



Victorian Desalination Project Housing Accord

September 2009

TABLE OF CONTENTS

1. Background.....	3
2. Strategy	4
3. Objectives.....	5
4. Principles.....	5
5. Signatory	6
6. Roles	6
6.1 Bass Coast Shire Council	6
6.2 Successful Tenderer	8
6.3 Department of Sustainability and Environment (Capital Projects Division)	9
6.4 Department of Health (Office of Housing).....	9
6.5 Department of Planning and Community Development.....	9
6.6 Estate Agents.....	9
7. Governance.....	10
8. Dispute Resolution	10

I. Background

In June 2007, the Victorian Government released the next stage of the State's Water Plan, *Our Water, Our Future*. The plan identifies a number of strategies to provide additional water supplies for Melbourne. One of the strategies announced was to construct and operate a \$3.1 billion desalination plant under a Public Private Partnership (PPP) arrangement.

Powlett River near Wonthaggi was identified as the preferred site for the desalination plant. The plant is intended to provide 150 billion litres of water annually, which is equivalent to 33% of Melbourne's annual water needs.

Since the announcement of the plant, a number of developments have taken place. The project has been assessed under the *Environment Effects Act 1978* through an Environment Effects Statement (EES).

The EES totalled hundreds of pages, multiple volumes and 17 technical reports that were placed on public display for comment from the public in late 2008. The Department of Planning and Community Development received over 400 submissions in response to the EES.

The EES process continued with the appointment by the Minister for Planning of an Inquiry to independently review the EES. Five panel members conducted a public Inquiry process to review the EES and public submissions. Submitters were given the opportunity to present to the panel.

After weeks of deliberation, the Inquiry released the outcomes of their independent assessment. At the time this was released, the Minister for Planning announced his approval of the desalination plant project after considering the Inquiry's report and recommendations.

The Minister's final assessment of the project discussed the housing and accommodation impacts in some detail. It also provided strong recommendations as to how the housing and accommodation issues should be addressed, which stated:

In light of the issues associated with accommodation options, it is clear that a multi-pronged approach will be needed, including:

- *Some use of on-site units in caravan parks for "working week" accommodation by workers without families, as well as commercial accommodation for intermittent use;*
- *Use of rental properties to house a significant proportion of workers - with or without families;*
- *Further consideration of the development of a temporary village within township boundaries to house some workers;*
- *Expedite development of permanent housing within township boundaries to house some workers and increase the longer-term housing stock; and*
- *A program to protect existing low-income renters affected by project-related competition for housing.*

It is clear that if the housing and accommodation options are not addressed properly it will have significant adverse impacts on both Bass Coast residents and visitors.

It is assumed that about 50% of the workforce needed to construct the desalination project is likely to relocate to the local area. This indicates an influx of approximately 910 workers needing some form of accommodation.

Of particular concern to Bass Coast Shire Council is the potential impact on the short and long-term rental market. This concern was supported and expressed clearly in the Minister for Planning's final assessment of the project, which stated:

The EES outlines potential detrimental impacts which may result from over-reliance on existing rental properties to accommodate construction workers, including: existing or potential residents needing to pay higher rents to compete with construction workers, which may result in renters being temporarily priced out of the market altogether and potentially deciding to move away from the area; and flow-on impacts for tourism related businesses if holiday homes are used on a longer-term basis by workers. These potential impacts point to the need both to monitor effects on local rental prices, rental availability and housing stress, as well as possible need to augment local programs to assist households facing difficulties.

The Victorian Desalination Project Housing Accord (VDP Housing Accord) has been developed to specifically address the final point of the Minister for Planning's recommendation, which highlighted the need to protect low income renters affected by project related competition for housing.

The VDP Housing Accord seeks to ensure that existing levels of rental accommodation will be retained during the construction phase and to limit adverse housing outcomes such as an increase in homelessness or evictions.

The VDP Housing Accord will achieve this outcome through a partnership which will enable a number of government agencies and other organisations to work together to achieve the specific objectives outlined in this document.

The VDP Housing Accord will provide an overarching framework for all signatories to ensure the objectives of this document align with the outcomes of the Minister for Planning's Assessment.

2. Strategy

The underlying strategy of the VDP Housing Accord is to form a partnership that will source a new market of accommodation for the desalination project workforce.

The accommodation being sourced is holiday homes that are not currently being used for holiday accommodation (publicly rented for tourism purposes). It is intended to contact those holiday home owners who do not rent out their homes during the tourist seasons who may be willing to forgo the use of that home over a two year period to provide accommodation for the desalination project workforce.

This strategy will ensure that the current rental market remains available to permanent residents of the Bass Coast region and that existing holiday accommodation will still be available to drive the local tourism economy.

Sourcing an entirely new market of accommodation will result in minimal adverse housing and accommodation impacts for visitors and residents of the Bass Coast region.

