12.1 PROPOSED REDEVELOPMENT OF IVANHOE AQUATIC CENTRE

Author: Nicole Maslin, Manager Healthy & Active Communities

Director: Joseph Tabacco, Director Community Wellbeing

Ward: Chelsworth

SUMMARY

1. Ivanhoe Aquatic Centre (IAC) is a key recreational facility situated on Waterdale Road, Ivanhoe. The facility currently attracts approximately 450,000 attendees each year and is at capacity which curtails Council's ability to meet future growth and demand within its catchment.
2. In 2012, Council adopted a Masterplan for the site and subsequently delivered Stage 1 upgrades in 2016 which resulted in the expansion of health and fitness areas, change rooms and some additional car parking.
3. In September 2022 schematic designs for Stage 2 redevelopment works, which focuses solely on an aquatic hall upgrade, was endorsed with an estimated cost of $29 million. Assuming construction commencement in 2027, an updated cost plan shows that the Stage 2 has now escalated to $40.8 million.
4. The IAC redevelopment is currently designated as one of Council's top strategic priorities and continues to be a central focus for advocacy efforts. Council's current strategic reserve allocation stands at $11.2 million. This report outlines considerations and options for Council to fund the balance of the project.
5. Importantly, if Council were to proceed with Stage 2 redevelopment works only, the balance of masterplan works including gym refurbishment, building consolidation, carparking enhancement and outdoor areas uplift would be required at a later stage to fulfill the overall project objectives, meet accessibility standards, maximise service deliverables and achieve acceptable industry standard subsidisation cost (per-head) results.
6. An independent assessment validates the viability of pursuing a consolidated full implementation of the masterplan at an additional estimated investment cost of $5.5 million which would achieve elevated capacity and revenue generation. This would translate to a total estimated project cost of $46.3 million.
7. The preferred funding option which best aligns with Council's Long-Term Financial Plan and Borrowing Strategy would require a loan facility of approximately $35.1 million. This option, if pursued, provides an appropriate balance between managing debt levels and preserving liquidity, while maintaining affordability and serviceability. Establishment of this loan facility gives Council funding flexibility for this important community infrastructure.
8. Whilst either of the two (2) options presented in this report result in a net deficit outcome after corporate overheads, the full-implementation scenario has a smaller average deficit in the foreseeable future.
9. As an intergenerational piece of community infrastructure, delivery of this project financed through a blend of strategic reserves and complemented with lending allows Council to distribute its financial responsibility over time, securing a legacy of quality amenity that meet the evolving needs of current residents whilst providing value for future generations.

RECOMMENDATION

That Council:

1. **Note Ivanhoe Aquatic Centre program rooms, pools and spa infrastructure are at end-of-life.**
2. **Authorise the preparation of formal concept plans and schematic designs in response to a full masterplan implementation option which is currently estimated at $46.3 million and seek community feedback.**
3. **In addition to the existing $11.2 million strategic and cash reserve allocation for project implementation, refer the balance of preliminary redevelopment costs, currently estimated at $35.1 million, to the 10-year Capital Works Program to be considered as part of the proposed 2026-2030 Budget process.**
4. **Consider the establishment of a loan facility through Treasury Corporation Victoria, providing low-risk and flexible borrowing arrangements, including defined review points and the capacity for early repayment without penalty, supporting active debt management over the life of the loan if executed.**
5. **Receive a further report outlining consultation findings, update cost estimates and consider endorsement of schematic designs before proceeding to a detailed design state and any subsequent tender process.**

BACKGROUND

- First established in the mid-1980's, Ivanhoe Aquatic Centre (IAC) is a key municipal recreation facility servicing the southern end of the municipality.
- The facility is well utilised and attracts more than 450,000 visits annually, however it is heavily constrained and at capacity which restricts Council's ability to meet demand, maximise operational efficiency and expand its offering.
- The two (2) pools currently operating at the centre sit inside the original 50 metre pool shell which was the training site for the 1956 Olympic Games. The pool infrastructure is at end-of-life and represents a risk to Council and the continued operation of the facility.
- Consistent with the masterplan process and supported by expert advice, the cost of replacing pool plant equipment only and retaining the existing pool shells is neither practicable or recommended as it comes at a significant cost, close to the cost of demolishing and rebuilding the facility.

