

### *Version*

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### *Disclaimer*

Every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented in this report. However, Ethos Urban Pty Ltd accepts no liability for any actions taken on the basis of report contents.

### *Contact details*

For further details please contact Ethos Urban Pty Ltd at one of our offices:

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**Ethos Urban Pty Ltd**

ABN 13 615 087 931

---

Level 8, 30 Collins Street  
Melbourne VIC 3000

173 Sussex Street  
Sydney NSW 2000

Level 4, 215 Adelaide Street  
Brisbane QLD 4000

(03) 9419 7226

(02) 9956 6962

(07) 3852 1822

---

[economics@ethosurban.com](mailto:economics@ethosurban.com)

[www.ethosurban.com](http://www.ethosurban.com)

***Our Reference: 3200198***

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## Abbreviations

The following abbreviations are used in this report:

- **ABS:** Australian Bureau of Statistics
- **DELWP:** Department of Environment, Land, Water and Planning
- **DoT:** Department of Transport
- **DJPR:** Department of Jobs, Precincts and Regions.
- **EES:** Environment Effects Statement.
- **FTE:** Full time equivalent employee.
- **RRV:** Regional Roads Victoria (formerly VicRoads).
- **SA2:** Statistical Local Area – an Australian Bureau of Statistics statistical geography.
- **Scoping Requirements:** *The Scoping Requirements for Beaufort Bypass Project Environment Effects Statement* (DELWP 2016) prepared by DELWP on behalf of the Minister for Planning. The Scoping Requirements set out the matters to be investigated and documented in the EES.
- **SSC:** State Suburb – an Australian Bureau of Statistics statistical geography.
- **The Project:** The proposed alignment for the Western Highway bypass for Beaufort.
- **TI Act:** *Transport Integration Act 2010*.
- **TRA:** Tourism Research Australia.
- **VIFSA:** Victoria in Future Statistical Area

## Executive Summary

A regional economic assessment study was undertaken for the Beaufort Bypass project (the project).

The assessment considered the existing and future economic conditions within the study area and potential impacts to individual business and Beaufort township resulting from four proposed alignment Options (refer to Figure 2.1).

The four Options were assessed in terms of their respective economic impacts, benefits, and costs in line with the *Scoping Requirements for Beaufort Bypass Project Environment Effects Statement* (DELWP 2016).

The economic performance of all Options are considered to be relatively similar, noting the following observations:

- C0 is the best performing Option in view of land acquisition and severance impacts.
- A1 is the best performing Option in terms of capital cost (\$391.3m) with C2 (\$482.5m) the worst.
- C2 supports most direct and indirect employment due to its higher capital cost (relative to other Options).
- All Options (A0, A1, C0 and C2) would result in similar potential impacts to highway trade dependent business in Beaufort when operational and similar potential benefits in the longer term associated with the township broadening its appeal to visitors and potential residents.

A preferred project Option (C2) has been identified with respect to the findings of all technical reports undertaken for the EES (refer to Table 8.1 for assessment criteria and results).

For the preferred Option (C2) the Environmental Risk Assessment identified a number of initial risks; however, all these risks are considered manageable through described mitigation measures, standard controls, and additional controls.

## Introduction

Regional Roads Victoria (RRV), formerly VicRoads, proposes to construct a new freeway section of the Western Highway to bypass the town of Beaufort (the project), linking completed sections of the Western Highway duplication to the east and west of Beaufort.

On 22 July 2015, the Minister for Planning determined an Environment Effects Statement (EES) would be required under the *Environment Effects Act 1978* (EE Act) to assess the potential environmental effects of the project. The EES includes consideration of four alternative alignments and selection of a preferred bypass alignment which identifies the land to be reserved for the future construction. The EES process provides for identification and analysis of the potential environment effects of the project and the means of avoiding, minimising and managing adverse effects. It includes public involvement and allows stakeholders to understand the likely environmental effects of the project and how they will be managed.

### 1.1 Project Background

The Western Highway is the primary road link between Melbourne and Adelaide. It serves interstate trade between Victoria and South Australia and is a key transport corridor through Victoria's west. Over 6,500 vehicles utilise the Western Highway, west of Ballarat each day. Of these 6,500 vehicles, 1,500 are classed as commercial heavy vehicles. These traffic volumes are expected to increase to approximately 7,500 by 2025 and 9,500 by 2040.

RRV have identified the need to upgrade the Western Highway from Ballarat to Stawell to:

- Improve road safety at intersections
- Improve safety of access to adjoining properties
- Enhance road freight efficiency
- Reduce travel time
- Provide better access to local facilities
- Improve roadside facilities.

