head, followed by Ballarat (1.4M), Forbes (1.1M), Dubbo (1.0M), Hamilton (890K) and Bendigo (860K).

For cattle; nationally, the largest yard is Roma (245K), Dalby (190K), Dubbo (153K), Tamworth (133K) and Leongatha (127K), with Barnawatha ranked 10th and Mortlake ranked 12th.

3.1.1 Sheep production

Figure 3 indicates Victoria is the second and South Australia the fourth largest sheep producing states nationally.



Figure 3 - 2021 national sheep production [Source; MLA]

This could change should the current Federal Government policy of ending the live sheep export industry is implemented, as without a significant investment in killing capacity in WA, it is unlikely that the domestic market will be able to absorb the 525,000 sheep exported from there in 2022. The actual number affected will likely be far greater once the breeding and replacement animals supporting the industry are included.

Figure 4 illustrates that regional sheep production is nationally significant, with total numbers approaching 14 million in 2021. There has also been an increase in regional sheep numbers over the 7-year period to 2021. The regional increase would appear more statistically significant than any national increase in the national flock, that has fluctuated from around 66 to 72 million over the same period.

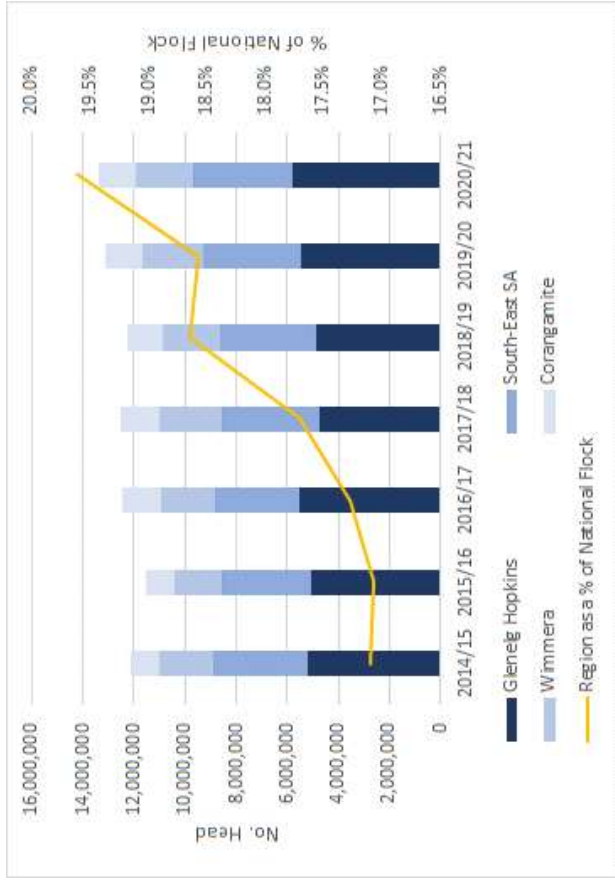


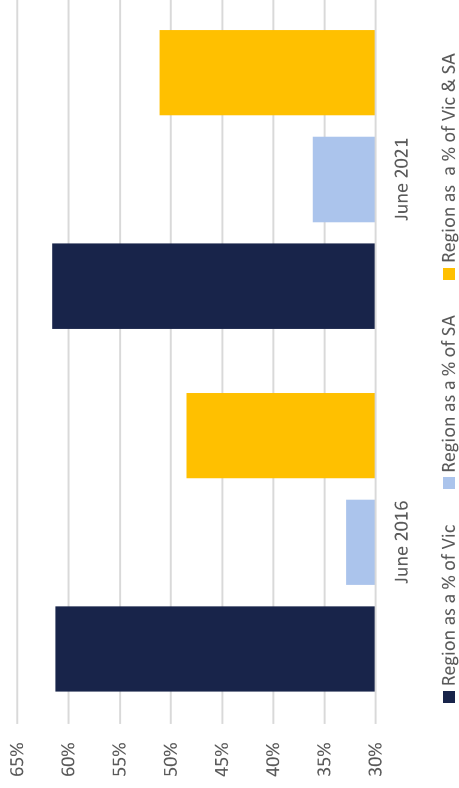
Figure 4 - Regional sheep nos. as a % of the national flock [Source: MLA]

As further evidence of this trend, the MLA ranks the top 20 NRM's each year according to sheep numbers;

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Glenelg-Hopkins	3	3	2	3	2	1	1
South-East SA	7	7	7	6	5	5	5
Wimmera		14	14	14	12	11	13
Corangamite		19	20	20	19	17	19

Table 3 – Yearly ranking of top 20 sheep NRM's

A similar trend can be demonstrated on a state basis, with the region increasing its percentage of the combined Victorian and SA total from 48% in 2016 to 51% in 2021.



Notes:

- The dark blue bar represents Glenelg Hopkins, Wimmera & Corangamite as a % of Victorian sheep nos.
- The light blue bar represents the South East as a % of SA sheep nos.
- The gold bar represents all regional NRM's as a % of Victorian & SA sheep nos.

Figure 5 – Regional sheep production at a state level

3.1.2 Cattle production

While important, Victoria and SA are not so prevalent when it comes to cattle production nationally. This is largely due to the relative dominance of Queensland that is responsible for around 44% of production.



Figure 6 - 2021 national cattle production [Source: MLA]

That said, cattle production within the region is also nationally significant, with a regional herd size of around 2,000,000 head, equal to WA and greater than the NT, SA and Tasmania. Although the region has seen a small decline in regional cattle numbers over the past 7-years, this would appear to be at rate less than the national trend.

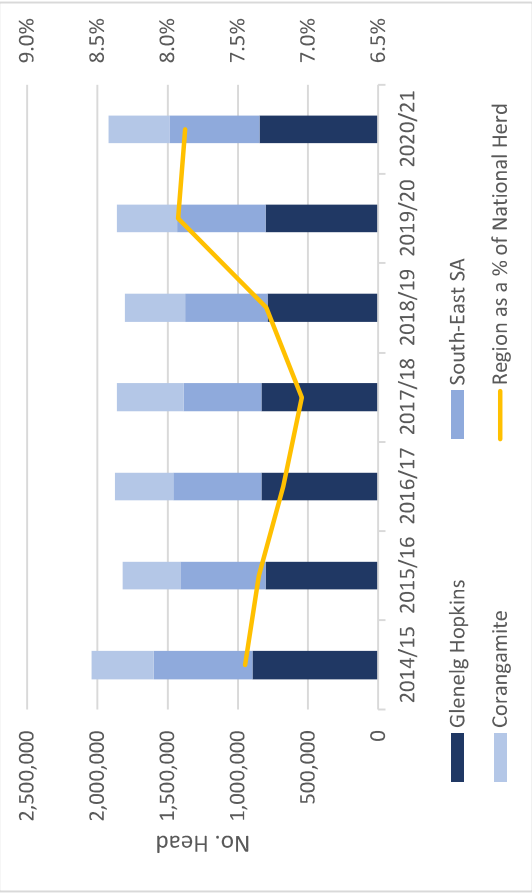


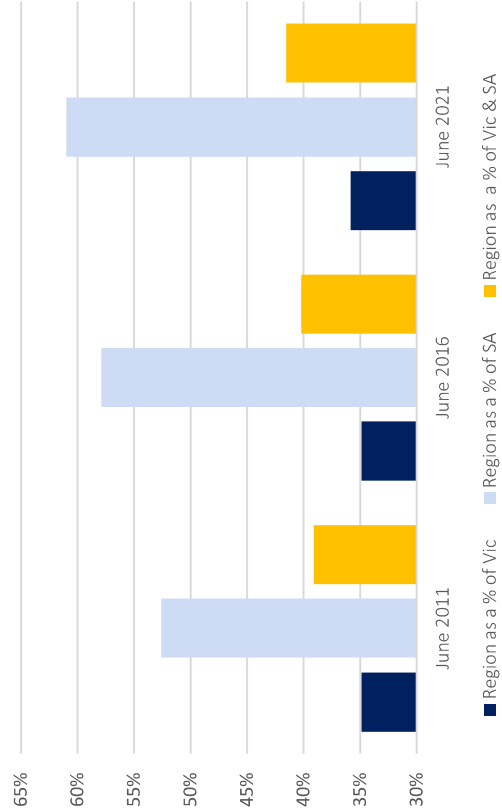
Figure 7 - Regional sheep nos. as a % of the national flock [Source: MLA]

