

LatrobeCity Council Submission

# Victorian State Budget 2022/23





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# Introduction

**Latrobe City is one of Victoria's major Regional Cities, located 135 km east of Melbourne, with a population of approximately 75,500. The municipality comprises several major urban centres, is the primary service and cultural centre for the Gippsland region, and hosts regional headquarters for government, private and education entities.**

For decades, Latrobe City has been the epicentre of power generation in Victoria. The region's brown coal has been utilised for the provision of affordable electricity for the majority of Victoria (currently contributing in excess of 70 per cent of Victoria's energy requirements) originally by the State Electricity Commission of Victoria and subsequently by private mine operators via three large coal mines at Traralgon (AGL Loy Yang), and Newborough (Yallourn) and now closed Morwell (Hazelwood).

Overall, electricity, gas, water and waste services are the most valuable industries in Latrobe City, yielding over \$2.6 billion in regional output. Other important industries include manufacturing, construction, rental, hiring and real estate services, and healthcare and social assistance.<sup>1</sup> Latrobe City has also a large forestry industry which services Australian Paper's pulp and paper mill (the largest in Australia).

Currently, Latrobe City has a diverse economy of around 4,442 businesses, employing approximately 32,400 people. With a Gross Regional Product (GRP) is valued at \$5.614 billion, Latrobe City makes a significant contribution to the Victorian economy.<sup>2</sup>

The Latrobe Valley has been in transition for many years, following the Hazelwood Power Station and Mine closures in 2017, and the subsequent significant investment in the region by the Victorian and Commonwealth Governments. With further power station closures anticipated in the next 20-25 years, our region will continue to evolve as part of this ongoing economic transformation and seek investment in industries that contribute to the economic post-COVID-19 recovery of the region and the state.

As with the rest of the country, Latrobe City has been further challenged by the diverse and profound impacts from the COVID-19 pandemic. Our economy has been significantly impacted, with 50 per cent of the businesses in Latrobe City adversely impacted, particularly accommodation and hospitality, arts and recreation services, retail trade, and small private health and social services.

Pre-COVID-19 employment in Latrobe City was estimated to be 32,389 jobs. The impact of the pandemic on jobs reached a low point of 28,227 in June 2020, with a gradual recovery in line with the staggered temporary easing of restrictions occurring over the subsequent months. For Latrobe City the net loss of jobs over the 12 months from February 2020 to February 2021 is estimated at 1,536, representing a 4.74% reduction in employment.<sup>3</sup>

Council believes that major infrastructure investment continues to be critical to future-proof our economy, drive our economic and social step change and unlock this region's potential as a strong, progressive and fast growing Regional City.

**Latrobe City Council welcomes the opportunity to provide its pre-budget submission to the Victorian State Budget 2022/23. This submission presents Latrobe City's projects that are identified as high priority by Latrobe City Council due to their potential to create jobs, support economic growth and bring about social outcomes in the sustained COVID-19 environment.**

**These proposed projects include:**

- Flood Recovery Project.
- Gippsland Material Recovery Facility (MRF).
- Inter-Township Trail Network.
- Latrobe City Infrastructure Fund.

1 REMPLAN COVID-19 Economic Impact Analysis, June 2020  
 2 REMPLAN COVID-19 Economic Impact Analysis, June 2020  
 3 REMPLAN COVID-19 Economic Impact Analysis, June 2020



LatrobeCity

# FLOOD RECOVERY PROJECT

Traralgon Recreation Reserve -  
Multi-Use Pavilion And Alternate Facilities For User Groups  
= Future-Proofing of Reserve

- + User Group Security
- + Large Sporting Events
- + Social and Community Benefits





# Budget Submission Summary

## VICTORIAN STATE BUDGET 22/23 PROPOSAL #1:

# FLOOD RECOVERY PROJECT

Latrobe City Council calls on the Victorian Government to support flood recovery to the amount of \$10 million. The reserve was recently decimated by floods that resulted from a significant severe weather event that affected Latrobe City and the entire state on 9 and 10 June 2021. Latrobe City Council is also seeking Government assistance to mitigate flooding across our communities, and reduce the impact and frequency of flooding for properties and infrastructure in our townships.