Adopted Masterplan

- As an ageing asset, in 2012, Council developed a Masterplan that sought to establish a roadmap for redevelopment to meet growing community needs and to modernise the service offering in a rapidly changing and competitive environment.
- The adopted Masterplan recommended a comprehensive but staged upgrade over a 10-to-15-year period.
- In 2015, Council budgeted for and commenced an upgrade of the dry side services at IAC which included:
    - Expansion of the centre's (dry side) health and fitness areas
    - Improved amenities and accessibility
    - Improved reception area and social space
    - Refurbishment of internal and external features

- Provision of additional car parking
- Office and storage space for staff

- Beyond the works delivered in the mid 2010's, the Masterplan underscored the need for further redevelopment works which includes a proposed expansion of the aquatic areas.
- The Masterplan also suggests the need for a further expansion of the health and fitness area, integration and consolidation of outbuildings currently used for classes and change rooms.

Previous Community Consultation

- In 2022, Council released to the public for consultation concept plans for the second stage of works.
- Feedback gathered during this consultation period supported a further expansion of the proposed aquatics spaces which exceeded what the Masterplan concept suggested.
- Consequently, and based on community feedback and acknowledging the passage of time since the Masterplan was prepared, a revised concept was developed that sought to meet emerging and future demand.
- The revised option concept that was socialised with the community included:
    - Increasing size of the warm water pool
    - Separating the new learn to swim pool from existing toddlers (12.5m x 10m)
    - Removing the outdoor zero-depth play space and adding water play features to the toddler's area
    - Adding a steam room with the spa and sauna.
- Outcomes from the consultation process remain accessible to the public on Council's Shaping Banyule webpage www.shaping.banyule.vic.gov.au/IvanhoeAquatic.

Expert Validation

- The original concept and the revised concept were both independently assessed and reviewed for financial, economic, social and health merits.
- A further peer review and detailed analysis with benchmarking highlighted additional opportunities missing from the original concept.
- The outcomes of the review process were presented to Council for consideration in September 2022 at which time Council endorsed a revised schematic design which incorporated the community and expert feedback. This formed the basis of what is now commonly referred to as '*Stage 2 redevelopment works*'.
- In 2022, the 'Stage 2 redevelopment works' were originally estimated to cost approximately $29 million **(Attachment 1 – Stage 2 Redevelopment Works – 2022 Endorsed Schematic)**. Due to market changes and escalating capital works costs, recent independent cost modelling identifies that this sum is now significantly higher at approximately $40.8 million.
- Consequent to the adoption of the schematic design, as part of Council's long-term capital works and budget planning processes, to date, Council has set aside approximately $11.2 million in its reserves toward the delivery of this project.

Advocacy Priority

- In preparing its position on matters of priority projects, for several years, Council has nominated Ivanhoe Aquatic as one of its key advocacy projects for delivery.
- In late 2024, officers submitted a detailed application for funding under the Commonwealth Government's Housing Support Program. In late 2025, Council was informed that it was unsuccessful in securing funds through the program.
- Ivanhoe Aquatic Centre redevelopment remains listed as a key priority of Council in its more recent list of advocacy projects which were adopted in late 2025.
- After recent discussions with bureaucrats and politicians it is now understood that the likelihood of significant scale State or Commonwealth funding for this project is low. However, smaller pools of funding may be available for specific elements of the project if pursued e.g. energy related grants.
- It has been widely reported in the media that the quantum of State and Commonwealth funding needed for aquatic infrastructure nation-wide exceeds $8 billion.