3. Objectives

The objectives of the VDP Housing Accord are:

- To ensure that long term affordable rental accommodation is available for our ongoing community;
- That rental payments do not increase by more than CPI per annum;
- That accommodation for workers is sourced from 'new market entrants' e.g. new residential accommodation; holiday accommodation previously not available as long term rentals;
- Housing for the workforce is provided via a central coordination point;
- Accommodation options for stays of over three to six months will not include non-standard residential options such as:-
 - Caravan parks
 - Bed and Breakfast accommodation
 - Other tourism type accommodation
- To endeavour to secure the best housing option for workers in the first instance.

In order for the above objectives to be measurable, Bass Coast Shire Council will engage the assistance of consultants to prepare the relevant information including collation of baseline data and developing a housing picture prior to construction starting. This housing picture could then be utilised to assist in measuring the objectives of the VDP Housing Accord.

4. Principles

This Accord is based on the following principles:

Decision Making

Fair and transparent decision making processes are required in the operation of the VDP Housing Accord.

Integrity

A partnership is formed, which acts, and make decisions that are fair, honest, open and accountable.

Short term actions to create a better future

The VDP Accord is based upon positive short term actions to create long term benefits for the Bass Coast community.

A Fairer Victoria

Actions, consultation and decision making within the VDP Accord is aligned with the principles of the State Government initiative, *A Fairer Victoria 2008*. This initiative is a whole of Government social policy action plan to address disadvantage and promote inclusion and participation.

Access

To ensure that the community within Bass Coast has access to secure, affordable and appropriate housing.

Increased options

To collectively work towards increasing the accommodation options for Bass Coast residents to ensure long term affordable rental is available.

5. Signatory

The VDP Housing Accord is an agreed partnership between:

- Interested Estate Agents who can provide suitable housing arrangements for the desalination plant workforce;
- Bass Coast Shire Council;
- Successful tenderer, AquaSure;
- Department of Sustainability and Environment (Capital Projects Division);
- Department of Health (Office of Housing); and
- Department of Planning and Community Development.

This partnership is formed on the basis that each signatory recognises that there will be adverse impacts on the Bass Coast community and visitors if the housing and accommodation options for the desalination project are not managed properly.

This partnership agrees that the VDP Project Accord provides an overarching framework for signatories to work together to ensure the objectives of this document are achieved.

6. Roles

6.1 Bass Coast Shire Council

Holiday Home / Holiday Rental Research Project

Council has recently completed a survey of its ratepayers to gauge their interest in using their holiday home for long term rental over a two-year period. This survey targeted 4,500 non resident ratepayers within a 20km radius of the plant site and excludes areas of disadvantage as determined by Social and Economic Index for Areas (SEIFA).

Close to final figures, indicate 556 property owners are interested in leasing their property. The survey results form a strong database of properties available to rent, in addition to the databases collected by each individual estate agent.

The data collected by Council is very valuable and will assist in alleviating the pressure on the long term rental market and tourist accommodation.

Urban Enterprise Pty Ltd has assisted Council to conduct this survey. The project cost \$38,000 to conduct; this fee has been fully funded by the Department of Sustainability and Environment.

Longitudinal Impact Assessment

Bass Coast Shire Council is taking a pro-active role in seeking alternative accommodation options for the workers. As such, Bass Coast Shire Council proposes to appoint a consultant to conduct the following project to address these issues.

The key to this project is the development of a longitudinal impact assessment on affordable housing in Bass Coast Shire for the duration of the desalination construction phase. This will consist of three stages:

Stage 1 Review the Bass Coast Shire Affordable Housing Strategy and Housing Policy which will include development of a local housing picture prior to the commencement of construction of the desalination plant;

Stage 2 Development of a report on the housing picture of Bass Coast mid way through the peak construction phase;

Stage 3 Preparation of a final impact assessment report six months after completion of the desalination construction project.

The preferred consultant for this project is Bev Kliger & Associates because Bev was the lead consultant who developed the Bass Coast Shire Affordable Housing Strategy including the Housing Picture and Housing Policy in 2004. Bev was also a resident of Bass Coast until recently and has an extensive understanding of the issues for Bass Coast Shire residents.

The survey and longitudinal impact assessment on affordable housing are essential to ensure that the community of Bass Coast is not adversely impacted on by the project and the prospective workforce is catered for.

It is imperative that stage 1 is completed prior to the commencement of the desalination plant construction so that the data can be used as a benchmark to monitor impacts.

Given the importance of this project, Council has commissioned it to begin prior to any construction beginning. Council is awaiting confirmation from the State Government of funding for this project.

Accommodation Website

Council, AquaSure and the estate agents identified a solution was needed to link the desalination project workforce to accommodation options via the one website portal. This will allow potential employees to look for accommodation and information about Bass Coast in the one location. AquaSure has committed to marketing the website to its employees.