### Employment potential:

Construction phase: 50 jobs (estimate)

### Commencement date:

Within 6 months of funding

### Proposed Victorian

### Government investment:

\$10 million

On 9 and 10 June 2021, parts of Victoria experienced a severe weather event that had widespread flood impacts across Latrobe City.

As a result of the significant floods in Traralgon and surrounds, many buildings and usergroups within the Traralgon Recreation Reserve were impacted and require re-location and/or re-construction.

Financial support of \$10 million is needed to future proof the reserve and user group activities.

Latrobe City Council acknowledges the Victorian Government for its support to Latrobe City through the Recovery Support Program for the June 2021 storm and flood event. These funds support the employment of Recovery Support Workers to assist individuals and families on their recovery from the storm and flood event impacts.

### This project will include two primary developments:

- 1) Construct a new pavilion within the recreation reserve, above flood levels which incorporates facilities primarily for the sporting clubs/groups affected; and
- 2) Relocate the many community groups who do not rely on the sporting facilities within the reserve by constructing new buildings in alternate locations within Traralgon.



Supplied by Blake Bourne Photography



## OUR ASK

### FLOOD RECOVERY \$10 million

#### Employment potential:

Construction phase: 50 jobs (estimate)

#### Commencement date:

Within 6 months of funding

#### Proposed Victorian Government investment:

\$10 million

### Traralgon Recreation Reserve Multi-Use Pavilion



4 x Change  
rooms



1 x Gym



Public toilets



Office  
space



Spectator  
viewing areas



1 x Event space  
with kitchen



4 x Coaches,  
Media and  
Officials boxes

### Relocating To Alternate Sites



Buildings for  
5+ usergroups  
(Sheds and  
pavilions)



Creating an  
outdoor event  
space to relocate  
the Agricultural  
Society, which  
facilitates the  
Traralgon Show  
and other events

#### COMPETITIVE ADVANTAGES:



#### INVESTMENT READY:

Redevelopment Plan in place.



#### COUNCIL OWNED LAND IN PRIME LOCATION:

Central location close to township, railway station and Princes Highway.



#### SIGNIFICANT COMMUNITY ASSET SUPPORTED BY COUNCIL AND COMMUNITY:

Established recreation reserve and existing user groups.



FUTURE -  
PROOFING  
OF RESERVE

**SOCIAL**  
& COMMUNITY BENEFITS



SECURITY  
FOR 19 USER  
GROUPS

**\$10m**  
PROPOSED INVESTMENT

COMMENCEMENT DATE:  
**Within 6 months  
of funding**



**Latrobe***City*

# GIPPSLAND MATERIAL RECOVERY FACILITY (MRF)

Available well located heavy industrial land

+ Tested markets

+ Existing skills and processing know how

= Economic growth and diversification opportunities for Latrobe City and the broader region.





## Budget Submission Summary

### VICTORIAN STATE BUDGET 22/23 PROPOSAL #2:

## GIPPSLAND MATERIAL RECOVERY FACILITY (MRF)

**Latrobe City Council calls on the Victorian Government to support a 50,000-tonne capacity Material Recovery Facility to be located in the Morwell Heavy Industry Precinct in Latrobe City through the investment of \$10 million.**

#### **Employment potential:**

Construction phase: 100 direct jobs  
Ongoing: 25 direct jobs

#### **Commencement date:**

Subject to business case

#### **Proposed Victorian Government investment:**

\$10 million  
(total project costs \$30 million)

Gippsland requires the establishment of a Regional Material Recovery Facility to improve product quality and quantity; and attract new markets, job creation and investment in our region. The Morwell Heavy Industry Precinct in Latrobe City has been earmarked as an ideal location for such a facility.