Similar to the regional sheep numbers, this increase is reflected in the MLA top 20 NRM ranking for cattle numbers however, not to the same extent;

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Glenelg-Hopkins	9	9	9	10	9	9	8
South-East SA	15	15	15	16	12	12	14
Corangamite				20	19		20

Table 4 - 2021 national cattle production [Source: MLA]

There is further MLA data available for cattle than there is for sheep numbers, relating to a 2011 count, providing a longer-term perspective on regional cattle production;



- Notes:
- The dark blue bar represents Glenelg Hopkins & Corangamite as a % of Victorian cattle nos.
 - The light blue bar represents the South East as a % of SA cattle nos.
 - The gold bar represents all regional NRM's as a % of Victorian & SA cattle nos.

Figure 8– Regional cattle production at a state level

Figure 8 illustrates that the relative increase in production within the region is largely due to the increase in cattle numbers in the South-East increasing from less than 53% in 2011 of SA production to 61% in 2021.

3.1.3 Livestock production summary

Western Victoria and South East South Australia remain nationally significant with regard to both sheep and cattle production.

The Glenelg-Hopkins NRM is rated the No. 1 ranked sheep and the No. 8 ranked cattle production region, while South-East SA is ranked 5 and 14 respectively.

Similarly, the regional comparison of Glenelg-Hopkins, Wimmera and Corangamite NRM's hold over 60% of Victoria's sheep flock, while the South-East holds over 30% of SA's. For cattle, Glenelg-Hopkins and

Corangamite NRM's hold around 35% of Victoria's cattle, while the South-East holds over 60% of SA's.

These comparisons point to the region, already recognised for its dairy production, as being one of the nation's preeminent livestock production locations.

The fact that the region ranks highly in both sheep and cattle production provides comfort that there is a contestable supply of livestock sufficient for the sustainable operation of regional multi-species saleyards.

3.2 Regional sales environment

While there are doubts over the future of saleyards, the data does not support this.

3.2.1 AuctionsPlus

AuctionsPlus is the predominant online selling platform that is favoured by the majority of producers and HRLX. Data was received from AuctionsPlus as to its sales for sheep and cattle transactions, containing information regarding livestock type, delivery and bidder location and No. of head for around 38,000 transactions nationwide for the 2023 calendar year.

State / Territory	AuctionsPlus Transactions		MLA Sheep Nos (2021)	
	No. Head	%	No. Head (M)	%
New South Wales	2,293,943	53.0%	24.7	36.3%
Victoria	987,327	22.8%	15.4	22.6%
South Australia	659,342	15.2%	10.8	15.9%
Queensland	306,878	7.1%	2.1	3.1%
Tasmania	55,254	1.3%	2.4	3.5%
Western Australia	27,276	0.6%	12.7	18.6%
Nationwide	4,330,020	100.0%	68.1	100.0%

Table 5 – Comparison of AuctionsPlus sheep sales c.f. State / Territory sheep Nos.

Table 5 indicates that AuctionPlus is most active in NSW, Victoria, SA and Queensland where 78% of the national flock are located, account for 98% of all their sheep sales.

Similarly, Table 6 indicates that 99% of its cattle transactions are from NSW, Victoria Queensland, SA & Tasmania where around 84% of the nation's cattle are located.

State / Territory	AuctionsPlus Transactions		MLA Cattle Nos. (2021)	
	No. Head	%	No. Head (M)	%
New South Wales	468,764	47.6%	4.4	18.1%

Queensland	298,787	30.4%	10.7	44.0%
Victoria	117,316	11.9%	3.6	14.8%
South Australia	57,274	5.8%	1.0	4.1%
Tasmania	31,778	3.2%	0.8	3.3%
Western Australia	7,855	0.8%	2.1	8.6%
Northern Territory	2,010	0.2%	1.7	7.0%
Nationwide	983,784	100.0%	24.3	100.0%

Table 6 - Comparison of AuctionsPlus cattle sales c.f. State / Territory cattle Nos.

The fact their sales are underweight in Queensland WA and NT cattle may be due to the platform not lending itself to the different production environment evident in Northern cattle.

The regional designations used by AuctionsPlus are different to the NRM's used in the report, although combining 'South-West Victoria' and 'Lower South East S.A.' as the region of origin, provides a similar area as that used for the cattle comparison, however excludes the Wimmera in the case of the sheep comparison.

Although not specific to HRLX, based on this designation, we are able to identify the destinations for the stock sold from the region that should be similar, while understanding that very few, if any, prime stock appear to be sold across the platform.

Of the 899,063 head of sheep sold from South West Victoria and Lower South East SA, aggregation of the data indicates the destination states as follows;

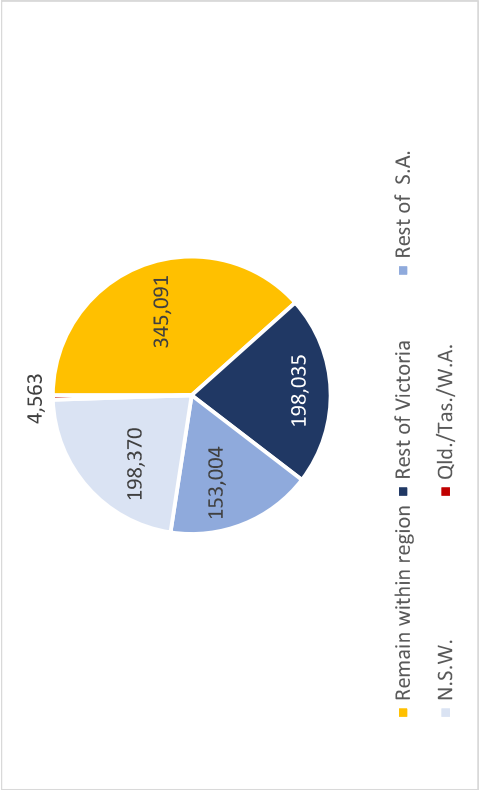


Figure 9 – Destination states for sheep sold via AuctionsPlus from SW Vic & SE SA. Also, for the 79,273 head of cattle sold;

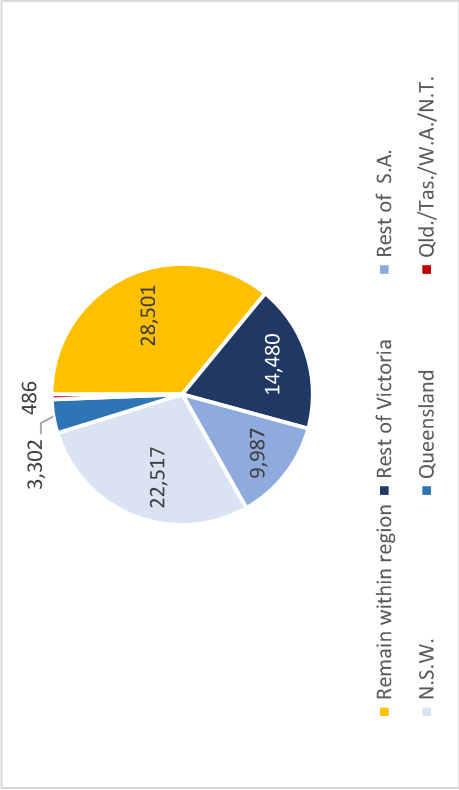


Figure 10 – Destination states for cattle sold via AuctionsPlus from SW Vic & SE SA.