As part of planning studies commissioned by the Commonwealth and State Governments, bypass route options around the town of Beaufort have been considered to meet the objectives identified by RRV and the National Land Transport Network's Nation Building Program.

The project would include construction of a dual carriageway, connections to major intersecting roads, interchanges to connect Beaufort to the Western Highway at the eastern and western tie-in points, several waterway crossings, an overpass of the Melbourne-Ararat rail line, and intersection upgrades at local roads and provision for service roads as required.



## **1.2 Project Objectives**

The Project objectives are to:

- Improve road safety and maintain the functionality of Beaufort's road network;
- Improve freight movement and efficiency across the road network;
- Improve amenity by removing heavy vehicles;
- Improve access to markets and the competitiveness of local industries.

## 2 Project Description

The project would comprise of an 11 km freeway standard bypass to the north of the township of Beaufort, connecting the two recently duplicated sections of the Western Highway to the east and west of Beaufort. The project would be constructed under a Design and Construction or Construction contract administered by a superintendent at RRV / Major Road Projects Victoria (MRPV), following a competitive tender process. Department of Transport would manage and maintain the asset.

### 2.1 Freeway Standard Bypass

The project would connect the duplicated sections of the Western Highway to the east and west of Beaufort via the Option C2 bypass to the north of Beaufort that avoids Snowgums Bushland Reserve and cuts through Camp Hill. The bypass would include the following key components:

- Designed as a freeway standard bypass
- Approximately 11 km long
- Designed to 120 km/hr and sign posted to 110 km/hr for its entirety
- Two tie-in interchanges
- One road over rail bridge
- Waterway crossings
- Diamond interchange to connect with the local road network
- Four overpass bridge structures over the local road.

### 2.2 Interchanges

The project would have interchanges at the following locations:

- Tie-in points to existing Western Highway at the eastern and western ends of the bypass;
- Diamond interchange at existing local road network connection (Beaufort-Lexton Road).

### 2.3 Bridges & Culverts

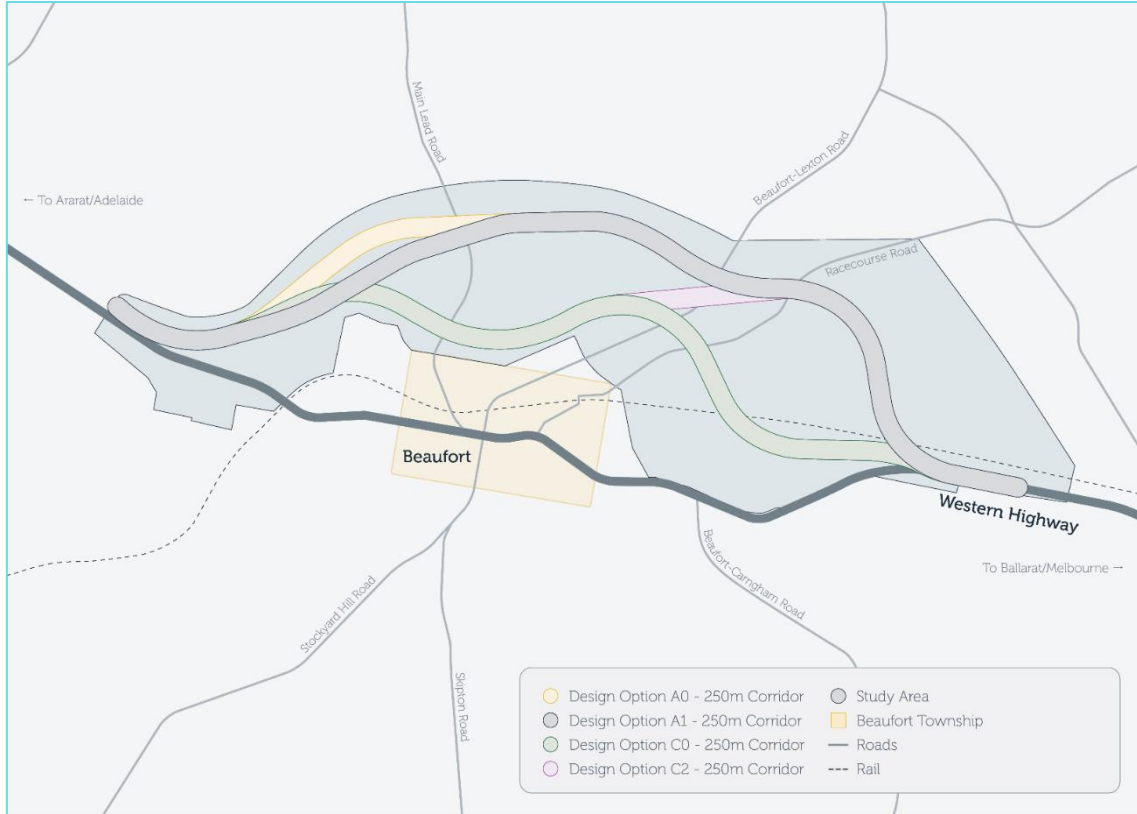
The route option would have bridge structures at the following locations:

- Road over rail bridge structure for the Melbourne- Ararat rail line
- Several waterway bridge structures over Yam Holes Creek
- Overpass bridge structures for the existing local road network:
  - Main Lead Road
  - Beaufort-Lexton Road (diamond interchange)
  - Racecourse Road
  - Back Raglan Road

## 2.4 Alignment Descriptions

Four alignment options, referred to as Options A0, A1, C0 and C2, were assessed in order to identify a preferred bypass. Following extensive community consultation and technical assessments, Option C2 was selected as the preferred route.

Figure 2.1: Beaufort Bypass alignment options and study area



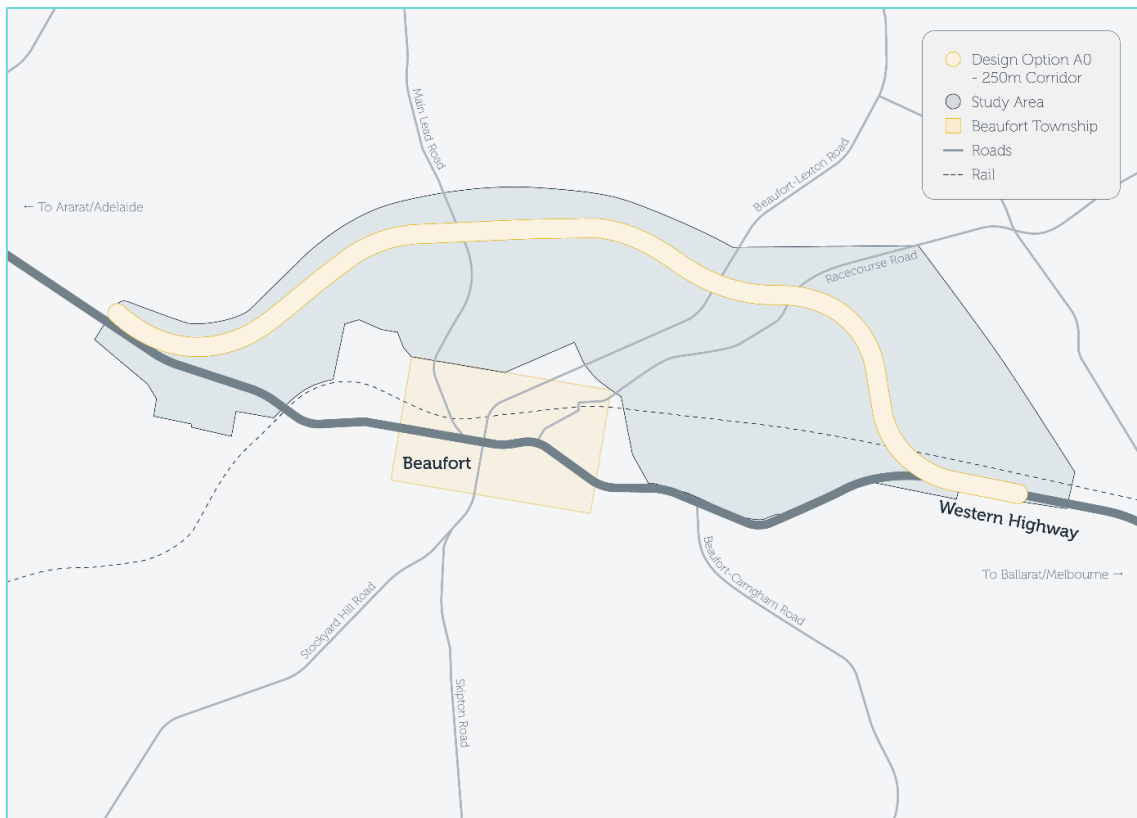
Source: WSP

**2.4.1 Options Assessed**

Option A0

The A0 bypass alignment is 11.2km in length and is the northern most bypass option. From the western tie-in point, approximately 3km from the Beaufort township, this alignment curves north – north east, where there will be a west-facing, half diamond interchange to maintain access to private properties and the township via the existing Western Highway. The alignment passes over Main Lead Road then climbs through the State Forest north of Camp Hill. From here it descends to a full diamond interchange at Beaufort-Lexton Road, which will provide access to the north and south of the township, before re-joining the Western Highway at its eastern extent, approximately 4.5km from Beaufort. An outbound exit ramp at the eastern interchange will allow for eastern access to Beaufort via the existing Western Highway. Bridges will pass over Main Lead and Racecourse Roads, as well as over the Melbourne-Ararat train line. The main areas of fill occur at bridge and interchange locations with a large cut section north of Camp Hill.