This is a key opportunity for the Gippsland region to secure regional jobs within a future circular economy. Gippsland is well placed to be leaders of the circular economy; we have a high-skilled workforce and current expertise in reprocessing of green waste, plastics, cardboard and paper. The site will also improve recycling and local reprocessing of paper and cardboard, plastics and glass, and the quality of materials for reprocessing and re-manufacturing

Gippsland councils are working together to achieve greater recovery and re-use of waste products through the establishment of a Gippsland Material Recovery Facility. This will be achieved by leveraging partnerships established through One Gippsland that brings together education, industry and local government leaders to respond to challenges and advance opportunities to support the prosperity of our region.

In association with Gippsland Waste and Resource Recovery Group (GWRRG), One Gippsland has been testing the market through the facilitation of collaborative procurement opportunities for future kerbside collection and material processing contracts.

This process consistently identified the need for a Regional Material Recovery Facility, which aligns with independent recommendations provided to Government by Infrastructure Victoria and Deloitte as part of their review of state-wide recycling infrastructure needs.

The \$30 million facility could be funded jointly by the Victorian and Commonwealth Governments, alongside with private investment.



## OUR ASK

### GIPPSLAND MATERIAL RECOVERY FACILITY (MRF)

**Employment potential:**

Construction phase: 100 direct jobs

Ongoing: 25 direct jobs

**Commencement date:**

Subject to business case

**Proposed Victorian Government investment:**

\$10 million

(total project cost \$30 million)

#### The Gippsland MRF will:



Increase the recovery and local reprocessing of materials including paper and cardboard, glass and plastics; through innovation in materials sorting.



Have a capacity of 50,000 tonnes and the ability to generate the quality and quantity of recycled products necessary to attract market demand of recovered materials and re-manufacturing;



Support service efficiencies, new investment and jobs creation opportunities to benefit the Latrobe City community and region;



Reduce waste to landfill.



Reduce service liability and cost to ratepayers



Maintain and create new re-manufacturing opportunities in the region

#### MARKET TESTING THROUGH JOINT PROCUREMENT

The joint procurement approach that is being undertaken by participating Councils is expected to increase the volume of materials made available to the resource recovery market through aggregation and consolidation of volumes to create viability in recovering valuable resources from waste, including opportunities for the local reprocessing of recovered materials.

#### MORWELL HEAVY INDUSTRY PRECINCT – AN IDEAL LOCATION FOR GIPPSLAND

Morwell is one of the few places in Victoria to have available large undeveloped Industrial 2 Zone (heavy industry) land. It also is centrally located within eastern Victoria, has buffers and access to national highways, rail networks, energy and water utilities. Additionally, the extent of large vacant land within the industry precinct provides the opportunity to co-locate symbiotic processors of recovered material.



## Current policies supporting the establishment of the Gippsland Material Recovery Facility

- Recycling Victoria – A New Economy
- State-wide Waste and Resource Recovery Infrastructure Plan (SWIRRP)
- Gippsland Waste and Resource Recovery Implementation Plan 2017
- Infrastructure Victoria's 30-year strategy
- Gippsland Regional Plan (2020-2025)
- Latrobe Planning Scheme - Clause 21.07-8
- Industrial and Employment Strategy (2019) (Latrobe City Council)

### COMPETITIVE ADVANTAGES:



#### REGIONAL FACILITY TO SERVICE ALL OF GIPPSLAND:

Economic and job creation benefits that have flow on effect for the whole of Gippsland.



#### SKILLED WORKFORCE AND PROCESSING CAPABILITY:

Latrobe City has world-class engineering capabilities and current expertise in reprocessing of green waste, plastics, cardboard and paper.



#### SUITABLE LAND IN PRIME LOCATION:

Latrobe City offers in excess of 400 hectares of zoned Industry 1 and 2 land - suitably located, well buffered and serviced by regional road and rail transport networks.



#### TESTED MARKETS:

Market testing occurring through the facilitation of the current collaborative procurement tender for future kerbside collection and material processing contracts.