The introduction of digital marketing platforms and their associated lower selling costs have impacted the industry, with a significant uptake in use by producers. However, interrogation of data supplied by AuctionsPlus would indicate, that while competitive, it is not a dominant force within HRLX's catchment.

	No. Head	%
Sheep;		
Total regional saleyard throughput	2,765,738	75.5%
AuctionsPlus regional throughput	899,063	24.5%
Cattle;		
Total regional saleyard throughput	377,055	82.6%
AuctionsPlus regional throughput	79,273	17.4%

Table 7 – AuctionsPlus throughputs c.f. all regional saleyards.

We have adjusted the regional sheep saleyards numbers in Table 7 to exclude sales from the Wimmera to provide a similar regional match with the AuctionsPlus data base. We also note that the comparisons provided above are not taken over the same timeframes. The AuctionsPlus figures supplied are for the 2023 calendar year, while the regional figures are for the 2022/23 financial year.

To provide context, AuctionsPlus throughputs would be the equivalent of another sheep saleyard roughly the size of HRLX within the region and another cattle saleyard roughly the size of Naracoorte or Mount Gambier.

3.2.2 Other sales channels

As for forward and OTH contracts, we understand that some processors try to lock in around 75 – 85% of their production, while feedlotters are similarly active. However, it is difficult to know the extent of market share these sales channels represent. In the case of cattle, perhaps the best guide is from the ACCC report (refer to Figure 2) that, while paddock sales may be contested between forward contracts and digital platform sales, they along with OTH account for between 20 – 25% of market share. If replicated in the sheep market, then this still leaves saleyards as the major regional channel to market.

We do not view the disruption to traditional markets as a 'knock-out' contest, so much as providing greater access to multiple sales channels independent and interdependent on each other. This is an evolution that provides a greater level of sophistication, both logistically and financially. Further indications of future support for the retention of saleyards include;

- The investment of over \$200 million in recent years by private equity.
- Not all buyers of prime stock are processors with their own their killing capacity. There are a number of buyers represented by commission agents contract out their processing requirements to a third party that charges on a per head basis as opposed to OTH. Consultation indicates that these commission agents purchase around 80% or more from saleyards to fill their order books.
- Nor are all store stock bought by feedlotters. Restockers and those looking to grow out cattle often also frequent saleyards to fulfill their purchases, usually through an agent.
- Saleyards will most likely continue to be an efficient method to consolidate smaller lot purchases of livestock, mainly from smaller producers of which there remain a number within the region.

3.3 Regional saleyards competing for catchment

Having assessed the industry environment and the interaction between different sales channels available to producers, it is important to understand the context and the extent of competition between regional saleyards.

3.3.1 Processor interest

The ACCC report notes that the costs of transport, both in dollar and animal health terms, significantly influence the geographic scope of competition. Losses of weight and condition of cattle increase with distance and time travelled. This increases the likelihood that the eating quality of the animal will be lower, impacting a processor's ability to fulfil its supply contracts with certainty and the prices paid to producers.

Cattle buyers told the ACCC they prefer to source cattle from places relatively close to abattoirs to reduce transport costs. In the case of processors, the ACCC report notes that approximately 80 per cent of the cattle transported were acquired from within 400 km of the abattoir and that transport costs can account for between 5% - 10% of the animals' cost.¹³

This would indicate that the Southern Grampians region is well positioned with significant processing facilities located in Naracoorte (Tey's Bros), Bordertown (JBS), Murray Bridge (Thomas Foods), Warrnambool (Midfield Meat), Kyneton (Hardwicks), Geelong (MC Herd), Bacchus Marsh (Westside Meats), Colac (The Australian Lamb Co.), Swan Hill (Woodward Foods), Tongala (Greenhams) and Brooklyn (JBS), as well as other smaller Melbourne processors, all within a 400km radius.

The ACCC's consultation did not reveal concerns about the availability of options for selling store cattle which is evidenced by the regional and interstate buyer interest to purchase store cattle from HRLX.

3.3.2 Regional saleyard rationalisation

Similar to the national trend, South-West Victorian saleyards throughputs have experienced disruption and volatility since the opening of a new facility at Mortlake. While Ballarat similarly opened a new facility at the same time, the new Ballarat yards were a relatively like-for-like transition from the old yards to the new facility for both sheep and cattle.

There was an understanding that both Warrnambool and Camperdown saleyards were aging and needed investment, while there was an ongoing debate of the suitability of the Warrnambool saleyard site.

There were several proposals put forward to address this issue. One proposal between councils, was a mooted development of a new set of yards at Carvoc on the boundary between Moyne and Corangamite Shires. There were also further approaches made by private operators RIPL/Palisade and VLE. Given the partisan nature and vested interests of different parties, consensus was difficult to achieve. South-Eastern

¹³ Ibid.

Livestock Exchange (SELX), a relatively new entrant to the industry, viewed the market as contestable and built the new Mortlake facility on spec. Therein followed a period of intense competition that has resulted in Warrnambool closing at the end of June 2023, and Camperdown clearly diminished.

3.3.3 Regional saleyards

Traditionally, local support would have been sufficient to provide stock numbers through HRLX on an on-going basis. However, the industry dynamics have changed. New sales platforms, significant levels of investment in new and upgraded facilities and lower per unit transport costs have increased competition amongst saleyards, particularly for reduced cattle numbers.

Hamilton (HRLX): <i>(Distance by road to HRLX)</i>		<i>Rolling 3-yr average throughput & regional ranking</i>	
	21,352 cattle (#7)	993,023 sheep (#2)	
Competes with Bendigo for the second largest sheep throughput in Victoria after Ballarat. It has completed a reported \$6.5 million redevelopment in recent years, including roofing the sheep and cattle pens and other associated infrastructure improvements. HRLX is viewed behind Mortlake, as being a beneficiary of the closure of Warrnambool, following the relocation of a couple of cattle agents from Warrnambool who chose HRLX in addition to Mortlake. Their sales volume was responsible for Hamilton being the only yard in the region to increase cattle throughput in the last financial year.			
Casterton:			
(64 kms by road)	7,840 cattle (#9)	3,660 sheep (#8)	
While yards are serviceable and possibly adequate for the 8 - 10 store sales it holds per year, there are no plans for any major upgrades, indicating that they will possibly become unserviceable in future years.			
Mortlake (WVLX) (87 km by road)		103,167 cattle (#1)	No sheep
Is a new greenfield development, cattle-only purpose-built, at a cost of around \$15 million. It opened in January 2018. Although early projections of 175,000 head in the first year and 200,000 each year thereafter are yet to be realised, it has established itself as the largest cattle saleyard in the region. It was announced in July 2023 that Pallisade Investment Partners, 100% owners of			

eight other saleyards, would purchase both WVLX Mortlake and SELX Yass from their current owners for an undisclosed sum. At the time of writing, the deal was yet to be executed.

Warrnambool: (93 kms by road)		(CLOSED 30/06/23) 50,906 cattle (#5)	Few if any sheep
Owned and operated by Warrnambool City Council, this facility closed at the end of June 2023, off the back of the WCC declining to spend upwards of \$5M on required upgrades, and despite strong protests from agents, buyers and producers. The opening of the private facility at Mortlake, 52 kilometres to the northwest of Warrnambool, meant there was only sufficient cattle for one and that either Mortlake or Warrnambool would have to close. In the end, the lack of previous investment in Warrnambool sealed its fate.			
Mount Gambier:			
(116 km by road)	63,589 cattle (#3)	91,230 sheep (#5)	
While a significant sheep and cattle facility with some recently completed upgrades, the yards remain largely open to the weather and this has impacts, particularly on animal health and environmental outcomes. Built in the 1970's, the location of the saleyards is uninhibited by residential development and competing land uses. While much of the infrastructure is fit-for-purpose, it has not had the same recent investment as many of the competing facilities and is, therefore, in need of such an investment to remain competitive. Strong agent and producer feedback is that should the current capital works project incorporating a roof and soft floor be completed, then patronage will increase as a result.			
Camperdown: (125 kms by road)		8,286 cattle (#8)	No sheep
Another set of legacy yards lacking investment that is unlikely continue to compete in the current environment. In 2018, Corangamite Shire Council leased the facility and operational control to Regional Livestock Exchanges (RLX) which is owned by PIP, the operator of the current Ballarat exchange, for 15-years. There was a mooted co-investment in an upgrade; however, this now looks unlikely. Camperdown has suffered significant declines in throughput in recent years. With PIP purchasing Mortlake, their interest in Camperdown may diminish. It is understood that the current lease is dependent on an unknown threshold relating to throughput numbers, which may provide RLX an early exit.			

