

THE CITY OF
GREATER GEELONG

NORTHERN AND WESTERN GEELONG GROWTH AREAS



DRAFT STRATEGIC ASSESSMENT
FUNDING PROGRAM

November 2025

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1. Introduction

The Northern and Western Geelong Growth Areas Strategic Assessment Funding Program (Funding Program) and resulting Biodiversity Levy (Levy) has been prepared by the City of Greater Geelong.

The Funding Program:

- Outlines the conservation land, offsets, resources, documentation and works that are required to give effect to the commitments of the endorsed *Environment Protection and Biodiversity Conservation Plan (Plan)*, associated *Commitments and Measures* and *Biodiversity Conservation Strategy*.
- Directly responds to Commitment No. 17 in the Plan, by establishing the arrangements to fund the implementation of the Plan's commitments and measures over the life of the Plan.
- Sets out a detailed framework within which development proponents will be required to make a financial contribution towards the recovery of costs associated with the implementation of the Plan's conservation commitments and measures throughout the life of the Plan, or alternatively provide land, works or offsets which the approval holder accepts in lieu of the obligation to make a financial contribution.
- Directly responds to Commitment No. 12 in the Plan, by enabling the approval holder to request that a development proponent provide offsets in lieu of a financial contribution, to ensure that offset delivery occurs ahead of impacts within the Northern Geelong Growth Area.
- Ensures the costs of delivering the Plan's conservation commitments to protect matters of national environmental significance (MNES) are shared equitably between development proponents.
- Provides certainty about how the Levy will be administered.

The City of Greater Geelong (the City) is the approval holder for the Plan. As approval holder, the City is responsible for:

- Ensuring the Plan's outcomes are achieved and implementing the commitments and measures
- Ensuring regulated third-parties who undertake an approved action or any part of an approved action under the endorsed Plan take these actions in accordance

with the Plan and implementation documents and with the Commonwealth approval conditions

- Taking reasonable steps to ensure regulated third-parties:
 - Are informed of any relevant requirements of the endorsed Plan and Commonwealth approval conditions that regulates or restricts the way in which the action is taken
 - Comply with the endorsed Plan and Commonwealth approval conditions
- Notifying Department of Climate Change Energy Environment and Water of any known non-compliances with conditions by third parties

REPORT STRUCTURE

The Funding Program comprises:

- Conservation commitments
- Calculating the contribution
- Administration and Implementation
- Appendices

2. Conservation commitments and measures

The strategic basis for the funding framework and this program is outlined in the Northern and Western Geelong Growth Areas (NWGGA) Strategic Assessment. The EPBC Plan outlines objectives, outcomes, commitments and measures to manage impacts to MNES. The relationship of the components and the documents is shown in Figure 1.

The commitments and measures in the Plan to protect MNES that are funded projects over the life of the Plan are outlined in Table 1.

The scope of the projects are detailed in Appendix 1.

The Funding Program uses a project identification system of project category and sequential number in its tables and plans.

The following types of projects are included in the Funding Program:

- Offsets - OF
 - Golden Sun Moth - GSM
 - Striped Legless Lizard – SLL
 - Natural Temperate Grasslands of the Victorian Volcanic Plains – NTG
- Conservation Areas – CA
 - Land – L

- Conservation works - CW
- Plan implementation and governance - PI
 - Finance costs – F
 - Plan preparation costs – PC
 - Compliance – C
 - MERI Framework – M

The Funding Program does not include infrastructure items associated with a typical growth area that are delivered by a proponent or funded through a Development Contributions Plan (DCP) or Infrastructure Contributions Plan such as roads, community centres or drainage. A separate DCP will apply to each precinct subject to the Funding Program.

The Funding Program does not include amenity upgrades associated with the Cowies Creek and Moorabool River corridors. These amenities such as toilet blocks and shared paths will be funded through the requisite DCP for the Precinct Structure Plan (PSP) area. The riparian corridors for the Moorabool River and Cowies Creek are not included as land items in the Funding Program. These corridors are encumbered land, unsuitable for development and will be vested as part of the subdivision of the adjacent land as part of the progress of development.

Figure 1: Relationship of Strategic Assessment components

Components of the outcomes and funding framework	Description of each component	Where each component is presented
Objectives	The broad contribution to be achieved by implementing the EPBC Plan	EPBC Plan
Outcomes	The positive impacts or changes which will achieve the overall objectives	EPBC Plan
Commitments	The direct results of implementing the measures which will achieve the outcomes	EPBC Plan, BCS, Commitments and Measures
Measures	The specific actions that will be undertaken to meet the commitments	Commitments and Measures
Funded Projects	The projects to be funded to deliver the measures	Funding Program

CONSERVATION COMMITMENTS AND MEASURES

Table 1: Conservation commitments and measures funded by the Levy

Commitment	Description	ID	Projects
Conservation Areas			
Northern Conservation Area	The Northern Conservation Area (NCA) will be established to protect and manage native vegetation and 77.7 ha of habitat for Striped Legless Lizard and 119.5 ha of habitat for Golden Sun Moth and 125.3 ha of habitat potentially important for the recovery of Victorian Grassland Earless Dragon in perpetuity (Commitment 4 and 5)	NG_CA_L_1	165 Staceys Road as conservation land
		NG_CA_L_2	195 Staceys Road as conservation land
		NG_CA_L_3	Part of 225 Staceys Road as conservation land
		NCA_L_4	Part of 135 Staceys Road as conservation land
		NG_CA_L_5	Part 870 Ballan Road as conservation land
		NG_CA_L_6	Part 550 Elcho Road as conservation land
		NG_CA_CW_1	Conservation contractors and works (NCA) 0-10 year period
Eastern Conservation Area	The Eastern Conservation Area (ECA) will be established in perpetuity to avoid and protect 6.7 ha of habitat for Natural Temperate Grassland (Commitment 6, 7)	NG_CA_CW_2	Conservation contractors and works (ECA) 0-10 year period
Gully Avoidance Area	The gully avoidance area will avoid 3.4 ha of habitat for Striped Legless Lizard, 4.6 ha of habitat for Golden Sun Moth and 3.7 ha of Natural Temperate Grassland (Commitment 8)	NG_CA_CW_3	
		NG_CA_CW_4	Conservation maintenance costs 10-30 year period
		CA_CW_5	Conservation staff (0.89EFT)

Commitment	Description	ID	Projects
Cowies Creek Conservation Area	Managing the Cowies Creek Conservation Area as avoided land (Commitments 9, 10 and 11)	WG_CA_CW_3	Conservation contractors and works (Cowies Creek) 0-10 year period
		WG_CA_CW_2	Conservation maintenance costs (Cowies Creek) 10-30 year period
		CA_CW_5	Conservation staff (0.11 of 1EFT)
External Offsets			
Securing offsets	Offset sites will be established to meet specified targets. (Commitment 16)	NG_OF_1_NTG	7.3 ha of Natural Temperate Grassland
		NG_OF_2_SLL	253 ha of habitat for Striped Legless Lizard
		NG_OF_3_GSM	381.5 ha of habitat for Golden Sun Moth
Waterways			
	Specific mitigation measures will be implemented to minimise the indirect impacts of the development on MNES associated with waterways, riparian areas and wetlands. (Commitment 14,15)		To be confirmed at PSP stage
Plan implementation and governance			
Monitoring, evaluation, reporting and improvement (MERI) program	Implementation of the Plan's MERI framework over the life of the Plan (Commitment 24)	SH_PI_M_1	MERI framework development and implementation
		SH_PI_M_2	Project management and administration costs (1 EFT)
Compliance	Implementation of the Plan's compliance framework over the life of the Plan (Commitment 26)	SH_PI_C_1	Compliance and education costs (1 EFT)
Plan preparation costs	Preparation of the Plan, BCS and SAR	SH_PI_PP_1	
	Technical studies to determine how avoid and mitigate potential downstream impacts as precincts are planned and developed (Commitment 15)	NG_PI_PP_2	Technical study for Hovells Creek
		WG_PI_PP_2	Technical study for Moorabool River

Commitment	Description	ID	Projects
	Preparation of the conservation management plans for conservation areas (Commitment 5 and 4)	NG_PI_PP_4	Conservation management plan for Northern Conservation Reserve
		WG_PI_PP_5	Conservation management plan for Cowies Creek Conservation Reserve
		NG_PI_PP_6	Preparation of Conservation management plan for Eastern Conservation Reserve
Finance costs	Costs associated with securing of the offsets package early during Plan implementation to ensure that the biodiversity benefits of protecting and managing MNES are realised as far in advance of impacts as possible (Commitment 13)	NG_PI_F_1	Finance costs
		NG_PI_F_2	Compensation Costs (Land Acquisition)

3. Calculation of contributions

EPBC APPROVAL

The Plan has been prepared to meet the requirements of the *Environment Protection and Biodiversity Conservation Act 1999*. Following endorsement and associated approvals under the EPBC Act, the Plan enables the development that is described in Chapter 4 of the Plan to proceed.