Banyule Aquatic Strategy

- The endorsed 2023 Banyule Aquatic Strategy includes specific actions and references that substantiate the need for investment in this project. Specifically:
    - *Recommendation One (1) - IAC was identified in the service hierarchy as a Major / Municipal facility.*
    - *Recommendation Three (3) - Detailed scope for Stage Two (2) of the IAC redevelopment to be prioritised and refined following review of the masterplan, further stakeholder consultation and in response to budget constraints.*
    - *Recommendation Seven (7) - That Council continues to identify opportunities to include environmentally sustainable design initiatives in the development of facilities in recognition that our aquatic and leisure centres are a key focus to support Council in achieving its organisational carbon neutrality by 2028.*
- Challenges, issues and opportunities identified for IAC in the Strategy include:
    - *An ageing population catchment and membership profile.*
    - *The need for flexible water space including larger spa, steam, and sauna facilities.*
    - *Learn to Swim program is at capacity in peak times. Opportunities to review the pool configuration and lane space allocation.*
    - *Impact of new facility developments in the surrounding catchment must be considered when planning and designing future facility expansion.*

KEY ISSUES

- The proposed redevelopment of IAC will provide significantly improved aquatic facilities, ensuring that the facility is equipped to meet the needs of an expanding community.
- Over the next two (2) decades, the centre's primary catchment area (3.5 km) is forecast to grow by 65%. Children (ages 0–14) and Older Adults (ages 55–85+) are expected to account for 17.7% of this projected population increase.
- The key objectives for the redevelopment are to:

- Deliver a state-of-the-art aquatic service to meet community needs.
- Provide easy access to the building and aquatic facilities for all users.
- Provide modern recreational aquatic and gym facilities. To achieve the highest possible operating efficiency commensurate with the functional requirements through good architectural and engineering design.
- Achieve an overall design unity through a design theme, to provide identity and character benefits to the complex and grounds as a whole.
- Deliver a fully electric building.
- Deliver a high performance environmentally sustainable design (ESD) outcome in line with Banyule ESD commitments and policies.
- Deliver a 5-star Green Star Project.
- Provide a facility functional for current and future use.

Endorsed Delivery - 2022

- The proposed $40.778 million ‘Stage 2 redevelopment works’ of IAC will include enhancements to the facility, including, but not limited to:
    - New Pool Hall - New aquatic facilities and amenities.
    - New 10m x 12.5m learn to swim pool (0.9m - 1.2m deep) including ramp - temp 31.8-32 degrees.
    - New 14m x 10m Toddler pool (0.4m) beach entry and play features - temp 31.8-32 degrees.
    - New 25m x 16.8m pool (1.0m - 1.8m deep) including ramp, seven (7) lanes at 2.4m each - temp 28 degrees.
    - New concourse.
    - New high-performance building envelope.
    - New plant for filtration, boilers and mechanicals.
    - New airlock to pools (rework existing foyer and party room).
    - New family change village (demolition of the existing sauna, shower, spa, family change room and ramp).
    - School change opportunities.
    - Storage.
    - The proposed warm water pool, with an inset spa, will better service the growing older adult cohort (55 to 85+), as well as those living with a disability or chronic health condition through specific programming.
    - The warm water pool will feature culturally sensitive design and functionality, supporting our culturally diverse communities and programming and its further development to support our Women’s Only programming.
    - Enhanced changing areas and increased capacity, with the inclusion of dedicated changing spaces will support families and school groups.
    - Improved accessibility for those living with a disability or chronic health condition with the inclusion of *Disability Discrimination Act 2006* (DDA) compliant pools and accessible change spaces.