**Figure 2.2: Beaufort Bypass A0 alignment option**

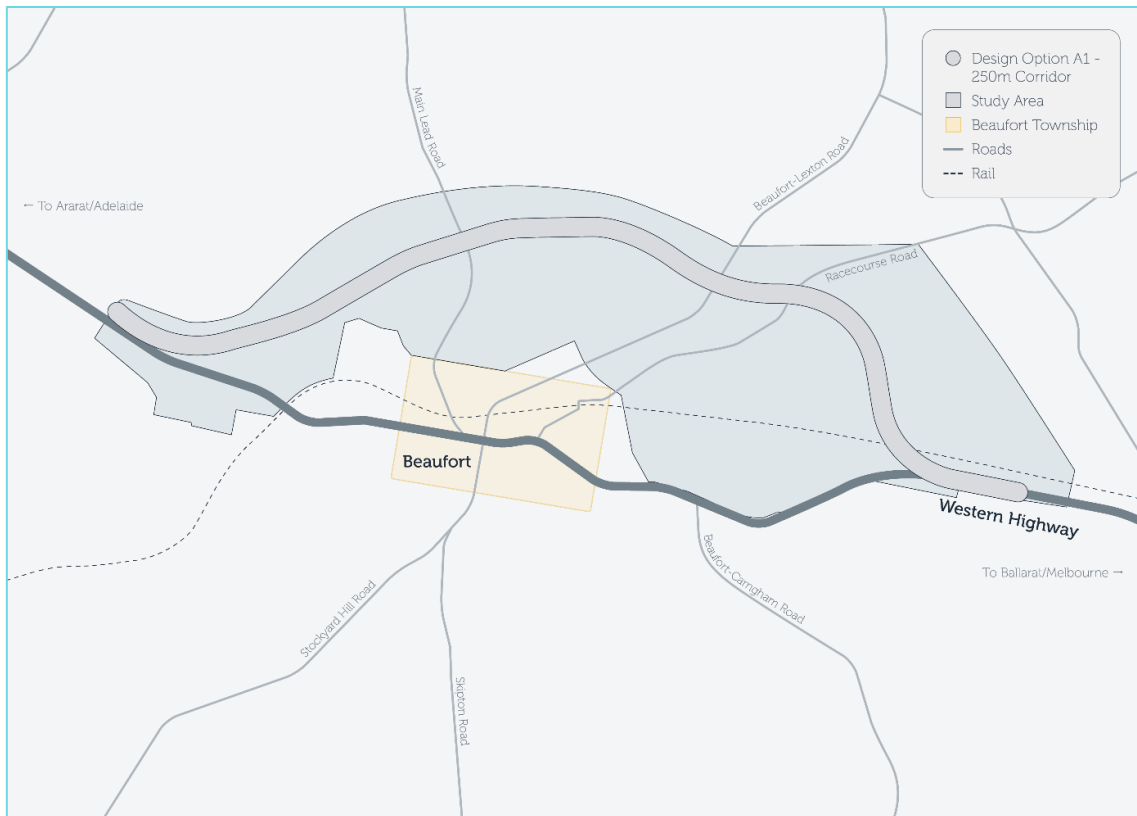


Source: WSP

Option A1

The A1 bypass alignment option is 11.1km in length. Approximately 3km from the Beaufort township, this alignment deviates north-east from the Western Highway, staying slightly south of option A0 until a point east of Main Lead Road, where it re-joins the A0 alignment. There will be a west-facing, half diamond interchange at the western tie-in to maintain access to private properties and the township of Beaufort via the existing Western Highway, and a full diamond interchange at Beaufort-Lexton Road to maintain north-south access. The A1 alignment will re-join the Western Highway approximately 4.5km to the east of the township. An outbound exit ramp at the eastern interchange will allow for eastern access to Beaufort via the existing Western Highway. Bridges will pass over Main Lead and Racecourse Roads, as well as over the Melbourne-Ararat train line. The main areas of fill occur at bridge and interchange locations, with cuts north-east of Back Raglan Road, and north of Camp Hill.