#### PARTNERSHIPS AND STAKEHOLDER SUPPORT:

Established and formalised regional collaboration through One Gippsland.



INCREASED  
MATERIALS  
RECOVERY

**FEED  
STOCK**  
FOR QUALITY  
RECYCLED PRODUCTS



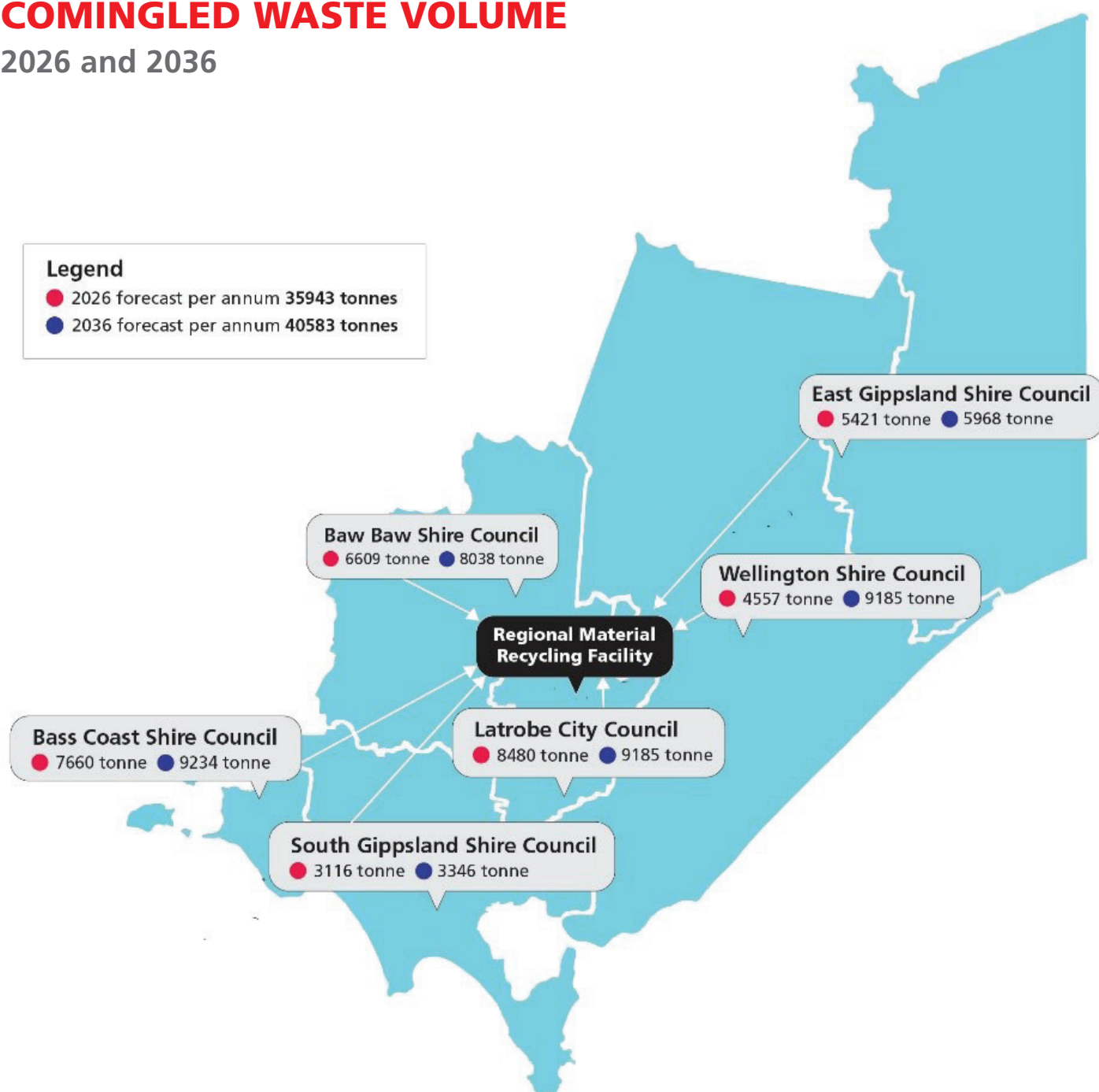
100 construction &  
25 ongoing jobs  
NEW PRIVATE  
INVESTMENT AND  
JOB CREATION  
OPPORTUNITIES