Carbon Emissions Impact and Risk to Target28

- Gas consumption at the existing Ivanhoe Aquatic Centre currently results in approximately 457 tCO_2^{-e} of carbon emissions per annum, representing around 12% of Council's total Scope 1 and 2 emissions profile.
- With the electrification redevelopment of WaterMarc progressing through advanced design and expected to be completed in 2027, Council's overall operational emissions are projected to significantly decrease. In this context, if Ivanhoe Aquatic Centre remains in its current form, its emissions would increase in relative significance to over 20% of Council's remaining Scope 1 and 2 emissions.
- This concentration of emissions within a single asset presents a material risk to achieving Council's Real Zero (Target28) commitment, as it would substantially limit the organisation's ability to eliminate remaining fossil fuel use within the required timeframe.
- The proposed redevelopment provides a critical and time-efficient opportunity to transition the facility to a fully electric outcome, aligned with Council's ESD objectives and climate action commitments.
- Delivering electrification as part of a planned redevelopment enables integration of plant, building systems, and supporting infrastructure in a coordinated and cost-effective manner. Council procures 100% renewable electricity for its operations as a result of its participation in the Victorian Energy Collaboration (VECO). As a result, transitioning a facility from gas to electricity leads to a substantial reduction in operational emissions.
- While retrofitting the existing facility outside of a redevelopment to achieve full electrification would be technically feasible, it would likely be logistically complex, operationally disruptive, and significantly more costly, due to constraints associated with the existing building form, plant configuration, and service capacity.
- Proceeding with the redevelopment therefore represents the most practical and lowest-risk pathway to materially reduce emissions from one of Council's largest remaining sources and achieve Real Zero carbon emissions by 2028.

Economies of Scale Opportunity – Full Implementation Option

- The Masterplan foreshadows additional works that exceed the current endorsed 'Stage 2 redevelopment works'.
- In reviewing the original business case prepared and considered by Council in 2022, officers have identified an opportunity to consolidate the balance of works in the Masterplan, eliminating the need to plan for more disruptions and further capital investment in future years.
- The emerging opportunity would seek to demolish all outbuildings, consolidate the footprint of the building, incorporate a gym expansion, new program areas, deliver much needed additional car parking and facilitate new outdoor spaces and landscaping.
- The following summary provides context for this option:
    - The upgrade of gym and consolidation of the final stages will be required in the future, so the opportunity to complete the Masterplan and deliver a whole purpose-built facility at the same time, saving on costs and reducing disruption, has merit and advantages **(Attachment 2 – 2025 Financial Model and Economic Assessment)**.
    - If pursued, IAC will match other nearby municipal facilities that have been recently upgraded including Northcote, Eltham and Reservoir.
    - The gym facilities are currently situated across three (3) building on the site, which are not connected, require patrons to navigate themselves through several buildings. This has been a safety concern for several years with many complaints received by users.

- Part of the current gym facilities were delivered more than 10 years ago. The balance of gym and program facilities were originally designed for different purposes. These spaces have only received minor upgrades.
- Independent advice and analysis from Council's architects and aquatics consultants recommend pursuit of an additional option for consideration that addresses the constraints described above and deliver an expanded gym, program, change and outdoor areas. **(Attachment 3 – Proposed Full Masterplan Implementation Concept).** This would add an estimated additional $5.5m to project costs and would include:
  - Expanded Gym with zones for:
    - Multi-Function
    - Stretch & Recovery
    - Cardio,
    - Light Dumbbell
    - Heavy Dumbbell
    - Pin Load Weights
    - Three (3) studio multi-purpose (ability to connect two (2) into a large space) approx. 120m2.
  - New male, female and DDA change rooms.
  - Landscaping to building periphery.
  - DDA Pathways.
  - Approximately 30 additional car parking spaces (an additional investment of $1.8 million would deliver a further 24 spaces on top of the proposed 30 - bringing the total to 54).
  - Flexible recreation outdoor space.
  - Plant room loading zone and driveway with bus loading/unloading.
  - Opportunities to explore 24/7 operations.

Business Case Analysis

- An independent 10-year financial model and Economic Assessment has been undertaken for the two (2) options discussed in this paper.
- The Analytics Financial Model provides an assessment of a facility's projected operations and utilisation.
- The model considers the facility relative to its:
  - Catchment
  - Anticipated revenue streams
  - Programming
  - Membership
  - Staffing structure
  - Overhead expenses
  - Additional costs (such as pre-opening expenses and add on costs)
  - Anticipated CPI and business growth impacts over a 10-year period.
  - The 10-year base case business projections in the report are summarised for both options in the following table to enable comparison of projections.