Horsham: (144 kms by road)	Few if any cattle	355,176 sheep (#4)
Has only recently completed a \$3.4 million redevelopment in 2020 involving roofing of the sheep pens.		
Naracoorte: (172 kms by road)	79, 084 cattle (#2)	427,513 sheep (#3)
Established in 1973, a major investment \$5.5 million on a new roof, weighbridge and effluent system was commissioned in 2014 and a further \$0.5 million spent on new loading and unloading facilities. It is relatively modern and meets most best practice criteria and accreditations for both sheep and cattle. It continues to invest significant capital expenditure, including \$800,000 on replacing half of the cattle pens with new steel construction in 2019, with the other half completed since. The facility is currently looking to invest a further \$2M including expanding the roof footprint by 40%.		
Colac: (173 kms by road)	24,281 cattle (#6)	Few if any sheep
The saleyards has a similar through put to Hamilton and enjoys strong council support. It was upgraded with a 7,300 square metre roof at a cost of around \$1.5 million in 2014.		
Ballarat (CVLX): (182 kms by road)	51,772 cattle (#4)	1,543,134 sheep (#1)
The original site is historically significant because it was Victoria's longest running corporation saleyards, opening in February 1864. In October 2018, the Ballarat Saleyards relocated to the Central Victorian Livestock Exchange (CVLX) at Miners Rest, largely as a result of the original yards' central location within Ballarat, the underlying land value and alternative use potential. The new saleyards are a greenfield development said to cost \$24 million. Cattle and sheep throughputs have remained consistent since the relocation.		
Millicent: (178 kms by road)	(CLOSED 30/06/23) 6,862 cattle (#10)	No sheep
Relocated to its present site in 1976. Regular sheep sales ceased in March 2007. Fortnightly cattle sales until June 2023, when the facility was closed. Being a legacy yard with a declining throughput, it had been running at a loss of		

around \$180,000 per annum, with minimum maintenance being performed. Council committed to continue to support sales providing the numbers remained around 8,500 annually; however, a marked decline in throughput in 2022 and recent adverse Safework SA and EPA work notices mandating \$1 million of upgrades, forced Council to close the facility.		
Warracknabeal (188 kms by road)	No Cattle	89,728 sheep (#6)
Legacy yards owned by the Yarriambiack Shire Council		
Nhill (190 kms by road)	No Cattle	5,187 sheep (#7)
Legacy yards owned by the Hindmarsh Shire Council		

3.4 Regional saleyard throughput analysis

Understanding the livestock production dynamics of Western Victoria and South East South Australia and its national importance, particularly in the context of its size when compared to other larger regions, means there is competitive tension between regional saleyards.

3.4.1 Regional saleyard sheep throughputs

Figure 11 indicates the relative consistency of throughputs of sheep between different saleyards.;

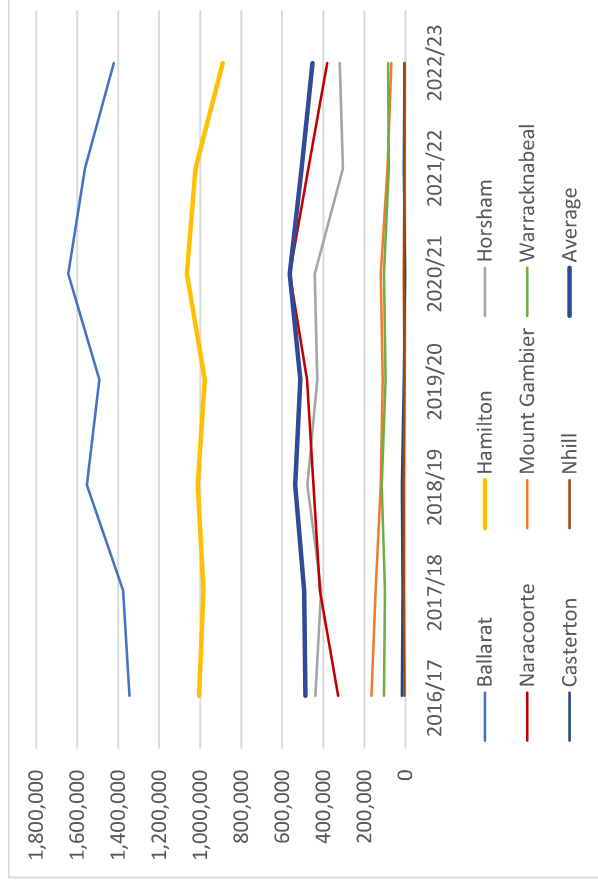


Figure 11 – Regional saleyard sheep throughputs

HRLX has the second largest throughput of any saleyard in the study area. It is worth noting that HRLX has roughly twice the average throughput of all regional saleyards and, similarly, has a throughput of around half a million sheep more than the next ranked saleyard, indicating its significant market share of regional sheep sales.

The only increase in throughput in the past two years has been at Horsham, which could be explained by the disruption resulting from construction of a new roof at the site.

Horsham being the only yard to increase its throughput in the 2022/23 year could also be due to a factor affecting cross-border sheep movements that has adversely affected sheep sales through Mount Gambier and Naracoorte over that period.

A recent implementation of a footrot control program by PIRSA has led to a decline in sheep numbers through both SA saleyards. A complicating issue is the difficulty in identifying virulent footrot from foot abscess or scold that is benign. Producers were able to send sheep to Victorian saleyards without being subject to any regulation and/or restriction.

As of August 15, 2023, the two saleyards will be open only to sheep and lambs being purchased for slaughter, feedlotting or finishing prior to sale to slaughter, without inspections. This has been welcomed by the local industry.



Figure 12 – Graphic depicting location & relative size of regional sheep saleyards

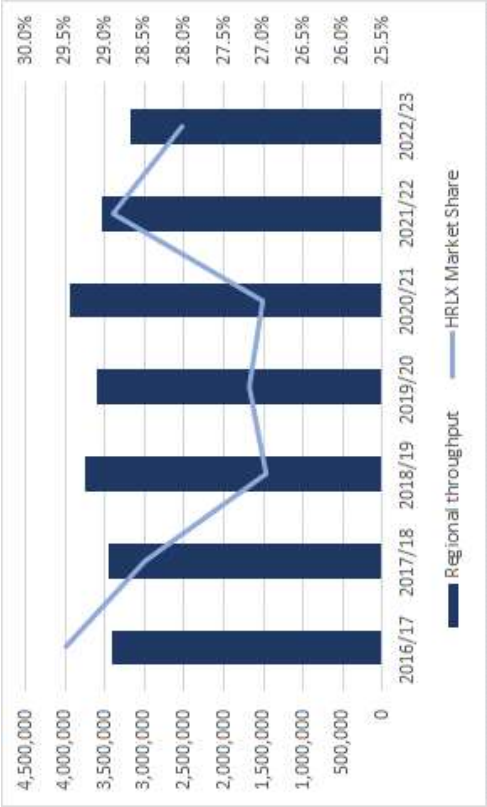


Figure 13 – HRLX market share of regional sheep throughput

Figure 13 indicates that over the past 7-years, while regional throughputs have varied by around 15%, HRLX has traded in a relatively narrow band of around 2.5% between 27% and 29.5% of market share.

