

MEMO

Project	Hopetoun Park North Growth Area
Client	Bacchus Marsh Property Group
Subject	Revised Infrastructure Needs and Development Contributions Analysis
Date	29 August 2023

1.1. INTRODUCTION

BACKGROUND

The Hopetoun Park North Growth Area (the **Growth Area**) is located to the immediate north of the urban area of Hopetoun Park.

The Bacchus Marsh Urban Growth Framework identifies the Growth Area as a potential residential growth area with capacity to accommodate 700 – 1,100 households with growth to be accommodated both to the west and east of Hopetoun Park Road.

The Growth Area is the subject of a Planning Scheme Amendment request lodged with Moorabool Shire Council (**Council**) by Bacchus Marsh Property Group (**BMPG**) in September 2021. The amendment would rezone all land in the Growth Area to facilitate urban development and is supported by range of technical reports which identify the infrastructure required to support the proposed development.

Following lodgement of the request, areas of environmental sensitivity were identified to the east of Hopetoun Park Road which are likely to limit the extent of any developable area in this section of the Growth Area. It is possible that no development ultimately occurs to the east of Hopetoun Park Road due to this constraint, however Council wishes to ensure that strategic and infrastructure planning takes into account the possibility of up to 200 lots being developed in this eastern area (referred to in this memo as **Hopetoun Park North East** - see Appendix B for location).

REVISED PSA REQUEST

The PSA request is currently being revised to apply only to land west of Hopetoun Park Road (referred to in this memo as **Hopetoun Park North West**), and to 'future proof' planning for infrastructure to accommodate potential future demand from Hopetoun Park North East if and when it is rezoned.

This memorandum has been prepared to set out:

- a. The infrastructure that would be needed to service the potential ultimate development of Hopetoun Park North West and Hopetoun Park North East as well as existing Hopetoun Park residents, and its likely cost;
- b. The proportion of the demand for this infrastructure that originates from the Growth Area, and therefore the most equitable apportionment of costs in accordance with the principles of development contributions in Victoria; and

- c. A comparison of the value of (b) with the value of a proposed without prejudice offer by BMPG to directly deliver the infrastructure.

1.2. PROPOSED DEVELOPMENT

Tables 1 and 2 show the development yield assumptions made for the purposes of this memo. From an infrastructure planning perspective, it has been assumed that the Growth Area could ultimately accommodate up to 600 lots, and that the overall Hopetoun Park population (including existing and Growth Area residents) could be up to 2,661 residents.

T1. DWELLING YIELD SCENARIOS

Measure	Hopetoun Park North West	Hopetoun Park North East	Total
Dwellings (indicative)	400	200	600
Proportion of growth area dwellings	67%	33%	100%

Source: Urban Enterprise.

T2. POPULATION YIELD

Area	Dwellings	Household size	Population	% of Population
Established	264	3.5	861	32%
Growth Area	600	3	1,800	68%
Total Hopetoun Park	864		2,661	100%

Source: Urban Enterprise.

1.3. INFRASTRUCTURE REQUIREMENTS

The following technical reports identified the need for infrastructure to support the development of the Growth Area as part of the original PSA request:

- Traffic Engineering Report, Salt3, February 2021 (the **Traffic Assessment**);
- Open Space and Landscape Report, Weir and Co with Debra Butcher Consulting, August 2021 (the **Landscape Assessment**); and
- Community and Recreation Infrastructure Needs Assessment, Urban Enterprise, August 2021 (the **Community Needs Assessment**).

Urban Enterprise prepared a Draft Shared Infrastructure Funding Plan, dated September 2021 (the **Draft SIFP**) which incorporated the results of the above reports.

The reports were prepared on the assumption that land in both Hopetoun Park North West and Hopetoun Park North East would be rezoned and developed, with an ultimate growth area yield assumed to be in the order of 850 lots.

In order to consider the revised infrastructure needs to support up to 600 lots in the growth area, Urban Enterprise has:

- Updated demand estimates for the community and active recreation facilities assessed in the original Community Needs Assessment; and
- Aligned other infrastructure types (transport, trails and local open space) to the locations where they will be needed based on the location and extent of developable area and the necessary development access points.

The results and implications of these revisions follow.