**Figure 2.3: Beaufort Bypass A1 alignment option**

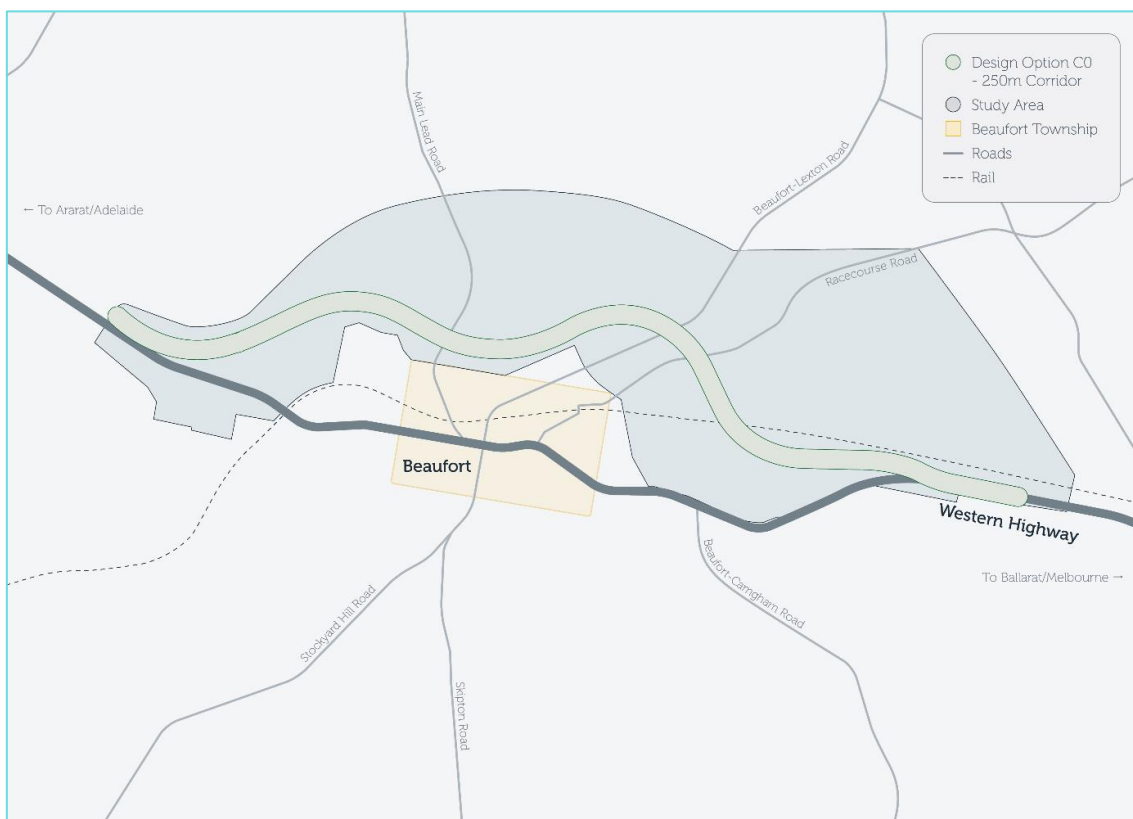


Source: WSP

Option C0

The southernmost option, C0, is approximately 10.6km in length from the west to east tie-in points of the Western Highway. Access to the Beaufort township via the existing Western Highway will be maintained by a west-facing, half diamond interchange in the west. The C0 option follows the A0 option from the western tie-in point, approximately 3km from the Beaufort township, before deviating at Back Raglan Road in a more easterly direction almost parallel to the existing Western Highway. This option passes close to the north of Camp Hill, with some cut and fill required in this section, before curving south-east to a full diamond interchange at Beaufort-Lexton Road, providing north-south access. The C0 alignment will re-join the Western Highway approximately 4.5km to the east of the township. Bridges will pass over Main Lead and Racecourse Roads, as well as over the Melbourne-Ararat train line. The main areas of fill occur at bridge and interchange locations, with the largest cut and fill areas north and north-east of Camp Hill.