Figure 14 shows the difference in Compound Annual Growth Rate (CAGR) between the 2016/17- and 2022/23-year throughput results. While HRLX's result is negative 2.0%, the average market throughput also declined over the period by 1.2%, meaning the HRLX result is only -0.8% when matched to the market. This figure, for our intent and purpose, indicates that there has been no material change in HRLX's competitive position when compared to the broader regional environment.

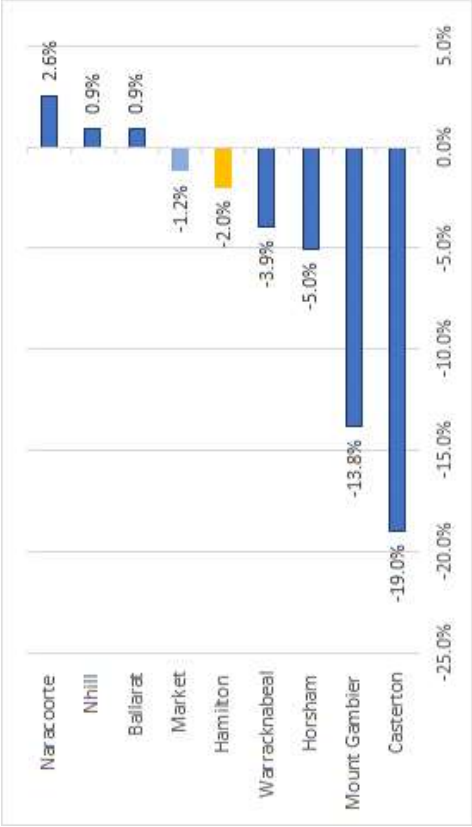


Figure 14 – Sheep CAGR (2017 – 2023)

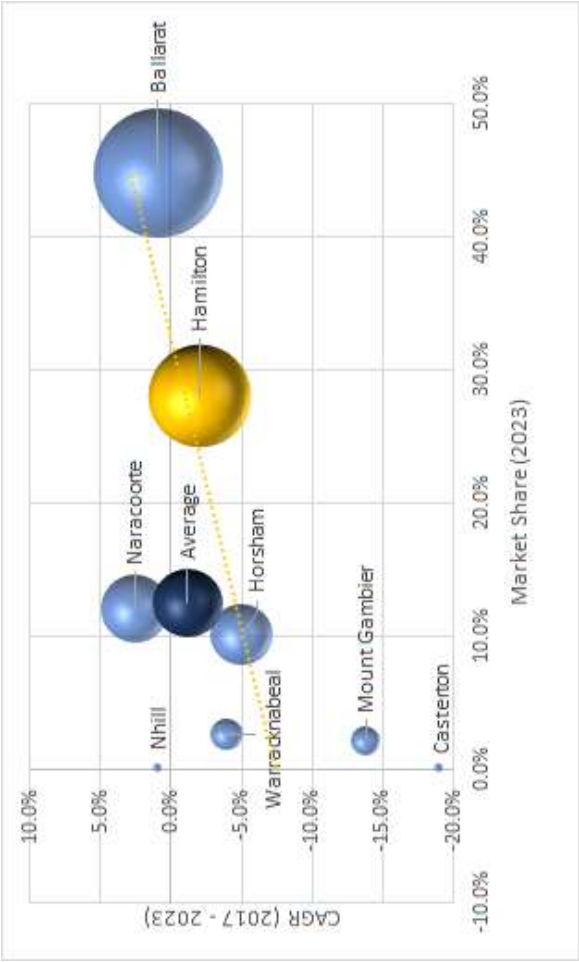


Figure 15 – Relationship between scale and growth of regional sheep saleyards

3.4.2 Regional saleyard cattle throughputs

Unlike the sheep market, HRLX does not command the same degree of patronage when it comes to cattle sales.

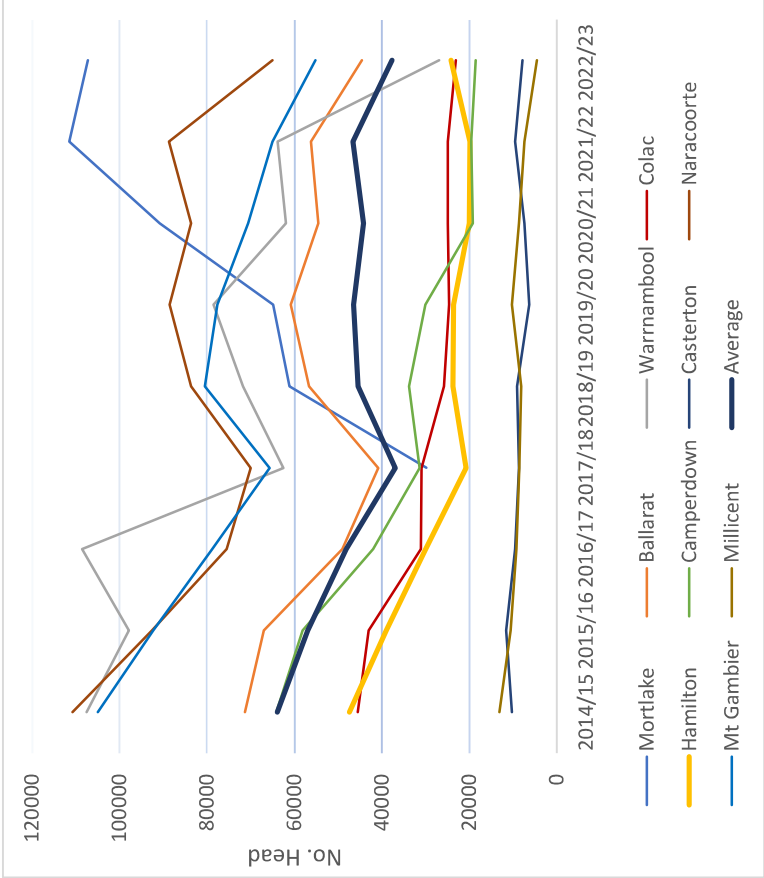


Figure 16 - Regional saleyard cattle throughputs

Another difference with this market is the degree of volatility experienced by different saleyards within the region, mainly due to the disruption caused by the establishment of Mortlake as a major cattle sales centre in 2018. This has occurred primarily at the expense of Warrnambool and

Camperdown which, also conversely, resulted in HRLX becoming the only regional yard in 2022/23 to increase its throughput (due to the diversion of stock to Mortlake and HRLX to a lesser extent).

Figure 16 also demonstrates that, until last year, HRLX was around 16,000 to 26,000 head less than the average regional throughput.



Figure 17 - Graphic depicting location & relative size of regional cattle saleyards

Clearly, with the closure of both Warrnambool and Millicent at the end of last financial year, there will be a reconfiguration of the 2022/23 figures that will become evident in coming years.

Figure 18 indicates that while regional throughput numbers were more than 500,000 for the first two years of the sample, they have since been traded between around 370,000 to 465,000; a significant decrease.

It also demonstrates HRLX has traded in a 4.0% band, however, compared to the sheep result, this is significant proportion of a market share of only between 4.2% and 8.2%. This indicates the increased volatility associated with small changes in cattle numbers on a relatively small saleyard's throughput.

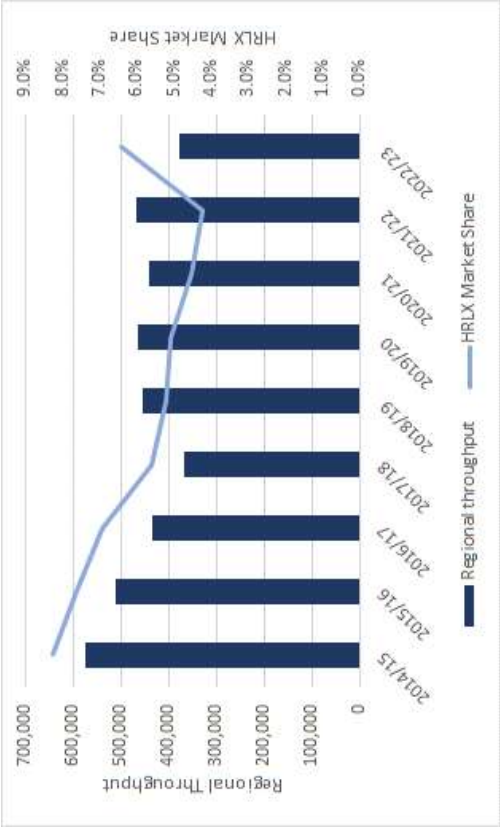


Figure 18 - HRLX market share of regional cattle throughput

Figure 19 again demonstrates the degree of disruption the opening of Mortlake created and the loss that resulted, particularly the two closest yards; Warnambool and Camperdown.