1.3.1. TRANSPORT INFRASTRUCTURE REQUIRED

The Traffic Assessment identified the need for:

- Two external intersection upgrades; and
- A collector road network within the growth area, including access intersections to Hopetoun Park Road.

Although the revisions to the overall yield of the growth area would reduce the volume of traffic generated by the growth area, for the purposes of this exercise it has been assumed that:

- The external intersection upgrades will still be needed and will be delivered by developers; and
- The internal collector road network will be delivered within any parts of the growth area that are ultimately rezoned and developed.

Therefore, no adjustments have been made to the list of required transport items, and it is expected that transport items can be directly delivered by development proponents.

1.3.2. LOCAL OPEN SPACE REQUIRED

The Landscape Assessment identified the need for local open spaces within the growth area in the form of neighbourhood parks, escarpment linear reserves and shared trails.

Given that these open spaces and trails form part of a network which extends throughout the growth area, it is expected that the open space vision can be realised incrementally within any parts of the growth area that are ultimately rezoned and developed.

Therefore, no adjustments have been made to the list of required local open space items, and it is expected that local open space items can be directly delivered by development proponents.

1.3.3. COMMUNITY INFRASTRUCTURE REQUIRED

The Community Needs Assessment identified the need for the various community infrastructure items. The infrastructure needs have been updated in this document to reflect the lower anticipated dwelling yield and population of the Growth Area.

KINDERGARTEN

Table 3 shows revised kindergarten place and room needs generated by the ultimate Hopetoun Park population and the Growth Area. Depending on the provision ratio adopted, Hopetoun Park overall will require between 1.17 and 2.1 kindergarten rooms.

T3. KINDERGARTEN NEEDS ASSESSMENT

Benchmark source / basis	ASR and Council	VPA
Demand benchmark	1 place per child aged 3 and 4 years	2 rooms per 2,500 residents
Demand cohort	104	2,661
Sessional kindergarten participation	74%	
Sessional demand cohort	77	
Places required (2 enrol. per place)	38	
Places per room	33	
Rooms required Hopetoun Park	1.17	2.1
Rooms required by Growth Area @ 600 lots (68%)	0.79	1.44
% of 2 room facility needed by growth area	39%	72%

Source: Urban Enterprise.

Council has indicated a preference for a 2-room kindergarten facility to be provided in Hopetoun Park. Based on the projected need generated by Growth Area residents, a development contribution equivalent to 39% of this facility would be equitable (this proportion would be 72% if the higher VPA benchmark were to be adopted, however the benchmark does not appear to take into account attendance at non-sessional kindergarten).

It is noted that if Hopetoun Park North East is not ultimately developed, then there would be a total need for between 0.91 and 1.6 rooms for Hopetoun Park North West plus existing residents, indicating that a 1-room facility could be considered as an alternative to the proposed 2-room facility.

MATERNAL AND CHILD HEALTH

Table 4 shows the revised demand estimates for Maternal and Child Health (MCH) facilities in Hopetoun Park, including apportionment to the Growth Area. Depending on the provision benchmark, Hopetoun Park will require between 0.29 and 0.68 MCH rooms overall.

T4. MCH NEEDS ASSESSMENT

Indicator	ASR Standards	Council Standards
Demand benchmark	1 room per 140 0 yr olds	1 room per 500 children aged 0-6 years
Demand cohort	41	340
Rooms required	0.29	0.68
Rooms required for Growth Area @ 600 lots	0.20	0.46
% of one MCH room required by growth area	20%	46%

Source: Urban Enterprise.

Council has indicated a preference for a MCH room to be provided within a combined Kindergarten and MCH facility.

If Hopetoun Park North East is not ultimately developed, an MCH room could still be integrated with the proposed kindergarten, however demand for the service would reduce.

COMMUNITY ROOM

A small community room is proposed to form part of the community infrastructure provision in Hopetoun Park. This should remain the case regardless of the revised development yield.

Under the Draft SIFP, the community room could be delivered by Council at its discretion using Community Infrastructure Levies paid by development proponents. This approach remains suitable, so no change is recommended for this item.

COMMUNITY FACILITY PROVISION

Council has indicated a preference for a single facility to be delivered in the Growth Area which accommodates kindergarten, MCH and community room facilities.