Business Indicator	(Endorsed) Stage 2 redevelopment works	Full masterplan implementation
Revenue	Increase annually, ranging from $5,082,000 in year one (1) to $6,780,000 by year ten (10).	Increase annually, ranging from $5,712,000 in year one (1) to $7,621,000 by year ten (10).
Expenditure	Increase annually, ranging from $4,830,000 in year one (1) to $6,241,000 in year ten (10).	Increase annually, ranging from $4,935,000 in year one (1) to $6,373,000 in year ten (10).
Operating Surplus	Average annual operating surplus of approximately $418,000.	Average annual operating surplus of approximately $1,036,000.
Net Deficit	Once corporate overheads are accounted for, it is expected to return an average annual net deficit of $1,282,000.	Once corporate overheads are accounted for, it is expected to return an average annual net deficit of $664,000.
Attendance	517,000 annually.	596,000 annually.

- The table below compares the financial, social, and economic outcomes of each development option i.e.:
    - (Endorsed) 'Stage 2 redevelopment works'; and
    - (Proposed) Full masterplan implementation
- Both options reveal increasing annual revenue and expenditure over a ten-year period.
- A full redevelopment and implementation of the entire Masterplan shows that it would generate:
    - Higher revenue
    - Higher utilisation
    - An operating surplus.
- While both options result in a deficit after corporate overheads, the aquatics and gym/program scenario has a smaller average deficit.
- Social and economic benefits are also greater for aquatics and gym/program expansion. It delivers a higher net present value of total benefits, greater regional income generation, and more job creation during the construction period compared to the (endorsed) Stage 2 redevelopment works.

Social and Economic Benefits	(Endorsed) Stage 2 redevelopment works	Full masterplan implementation
Benefit Cost Ratio	2.50 (3% discount rate) or 2.37 (4% discount rate).	2.55 (3% discount rate) or 2.42 (4% discount rate).
Net Present Value	Estimated at $102 million (3% discount) over a 10-year period.	Estimated at $118 million (3% discount) over a 10-year period.
Regional Income Generation	The total increase in regional income generated by the operation of the facility and users/day visitor spending totals $105 million over a 10-year period or an annual average of $10.5 million.	The total increase in regional income generated by the operation of the facility and users/day visitor spending totals $122 million over a 10-year period or an annual average of $12.2 million.
Jobs	A total of 174 FTE jobs (139 direct jobs and 35 indirect jobs) would be generated during the construction period.	A total of 197 FTE jobs (158 direct jobs and 39 indirect jobs) would be generated during the construction period.

- A separate options analysis **(Attachment 4 – Alternative Site Aquatic Redevelopment Assessment)** was conducted to evaluate the feasibility of a 'greenfield' development option – that is – building a new facility elsewhere in Banyule instead of redeveloping on the existing site at the current Waterdale Road, Ivanhoe site.
- Benchmarking against other local government aquatic projects including Kensington Aquatic Centre, Mordialloc Aquatic Centre, Kew Recreation Centre was undertaken.
- The assessment revealed that on a 30-year Net Present Value basis, assuming a $46.3 million rebuild of the existing Ivanhoe Aquatic Centre, the rebuild option remains financially preferable to constructing a new aquatic centre when taking into account an estimated (and conservative) $20 million land acquisition and approximately $70 million construction, with a present-value saving in the order of $20–25 million under standard discount rates.
- Importantly the redevelopment of the existing Ivanhoe site capitalises on the previous Stage 1 investment in redeveloping the front-of-house which would otherwise be lost if Council were to pursue a new site.
- The existing Ivanhoe site is located on land that is zoned Public Park and Recreation Zone (PPRZ) making realising the land problematic from a community perspective and Planning perspective and would be subject to Windfall Gains Tax if rezoned reducing any financial return from the land if it were rezoned and subsequently sold.
- In summary, a rebuild at an estimated $46.3m materially improves the service outcome compared to minimal redevelopment yet still represents a significantly lower lifecycle cost than a new build requiring land purchase. Any decision to pursue a new build would therefore need to rest primarily on non-financial considerations (equity, regeneration, network expansion) rather than whole-of-life cost efficiency.