With regard to HRLX, the result of -0.9% when marked to the market rate of -2.3% would indicate that it has weathered the market volatility to a large extent and its competitive position has only eroded marginally by comparison.

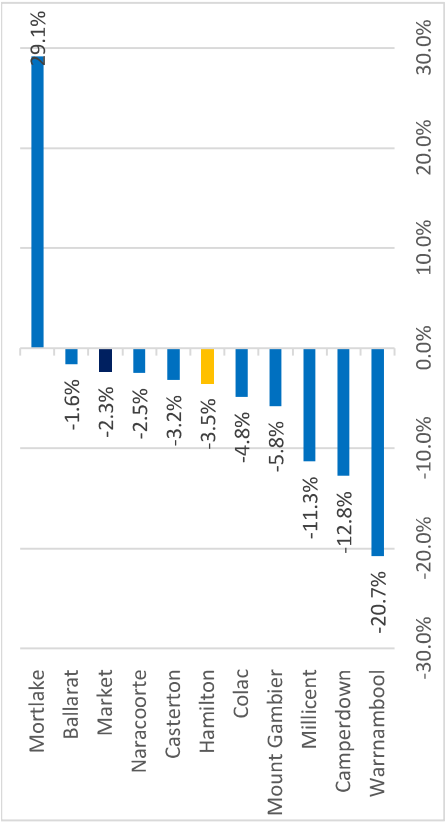


Figure 19 – Cattle CAGR all regional saleyards (2017 – 2023)

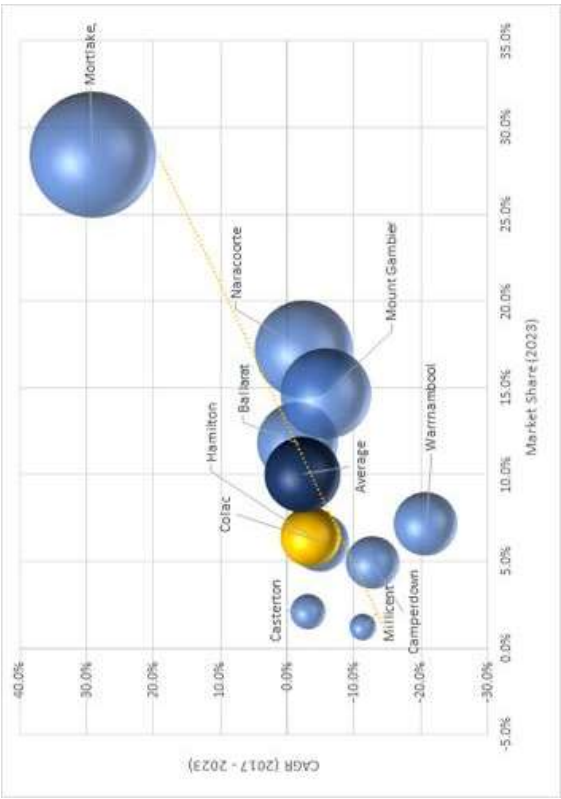


Figure 20 - Relationship between scale and growth of all regional cattle saleyards

Figure 20 indicates the dominance of Mortlake at the apparent expense of all other regional saleyards both by scale and growth.

While Mortlake has been successful in establishing throughput at the expense of other saleyards, it appears to have had minimal effect in generating any interest from outside the region. Treating Mortlake, along with Warrnambool and Camperdown, the two most directly affected saleyards, as a single entity, then the results are significantly different.

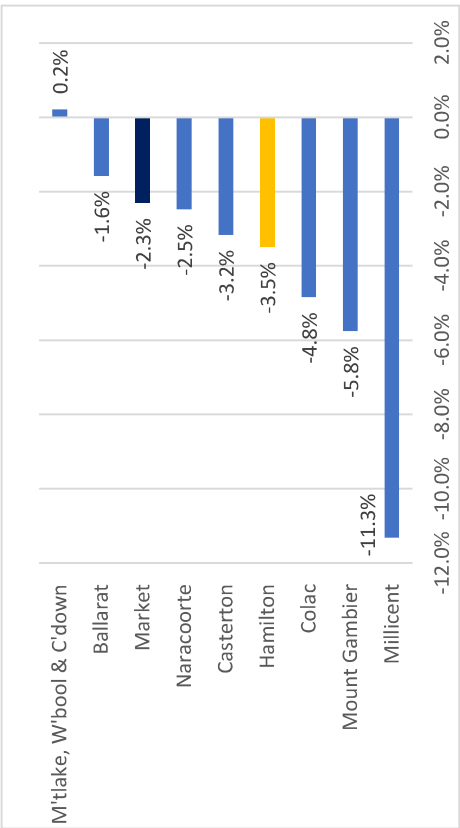


Figure 21 – Cattle CAGR selected regional saleyards (2017 – 2023)

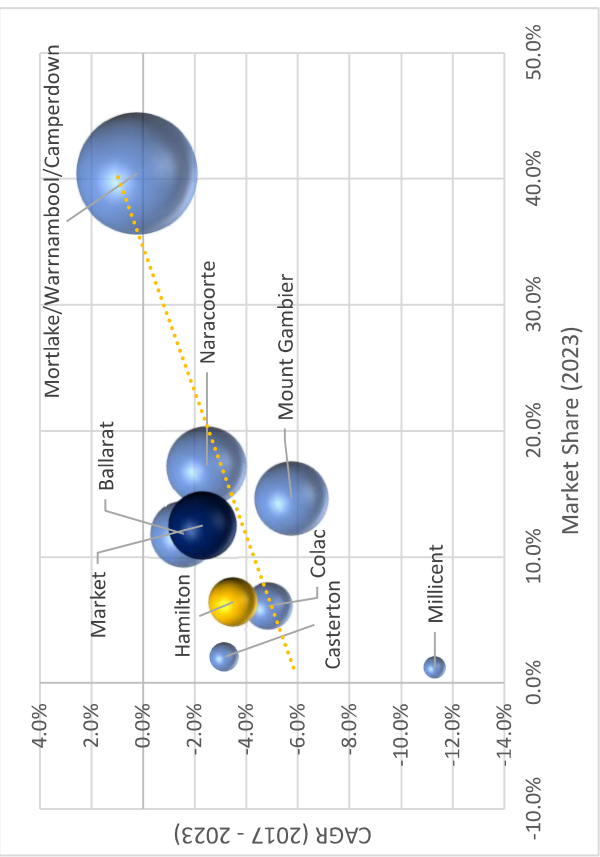


Figure 22 – Relationship between scale and growth of all selected cattle saleyards

Grouping together all three throughputs offsets the combined lost throughputs from Warrnambool and Camperdown, largely negating Mortlake's seeming stellar growth.

While the combined scale has increased from Mortlake's of 28.4% to 40.5% of market share, the CAGR has dropped from 29.1 to close to zero (0.2%). This would indicate, that despite the internal disruption and change in competitive dynamics within, the regional market has largely been unaffected.

3.4.3 Regional competitiveness - HRLX

Notwithstanding the contestable nature of supply, analysis of regional saleyard throughput in Section 3.4 provides context as to HRLX's relative strengths and weaknesses.