**\$30m**  
TOTAL PROJECT COST

**\$10m**  
PROPOSED VICTORIAN  
GOVERNMENT INVESTMENT

## GIPPSLAND REGION COMINGLED WASTE VOLUME

2026 and 2036





LatrobeCity

# INTER-TOWNSHIP TRAIL NETWORK

A structured process for planning and delivery  
+ Community support  
+ Multitude of social, economic and wellbeing benefits  
= Opportunity for a connected Regional City





# Budget Submission Summary

VICTORIAN STATE BUDGET 22/23 PROPOSAL #3:

## LATROBE CITY INTER-TOWNSHIP TRAIL NETWORK

Latrobe City Council calls on the Victorian Government to support the Inter-Township Trail Network in Latrobe City through a \$40 million investment in construction and \$3 million for planning and detailed design. This project will connect all our towns via Rail Trails and Shared Paths as an opportunity to generate significant community connectivity, recreational, social, tourism and economic outcomes for the region.

### Employment potential:

Construction phase: 25 jobs  
Ongoing: 50 jobs

### Commencement date:

Immediate

### Proposed Victorian

### Government investment:

\$3 million for Planning and Detailed Design; and

\$40 million for Construction

Latrobe City community is calling for inter-township walking and cycling trails that link our major townships. Council has developed a draft inter-township trails network plan as a preliminary plan to guide strategy development. These trails would provide improved opportunities for various forms of exercise and movement through Latrobe City; enhance health and wellbeing outcomes for the community; improve the physical and sense of place connection within the community and boost the tourism offering and visitation numbers of Latrobe City by linking these main townships to the existing Gippsland Rail Trail and the Grand Ridge Rail Trail. Funding is needed to develop some of the primary routes into deliverable projects.

The Latrobe City community has voiced its collective support for the creation of attractive, well-served and connected communities. These are known core drivers for the growing community connectedness; a sense of belonging which is essential for good mental health outcomes; and for vitalising social and cultural life in a city.

Community connectivity is important factor for people considering a move to regional areas and when choosing a place to live and work. Liveable cities have attractive neighbourhoods that are accessible, make people feel comfortable and safe, combine a diverse and resilient local economy and have stimulating public spaces that transcend all demographic profiles, encourage outdoor activity and support community cohesion.

### Connected Regional City - Latrobe City Inter-Township Trail Network

This project constructs the following trail connections:

- Boolarra (Grand Ridge Rail Trail) to Yinnar
- Yinnar to Churchill
- Churchill to Morwell
- Morwell to Moe
- Traralgon CBD to Gippsland Plains Rail Trail
- Traralgon to Tyers
- Traralgon to Traralgon South



# OUR ASK

## LATROBE CITY INTER-TOWNSHIP TRAIL NETWORK

### Employment potential:

Construction phase: 25 jobs

Ongoing: 50 jobs

### Commencement date:

Immediate

### Proposed Victorian Government investment:

\$3 million for Planning and Detailed Design; and

\$40 million for Construction

### COMPETITIVE ADVANTAGES:



#### INVESTMENT READY:

Council has recently completed the Traralgon to Morwell Shared Path and have refined a structured process to ensure success for future major shared path/trail construction projects.