It is expected that provision of a facility is likely to initially only include kindergarten and MCH facilities, with Council having the opportunity to provide a further community room on the same site utilising CIL funds collected over time.

Land Requirements

It is estimated that a combined 2-room kinder, MCH and community room facility (and associated parking and access) would require a land allocation of 0.43ha (see Table 5).

In the case that Hopetoun Park North East is not ultimately developed and a 1-room kindergarten facility is delivered, the land allocation could be reduced to 0.26 hectares.

T5. EARLY YEARS AND COMMUNITY FACILITY LAND AREA REQUIREMENTS

	Early Learning Centre (no. kinder rooms)	
	1 room kinder (sqm)	2 room kinder (sqm)
Early years elements		
Kinder indoor	225	450
Kinder outdoor	231	462
MCH	50	50
Built space total	506	962
Add community room		
Community room (indoor sqm)	181	181
Total built space	687	1,143
Ratio of land area to built space	3.8	3.8
Land requirement	2,611 sqm	4,343 sqm
Land required (ha)	0.26 ha	0.43 ha

Source: Urban Enterprise, based on VPA facility benchmarks.

1.3.4. ACTIVE RECREATION INFRASTRUCTURE REQUIRED

The Community Needs Assessment considered the need for active recreation facilities within the Growth Area. The need for active recreation infrastructure has been revised to reflect the revised Growth Area yield.

ACTIVE SPORTS RESERVE

The Community Needs Assessment identified the need for an informal active recreation reserve, with a total area of 2ha identified as necessary to accommodate all relevant elements in the Landscape Assessment. The reserve was proposed to be located in Hopetoun Park North West.

No change to the scope or location of the reserve is proposed as a result of the reduction in overall yield, with an informal active reserve and associated tennis, basketball, playground and ancillary facilities suitable to meet the recreation needs of the overall Hopetoun Park community.

The open space reserve is still proposed to include the following items:

- District Level playground;
- Junior size football oval;
- Full size tennis court;
- Half basketball court;
- BBQs;
- Shelter; and
- BMX pump track.

The lower population yield would result in the share of usage between existing and growth area residents changing slightly. Adopting the same approach to apportionment as the Draft SIFP, the revised yield would result in a revised apportionment of 68% to the Growth Area.

NETBALL

Table 6 shows the revised recommended contribution to an off-site netball court based on population adjustments.

T6. NETBALL COURT DEMAND

Indicator	Outdoor Netball Court (no. courts)	
	ASR Standards	Council Standards
Demand benchmark	1 court per 3,500 residents	1 court per 6,000 residents
Demand cohort	2,661	2,661
Total courts required	0.76	0.44
Courts required by Growth Area @ 600 lots	0.51	0.30
% of a netball court needed by Growth Area	51%	30%

Source: Urban Enterprise.

1.4. INFRASTRUCTURE COSTS AND GROWTH AREA CONTRIBUTION

Estimated infrastructure costs are shown in the Draft SIFP. These have been adopted for the purposes of this memo, including the following sources:

- **Intersections:** Millar & Merrigan, October 2020;
- **Open Space and Active Recreation:**
 - 2 Hectare Park: WC201919 rev. B, Weir & Co, April 2019;
 - Netball Court: VPA Benchmark Cost Guide, 2019; adjusted by Urban Enterprise;
- **Community:** VPA Benchmark Cost Guide, 2019; adjusted by Urban Enterprise;
- **Land Valuations:** Charter Keck Cramer, Sept 2021.

All costs have now been indexed to June 2022 dollars (i.e. current for the 2022/23 financial year).

Table 7 shows the list of shared infrastructure items that are proposed to provide benefit across the broader Hopetoun Park area (i.e. existing and growth areas) and are therefore suitable for cost apportionment. All other items are proposed to be delivered as developer works.

The total cost of shared infrastructure in the list is approximately \$13.7 million, \$8.2m of which is needed to meet growth area demand (or \$11.9m under Council's proposed apportionment). The cost apportioned to the Growth Area (600 lots) equates to between \$13,672 and \$19,862 per dwelling.