The City is the approval holder for the Plan. As approval holder, the City has primary responsibility for implementing the Plan and ensuring the Plan's outcomes are achieved and its commitments are delivered.

The City is also responsible for ensuring third-parties who undertake an approved action under the endorsed Plan take these actions in accordance with the requirements of the Plan. The legislative framework also requires that third parties undertake relevant classes of action in accordance with the Plan.

Development is approved under Part 10 of the EPBC Act through 'classes of actions' that represent the scope of development that may be undertaken in accordance with the Plan.

There are five classes of actions that are included in the Plan:

- Urban and commercial development
- Industrial development
- Rural development
- Supporting infrastructure and services
- Environmental management

These classes of actions are outlined in Chapter 4 of the Plan.

Any person can undertake development within the Plan area and access the associated approval under Part 10 of the EPBC Act provided the following requirements are met:

- Development must fall within the classes of actions as defined in the Plan;
- Development must only occur within the development land as defined the Plan;

- Development must proceed in accordance with any Commonwealth conditions of approval;
- Development must proceed generally in accordance with the Plan, including the avoidance and minimisation, mitigation and offset requirements of the Plan;
- Developers must pay the biodiversity Levy outlined in this Funding Program; and
- Development must be registered in accordance with the developer registration system.

BIODIVERSITY LEVY AREA

The area covered by the Plan is known as the Strategic Assessment Area. It covers 7,101 ha within the Victorian Volcanic Plains Bioregion. It includes:

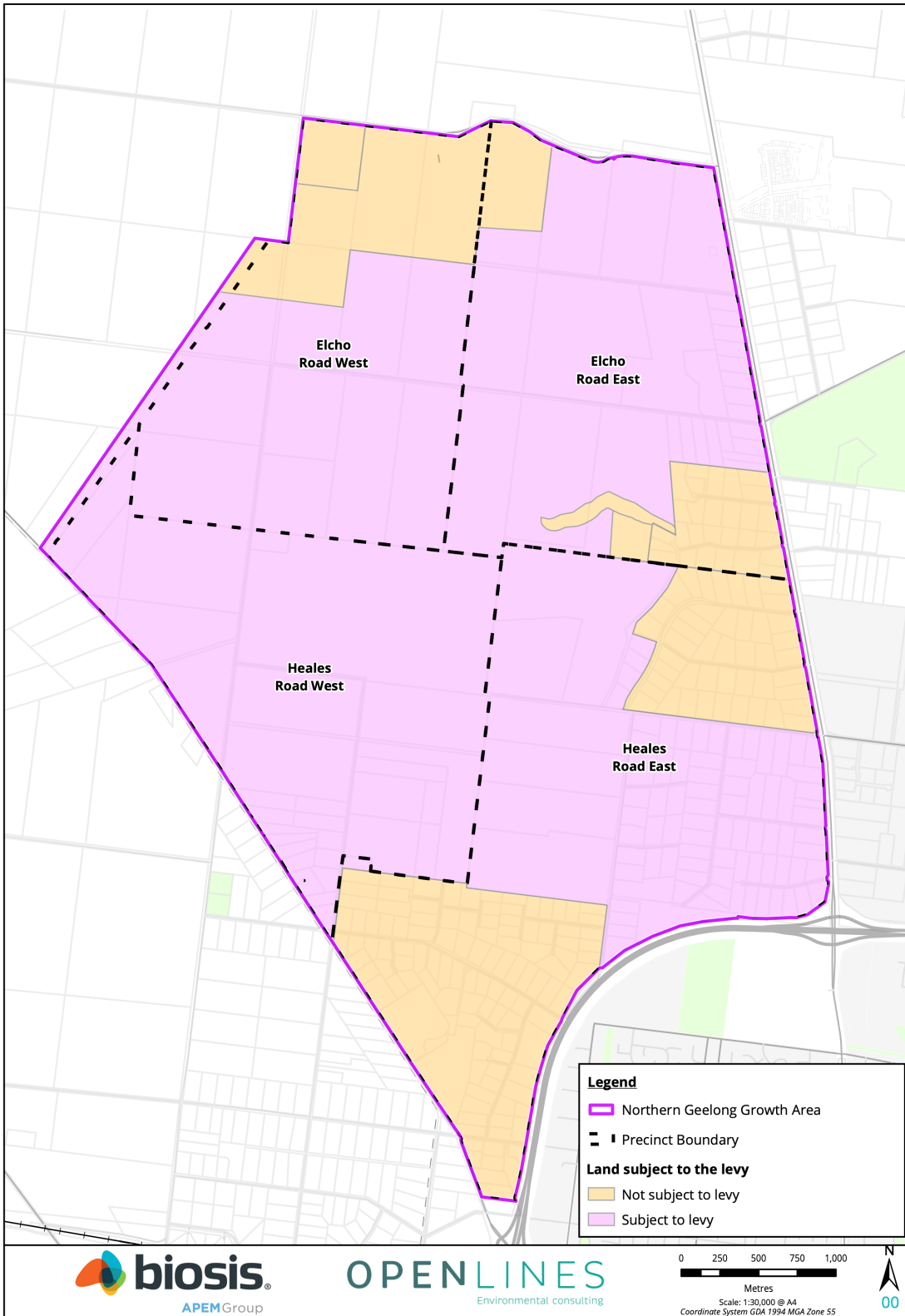
- The entire Northern Geelong Growth Area (Northern Growth Area) as described in the Framework Plan which occurs in the Lovely Banks locality and covers 2,103.9ha
- The two northern precinct structure plans within the Western Geelong Growth Area (Western Growth Area) which covers 767.2ha and occurs in the Bell Post Hill and Batesford localities.

The Levy applies generally to the area shown in Figure 2. This is the 'Levy Area'. Within the Levy Area there are separate levies for the Northern Growth Area and the Western Growth Area. The specific area that the Levy applies to in the Northern Growth Area is shown in Figure 3. Areas nominated for Future Residential Potential and Future Employment Potential in the *Northern and Western Geelong Growth Areas Framework Plan August 2020* (NWGGA Framework Plan) have been excluded from the levy area as a land use change in these areas is not confirmed.

When preparing a PSP and calculating the levy per property the City will identify any areas that should be included or excluded from the land use budget and Levy calculation.

If land in the Levy Area is exempt from Part 10 of the EPBC Act and the commitments of the Plan then this land will be excluded from the Levy calculation. The exclusion of that land will occur at PSP approval.

Figure 3 Specific plan of biodiversity levy area Northern Geelong Growth Area



The City will recover the full cost of the delivery and implementation of the commitments set out in the Plan from landholders/developers within the NWGGA during the life of the Plan.

Given the substantial difference in environmental values and impacts of the two growth areas, it is appropriate that separate and distinct levies apply to each of the Northern Growth Area and the Western Growth Area.

The Northern Growth Area Levy will fund:

- Securing and managing the conservation land in the Northern Growth Area including the Northern Conservation Area (NCA), Eastern Conservation Area (ECA) and Gully Avoidance Area;
- Securing external offsets;
- A share of the plan preparation, implementation and governance costs for the strategic assessment proportionate to the overall cost of implementation of the conservation commitments.

The Western Growth Area Levy will fund:

- Capital works and management of the Cowies Creek Conservation Area in the growth area;
- A share of the plan preparation, implementation and governance costs for the strategic assessment proportionate to the overall cost of implementation of the conservation commitments.

The Levy is payable on the net developable area (NDA) of land within a property. For the purposes of the Funding Program the NDA is defined as the total amount of land within the precinct that is made available for development. It is the total precinct area minus community facilities, government educational facilities, open space and encumbered land.

There are six precincts that will benefit from the EPBC Plan and approval. These precincts will share the costs of delivering the projects that make up their respective Levy as outlined in Table 2.