The analysis indicates that sheep throughputs have been at scale, stable and consistent over an extended period of time. As such, HRLX's performance reflects well in a relatively mature market place.

The same cannot be said for cattle, where throughput consistently fell from 8.25% of regional market share in 2014/15 to 4.2% in 2021/22, nearly a 50% decline, prior to increasing to 6.4% in 2022/23, primarily as a result of the market presence of the two new Warrnambool agents. This repair of market share may also be expected to continue into the current year's results, given they were only operating for six-months in 2022/23.

The research also indicates that HRLX cattle numbers, despite the uplift, are only greater than Millicent, which closed in June 2023; Casterton, that doesn't hold regular markets, and marginally better than Camperdown, which continues to bleed numbers to Mortlake. It remains on-par with Colac and is slightly less than Warrnambool's final year prior to closure. It also continues to underperform by comparison to the regional average by some measure.

While not discounting the cattle contribution to HRLX as a distinct revenue stream, it does demonstrate the marginal nature of HRLX's performance as a regional cattle sales centre and indicates, that if it were not for the strong performance of the sheep component, as a saleyard, it would most likely face terminal decline in the current competitive environment.

That said, we do understand that there are significant synergies to be gained from the sale of cattle alongside sheep and that cattle may provide scope for further growth, albeit of lesser value.

3.4.4 Regional competitiveness - Mortlake

The primary difference in the sheep and cattle markets was the disruption of the region's 'business as usual' cattle selling model caused by the opening of the Mortlake yards by SELX in 2018. While there has been little change in overall regional saleyard cattle number throughput, there has been a dramatic realignment of sales through different individual yards.

Figure 18 illustrates that while HRLX cattle numbers were declining before 2018, they did so in line with falling regional cattle saleyard throughputs. However, from 2018 they continued to fall, despite increasing regional saleyard turnovers. This would suggest that cattle sales were being lost

from HRLX to Mortlake, until the last financial year, where, for the first time since it opened, Mortlake's numbers fell.

Consultation suggests there is a degree of antipathy from sections of buyers, agents and producers towards Mortlake, particularly from those who supported Warrnambool prior to its closure. Depending on who you speak to, the degree of resentment can run deep. Furthermore, it has been said that many 'older generation' producers will not support Mortlake due to criminal activity of one of its directors early in its operating life.

Despite being a relatively new facility, there have also been criticisms of the yards design and construction, best-summarised as the facility being, 'built to a price, not a standard'. Additionally, some agents and producers hold the opinion that cattle present better at HRLX due them standing on level ground, as opposed to Mortlake where the floors have cut out, and the Hamilton yards offering a greater level of safety for stockmen during sales.

It is worth noting that when Mortlake was established, they forecast a throughput of 175,000 head in the first year, followed by 200,000 plus from thereon. They have only managed just over 100,000 in the last couple of years, raising questions about its long-term sustainability. There have also been attempts at capital raising over the intervening period. An opinion was expressed, that 'had Warrnambool not shut, Mortlake may not have survived'.

In July 2023, Palisade announced that it had bought both Mortlake and Yass from SELX for an undisclosed price, however it is our understanding that the sale is contingent on SELX resolving an effluent issue at Yass.

While we won't know whether or not it was sold at a discount, once the agreement is executed, it could be expected that much of the speculation outlined above may dissipate, given the corporate profile of PIP (Palisade) and the appointment of RLX as the manager, that could lead to increased competition as a result. Either way, Mortlake is expected to remain the dominant cattle saleyard in the region.

Another aspect of the sale is how it will affect the future of Camperdown which RLX originally signed a 15-year lease in 2018 to manage on behalf of the Corangamite Shire Council. While the lease remains in place, doubts remain as to whether it will continue to operate once PIP/RLX take control

of Mortlake, given there is a minimum throughput clause that could release RLX from its obligation to maintain a presence at Camperdown. However this plays out, it is difficult to see that HRLX would substantially benefit from any closure.

We would recommend that the HRLXAC continue to monitor ongoing regional saleyard throughputs to understand the effect of the closure of Warrnambool land, to a lesser extent, Millicent have on future sales.

3.5 Drivers of saleyard throughputs

Understanding the relative competitiveness of saleyards in a regional context, we can now look at the external industry drivers that are responsible for changes in regional saleyard turnovers, and how they impact HRLX's turnover.

3.5.1 Livestock numbers - Seasonal variance

Of all the factors that affect livestock numbers, drought, floods and severe climatic events have the largest year-on-year impact. As these events significantly shape supply, they also significantly impact price.

The loss of animals in drought, flood, fire or cold snaps can and do have a significant impact on livestock numbers at a local, regional and national level. Similarly, good seasons often referred to as 'a grass market', when producers can hold stock, are typically seasons when producers also restock and purchase cattle to fatten, providing more flexible management options.

Recent history illustrates these effects. Livestock numbers have been building due to favourable seasonal conditions over recent years. The MLA has estimated that the national sheep flock has grown 23% since 2020. Similarly, cattle numbers are expected to peak in 2024 at 28.8M head, the highest number since 2014.

Due to the abundance of supply and ongoing favourable conditions, livestock prices fell markedly over 2022/23: 19.2% fall for cattle and 10.4% fall for sheep in regional saleyard throughputs. As a result, producers having the flexibility to hold on to stock because of the season, chose to do so, rather than accept lower prices.

It is also well understood within the industry of the potential cost of carrying livestock through a drought and, leading into summer with an El Nino event forecast, many producers offloaded surplus livestock in anticipation of such an occurrence. As one agent commented: 'even one hot week can make the phone go ballistic'.

As a result, year-to-date (July 2023 – January 2024) saleyard throughputs have increased; according to HRLX figures, cattle are up by over 3,500 head, a 19.8% increase and sheep are up over 170,000 head, or a 33.2% increase on the corresponding period the year before.

It is also relevant to understand that ruminants, cattle and sheep to a lesser extent, have relatively low fecundity compared to most monogastric animals, affecting the elasticity of supply. It is common that cattle only have one calf a year, sheep mainly singles or twins, as opposed to sows that have multiple litters and poultry that lay eggs on a daily basis, etc.

The significance is, major climatic events can mean the national and/or regional herd/flock may take a number of years to recover, as producers will hold back livestock over following years to rebuild their breeding herds/flocks. It is also dependant on the national female slaughter rate. Overall, livestock numbers, whether national or regional, will affect the availability of livestock for sale, including those sold through saleyards.

3.5.2 Other regional climatic factors

Generally, rainfall is highest along the coast and reduces the further the location inland. This tends to affect the type of livestock sold in yards based on location. It relates to cattle, particularly dairy, being located relatively close to the coast, while sheep and cropping become more dominant further to the north of Western Victoria and South East South Australia.

This indicates Mortlake, Warrnambool, Camperdown, Mount Gambier and Colac have significant dairy numbers, while, Hamilton, Naracoorte and Ballarat, less so. As a result, some yards may be more affected by dairy industry trends than the others. It is worthwhile noting that a recent MLA

report¹⁴ indicated that during the 2016–2021 period, the number of businesses running cattle increased by 2% whereas the number of dairy enterprises has dropped by 23%.

Similarly with sheep, yardings in the south are small or cattle only, while the larger yards, principally Ballarat, Hamilton and Naracoorte, are further inland. This is why the Wimmera, that traditionally has low cattle numbers, has been added to the catchment area for the sheep analysis.

3.5.3 Advancements in alternative agricultural enterprises

Over the past 20 years there has been significant advancements in farming practices, including the breeding of crop varieties more suited to cool climates and improved chemical applications, which have allowed cropping activities to extend further south into what was once regarded as pastoral country. Similarly, there has been a trend away from cattle to prime lamb production.

The more options primary producers have will affect their production enterprise mix and their priorities will largely be determined by the potential profit of each enterprise specific to their environment. To this end, there is evidence that cropping has displaced livestock production within the region over several years. Similarly, the emergence of the prime lamb industry has affected both merino sheep and cattle production, to the point where there are producers who solely farm their properties without livestock. Counter to this point, prime lamb production trends indicate that production occurs at a greater level of intensity than was the case with traditional sheep practices.