T7. SHARED INFRASTRUCTURE LIST AND CONTRIBUTIONS

Item No.	Description	Item Cost (June 2022)	UE Apportionment		Council apportionment	
			Apportionment (%)	Total Apportioned Cost	Apportionment (%)	Total Apportioned Cost
RD_1	Construction of a new roundabout at the intersection of Hopetoun Park Road and Western Freeway (eastbound off-ramp).	\$993,756	100%	\$993,756	100%	\$993,756
RD_2	Upgrade of the existing intersection of Old Western Highway and Hopetoun Park Road.	\$257,575	100%	\$257,575	100%	\$257,575
NP_01a	Landscaping and improvement works to the active reserve, including the provision of active open space and BMX pump track.	\$3,146,950	68%	\$2,139,926	100%	\$3,146,950
NP_01b	Land for an active reserve.	\$2,395,800	68%	\$1,629,144	100%	\$2,395,800
OS_01	Construction of off site outdoor netball court including lighting.	\$181,958	51%	\$92,798	30%	\$54,587
CF_01	Land for Kindergarten, Maternal Child Health Centre and Community Room facilities (0.43ha).	\$1,919,640	39%	\$748,659	72%	\$1,382,140
CF_02	Construction of new Kindergarten and Maternal Child Health Centre	\$4,075,844	39%	\$1,589,579	72%	\$2,934,607
CIL_01	Community Infrastructure Levy @ \$1,253 per dwelling to fund community infrastructure items at Council's discretion.	\$751,800	100%	\$751,800	100%	\$751,800
Total		\$13,723,322		\$8,203,238		\$11,917,216
	Growth Area dwellings			600		600
	Growth Area cost apportioned per dwelling			\$13,672		\$19,862

Source: Urban Enterprise. See Draft SIFP for cost details.

Note – infrastructure item codes remain the same as the Draft SIFP, as shown in Appendix C.

APPENDIX A BMPG PROPOSAL (WITHOUT PREJUDICE)

BMPG has advised that they intend to meet infrastructure needs through a practical and equitable infrastructure funding agreement. A without prejudice proposal developed by BMPG was provided to Urban Enterprise. We are advised that the proposal has been designed to:

- Meet the needs of existing and future residents, including making provision for the potential future needs of Hopetoun Park North East;
- Reduce / remove the risk to Council of having to deliver any significant infrastructure items;
- Simplify the approach to contributions; and
- Avoid cost sharing where possible.

BMPG advised that the offer is subject to achieving timeline hurdles for amendment authorisation.

Table 8 shows the list of shared infrastructure proposed to be delivered and contributed to by BMPG. Urban Enterprise was requested to estimate the value of this proposal and compare this against the fair apportionment of costs to BMPG based on the principles of development contributions in Victoria. Our analysis follows.

VALUE

Urban Enterprise calculates that the value of the proposal is \$11.35m in June 2022 dollars. This represents 83% of the total value of shared infrastructure proposed to be delivered in the precinct.

T8. PROPOSED DEVELOPMENT CONTRIBUTION

Item No.	Item	BMPG Proposal	Value (\$)
RD_1	New Hopetoun Park Road Roundabout	Deliver item	\$993,756
RD_2	Old Western Highway Intersection Upgrade	Deliver item	\$257,575
NP_01a	2 Hectare Park - Construction	Deliver item	\$3,146,950
NP_01b	2 Hectare Park - Land	Provide land	\$2,395,800
OS_01	Netball Court	Cash contribution of full item value	\$181,958
CF_01	Kinder, MCH and Community Centre (Land)	Provide land ¹	\$1,919,640
CF_02	Kinder and MCH Centre (Construction)	Cash contribution at 48% of item value ²	\$1,956,405
CIL_01	Community Infrastructure Levy @ \$1,253 per dw.	Cash contribution at full levy rate	\$501,200
Total			\$11,353,283

Source: Urban Enterprise.

1. Conditional subject to a proposed sunset clause for kindergarten provision given the following context:

BMPG has advised that they maintain a position that a 2 room kindergarten is not feasible, as demonstrated by the assessment of need for kindergarten facilities, and ultimately will not be needed. Notwithstanding this position, the proposal is to set aside sufficient land (0.43ha – see Table 5) for its provision if needed. BMPG proposes that in the event that the whole site is not needed for community facilities in the medium term as a result of either no kindergarten being delivered by council (within 10 years from date of gazettal of rezoning), or a smaller than anticipated kindergarten facility being delivered by Council, then BMPG proposes to retain this ‘excess land’ for its own development rights. The need for this flexibility is increased by the uncertainty regarding the potential development of Hopetoun Park North East. An agreement would need to be entered into to formalise this arrangement.