Strategic Funding Approach for Redevelopment

- The following table provides a summary of the current operating performance of the existing facility for the last two (2) financial years, 2023/24 and 2024/25.

	2023/24	2024/25
Income		
User Fees and Charges	$4,355,355	$4,209,600
Other Income	$8,838	$3,839
Total Income	**$4,364,193**	**$4,213,439**
Expenditure		
Staff costs	$2,432,824	$2,622,040
Materials and Services	$1,052,410	$912,663
Total Operating Expenditure	**$3,485,234**	**$3,534,703**
Net Operating Result	**$878,959**	**$678,736**
Depreciation	$114,449	$37,483
Finance Costs	$5,702	$391
Other expenses	-$2,142	$6,345
Corporate Overheads	$1,647,831	$2,091,266
Total	**$1,765,841**	**$2,135,485**
Net Centre Result	**-$886,881**	**-$1,456,749**

- Current operational highlights include:
  - Nearly 500,000 attendances annually.
  - Cost to Council per visit is $5.16.
  - 70% of expenditure derived from income (approx. $9 income per visit).

Redevelopment Costs

- The estimated cost for the IAC redevelopment project is as follows:
  - $40.778 million – 'Stage 2 redevelopment works' endorsed schematic design (aquatics only).
  - $46.322 million – full masterplan implementation (leveraging economies of scale).

- This represents a significant investment in community infrastructure and to realise the final stage of the masterplan.
- Delivering this project requires a robust funding strategy that balances financial sustainability with the achievement of Banyule's strategic objectives.
- Borrowings are suggested as part of an overall funding strategy which seeks to provide a blend of funding sources that can be adjusted based on Council's option and borrowing preference.

Funding Strategy and Options

- In line with Council's Long-Term Financial Plan (LTFP) and Borrowing Strategy, a strategic funding options analysis was undertaken to assess the most appropriate approach to financing the Ivanhoe Aquatic Centre redevelopment. The purpose of this analysis was to test affordability, serviceability, liquidity impacts and compliance with adopted financial sustainability benchmarks before identifying a preferred funding model.

Funding and Borrowing Principles

- The assessment was guided by Council's adopted financial principles, including prudent debt management, preservation of liquidity, intergenerational equity and the use of borrowings for long-life community assets where operating cash flows can sustainably service debt.

Funding Options Considered

- Three (3) funding options were modelled using indicative Treasury Corporation of Victoria (TCV) interest rates and a 15-year loan term:
    - *Option 1* tested a heavily blended approach with a higher reliance on Council cash and reserves and lower external borrowing.
    - *Option 2* tested a balanced funding mix combining borrowings and Council reserves.
    - *Option 3* tested a fully debt-funded approach with no draw on Council reserves.
- Each option was assessed against projected operating results, cash flows, liquidity ratios and debt servicing capacity in line with LTFP assumptions.

Preferred Funding Option

- Following this assessment, *Option 2* is identified as the preferred funding option, as it best aligns with Council's Long-Term Financial Plan and Borrowing Strategy objectives. This option provides an appropriate balance between managing debt levels and preserving liquidity, while maintaining affordability and serviceability over the forecast period.
- Under *Option 2*, the project would be funded through borrowings of $35.1 million via the Treasury Corporation of Victoria (TCV) loan facility, complemented by $11.2 million in Council cash and reserves.

Borrowing Source, Approval and Debt Management

- The proposed borrowings would be sought through the TCV, consistent with Council's Borrowing Strategy and standard Victorian local government practice. The TCV loan facility provides low-risk and flexible borrowing arrangements, including defined review points and the capacity for early repayment without penalty, supporting active debt management over the life of the loan.
- Importantly, any borrowing by a Victorian council is subject to formal assessment and approval by the relevant authority. In Victoria, a council's borrowing capacity is assessed through a staged approval process involving multiple State bodies, with the Department of Treasury and Finance (DTF) undertaking the formal credit and capacity assessment.