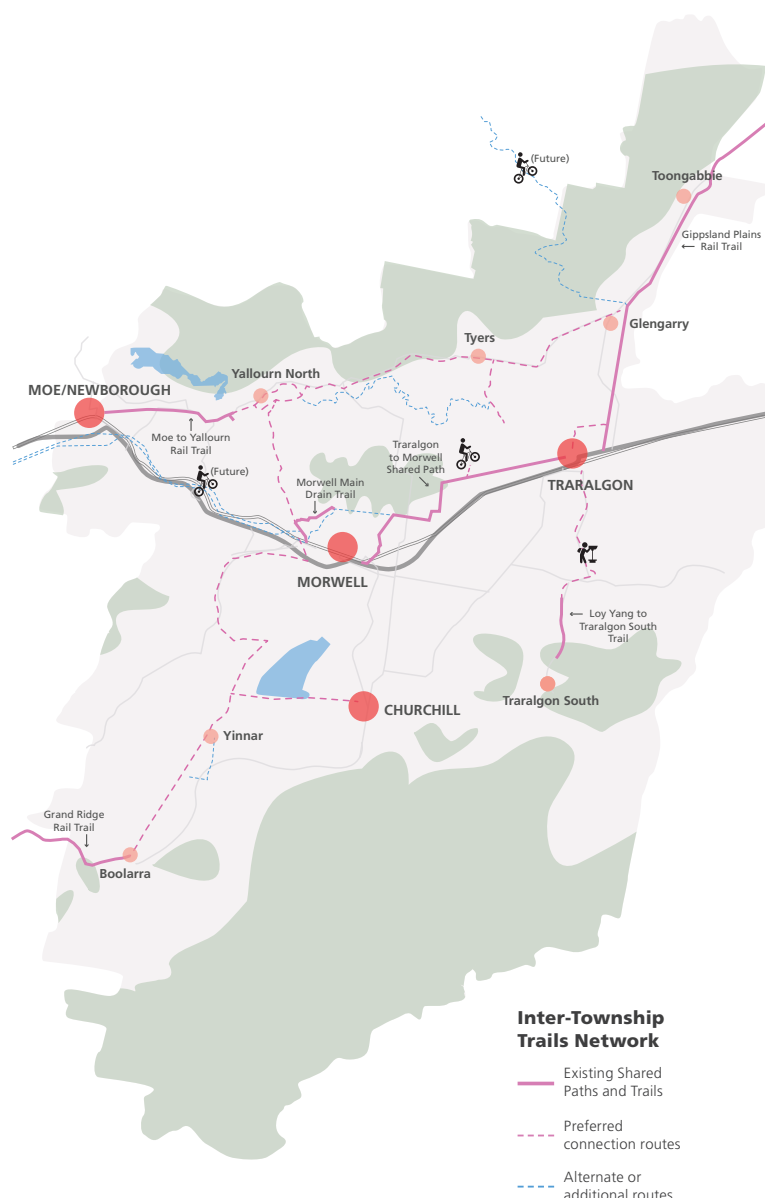
#### COUNCIL OWNED LAND IN PRIME LOCATION:

The Latrobe City community has voiced its collective support for enhanced liveability and the creation of attractive, well-served and connected communities.



#### OUTSTANDING COMMUNITY ASSET WITH A MULTITUDE OF BENEFITS:

These trails will bring about opportunities for various forms of exercise; enhance health and wellbeing outcomes for the community; improve the physical and sense of place connection within the community, and boost the tourism offering and visitation numbers of Latrobe City.



**25 JOBS**  
Construction phase



**50 JOBS**  
ONGOING

COMMENCEMENT DATE:  
July 2022

**\$43m**  
PROPOSED INVESTMENT

PROPOSED INVESTMENT:  
**\$3 million for  
Planning and  
Detailed Design;  
and \$40 million  
for Construction**



LatrobeCity

# UNBLOCKING LATROBE CITY INFRASTRUCTURE BARRIERS

Latrobe City Infrastructure Fund  
= Future-Proofing of Our Precincts  
+ Industry Investment  
+ Social & Economic Benefits  
+ Growth of Our Regional City





# Budget Submission Summary

## VICTORIAN STATE BUDGET 22/23 PROPOSAL #4:

# LATROBE CITY INFRASTRUCTURE FUND

Latrobe City Council calls on the Victorian Government to establish an Infrastructure Fund to address the limited capacity and availability of enabling infrastructure and utility services to support industrial, commercial and residential growth within Latrobe City.