The share of costs attributed to each precinct is based on the nominated land use and gross areas reflected in the *Northern and Western Geelong Growth Areas Framework Plan August 2020* (NWGGA Framework Plan). This share of costs is fixed and not subject to

change. Areas nominated for Future Residential Potential and Future Employment Potential have been excluded from this calculation as a land use change in these areas is not confirmed.

Table 2: Share of costs to be applied per PSP

Precinct	Residential (HA)	Employment (HA)	Share (%)
Western Growth Area			
Creamery Road	236		47.01
Batesford North	266		52.99
TOTAL			100%
Northern Growth Area			
Elcho Road East	346		24.59
Elcho Road West	309		21.96
Heales Road East	169	177	24.59
Heales Road West	406		28.86
TOTAL			100%

The NDA used to calculate the Levy for each precinct will be determined on the approval and gazettal of the respective Precinct Structure Plan (PSP) within the levy area. At this point in time, the Funding Program will be updated with an appendix outlining the NDA of each property and the Levy for the precinct.

Once a PSP is approved the contributions per property will not be amended to respond to changes to the land budget that may result from the subdivision process.

The purpose of determining levies at approval of the PSPs is to ensure that the levy area accurately reflects the land which benefits from the EPBC Plan and to ensure that the Levy provides for the accurate recovery of costs associated with implementation of the Plan's conservation commitments. The process of adjusting, indexing and reconciling levy costs are outlined in Chapter 4.

PROJECT COSTS

Each project has been assigned a land, construction or administration cost, as listed in Table 3 and 4. The costs are expressed in 2025 dollars and will be adjusted annually in accordance with the method specified in Chapter 4.

For the conservation land forming part of the Levy, the values have been calculated through a site-specific valuation on a 'before and after basis.

Refer to Appendix 1 for a more detailed breakdown of costs and Appendix 2 for details of External offset costs.

Table 3: Northern Growth Area project costs

Project number NG=Northern Grith Area WG=Western Grith Area SH=Shared btw Grith Areas	Project name	Land area (HA)	Project cost	Share of cost ¹	Cost to Levy
Conservation Areas – Land					
NG_CA_L_1	165 Staceys Road as conservation land - Northern Conservation Area (NCA)	34.10	\$4,100,000	100%	\$4,100,000
NG_CA_L_2	195 Staceys Road as conservation land (NCA)	32.60	\$4,100,000	100%	\$4,100,000
NG_CA_L_3	Part 225 Staceys Road as conservation land (NCA)	15.00	\$2,270,000	100%	\$2,270,000
NG_CA_L_4	Part 135 Staceys Road as conservation land (NCA)	26.32	\$10,375,000	100%	\$10,375,000
NG_CA_L_5	Part 870 Ballan Road as conservation land (NCA)	10.9	\$4,350,000	100%	\$4,350,000
NG_CA_L_6	Part 550 Elcho Road as conservation land (NCA)	15.1	\$7,550,000	100%	\$7,550,000
NG_CA_L_7	Part 295-335 Elcho Road as conservation land – Eastern Conservation Area (ECA)	6.7	\$4,690,000	100%	\$4,690,000
Conservation Areas – Management					
NG_CA_CW_1	Conservation contractors & works (NCA) 0-10 years	-	\$8,093,016	100%	\$8,093,016
NG_CA_CW_2	Conservation contractors & works (ECA) 0-10 years	-	\$494,078	100%	\$494,078
NG_CA_CW_3	Conservation contractors & works (Gully area)	-	\$494,078	100%	\$494,078
NG_CA_CW_4	Conservation maintenance costs 10-30 years	-	\$2,000,000	100%	\$2,000,000
SH_CA_CW_5	Conservation staff (1EFT)	-	\$4,633,275	89%	\$4,123,615

¹ Share of cost to be updated when final costings known. Share based on current cost estimates. Share of cost will be fixed on the approval and gazettal of the first amendment that implements the funding program

External Offsets					
NG_OF_1_NTG	7.2 ha of Natural Temperate Grassland	-	\$3,316,555	100%	\$3,316,555
NG_OF_2_SLL	253 ha of habitat for Striped Legless Lizard	-	\$16,763,730	100%	\$16,763,730
NG_OF_3_GSM	381.5 ha of habitat for Golden Sun Moth	-	\$22,366,304	100%	\$22,366,304
NG_OF_4_BR	External offsets advice and brokerage cost	-	\$300,000	100%	\$300,000
Plan Preparation, Implementation and Governance					
SH_PI_M_1	MERI framework development & implementation	-	\$ 375,000	89%	\$337,750
SH_PI_M_2	Project management staff(1 EFT)		\$ 6,160,401	89%	\$5,482,757
SH_PI_C_1	Compliance, education,admin staff (1 EFT)	-	\$4,633,275	89%	\$4,123,615
SH_PI_PP_1	Preparation of EPBC Plan, BCS, SAR and Surveys	-	\$2,199,982	89%	\$1,957,984
NG_PI_PP_2	Technical study for Hovells Creek	-	\$110,154	100%	\$110,154
SH_PI_PP_3	Miscellaneous Consultancy costs	-	\$200,000	89%	\$178,000
NG_PI_PP_4	Conservation management plan for NCA	-	\$80,900	100%	\$80,900
NG_PI_PP_6	Conservation management plan for ECA	-	\$50,000	100%	\$50,000
NG_PI_F_1	Finance / interest costs (land acquisition)	-	\$3,769,200	100%	\$3,769,200
NG_PI_F_2	Compensation (land acquisition)	-	\$2,617,500	100%	\$2,617,500
Total cost (Northern Growth Area)					\$114,094,236

Table 4: Western Growth Area project costs

Project number	Project name	Land area (HA)	Project cost	Share of cost	Cost to Levy
Conservation Area					
WG_CA_CW_1	Conservation contractors and works (Cowies Creek) 0-10 years	-	\$17,596,550	100%	\$17,596,550
WG_CA_CW_2	Conservation maintenance costs (Cowies Creek) 10-30 years	-	\$1,000,000	100%	\$1,000,000
SH_CA_CW_5	Conservation staff (1EFT)	-	\$4,633,275	11%	\$509,660
Plan preparation, Implementation and Governance					
SH_PI_M_1	MERI framework development and implementation	-	\$375,000	11%	\$37,500
SH_PI_M_2	Project management staff (1 EFT)	-	\$6,160,401	11%	\$677,644
SH_PI_C_1	Compliance, education, admin staff (1 EFT)	-	\$4,633,275	11%	\$509,660
SH_PI_PP_1	Preparation of EPBC Plan, BCS, SAR and Surveys	-	\$2,199,982	11%	\$241,998
WG_PI_PP_2	Technical water studies for Moorabool River	-	\$150,000	100%	\$150,000
SH_PI_PP_3	Miscellaneous Consultancy costs	-	\$200,000	11%	\$22,000
WG_PI_PP_5	Conservation management plan for Cowies Creek Conservation Reserve	-	\$155,129	100%	\$155,129
Total costs (Western Growth Area)					\$20,900,141

BIODIVERSITY LEVY

The Levy per hectare of Net Developable Area (NDA) by PSP area will be calculated as each PSP is approved and gazetted and Appendix 2 will be updated accordingly over time. The estimated Levy payable for each PSP area is shown in Table 5 and Table 6. The levies shown are estimates only based on the hectares of NDA shown in the NWGGA Framework Plan (as per Table 2 of this Funding Program).

The Levy is imposed to land within the Levy Area:

- For parcels wholly within the levy area, the whole of NDA within that parcel of land will be charged.
- For parcels partly within the levy area, the NDA of that part will be charged

The Levy payment will be coordinated with the development administrative processes outlined in section 4 in the following circumstances:

- The issue of a statement of compliance for a plan of subdivision in relation to a parcel of land wholly or partly within the levy area
- The making of an application for a building permit for the construction of a building on a parcel of land wholly or partly within the levy area
- The approval of a work plan or variation to a work plan under section 77G of the Mineral Resources (Sustainable Development) Act 1990 to carry out an extractive industry

The Levy is only payable once in respect of land. The payment of the levy will be recorded in the 'developer registration system' in accordance with the Plan and the administrative process outlined in section 4 below.

The Levy is payable by a development proponent irrespective of any particular impact to MNES caused by the specific subdivision and/or development proposal.

However, the City will monitor the impacts of specific development proposals on MNES, to ensure that the City is achieving the objectives, outcomes, commitments and measures in the Plan and supporting documents.

For the avoidance of doubt, the Levy is not payable in respect of development which occurs on land entirely outside the NDA of a property within a PSP area.