2. Contribution based on Council’s recommended application of the VPA benchmark of 2 rooms per 2500 residents, under which a 600 lot growth area would generate 72% of the demand (see Table 3). If only 400 lots were developed, then the growth area would result in demand for 48% of a 2 room facility. This cash contribution could be applied by council to the construction of either a 1 room or 2 room facility.

COMPARISON

Table 9 compares the value of the offer (\$11.35m) against Urban Enterprise's assessment of the liability associated with the BMPG land (\$5.47m - \$7.94m) if the shared infrastructure items were fairly apportioned based on the principles of development contributions in Victoria.

Urban Enterprise calculates that the BMPG offer would equate to an over provision of between \$3.41m and \$5.88m relative to the demand generated by the BMPG land. The over-provision is due to:

- BMPG proposing to fully fund projects that would be fairly apportioned to the North East Growth Area (i.e. external road intersections, land for the kindergarten and MCH facility, and land and construction of the active recreation reserve); and
- BMPG fully funding facilities that are partially required to meet the needs of the existing residents of Hopetoun Park and therefore would usually require a funding contribution from Council (i.e. providing all land for the kindergarten and MCH facility, contributing the full cost of a netball court and delivering the full active recreation facility and land).

T9. COMPARISON OF LIABILITY AGAINST OFFER VALUE

Apportionment Scenario	UE Apportionment	Council apportionment	BMPG Offer
Cost apportioned to growth area	\$8,203,238	\$11,917,216	
Levy per growth area dwelling	\$13,672	\$19,862	\$28,383
BMPG dwellings	400	400	
BMPG levy liability	\$5,468,825	\$7,944,811	
BMPG offer	+\$5,884,458	+\$3,408,472	\$11,353,283

Source: Urban Enterprise.

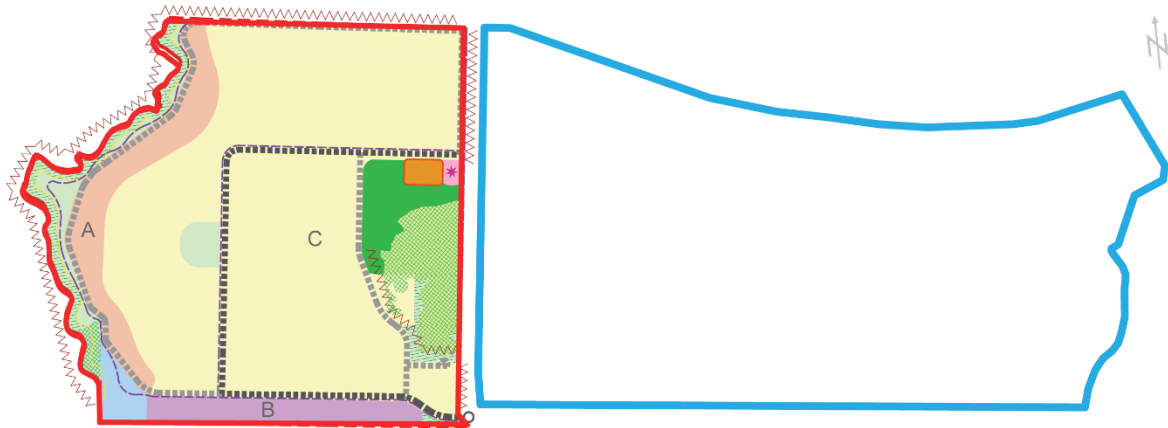
In addition, BMPG would also be responsible for delivering the items listed in Table 10 as subdivision works. These works have a combined value of \$8.8m.