**Figure 2.4: Beaufort Bypass C0 alignment option**



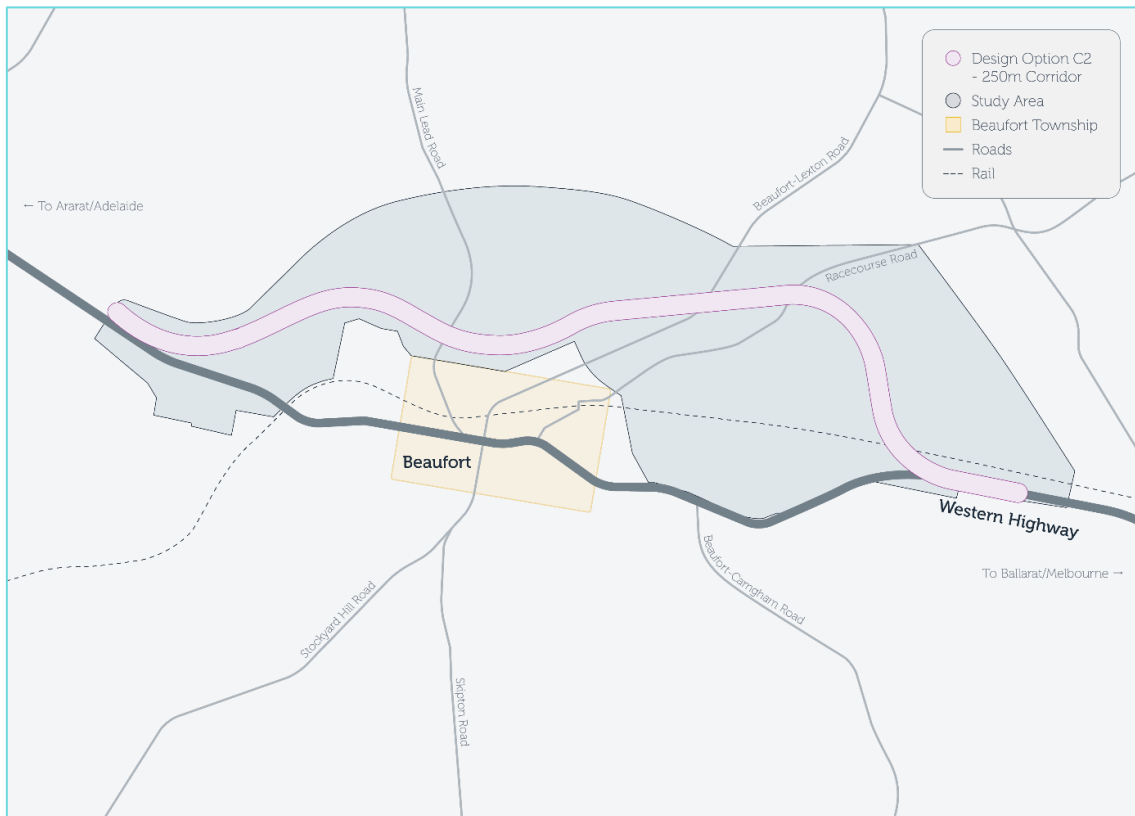
Source: WSP

**2.4.2 Preferred Alignment**

Option C2

Option C2 is 11km in length and is a hybrid between the A0 and the C0 options. It follows the C0 option from the western tie-in point (approximately 3km from the Beaufort township) until Beaufort-Lexton Road, where it continues in an easterly direction and joins the A0 alignment near Racecourse Road. The C2 alignment will re-join the existing Western Highway at the eastern tie-it point, approximately 4.5km from the township. At the western extent, access to Beaufort via the existing Western Highway will be maintained by a half diamond interchange, and there will be a full diamond interchange over Beaufort-Lexton Road. Access to Beaufort via the existing Western Highway at the eastern approach will be maintained by an outbound exit ramp at the eastern interchange. Again, bridges will pass over Main Lead and Racecourse Roads, as well as over the Melbourne-Ararat train line. The main areas of fill occur at bridge and interchange locations, with the largest cut and fill areas north and north east of Camp Hill.

**Figure 2.5: C2 Alignment Corridor in Beaufort Bypass Study Area**



Source: WSP

## 2.5 Project Construction

The following construction sub-sections describe the construction activities and timing for the project.

### 2.5.1 Construction Activities

Construction activities would include:

- Preconstruction site delineation and compound setup, which may include (but not be limited to) tree clearance and vegetation lopping / removal, and establishment of construction site(s) and access tracks
- Establishment of environmental and traffic controls
- Route clearance and relocation and / or protection of utilities
- Channel realignments to maintain existing flow paths
- Construction drainage and sediment and erosion control mitigation
- General earthworks:
  - excavation of a cut including stripping of topsoil and placement of fill
  - import, export, and stockpiling of fill
  - treatment of contaminated soil or removal of hazardous material, if required
- Development of structures, interchanges, batters, drainage, and pavement
- Development of ancillary infrastructure:
  - noise barriers
  - lighting
  - safety barriers
  - line marking
- Landscaping and site reinstatement.

Construction of the Bypass is expected to take two years commencing once future funding is secured.

## 2.6 Operations & Maintenance

Operations and maintenance of the project would be consistent with current practices and standards, including the VicRoads' *Roadside Management Strategy* (2011). Key objectives include:

- asset management of:
  - landscaped areas
  - stormwater drains
  - bridges and culverts



- road pavement
- signage
- barriers
- line marking
- enhancement of transport safety, efficiency, and access
- protection of environmental and cultural heritage values
- management of fire risk
- preservation and enhancement of roadside amenity
- routine and life cycle maintenance activities throughout operations
- monitoring and management of areas of environmental sensitivity such as water bodies and wildlife corridors.