The City in its absolute discretion may waive or defer the requirement to pay the Levy in relation to a development

proposal comprised of minor buildings, works and/or other development associated with a pre-existing land use.

The City in its absolute discretion may agree to the staging of the requirement to pay the levy to accord with staged development proposals. For example, subdivision would trigger of a parcel would trigger first administrative process listed above. The Council will consider staging proposals where land is part developed and part balance lots.

Table 5: Estimated Western Growth Area Levy by precinct (levy subject to change as PSPs approved & costs updated)

Precinct	Residential NDA	Employment NDA	Share (%)	Share of total cost (2025)	Levy per HA of NDA
Creamery Rd	236	-	47	\$9,823,443	\$41,635
Batesford Nth	266	-	53	\$11,077,499	\$41,635
Total	502		100	\$20,900,942	\$41,635

Table 6: Estimated Northern Growth Area Levy by precinct (levy subject to change as PSPs approved & costs updated)

Precinct	Residential NDA	Employment NDA	Share (%)	Share of total cost (2025)	Levy per HA of NDA
Elcho Rd East	346	-	24.59	\$28,055,773	\$81,090
Elcho Rd West	309	-	21.96	\$25,055,094	\$81,090
Heales Rd East	169	177	24.59	\$28,055,773	\$81,090
Heales Rd West	406	-	28.86	\$32,927,597	\$81,090
Total	1230	177	100	\$114,094,236	\$81,090

4. Administration and Implementation

This section:

- Sets out how the Funding Program will be administered and implemented under the EPBC Act alongside development permitted under the Victorian planning system;
- Specifies when the Levy must be paid;
- Describes when and how the City may accept the delivery of works, land or offsets by a development proponent, or request the provision of offsets by a development proponent, in lieu of cash payments towards the Levy liability;
- Sets out how costs will be indexed over time;
- Specifies when the Funding Program will be reviewed and adjusted as necessary over time; and
- Describes how the Funding Program will be used by the City to monitor impacts to MNES over the life of the Plan, to ensure that offset delivery keeps pace with and occurs ahead of impacts within the Northern Growth Area (Commitment No. 12).

IMPLEMENTATION UNDER THE EPBC ACT AND COORDINATION WITH THE VICTORIAN PLANNING SYSTEM

Prior to taking an action, landholders/developers are required to seek the City's authorisation to proceed with that action and rely on the City's approval under Part 10 of the EPBC Act. Authorisation will be subject to compliance with Commonwealth conditions of approval and the Plan, including the obligation under the Plan to pay the Levy pursuant to this Funding Program.

The Figure 4 depicts how the Funding Program will be implemented under the EPBC Act and the Victorian planning system.

The diagram demonstrates that the City will administer and implement the Funding Program under the EPBC Act and coordinate this implementation with timeframes and milestones under Victorian planning system.

The ability of a development proponent to rely on the City's approval under Part 10 of the EPBC Act, and the obligation to pay the Levy, arise under the EPBC Act. The provisions of the Greater Geelong Planning Scheme, and the permit application process under the *Planning and Environment Act 1987* (Vic), will ensure that relevant development carried out within the NWGGA is consistent and coordinated with the Commonwealth conditions of

approval, the Plan and supporting documents (including this Funding Program).

To rely on the City's approval under Part 10 of the EPBC Act, a development proponent will first need to lodge a 'developer registration form' with the City, which initiates the process set out in the 'EPBC Act Stream' on the above diagram. The City will administer this developer registration system in its capacity as the approval holder and in accordance with the Plan and supporting documents.

In addition, if a permit is required for the proposed development, a development proponent will need to demonstrate as part of that permit application that it has obtained the City's consent under the 'EPBC Act Stream', and thereafter meet the requirements set out in the 'Planning Stream' in the above diagram.

The requirement to submit a 'developer implementation plan' under both the 'EPBC Act Stream' and the 'Planning Stream' will ensure consistency and coordination across both processes. For example, it is critical that a person undertaking a class of development has consistency in the staging so that the class of action does not precede satisfaction of the EPBC Act obligations. Likewise changes in a development proposal over time (for example revised staging) will necessitate changes considered under the Plan and changes to be considered under the *Planning and Environment Act 1987*.

A 'developer implementation plan' must:

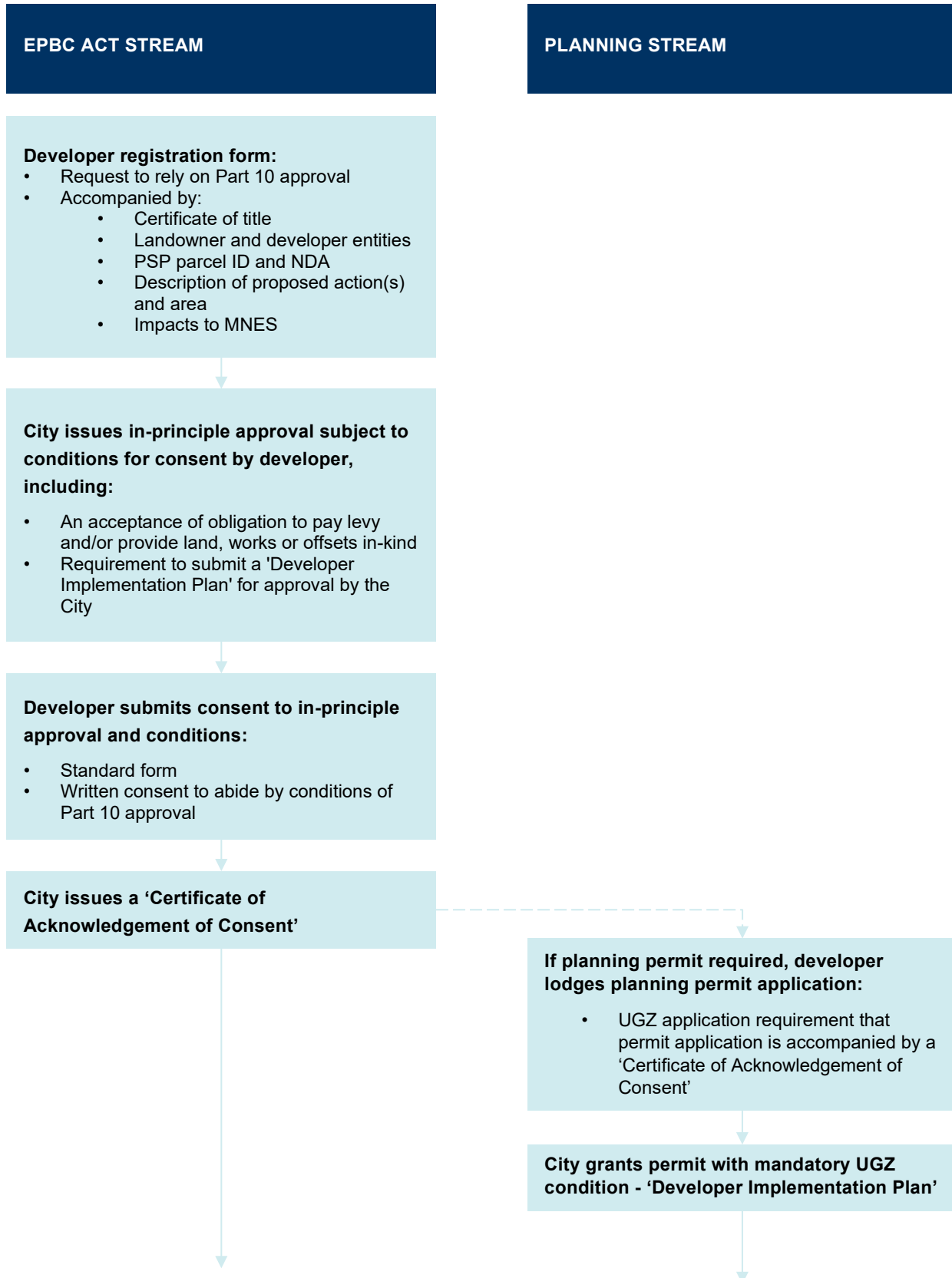
- Demonstrate that the proposed development satisfies all applicable Commonwealth conditions of approval and complies with the Plan and supporting documents; and
- address various matters including the total area of the plan, the NDA, the proposed development activities, land and/or works and/or offsets proposed to be delivered in lieu of a cash payment towards the Levy, impacts to MNES, and mitigation measures to minimise potential indirect impacts as outlined in the Plan and supporting documents.