While this may be the case, AAAC research suggests that the beef industry's relatively low average productivity reflects the existence of many unprofitable farms, mainly small-scale, located in the southern producing region, where owners rely on off farm employment for income. When these unprofitable farms are removed from the analysis, the overall productivity and profitability of the industry is estimated to be considerably higher.

¹⁴ MLA, 14 April 2023, Australia's cattle herd in a state of change [<https://www.mla.com.au/news-and-events/industry-news/australias-cattle-herd-in-a-state-of-change/>]

3.5.4 Supply chain issues

With the advent of Covid-19, even though agriculture was designated an 'essential industry', it was still subject to restrictions imposed on several key supply chain linkages, such as vendors being precluded from saleyards, infection outbreaks on meat production lines and restricted transport across state borders, to name a few. This led to a reduced slaughter capacity, that, along with labour shortages, anecdotally remains as an industry constriction. Some of the repercussions included a spike in the use of online selling platforms and a reorganising of some traditional buying practices.

Another illustration is the recent price spike that occurred over the Christmas New Year period, that were attributed to some sales falling on public holidays and a change by some processors allowing producers to book killing line space without commitment, that subsequently failed to materialise, leading to them having to go to the market to fulfill shortfalls.

3.5.5 Infrastructure

There has been an industry-wide movement toward upgrading saleyards to achieve greater handling efficiencies; the incorporation of electronic traceability and management systems, as well as better animal welfare and WHS outcomes.

Saleyard roofs are important not just as cover from the elements, but also because they allow soft flooring to be used. Such flooring significantly reduces foot soreness and bruising, particularly if livestock are required to stand for any length of by providing a soft surface for them to rest. Soft flooring is not effective and deteriorates when exposed to rain, rendering it pointless to use in an unroofed setting.

Modern saleyard design is also a key aspect for reducing stress on animals, by providing clear and covered pathways for stock to move through electronic ear tag readers, and weighing stations, if required, before transitioning to their allocated selling pens, prior to holding yards for loading onto road transport. They also largely separate from and/or reduce human to animal interaction, improving workplace safety.

Ear tag readers electronically collate mandatory NLIS and other information system data that simplifies biosecurity requirements, invoicing and administrative activities, negating the reliance on manual paper-based records.

These advantages are well understood by producers, agents, operators and buyers, primarily for the reduction in animal stress and related bruising often associated with older yards.

Evidence is clear that yards with these investments or features have a competitive edge on those that do not. An example of this effect with regard to the three saleyards located in the South East, as outlined in the following case study:

Case study;

A major refurbishment was completed on the Naracoorte yards in 2014, including a new roof over the cattle yards. This LX continues to make significant ongoing capital improvements, including current plans to increase the roof footprint by a further 40%.

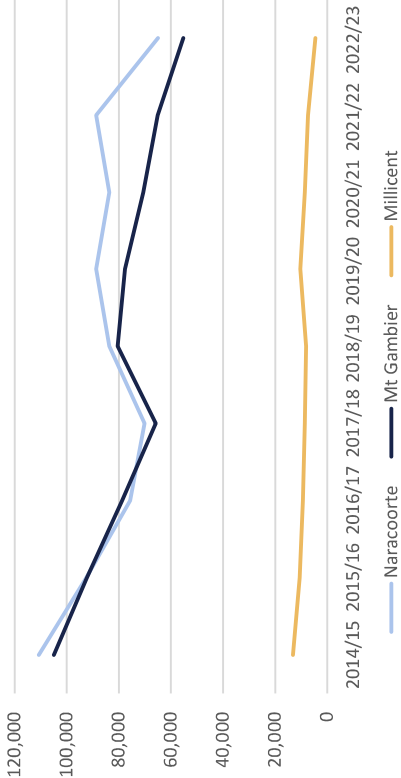


Figure 23 – Relative throughputs of South East saleyards

Over the same period, Mount Gambier Saleyards has only been able to make relatively modest improvements. However, it still manages to attract commercially viable cattle numbers. Figure 23 indicates that Naracoorte’s ongoing capital works program is capturing Mount Gambier Saleyards trade. Figure 19 indicates that Naracoorte only lost 2.5% of cattle market share, roughly equivalent to the overall market decline of 2.3%, while Mount Gambier lost 5.8% With regards sheep, Figure 14 indicates Naracoorte had the largest increase of 2.6%, while Mount Gambier lost 13.8% over the same period between 2017 to 2023. This trend, while not terminal, if left unaddressed will continue to erode Mount Gambier’s future competitiveness.

The Council-run Millicent yards, on the other hand, has been subject to chronic underinvestment over several years, due in part to its small size and falling throughput. Despite a report recommending closure in 2018, strong community advocacy meant Council kept the facility open, until the inevitable regulatory costs associated works required by the EPA and WorkSafe of around \$1M, made continuing operations there untenable, leading to its closure at the end of June 2023.

We have witnessed private equity interest in saleyards, particularly over the past decade, that has triggered an unprecedented level of investment

in new greenfield sites, as well as upgrades to existing facilities, to remain competitive.

This recent 'arms race', that has seen roughly \$200M invested over the past decade, is showing signs of slowing. This is largely due to the number of contestable catchments with the sustainable scale required to support such investment are diminishing.

We would view this as 'generational' capital expenditure, as it would appear unsustainable at previous levels.

With regard to the regional catchment, we are aware that there are two outstanding developments currently being pursued by their council owners;

- The District Shire of Grant has lodged an application for federal funding to support an \$11M project to roof the Mount Gambier saleyards, identifying that the investment as necessary to address the ongoing decline in market share.
- The Naracoorte and Lucindale Council is undertaking a \$1.928 million upgrade that includes a roof extension (\$1,522,500), as well as \$406,000 for a cattle crush, pens and other improvements. Council recently approved a loan for the roof amount at 5.29 per cent for 5-years from Local Government Finance Authority (LGFA) and will also lend the livestock exchange the \$406,000 out of its term deposits, currently earning 1.3 per cent interest, at the same 5.29 per cent rate.

With regard to these projects, they are viewed as necessary to meet the 'new normal' standard of facilities required to remain competitive.

There is a common industry theme; unless there is investment in maintaining saleyards to the newly established standard, they will not remain competitive in today's environment.

3.5.6 Scale matters

Saleyards need scale in the form of throughput if they are to sustain ongoing financial viability.

The relationship between scale and growth rates is clear (refer to Figure 15 & Figure 20). Scale generates benefits to buyers and sellers through

'making a market' by increasing competitive tension between more buyers on sale days. While largely untested, this remains the main selling point of the larger private saleyards, i.e. larger volumes will lead to higher prices paid for livestock.

Pallsade has indicated it requires a threshold of 80,000 head annually before it will invest in a greenfield cattle saleyard. The only time it invests in multi-species sheep saleyards is when there is a significant cattle component associated with the significant sheep throughput. This is primarily due to the considerable disparity between sheep and cattle yard dues.

Moreover, scale does not guarantee long-term viability without ongoing investment. The decline of the Warrnambool yards illustrates that while scale is important, the quality of infrastructure is also a critical to competitiveness.

Declining scale is difficult to arrest. There are many examples where a saleyard's demise has started in small increments over time. History proves this is a slippery slope. It is often typically associated with environmental factors and other events that speeds up the rate of decline, that can accelerate, once it passes a tipping point.

This is particularly evident where throughput numbers are relatively small to begin with, and the associated financial outcomes preclude further investment. At this point, as is often the case with marginal council subsidised legacy yards, Worksafe and/or EPA interventions take the decision out of owners' hands.

Of all the indicators, scale is the closest proxy for the relative level of competitiveness between different yards.

Scale is not only necessary for financial viability; it is the most important marketing advantage of one saleyard over another. The relevance of scale should not be discounted in any business or marketing plan.