Council has agreed to administer this website via the Bass Coast Visitor Information Centre (VIC) network. The VIC network already operates an accommodation website, Bookeasy, which focuses on promoting and booking accommodation and attractions of Bass Coast. A dedicated section within this website will be created specifically for the workforce. This will only be accessed via a specific URL.

A listing fee of \$50.00 per property will be charged by Council to ensure cost recovery of Council taking on the administering of the website.

The advantages of Council administering this website are:

- Website established for desalination project workforce only;
- Website will direct users to attractions and community services of Bass Coast to boost local economy; and
- Marketing the region to employees to retain and encourage new residents to settle in Bass Coast post construction.

Selection Criteria for website listing

Selection of agents will be based on the following criteria:

- Commitment to the housing accord
- Experience in delivering a high standard of property management
- Ability to deliver the following services:
 - Rental accommodation (3 - 24 months)
 - Property maintenance, gardening and cleaning services
 - Linen and furniture rental.

A completed application form (see attached) will need to be submitted to Bass Coast Shire Council by the date specified. Approved agents will be notified as soon as possible after receipt of application.

Next Stages

Council will write to all property owners who expressed their interest in renting out their property providing them with a list of approved agents. This will allow the property owner to contact an approved agent of their choice to arrange the leasing of their property.

Once the arrangements between potential landlords and estate agents have been finalised, agents will be required to submit the details of the property in a standard electronic template to the VIC network for uploading on the Desalination Accommodation webpage.

Once uploaded, potential tenants then have the capacity to access all the properties on offer in the one location. The website will include imagery and general information about the properties. Details of the listing estate agent will be provided so the potential tenant can contact the estate agent directly to discuss leasing arrangements.

6.2 AquaSure (Successful Tenderer)

AquaSure has demonstrated its corporate responsibility to ensure adverse housing impacts in Bass Coast are minimal by endorsing the VDP Housing Accord. AquaSure is providing funding for the establishment of the website and has agreed to promote the website to its employees.

6.3 Department of Sustainability and Environment (Capital Projects Division)

The State Government represented by the Department of Sustainability and Environment (DSE) initiated and developed the Public Private Partnership to deliver the Victorian Desalination Project. Therefore it is vital the VDP Housing Accord has their endorsement.

DSE will have a monitoring and management role of the VDP Housing Accord through overall supervision of the contract for the Victorian Desalination Project and as a member of the Community Reference Group.

6.4 Department of Health (Office of Housing)

The Office of Housing is a division of the Department of Health (D of H).

The Office of Housing has a strong interest and role to play in ensuring long term rentals do not significantly decrease for low income earners and that affordable housing options exist for people experiencing severe housing stress.

If the objectives of the VDP Housing Accord are not met, then added pressure will be placed on the Office of Housing due to a rapid increase in demand for their services within a very short period of time.

6.5 Department of Planning and Community Development

The Department of Planning and Community Development (DPCD) is responsible for environmental assessment of major projects in Victoria and managed the EES and inquiry process for the Victorian Desalination Project.

The VDP Housing Accord has been developed as a result of the Minister for Planning's recommendation, it is therefore important that the VDP Housing Accord receive the endorsement of DPCD. DPCD will have a monitoring and management role in the Victorian Desalination Project.

6.6 Estate Agents

Approved Agents

After application forms are received a list of approved agents will be established. Approved agents details will be provided to property owners who completed the Holiday Home / Holiday Rental Research Survey and have the ability to list properties on the accommodation website.

Approved agents will be required to formally sign the VDP Housing Accord to show their commitment to the principles and objectives of the Accord.

Services

Approved agents would have the capacity to deliver at least the following services:

- Rental accommodation (3 – 24 months)
- Property maintenance, gardening and cleaning services
- Linen and furniture rental.

7. Governance

- Participants in the VDP Housing Accord are required to formally sign this document to show their commitment to the objective and strategy of the housing accord.
- The VDP Housing Accord will become effective when signed by all parties.
- The VDP Housing Accord may be amended at any time by mutual agreement of signatories. Any changes to the VDP Housing Accord must be in writing and agreed to by all signatories involved.
- Government agencies and Departments have an ethical and social responsibility to participate in the VDP Housing Accord.
- The VDP Housing Accord focuses on shared responsibilities to ensure the outlined objectives are met.
- The VDP Housing Accord lifetime is until the construction of the desalination plant is complete. The current target for completion set by the Victorian Government is by the end of 2011.
- A review of the VDP Housing Accord will occur following completion of the project. The Longitudinal Impact Assessment will identify any long term housing impacts resulting from the project.

8. Dispute Resolution

- Signatories agree to notify each other of any problems or issues as they arise and to consult in good faith to determine any unresolved disputes in order to achieve the objectives of the VDP Housing Accord.
- Signatories agree to meet within a reasonable time of a dispute arising with a view to resolving it.
- If the dispute cannot be resolved to the satisfaction of the signatories and within a reasonable time, the signatories may appoint an independent mediator to assist the signatories to resolve the dispute.