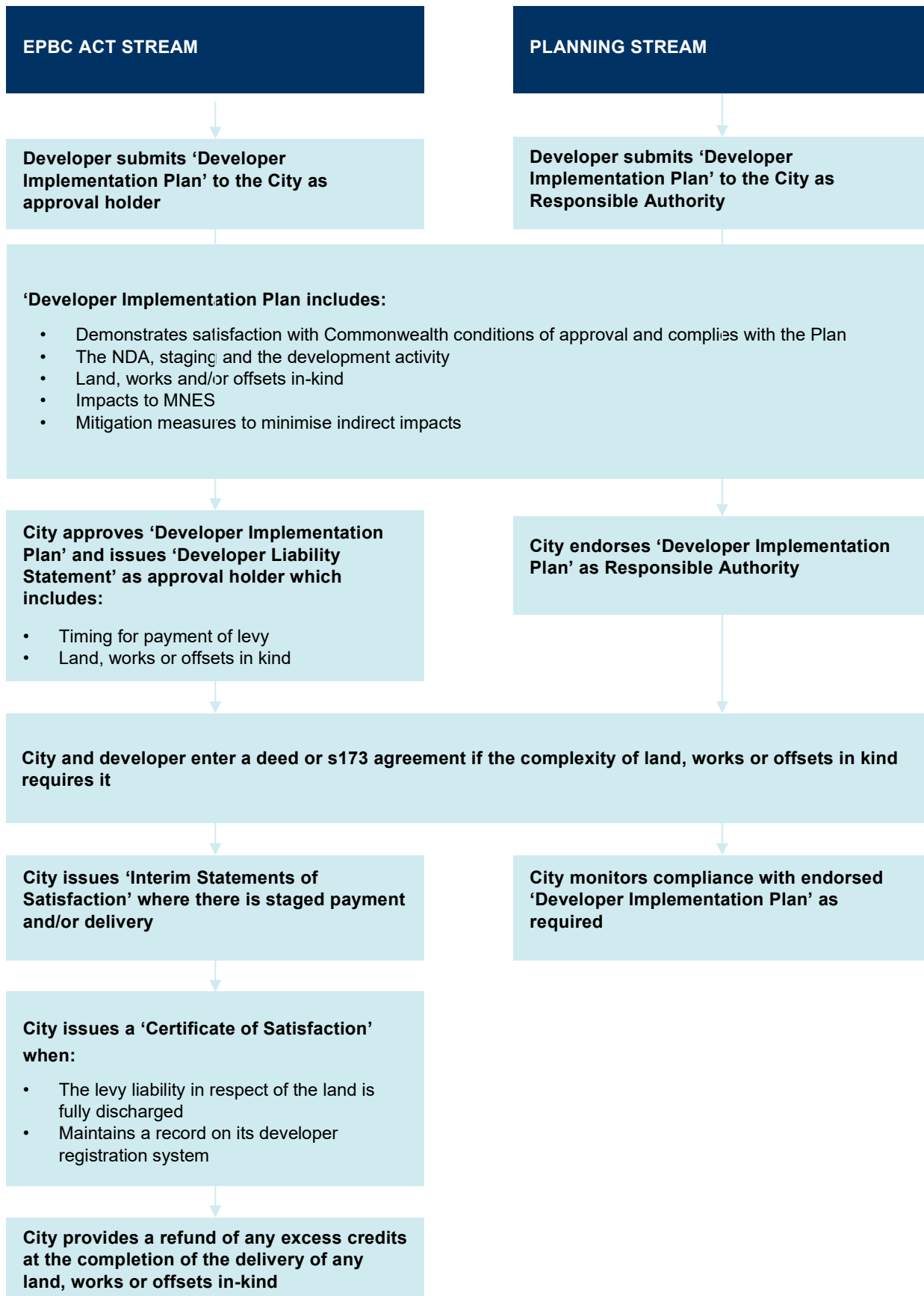
A 'developer implementation plan' must be approved by the City as the approval holder under the 'EPBC Act Stream,' and endorsed by the responsible authority under the 'Planning Stream'.

Upon the approval and endorsement of a 'developer implementation plan':

- The City as approval holder will issue a 'developer liability statement' under the 'EPBC Act Stream', which confirms the total Levy liability, the timing for the payment of the Levy liability, and any land, works or offsets in kind;
- If required due to the complexity of the land, works or offsets in kind, or any other requirement contained in the 'developer implementation plan', the City as approval holder and (if applicable) responsible authority may require that the development proponent enter into an agreement (such as a deed of agreement or an agreement under section 173 of the *Planning and Environment Act 1987*) to secure the developer's obligations. The agreement must be prepared at the cost of the development proponent/permit holder.

Figure 4: Process outlining implementation of the funding program





Review

A development proponent/permit holder can seek a review of conditions attached to any 'in-principle approval' issued by the City under the 'EPBC Act Stream', or the City's decision to not approve a 'developer implementation plan', from the *Northern and Western Geelong Growth Areas EPBC Plan Executive Committee*.

Implementation in the Greater Geelong Planning Scheme

This Funding Program will be implemented in the Greater Geelong Planning Scheme as follows:

- It, along with the Plan, will be a policy document; and
- The Schedule to the Urban Growth Zone for each PSP within the NWGGA will include:
 - A permit application requirement regarding evidence of consent under the 'EPBC Act Stream'; and
 - A permit condition which generally requires: prior to the certification of a plan of subdivision or the commencement of development (whichever comes first), a 'Commonwealth biodiversity – developer implementation plan' must be submitted to, and approved by, the responsible authority (see above regarding 'developer implementation plans').

Discretion to require offsets in lieu of cash payments towards Levy liability

The City as the approval holder for the Plan may require that a development proponent provide offsets in lieu of a cash payment towards all or part of the Levy liability, in circumstances where the City determines in its discretion that offsets are required to ensure that offset delivery is keeping pace with and occurring ahead of impacts within the NGGA (Commitment No. 12 in the Plan). In those circumstances, a 'developer implementation plan' will be approved where it is demonstrated that, where required, offsets have been or will be secured to mitigate the impacts of the proposed development.

TIMING FOR PAYMENT OF LEVY LIABILITY

For subdivision of land

Provided it has not already been paid in respect of the subject land, the Levy liability must be paid to the City after certification of the relevant plan of subdivision but not more than 21 days prior to the issue of a Statement of Compliance in respect of that plan, or as otherwise agreed by the City. If the City agrees to alternative timing for payment, it must be reflected in the relevant 'developer implementation plan' and, if deemed necessary by the City, secured by way of a deed of agreement or section 173 agreement.

Where the subdivision is carried out in stages and the City has approved staged payment, the Levy liability for a stage must be paid to the City after certification of the relevant plan of subdivision for that stage, but not more than 21 days prior to the issue of a Statement of Compliance for that stage, or as otherwise agreed by the City. If the City agrees to alternative timing for payment, it must be reflected in the relevant 'developer implementation plan' and, if deemed necessary by the City, secured by way of a deed of agreement or section 173 agreement.

If payment is not received for the Levy, any deficit will be indexed annually.

For development of land where no subdivision is proposed

Provided it has not already been paid in respect of the subject land, the Levy liability must be paid to the City prior to the commencement of any development (development includes buildings, car park, access ways, landscaping and ancillary components).

If payment is not received for the Levy, any deficit will be indexed annually.

Where no planning permit is required

Where no planning permit is required for development of land within the Levy Area, a development proponent is still required to seek approval for the development under the 'EPBC Act Stream'.

Provided the Levy has not already been paid in respect of the subject land, the Levy liability must be paid to the City prior to the commencement of any development (including subdivisional works), or as otherwise agreed by the City as approval holder. If the City agrees to alternative timing for payment, it must be reflected in the relevant 'developer

implementation plan' and, if deemed necessary by the City, secured by way of a deed of agreement.

WORKS-IN-KIND, LAND IN KIND AND OFFSETS

The City may choose to accept the delivery of works, land or offsets by a development proponent in lieu of cash payments towards the Levy liability, or request the provision of offsets by a development proponent in lieu of cash payments towards the Levy liability, provided that:

- The works, land or offsets constitute projects that are funded by the Levy;
- The City is satisfied that the timing of the delivery of the land or offsets is consistent with priorities in the Plan;
- The condition of the land is to the satisfaction of the City;
- The works are permanent. Temporary works will not be accepted as works in kind.
- The development proponent complies with all applicable requirements of the City, including tendering, documentation, supervision, and other related requirements.
- Offsets must be provided to the satisfaction of the City and fulfil the following criteria:
 - Secured in perpetuity.
 - Align with the offsets identified in the Plan and not already provided by another party.
 - Include a conservation management plan to outline the values on site and how the values will be improved overtime and conservation advice for the requisite species.
 - Need to meet the strategic landscape outcomes outlined in the Plan and be in accordance with guidelines published by the City.
- There must be no negative financial impact on the Funding Program implementation to the satisfaction of the City.