### 3 EES Scoping Requirements

The *Scoping Requirements for Beaufort Bypass Project Environment Effects Statement* (DELWP 2016) (Scoping Requirements) have been prepared by DELWP on behalf of the Minister for Planning. The Scoping Requirements set out the specific environmental matters to be investigated and documented in the EES, which informs the scope of the EES technical studies (refer Figure 3.1).

The following matters of the Scoping Requirements are relevant to the Regional Economy Existing Conditions and Impact Assessment:

#### **EES Evaluation Objective**

**Land use and economic:** To minimise and manage adverse effects on local business (including agriculture) and existing or planned land uses.

## 4 Methodology

### 4.1 Study Area

The terminology utilised throughout the current technical assessment relating to the study area and alignment options is defined below.

**Study area:** The study area for the Beaufort Bypass EES project includes approximately 1,800 ha of land north of the Beaufort township, which contains the four bypass options assessed in this report. During the development stages of the alignment options, the study area was assessed to determine potential environmental impacts and constraints to individual alignment options. Further to this general EES study area, Ethos Urban have used the ABS geographies of Beaufort SSC and Beaufort SA2 to reflect potential impacts on businesses and landowners in and around the alignment option corridors (refer to section 6.1).

**Alignment options:** Alignment options (A0, A1, C0 and C2) refer to the four selected bypass options assessed within the study area. Each alignment option consists of a 250 m corridor in which the specific bypass option has been designed. Each alignment option, unless otherwise stipulated, is the area assessed for direct and indirect impacts resulting from the construction, operation, and maintenance of the project.

### 4.2 Existing Conditions Assessment

The following tasks were associated with the Existing Conditions Assessment:

- 1 Participation in project initiation meeting with client and project team. Undertook site visit to Beaufort and surrounding areas relevant to the proposed route Options.
- 2 Defined study area which represents the geographic economic region of relevance to the Project.
- 3 Prepared an overview of the business, tourist and agricultural activities (collectively referred to as 'enterprises') located within the defined study area, including numbers, size, value, employment and other relevant data.
- 4 Reviewed local and state policies, strategies and laws relating to these enterprises where relevant to the project.
- 5 Mapped the study area, indicating enterprises as being of High, Medium, and Low importance in terms of access impacts from the bypass alignment Options, and diversion of highway traffic from the Beaufort township.
- 6 Identified issues, opportunities and constraints associated with each option from an economic perspective through 10 personal interviews, focusing on the relationship of these businesses to the existing alignment of the Western Highway and Options for diversion around the Beaufort township (refer to Appendix B).

### 4.3 Risk Assessment

An environmental risk assessment (ERA) has been utilised in the Beaufort Bypass EES to identify environmental impacts associated with the construction and operation phases of the project. The risk assessment process is consistent with the guidance provided in Sections 3.1 and 4 of the *Scoping Requirements for the Beaufort Bypass Project EES* (DELWP 2016) and the *Ministerial guidelines for assessment of the environmental effects under the Environment Effects Act 1978* (DSE 2006).

The purpose of the ERA was to provide a systematic approach to the identification and further assessment of potential impacts resulting from the project, whether they be environmental, social, or

economic. The ERA articulates the probability of an incident with environmental, social or economic effects occurring and the consequence of that impact to the environment. Identified impacts with a medium or higher initial risk are subject to detailed impact assessment and mitigation treatments, detailed within each discipline impact assessment.

The project defines risk and impact as:

- “*Environmental risk reflects the potential for negative change, injury or loss with respect to environmental assets*” (DSE 2006). This approach is consistent with ISO 31000: 2018, which defines risk as “*the effect of uncertainty of [environmental] objectives*”. Both definitions reflect the fact that risk is typically expressed in terms of the likelihood of a change occurring and the consequence of that change.
- Environmental impact is described as any change to the environment as a result of project activities.

The risk assessment is a critical part of the EES process as it guides the level and range of impact assessment for the EES and facilitates a consistent approach to risk assessment across the various disciplines.

#### **4.3.1 Risk Assessment Process**

The ERA has guided the environmental impact assessment for the project. The objectives of the ERA are to:

- identify primary environmental risks that relate to the construction and operation of the project
- guide the level and extent of investigation and data gathering necessary for accurately characterising the existing environment and assessing the project's environmental impact
- help identify mitigation measures to avoid, minimise and mitigate environmental risks
- inform assessment of likely residual effects that are expected to be experienced after standard controls and proposed mitigations have been implemented.