- As part of this process, Council must first demonstrate affordability and disclose planned borrowings through its Annual Budget, 10-Year Financial Plan and 10-Year Asset Plan, as required under the *Local Government Act 2020*. Local Government Victoria (LGV) coordinates and reviews councils' proposed borrowings for consistency with legislation and planning frameworks and submits endorsed proposals to the Minister for Local Government.
- DTF then conducts the definitive assessment of Council's borrowing capacity. This assessment examines financial viability, cash-flow sustainability, capacity to service debt, existing debt levels and refinancing risk, using historic audited results and forward projections. DTF subsequently recommends a maximum borrowing limit to the Treasurer, who formally approves (or rejects) the borrowing limit. Councils cannot borrow beyond this approved limit.
- Once the borrowing limit is approved, the TCV acts as the lender, providing and structuring the loan facility in accordance with the approved limit.
- This process ensures that borrowings are only approved where Council continues to meet all required financial, prudential and sustainability thresholds.

Affordability and Serviceability Assessment

- The business case has been prepared for planning and affordability assessment purposes, consistent with LTFP requirements. Financial modelling confirms that, under the preferred option, Council can service principal and interest repayments within projected operating results and cash flows, while maintaining liquidity ratios within Victorian Auditor-General's Office (VAGO) benchmarks and compliance with Council's Financial Sustainability Strategy. This will be further assessed as project progresses through the next stages of the redevelopment including the final funding mix with regard to prevailing economic conditions and financial position subject to DTF approval.

Financial Sustainability Outcome

- The preferred funding option demonstrates that Council can deliver a significant intergenerational community asset while maintaining financial sustainability and not compromising Council's capacity to fund ongoing services and future capital priorities.

SUPPORTING REPORT DETAILS

Legal Consideration

- There are no direct legal implications arising from the recommendation contained in this report.

Human Rights Charter

- In developing this report to Council, the subject matter has been considered in accordance with the requirements of the *Charter of Human Rights and Responsibilities Act 2006.*
- It is considered that the subject matter does not raise any human rights issues.

Gender Impact Assessment

- Section 9 of the *Gender Equality Act 2020* states Council, as a defined entity, must conduct a Gender Impact Assessment for policies, strategies, plans, programs, and services that are new or up for review and have a direct and significant impact on the public.
- In developing this report, the subject matter has been considered in accordance with the requirements of Section 9 of the *Gender Equality Act 2020.*

- As a result of the attached preliminary Gender Impact Assessment (GIA) development **(Attachment 5 – Preliminary Gender Impact Assessment)**, the following recommendations and adaptations were identified to reduce gender inequality and promote gender equality:
    - Inclusion of a purpose-built warm water pool that can be closed off for privacy and women-only sessions;
    - Integration of women-only aquatic programs as a permanent and expanded offering.
    - Improved family-friendly and accessible change facilities;
    - Expanded learn-to-swim and therapeutic programs;
    - Flexible programming to enable carers to participate; and
    - Cérge virtual tours and sensory guides to reduce anxiety.
- Following an options analysis, the proposed full masterplan implementation redevelopment is recommended because it directly addresses:
    - Capacity constraints;
    - Accessibility; and
    - Existing gendered barriers.
- The proposed full masterplan implementation redevelopment also facilitates equitable access and participation for women, carers, older adults, and people with disability, and aligning with projected population growth and community needs.
- The GIA also drew on Banyule's Gender Equity Data Report, aquatic sector research, and industry guidelines. Community engagement highlighted the need for flexible aquatic spaces, women-only programs, accessible facilities, and culturally sensitive provision.
- Should Council resolve to proceed with progressing the project, the GIA will be reviewed and updated at key project milestones to ensure ongoing assessment and continuous improvement.