Where the City agrees to accept the delivery of works, land or offsets in lieu of a cash contribution, or requests the provision of offsets in lieu of a cash contribution, (subject to the above requirements):

- The credit for the works shall equal the final cost of the works as identified in this Funding Program, subject to indexation in accordance with this Funding Program, and the City has approved staged payment.

- The value of works will be applied as a credit against the Levy liability payable by the development proponent;
- No cash contributions towards the Levy liability will be required until the credit has been extinguished; and
- Where works identified in the Funding Program are delivered in part, the City will determine the credit having regard to any wasted costs or costs of mobilisation that are associated with partial delivery.

CREDIT FOR OVER PROVISION

Where the City agrees to accept the delivery of works, land or offsets, or requires the delivery of offsets, in lieu of a cash contribution, the situation may arise where the development proponent makes a contribution with a value that exceeds the applicable Levy liability under this Funding Program (over-provision).

In circumstances where the developer registers an overprovision recognised by the City, the City may agree to pay a cash reimbursement to the development proponent in the amount of the over-provision. The over-provision arrangements will be recorded in a deed of agreement or section 173 agreement.

The value of any credit and reimbursements for the construction of works, land or offsets shall equal the cost of the works identified in this Funding Program, subject to indexation in accordance with this Funding Program.

CREDIT FOR EARLY PROVISION

Where a developer is in credit against their Levy liability this credit balance will be indexed annually in accordance with the annual increase in the Levy.

The City may agree to accept early provision of offsets when approving the developer implementation plan.

FUNDS ADMINISTRATION

Levies which are collected under this Funding Program will be held by the City until required to be expended on implementation of the Plan's commitments and measures.

Details and records of funds received, and expenditures will be held by the City in accordance with the provisions of the *Local Government Act 2020* (Vic).

The administration of contributions made under the Funding Program will be transparent and demonstrate the:

- Amount and timing of funds collected

- Source of the funds collected
- Amount and timing of expenditure on specific projects
- Project on which the expenditure was made
- Details of works in kind, land in kind and offset arrangements

The City will provide for regular monitoring, reporting and review of the monies received and expended in accordance with this Funding Program.

The City will establish reserve accounts and all monies allocated to these accounts will be used solely for the provision of projects as itemised in the Funding Program.

Should Council achieve savings on any project or resolve not to proceed with any of the projects listed in this Funding Framework, the funds collected for these items will be used for alternative works necessary to deliver the commitments and measures of the Plan. Changes to the projects and offsets identified in this Funding Program will be agreed to by the *Northern and Western Geelong Growth Areas EPBC Plan Executive Committee*.

INDEXATION

The Project Costs outlined in this Funding Program are in 2025 dollars and will be adjusted by the City annually in accordance with the methodologies outlined below.

The adjusted Project Costs must be calculated as at 1 July in each year.

The adjusted Project Costs will inform the Levy and the City will publish the amended Levy on its website within 14 days of the adjustments being made.

Infrastructure Projects

Project Costs associated with the construction of infrastructure must be indexed annually in line with the *Australian Bureau of Statistics' Producer Price Indexes, Non-Residential Building Construction Index, Victoria*.

Land Projects

Project Costs associated with land value must be adjusted annually to reflect the value of the land as at the date of adjustment, to be determined by a registered valuer based on the same valuation principles that informed the initial valuation. Revisions may occur more frequently if market conditions warrant. Costs incurred by the acquiring authority under the *Land Acquisition and Compensation Act 1986* will be included in the Project Cost.

Offsets Projects

Project Costs associated with offsets must be adjusted annually pursuant to the following process:

- The City will seek an opinion of probable cost from a suitably qualified and experienced offset broker to inform the annual offset value per hectare.
- That offset value will be used to adjust the Project Costs associated with offsets.

REVIEW PERIOD

This Funding Program be reviewed when each PSP is prepared and approved to give effect to:

- Updates to any aspect of this Funding Program as required
- Review of projects required, as well as their costs and scope and provision trigger
- Preparation of a NDA and land budget for the new PSP for inclusion in this Funding Program.
- The publication of a Levy for the PSP area in question and updates to the Levy for any previous PSP areas as required.
- Review of land values for land to be purchased through the Plan.

MONITORING IMPACTS

The Plan identifies that impacts to MNES will not exceed offset delivery. This commitment and the early delivery of aspects of the offset program are central to the justification for the overall offset requirements.

The City will monitor impacts to MNES outlined in the Plan via the developer registration system under the 'EPBC Act Stream', as well as the PSP and planning permit process.

The PSP areas that are contributing impacts to MNES are shown in Table 7.

Table 7: MNES impact area and contribution to offset target

Precincts	Impact area (ha)	Offset target (ha)
Elcho Road East		
GSM mod-high	22.7	42.5
GSM low-no	148	111.0
GSM total	170.7	153.6
SLL total	49.9	126.3
NTG total	2	5.2
Elcho Road West		
GSM mod-high	4.8	8.9
GSM low-no	223.9	168.0
GSM total	228.7	176.9
SLL total	40.5	102.7
NTG total	1	2.5
Heales Road East		
GSM mod-high	0	0.0
GSM low-no	24.4	18.3
GSM total	24.4	18.3
SLL total	19.4	49.2
NTG total	2	5.3
Heales Road West		
GSM mod-high	1.5	2.9
GSM low-no	198.7	149.1
GSM total	200.3	152.0
SLL total	20.9	53.0
NTG total	0.4	1.1
Total across the NGGA		
GSM mod-high	29	54.3
GSM low-no	595	446.4
GSM total	624	500.7
SLL total	130.8	331.2
NTG total	5.4	13.9

Appendices

APPENDIX 1: BREAKDOWN OF COSTS

Northern Growth Area Project Costings Breakdown

Category	Project ID NG=Northern Grth Area WG=Western Grth Area SH=Shared	Project Name	Assumption Description 1	Description (Actual number)	Current Day Total Cost (2025)	Notes and details
Conservation areas	NG_CA_L_1	165 Staceys Road as conservation land - Northern Conservation Area (NCA)	\$120,000 per hectare	34.2 Ha	\$4,100,000	Land Valuation 14 November 2024
	NG_CA_L_2	195 Staceys Road as conservation land (NCA)	\$125,000 per hectare	32.77 Ha	\$4,100,000	Land Valuation 14 November 2024
	NG_CA_L_3	Part 225 Staceys Road as conservation land (NCA)	\$125,000 per hectare	17.36 Ha	\$2,270,000	Land Valuation 2 December 2024
	NG_CA_L_4	Part 135 Staceys Road as conservation land (NCA)	\$400,000 per hectare	25.96 Ha	\$10,375,000	Land Valuation 8 July 2025
	NG_CA_L_5	Part 870 Ballan Road as conservation land (NCA)	\$400,000 per hectare	10.9 Ha	\$4,350,000	Land Valuation 3 Sept 2025
	NG_CA_L_6	Part 550 Elcho Road as conservation land (NCA)	\$500,000 per hectare	15.1 Ha	\$7,550,000	Land Valuation 3 Sept2025
	NG_CA_L_7	Part 295-335 Elcho Road as conservation land - Eastern Conservation Area (ECA)	\$700,000 per hectare	6.7 Ha	\$4,690,000	Land Valuation 8 Sept 2025
	NG_CA_CW_1	Conservation contractors & works (NCA) 0-10 years	10-year management cost		\$8,093,016	Draft Northern Conservation Area CMP costings (Feb 2025)
	NG_CA_CW_2	Conservation contractors & works (ECA) 0-10 years	10-year management cost		\$494,078	Estimate from consultant
	NG_CA_CW_3	Conservation contractors & works (Gully area)	10-year management cost		\$494,078	Holding figure based on ECA estimate
	NG_CA_CW_4	Conservation maintenance costs 10-30 years	20-year maintenance cost	\$100,000	\$2,000,000	CoGG estimate of \$100K per year for 20 years to maintain NCA and ECA (may include pre-acquisition maintenance)
	SH_CA_CW_5	Conservation staff (1EFT)	30 years of salary 89% share	\$4,633,275.00	\$4,123,615	Based on Geelong EBA - Band 6