**Commencement date:**  
Immediate

**Proposed Victorian Government investment:**  
\$35 million

Since 2004 Latrobe City Council has undertaken significant urban growth area planning across large and small townships; completing Structure Plans and Development Plans which subsequently enabled 800ha of residential land releases across the municipality in the 2012/2013 financial year. An additional 600ha of land was later released in 2015 as part of the Lake Narracan Precinct Structure Plan.

Council has been active in the preparation of Development Plans, Development Contribution Plans, Precinct Structure Plans and associated planning permits to ensure land is available for growth and new investment. It is considered that there are sufficient zoned and approved planning permits to address current land supply demands for at least the next 10-15 years.

Despite Council undertaking the aforementioned land use planning activities, current and future growth opportunities across key precincts continue to be delayed, and in some instances prevented due to the absence or capacity of critical services (i.e. sewer, gas, electricity, arterial road connections etc.).

The realisation of residential and industry growth opportunities is therefore determined not by market demand, interest or opportunity, rather it is inadvertently being restrained by the capacity or extent of utility services and infrastructure.

It is acknowledged that the requirement for an individual developer or business to fund necessary infrastructure is common and accepted. However, within Latrobe City and many other regional areas there are a number of instances where the cost and benefit of infrastructure extend well beyond any reasonable nexus with an individual development.

Investment in priority utility services and infrastructure is considered paramount to Latrobe City's capacity to grow its economy, employment and population.

The necessary utility services could be most effectively delivered if a rolling Infrastructure Fund was in place, supported by State Government funding.

While the Victorian Government's contribution of \$10 million for the Latrobe City Food Manufacturing Precinct (Alexanders Road Food Precinct) is a welcome first step, further Government support is needed to enable a larger scale residential and industrial investment in Latrobe City across the region's greenfield development sites:

- 1. Lake Narracan Precinct Structure Plan;**
- 2. Traralgon North Development Plan and Development Contribution Plan; and**
- 3. Morwell North West Development Plan and Development Contribution Plan.**

## OUR ASK

# LATROBE CITY INFRASTRUCTURE FUND TO UNLOCK OUR REGIONAL CITY'S GROWTH POTENTIAL

**Commencement date:**  
Immediate

**Proposed Victorian Government investment:**  
\$35 million

### Project Benefits:



Fund enabling infrastructure to support the residential and economic growth of Latrobe City's priority precincts.



Provide funding infrastructure to enable sites for industrial, residential and commercial land to be developed.



Assist with the timely delivery of additional/ improved community and recreational assets.



Develop projects that will reaffirm our position as a Regional City.



Implement a town planning regime which facilitates appropriate urban growth, industry diversification, liveability and connectivity of Latrobe City.



Assist with the timely delivery of infrastructure for the provision of increased housing in a market that is increasingly becoming unaffordable for local community members both owner occupiers and renters.

### COMPETITIVE ADVANTAGES:



#### INVESTMENT READY:

Development Plans, Development Contribution Plans, Precinct Structure Plans and associated Planning Permits in Place.



#### MARKET DEMAND:

Elevated demand for serviced industrial, residential and commercial land across Latrobe City.



#### SIGNIFICANT COUNCIL SUPPORT:

Long-standing advocacy by Council.



**FUTURE-  
PROOFING**  
OF OUR PRECINCTS

**SOCIAL &  
ECONOMIC  
BENEFITS**

**INDUSTRY  
INVESTMENT**

**\$35m**  
PROPOSED INVESTMENT

COMMENCEMENT DATE:  
**IMMEDIATE**





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To obtain this information in languages other than English, or in other formats, please contact Latrobe City Council on 1300 367 700.

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