T10. PROPOSED SUBDIVISION WORKS

Item No.	Description	Total Cost of Item
RD_3	Construction of a new intersection at Hopetoun Park Road and a proposed new collector road (located to the west of Hopetoun Park Road where it runs north south).	\$440,340
RD_5	Construction of a new connection to the existing Hopetoun Park Road / Riverview Drive roundabout.	\$157,743
RD_6a	Collector Road Network (West) - Land (0.98) for an internal collector road network including land for a portion of the shared path network (where the path is along a proposed collector road) in the western precinct.	\$1,174,996
RD_6b	Collector Road Network (West) - Construction of an internal collector road network including the construction of a portion of the shared path network (where the path is along a proposed collector road) in the western precinct.	\$951,001
NP_02a	Neighbourhood Park 2 Construction - Landscaping improvement works to public open space reserve 1 (0.76 hectares)	\$577,486
NP_02b	Neighbourhood Park 2 Land - Land for public open space reserve 1 (0.76 hectares)	\$912,800
NP_03a	West escarpment linear reserve Construction - Landscaping improvement works to the escarpment linear reserve (2.72 hectares) located in the west of the study area.	\$131,001
NP_03b	West escarpment linear reserve land - Land for the escarpment linear reserve (2.72 hectares) located in the west of the study area.	\$3,252,538
SP_01	Construction of the internal Shared Path where it runs along a local road or in public open space (within west side only, 3,416 lm)	\$613,647
SP_02	External Shared Path - Construction of external Shared Path to Cowans Lane	\$32,480
PP_01	Planning Costs	\$541,326
Total		\$8,785,358

Source: Urban Enterprise.