Category	Project ID NG=Northern Grth Area WG=Western Grth Area SH=Shared	Project Name	Assumption Description 1	Description (Actual number)	Current Day Total Cost (2025)	Notes and details
External Offsets	NG_OF_1_NTG	External offsets - 7.3 ha of Natural Temperate Grassland	\$350,000 per hectare + site costs	7.3 Ha	\$3,316,555	See Appendix 2 - Oct 2025 Letter from Biosis for details
	NG_OF_2_SLL	External offsets - 253 ha of habitat for Striped Legless Lizard	\$45,000 per hectare + site costs	253.3 Ha	\$16,763,730	See Appendix 2 - Oct 2025 Letter from Biosis for details
	NG_OF_3_GSM	External offsets - 381.5 ha of habitat for Golden Sun Moth	\$45,000 per hectare + site costs	381.5 Ha	\$22,366,304	See Appendix 2 - Oct 2025 Letter from Biosis for details
	NG_OF_4_BR	External offsets advice and brokerage cost			\$300,000	CoGG Estimate - includes broker fees and legal advice- annual cost updates and advice
Plan Preparation, Implementation & Governance	SH_PI_M_1	MERI framework development & implementation	89% share of cost	\$375,000.00	\$337,750	CoGG Estimate includes: 1. Prepare (independent) end of plan evaluation (\$125K), 2. Prepare (independent) five yearly assurance reports (\$250K)
	SH_PI_M_2	Project management staff(1 EFT)	30 years of salary - 89% share	\$150,040.00	\$5,482,757	Based on Geelong EBA - Band 8
	SH_PI_C_1	Compliance, education,admin staff (1 EFT)	30 years of salary - 89% share	\$114,210.00	\$4,123,615	Based on Geelong EBA - Band 6
	SH_PI_PP_1	Preparation of EPBC Plan, BCS, SAR and Surveys	89% share of cost	\$199,982.00	\$1,957,984	Consultant fees incurred to date or contracted to occur (figure subject to confirmation)
	NG_PI_PP_2	Technical study for Hovells Creek			\$110,154	Contracted consultant fee to prepare the study

Category	Project ID NG=Northern Grth Area WG=Western Grth Area SH=Shared	Project Name	Assumption Description 1	Description (Actual number)	Current Day Total Cost (2025)	Notes and details
	SH_PI_PP_3	Miscellaneous Consultancy costs	89% share of cost	\$200,000	\$178,000	CoGG estimates to 1. Prepare process based development approval standards (\$30K) 2. Prepare Stakeholder Engagement Strategy (\$30K) 3. Legal advice on Funding arrangements (\$60K) 4.Prepare online development registration system (\$60K), 5.Prepare Data management and sharing agreement (\$20K)
	NG_PI_PP_4	Conservation management plan for NCA			\$80,900	\$30,900 costs incurred on CMP plus \$50,000 for updates with additional area added
	NG_PI_PP_6	Conservation management plan for ECA			\$50,000	CoGG Estimate and includes Gully Avoidance Area
	NG_PI_F_1	Finance / interest costs (land acquisition)			\$3,769,200	3.6% interest over 10 years for Stage 1 NCA FZ properties
	NG_PI_F_2	Compensation (land acquisition)			\$2,617,500	25% of the total land acquisition cost for Stage 1 NCA FZ properties
TOTAL					\$114,094,236	

Western Growth Area Project Costings Breakdown

Category	Project ID NG=Northern Grth Area WG=Western Grth Area SH=Shared	Project Name	Assumption Description 1	Description (Actual number)	Current Day Total Cost (2025)	Notes and Details
Conservation Areas	WG_CA_CW_1	Conservation contractors and works (Cowies Creek) 0-10 years			\$17,596,550	Made up of \$9,760,220 (LMP figure) and \$5,836,330 (CMP figure) + \$2M additional salvage and wetland construction
	WG_CA_CW_2	Conservation maintenance costs (Cowies Creek) 10-30 years	20-year maintenance cost	\$50,000	\$1,000,000	\$50k per year for 20 years
	SH_CA_CW_5	Conservation staff (1EFT)	30 years of salary - 11% share		\$509,660	Based on Geelong EBA - Band 6
Plan Preparation, Implementation & Governance	SH_PI_M_1	MERI framework development and implementation	share of cost 11%	\$375,000	\$37,500	CoGG Estimate includes: 1. Prepare (independent) end of plan evaluation (\$125K), 2. Prepare (independent) five yearly assurance reports (\$250K)
	SH_PI_M_2	Project management staff (1 EFT)	30 years of salary - 11% share	\$150,040	\$677,644	Based on Geelong EBA - Band 8
	SH_PI_C_1	Compliance, education, admin staff (1 EFT)	30 years of salary - 11% share	\$114,210	\$509,660	Based on Geelong EBA - Band 6
	SH_PI_PP_1	Preparation of EPBC Plan, BCS, SAR and Surveys	share of cost 11%		\$241,998	Consultant fees incurred to date or contracted to occur (figure subject to confirmation)
	WG_PI_PP_2	Technical water studies for Moorabool River			\$150,000	CoGG estimate - Relates to MNES in downstream Moorabool River and Barwon River/Lake Connewarre

Category	Project ID NG=Northern Grth Area WG=Western Grth Area SH=Shared	Project Name	Assumption Description 1	Description (Actual number)	Current Day Total Cost (2025)	Notes and Details
	SH_PI_PP_3	Miscellaneous Consultancy costs	share of cost 11%	\$200,000	\$22,000	CoGG estimates to 1. Prepare process based development approval standards (\$30K) 2. Prepare Stakeholder Engagement Strategy (\$30K) 3. Legal advice on Funding arrangements (\$60K) 4.Prepare online development registration system (\$60K), 5.Prepare Data management and sharing agreement (\$20K)
	WG_PI_PP_5	Conservation management plan for Cowies Creek Conservation Reserve			\$155,129	Cost incurred to prepare draft CMP (55K) + updates (\$100k)
TOTAL					\$20,900,142	

APPENDIX 2: EXTERNAL OFFSET INFORMATION

24 October 2025

Project Manager – Northern & Western Geelong Growth Areas
City of Greater Geelong

Dear

Commonwealth offset estimate advice for the Northern and Western Geelong Growth Areas Strategic Assessment

Our ref: Matter 34591

Background

Development within the Northern and Western Geelong Growth Areas (Growth Areas) and associated infrastructure development outside the Growth Areas will lead to impacts to matters of national environmental significance (MNES) protected under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

To support development in the Growth Areas and to protect MNES, the City is undertaking a strategic assessment under Part 10 of the EPBC Act. As part of the strategic assessment process, the City has prepared the Northern and Western Geelong Growth Areas EPBC Plan (the Plan).

The Plan is supported by a Strategic Assessment Report and three implementation documents, including the NWGGA Strategic Assessment Funding Program. The Funding Program outlines the conservation land, offsets, resources and works that are required to give effect to the commitments of the Plan.

This advice has been prepared to support the Funding Program and includes:

- A summary of the external offset target committed to in the Plan.
- Cost estimates to secure the external offsets and implement EPBC offset policy requirements for the life of the Plan (30 years).
- A detailed breakdown of assumptions informing the cost estimates.

This advice is informed by Biosis' experience in delivering Commonwealth offset packages and implementing offset management plan requirements. Accredited native vegetation offset broker, Vegetation Link, was consulted during preparation. This advice is based on current offset market conditions, which is a highly volatile and shallow market, and the assumptions are likely to change over the life of the Plan. All projects, offset site conditions, landowner negotiations and management plans are situation/site specific, meaning this advice is general in nature and should be revised once more accurate inputs are available.

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Advice

External offset target

Commitment 16 of the Plan states that offset sites will be established to meet the following targets:

- 13.9 hectares of Natural Temperate Grassland of the Victorian Volcanic Plan (NTGVVP).
- 331.2 hectares of known habitat for Striped Legless Lizard *Delma impar* (SLL).
- 500.7 hectares of known habitat for Golden Sun Moth *Synemon plana* (GSM).

These offsets will be delivered through a combination of:

- The Northern and Eastern Conservation Areas in the Northern Geelong Growth Area (NGGA).
- Strategic offset locations outside of the NGGA to meet the balance of the offset targets.