Environmental And Climate Change Impact Assessment

- Banyule City Council declared a climate emergency in 2019. *The Local Government Act 2020* mandates that councils must act on climate change by trying to minimise their contributions to global warming and mitigate and plan for climate change risks.
- As a planning authority and land manager Banyule City Council also has a legislated requirement to protect land, water and biodiversity in Banyule, under the *Planning & Environment Act 1987 and Catchment & Land Protection Act 1994.*
- The *Environment Protection Act 2017* outlines Councils General environment duty to, so far as reasonably practicable, minimise risks of harm to human health and the environment from pollution and waste.
- In developing this report to Council, the subject matter has been considered against key determinants of environmental and climate change impact.
- It is considered that the subject matter provides a significant opportunity to benefit the environment.
- The proposed redevelopment enables the transition of one of Council's largest carbon emitting facilities to a fully electric, high-performance building, resulting in a substantial reduction in operational greenhouse gas emissions. This supports Council's commitment to achieve Real Zero (Target28).
- The integration of Environmentally Sustainable Development (ESD) initiatives, including improved energy efficiency, electrification, and renewable electricity procurement through the Victorian Energy Collaboration will reduce reliance on fossil fuels and minimise ongoing environmental impacts and contribute to Council's broader climate change mitigation objectives.

Sustainable Procurement Outcomes

- There are no sustainable procurement activities arising from the recommendations contained in this report. However, following the future adoption of final schematic designs, sustainable procurement outcomes will be discussed at the contract award stage.

Community Engagement

- In 2020 targeted stakeholder engagement was undertaken to review the 2012 Masterplan and inform the development of the Draft Banyule Aquatic Strategy.
- Throughout 2021, several workshops were held to address the scope of this next stage and explore Sustainable Environmental Design (ESD) goals.
- In April 2022 Council consulted with facility members, staff and the community receiving feedback from 117 participants through an online survey.
- The feedback suggested there is widespread support for this redevelopment which has been earmarked since 2012 as part of Council's ongoing commitment to positive health and wellbeing outcomes for the community.
- Further community consultation will be conducted in accordance with Council's Community Engagement Policy. Opportunity for the community, facility members and staff to provide feedback on the next stage of design work over the next 12+ months, with feedback and options reported back to Council.

Key Considerations

- The current global economic environment is characterised by heightened geopolitical instability, constrained energy supply, elevated construction input costs, and renewed inflationary pressures. These factors collectively increase risk to the cost, timing and financial feasibility of major council-led capital projects such as aquatic facility redevelopments.
- Ongoing conflict in the Middle East has disrupted global energy supply routes, pushing up oil, diesel, freight and insurance costs. Approximately 20% of global oil supply flows through the Strait of Hormuz, and its disruption has triggered significant fuel price volatility.
- Higher fuel and energy prices feed directly into construction costs for:
  - Concrete, steel and bitumen (energy-intensive inputs)
  - Mechanical plant and cranes (diesel-dependent)
  - Transport and logistics for materials and equipment
  - Australian construction bodies report fuel-related material price increases and emergency fuel surcharges.
- Officers will continue to maintain a close watching brief on global and national developments and report back to Council on any emerging risks and impacts.

OFFICER DECLARATION OF CONFLICT OF INTEREST

- The *Local Government Act 2020* requires members of Council staff, and persons engaged under contract who provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.
- Council officers involved in the preparation of this report have no conflict of interest in this matter.

ATTACHMENTS

1. Attachment 1 - Stage 2 Redevelopment Works - 2022 Endorsed Schematic (**12.1.1** - 12 pages)
2. Attachment 2 - 2025 Financial Model and Economic Assesment (**12.1.2** - 33 pages)
3. Attachment 3 - Proposed Full Masterplan Implementation Concept (**12.1.3** - 57 pages)
4. Attachment 4 - Alternative Site Aquatic Redevelopment Assessment (**12.1.4** - 4 pages)
5. Attachment 5 - Preliminary Gender Impact Assessment (**12.1.5** - 9 pages)