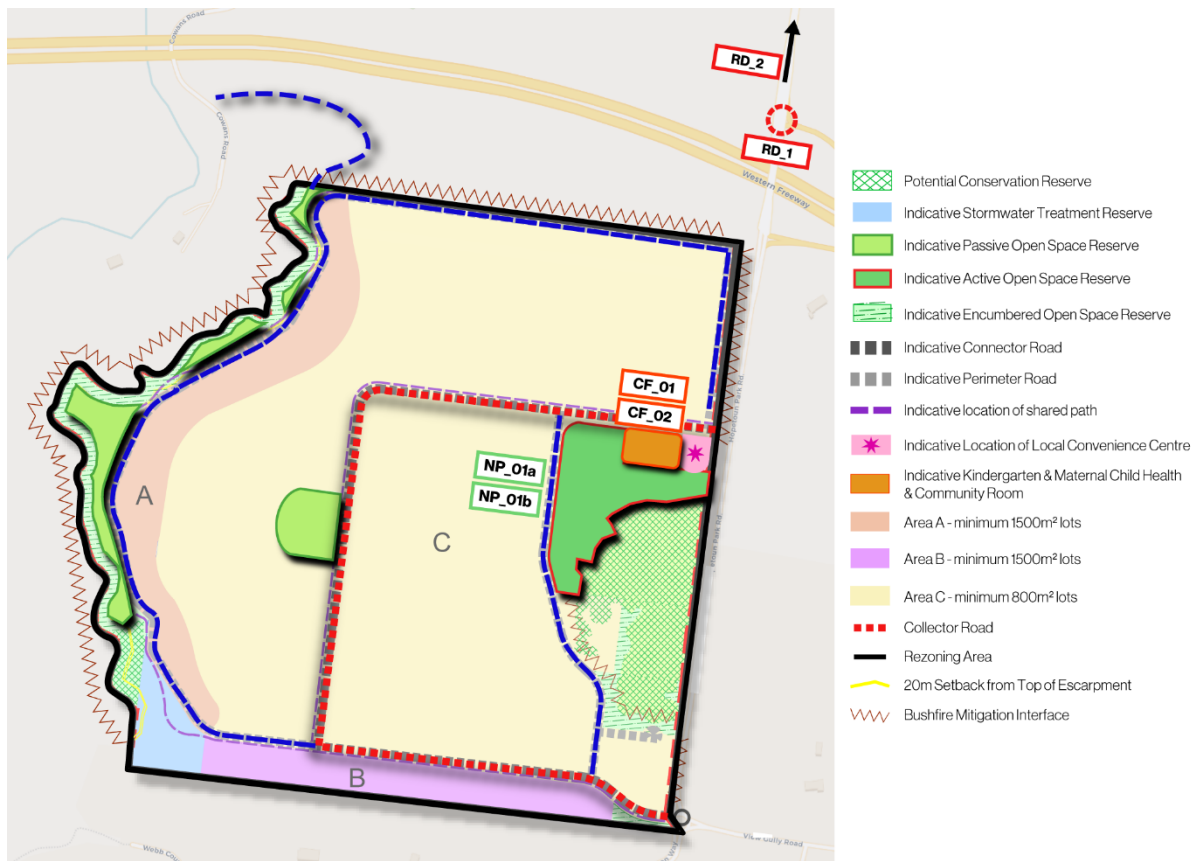
APPENDIX B GROWTH AREA PLAN



-  North West Growth Area
-  North East Growth Area
(Possibility of no development)
-  Potential Conservation Reserve
-  Indicative Stormwater Treatment Reserve
-  Indicative Passive Open Space Reserve
-  Indicative Active Open Space Reserve
-  Indicative Encumbered Open Space Reserve
-  Indicative Connector Road
-  Indicative Perimeter Road
-  Indicative location of shared path
-  Indicative Location of Local Convenience Centre
-  Indicative Kindergarten & Maternal Child Health & Community Room
-  Area A - minimum 1500m² lots
-  Area B - minimum 1500m² lots
-  Area C - minimum 800m² lots
-  Collector Road
-  Rezoning Area
-  20m Setback from Top of Escarpment
-  Bushfire Mitigation Interface

Source: DPO – Concept Plan, Version 2, Millar Merrigan. Annotated by Urban Enterprise

APPENDIX C INFRASTRUCTURE ITEMS MAP (PROPOSED DEVELOPMENT CONTRIBUTION)



Source: DPO - Concept Plan, Version 2, Millar Merrigan, annotated by Urban Enterprise (Items based on Table 8).

Note - Full infrastructure list shown in the SIFP. Infrastructure item codes remain the same as shown in this memo.

APPENDIX D SINGLE YEAR AGE PROFILE

Age (yrs)	%	Hopetoun Park Population		Age (yrs)	%	Hopetoun Park Population	
		Ultimate	Growth Area			Ultimate	Growth Area
0	1.5%	41	28	43	1.6%	42	28
1	1.8%	49	33	44	1.8%	47	32
2	1.5%	41	28	45	1.8%	49	33
3	1.9%	51	35	46	1.4%	37	25
4	2.0%	53	36	47	1.5%	40	27
5	2.0%	54	36	48	1.5%	41	28
6	1.9%	51	35	49	1.4%	36	24
7	2.0%	52	35	50	1.1%	29	20
8	1.7%	47	31	51	1.2%	32	22
9	1.9%	51	35	52	1.1%	29	20
10	1.4%	36	25	53	1.2%	32	21
11	1.6%	42	28	54	1.4%	36	24
12	1.4%	37	25	55	1.4%	36	24
13	1.5%	39	26	56	1.1%	28	19
14	1.2%	33	22	57	1.1%	29	20
15	1.7%	44	30	58	0.9%	25	17
16	1.3%	35	24	59	0.9%	23	16
17	1.5%	40	27	60	1.0%	26	17
18	1.5%	39	27	61	0.8%	20	14
19	1.2%	31	21	62	0.9%	24	16
20	1.4%	38	26	63	0.7%	20	13
21	1.0%	28	19	64	0.7%	18	12
22	1.2%	31	21	65	0.7%	18	12
23	1.1%	29	19	66	0.8%	20	14
24	1.0%	27	18	67	0.5%	14	9
25	1.2%	31	21	68	0.8%	21	14
26	1.1%	30	20	69	0.6%	15	10
27	1.2%	32	22	70	0.5%	13	9
28	1.3%	35	23	71	0.5%	14	9
29	1.4%	38	26	72	0.5%	14	10
30	1.4%	38	25	73	0.3%	8	5
31	1.7%	45	30	74	0.4%	10	7
32	1.6%	43	29	75	0.4%	11	7
33	1.7%	47	31	76	0.2%	5	3
34	1.6%	43	29	77	0.2%	5	3
35	1.5%	40	27	78	0.2%	4	3
36	1.8%	48	32	79	0.2%	4	3
37	1.7%	46	31	80-84	0.3%	9	6
38	1.7%	46	31	85-89	0.3%	9	6
39	1.7%	44	30	90-94	0.1%	3	2
40	1.9%	49	33	95-99	0.1%	2	1
41	1.5%	40	27	100+	0.0%	1	1
42	1.8%	48	33	Total	100.0%	2,661	1,800

Source: ABS Census 2016, Urban Enterprise.