Table 1 outlines the total offset target for each MNES, the offset area available within the Northern and Eastern Conservation Areas, and the residual offset amount required to be delivered external to the Growth Areas.

Table 1 Offset target summary

MNES	Total offset target (ha)	Area within the Northern and Eastern Conservation Areas (ha)	Offsets to be delivered external to the NGGA (ha)
NTGVVP	13.9	6.7	7.2
SLL	331.2	77.7	253.5
GSM	500.7	119.5	381.2

Cost estimate for external offsets

The estimated cost to purchase and establish the required external offset sites, followed by implementation of the City's responsibilities as per standard offset management plan requirements, for the life of the Plan (30 years) is as follows:

- Lower estimate: \$28,447,115.10, assuming the co-location of SLL and GSM offsets. Table 2 provides a breakdown of the cost estimate per MNES.
- Upper estimate: \$42,446,591.50, assuming no co-location of SLL and GSM offsets. Table 3 provides a breakdown of the cost estimate per MNES.

Table 2 Lower cost estimate breakdown

MNES	External offset (ha)	Site sourcing, purchase and establishment	Monitoring & auditing	Total estimate
NTGVVP	7.2	\$2,640,000.00	\$676,555.99	\$ 3,316,555.99
SLL	253.5	\$12,157,500.00	\$5,480,124.20	\$17,637,624.20
GSM	128.0	\$6,000,000.00	\$1,492,934.92	\$7,492,934.92
		\$20,787,500.00	\$7,649,615.10	\$28,447,115.10

Table 3 Upper cost estimate breakdown

MNES	External offset target (ha)	Site sourcing, purchase and establishment	Monitoring & auditing	Total estimate
NTGVVP	7.2	\$2,640,000.00	\$676,555.99	\$3,316,555.99
SLL	253.5	\$12,157,500.00	\$4,606,230.75	\$16,763,730.75
GSM	381.5	\$17,887,500.00	\$4,478,804.77	\$22,366,304.77
		\$32,685,000.00	\$9,761,591.50	\$42,446,591.50

Key assumptions informing these cost estimates are discussed in detail below.

Assumptions

Co-location of MNES

Commonwealth offset policy allows for the co-location of MNES at a single offset site provided all values are known to exist at the site and the co-location is confirmed at the time of offset management plan approval and site registration. It is not possible to co-locate MNES once an offset site is already registered. For this project, co-location of MNES could include:

- Site/s containing NTGVVP with suitable habitat and records for SLL and GSM.
- Site/s with suitable habitat and records for SLL and GSM.

Co-location of MNES minimises administration, upfront site purchase and establishment costs and ongoing implementation effort and costs. Co-location of MNES has the most influence on the overall cost of the offset package and largely depends on offset market availability and/or the effort put into site searching and selection.

The following assumptions inform the lower and upper cost estimates:

- Both estimates assume a single NTGVVP site could be sourced containing at least 7.2 hectares of the threatened ecological community. Given its relatively small size, we have assumed that SLL and GSM offsets would not be co-located at this site. Whilst it is likely that a good quality NTGVVP site would contain suitable habitat for SLL and/or GSM, the ongoing cost to monitor and audit the site for threatened fauna would not be cost efficient should the values be available at larger sites elsewhere.
- The lower estimate assumes all SLL offset sites would have suitable habitat and records for GSM. This means 253.5 hectares of the GSM offset target would be co-located within SLL offset sites. The remaining 128.2 hectare GSM requirement would be sourced separately.
- The upper estimate assumes none of the SLL offset sites would have suitable habitat and records for GSM, meaning the entire 381.5 hectare GSM offset target would need to be sourced separate to SLL.

The two scenarios represent best and worst-case outcomes. It is likely that the final package will end up somewhere in between.

Site sourcing and upfront purchase cost

The current availability of offset sites for the three MNES is low, and the upfront purchase cost (per hectare rate) is highly varied. The following assumptions are informed by recent market trades and discussions with accredited native vegetation offset broker, Vegetation Link:

- Offsets for NTGWVP are at critically low supply, which has caused the upfront purchase cost to increase significantly in recent years. Where sites are available, landowners are wanting to sell larger allocations of their site to minimise administrative and land management burden and risk. For smaller allocations, landowners are often asking for a minimum purchase price (i.e. \$1M regardless of size). Based on recent market trades we have assumed a single 7.2 hectare site could be sourced at \$350,000 per hectare.
- Offsets for SLL and GSM are in low supply and the full quantum required for this project is unlikely to currently exist in the market. However, sites can be brought to the market with enough lead time. The total number of sites required will depend on the ability to co-locate MNES and the size of each site. The number of sites secured will influence the total administrative and establishment costs and ongoing implementation effort and costs.
- The following assumptions inform the cost estimate:
 - Each SLL and GSM site would be a minimum of 50 hectares in size.
 - Up to five sites would be required to fulfil the 253.5 hectare SLL offset requirement.
 - For the lower estimate, assuming co-location of GSM and SLL, two additional GSM sites would be required to fulfil the balance of the target.
 - For the upper estimate, assuming no co-location of GSM and SLL, up to six GSM sites would be required separate to the SLL sites.
 - All SLL and GSM sites could be sourced for \$45,000.00 per hectare.

It is highly likely that the City (or the Growth Area landowners), with the assistance of an offset broker and experienced ecologist, would need to undertake a targeted site sourcing exercise to bring sites to the market. This would include site identification, on-ground verification of MNES values and landowner negotiation prior to reaching an agreement to purchase. The cost estimate assumes the following:

- The values of the potential NTGWVP site would need to be ground-truthed through a vegetation assessment. The cost for this would be approximately \$20,000.00 per site.
- Each potential SLL and GSM site would require a targeted species survey, which would cost approximately \$50,000.00 and \$20,000.00 respectively, per site.

Site establishment

Site establishment involves the necessary tasks to convert an offset site from in-principal agreement to registration. Typical tasks include:

- Site survey and plan preparation.
- Offset management plan preparation.
- Site registration (i.e. Trust for Nature registration fees).

The cost estimate assumes site establishment would be in the order of \$100,000.00 per site, and excludes site-specific items such as fencing, water point and access track installation.

Offset site monitoring

Each offset management plan will include a program to monitor and report on the effectiveness of management actions, and progress against key performance and completion criteria. This typically occurs over a 10-year management period with key performance criteria including the management of threats and maintaining or increasing vegetation quality, threatened species habitat and their abundance.

Implementation of the monitoring program can be the responsibility of the landowner or the approval holder (the City). Given the strategic nature of this project and to minimise the City's approval compliance risk, it is recommended that the City take responsibility of annual monitoring for the 10-year management period.

The 10 year cost-estimate for each offset site type is as follows:

- NTGVWP: \$361,023.13 per site
- SLL and GSM co-located: \$780,491.98 per site
- SLL: \$605,713.29 per site
- GSM: \$430,934.60 per site.

The following assumptions inform the monitoring cost estimate:

- Monitoring for all offset sites would comprise the following:
 - Weed monitoring twice annually.
 - Pest animal monitoring twice annually.
 - Vegetation condition and species habitat (where required) monitoring annually.
 - Reporting annually.
- In addition, the following MNES specific monitoring would occur:
 - NTGVWP offset sites: Point intercept transects, Vegetation Quality Assessments and reporting at Baseline and Years 2, 4, 6, 8, 10.
 - SLL offset sites: Population monitoring and reporting at Baseline and Years 2, 4, 6, 8, 10.
 - GSM offset sites: Population monitoring and reporting at Baseline and Years 2, 4, 6, 8, 10.
- 3% inflation year on year for the 10-year period.

Offset site auditing

The City will be responsible for auditing the implementation and effectiveness of each offset management plan. Audits will need to be conducted by an independent ecologist at specified years, typically at the end of Years 1, 4, 8 and 10. To manage approval compliance risk, it is recommended the City continue site auditing every 5 years following Year 10 for the life of the Plan (i.e. at the end of Years 15, 20, 25 and 30). Additional audits may be triggered if an offset management plan is reviewed or following an environmental incident resulting in significant change to site conditions. Additional audit costs have not been included as they are currently unknown.

The cost estimate for the eight audit events over the 30-year Plan is \$315,532.86 per site. There is an assumption of 3% inflation year on year for the 30-year period.

Yours sincerely

General Manager (Victoria)

APPENDIX 3: LAND BUDGET BY PSP

To be inserted when PSPs approved and gazetted.

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