The risk assessment process for the EES adopts a risk management framework as detailed in the VicRoads Environmental Sustainability toolkit. The process includes:

- an approach to environmental management which is aligned with ISO 31000: 2018
- systems used to manage environmental risk and protect the environment, and how these are implemented at different stages of road construction, operation, and maintenance
- tools and reporting requirements which provide guidance in managing environmental issues throughout the project.

The ERA identifies impact events for each relevant element of the environment, details the primary risks and has informed the level and range of technical reporting required to address predicted impacts. The ERA utilises a risk matrix approach where the likelihood and consequence of an event occurring are considered (refer Tables 4.1, 4.2 and 4.3). All risks are reassessed at regular intervals during all phases of the project, from the development of the EES to operation and maintenance, to ensure they are still applicable, that controls are appropriate and effective, and that they reflect most recent outcomes of specialist technical studies.

**Table 4.1: Risk Assessment Matrix**

CONSEQUENCE			LIKELIHOOD				
			Rare (A)	Unlikely (B)	Possible (C)	Likely (D)	Almost Certain (E)
Risk Categories							
Catastrophic	5	Medium	High	High	Extreme	Extreme	
Major	4	Medium	Medium	High	High	Extreme	
Moderate	3	Low	Medium	Medium	High	High	
Minor	2	Negligible	Low	Low	Medium	Medium	
Insignificant	1	Negligible	Negligible	Negligible	Low	Low	

Based on the project objectives and context, a set of project-specific and appropriate assessment, likelihood and consequence were developed.

The likelihood categories and consequence descriptions are used as a guide for evaluating risk and are shown below in Table 4.2 and Table 4.3.

**Table 4.2: Likelihood categories**

RARE (A)	UNLIKELY (B)	POSSIBLE (C)	LIKELY (D)	ALMOST CERTAIN (E)
Less than once in 12 months OR 5% chance of recurrence during course of the contract	About once in 6 months OR 10% chance of recurrence during course of the contract	About once in 4 months OR 30% chance of recurrence during course of the contract	About once in 2 months OR 50% chance of recurrence during course of the contract	About once in a month OR 100% chance of recurrence during course of the contract
The event may occur only in exceptional circumstances	The event could occur but is not expected	The event could occur	The event will probably occur in most circumstances	The event is expected to occur in most circumstances
It has not happened in Victoria but has occurred on other road projects in Australia	It has not happened regionally but has occurred on other road projects in Victoria	It has happened in the Beaufort region	It has happened on an adjoining section of the Western Highway	It has happened on more than one of the adjoining Western Highway projects OR It has happened multiple times on an adjoining Western Highway project

Consequence criteria have been developed for the project in consultation with technical specialists. The result is a discipline and aspect-specific set of consequence descriptors used to define what would be considered an Insignificant, Minor, Moderate, Major and Catastrophic consequence associated with a risk event.

**Table 4.3: Regional Economy – Environmental Risk Assessment Consequences Descriptors**

Aspects	Insignificant	Minor	Moderate	Major	Catastrophic
Project has a detrimental impact on business operators	No loss of revenue	Minor loss of revenue	Medium loss of revenue	Significant loss of revenue	Business closure

The risk assessment was undertaken for each discrete alignment option as each option had a distinct profile, type, and extent of environmental impacts. The assessment of these impacts is detailed within Sections 7 and 9 of this report.

See Appendix A for outcomes of the ERA process.

#### 4.4 Impact Assessment

The impact assessment for the project has utilised the environmental risk assessment to inform the areas for further investigation. Impact assessments were prepared in two stages, initially to inform the options assessment and following the selection of the preferred alignment, impact assessment were revised to report impacts and mitigations specifically on the preferred alignment.

assessed within this assessment have typically been identified as having a medium or higher initial risk within the risk assessment when standard controls were applied. The project describes and assesses impacts in terms of the following:

- description of impact
- identification of whether impacts are direct or indirect
- prediction of the magnitude, extent, and duration of impact
- overall rating of impact (without mitigation)
- residual rating of impact (with mitigation).

The following tasks were associated with the Regional Economy Impact Assessment:

- 1 Identified potential impacts on the regional economy arising from the proposed Options including detailed commentary on the following sectors: Retail, Tourism, Construction and Agriculture.
- 2 Undertook case studies of regionally located bypass projects, comparing the before and after impacts on local businesses.
- 3 Prepared a Highway Trade Dependency Assessment to quantify the potential trade and employment impacts of the bypass on Beaufort businesses.
- 4 Identified and quantified the improved efficiency of regional transport; and costs and benefits to local businesses associated with the bypass Options.
- 5 Determined investment benefits in the constructions phase (including opportunities for local business participation); impact of loss of agricultural and forestry and/or other related disruption to these sectors.
- 6 Undertook interviews with relevant businesses to identify potential impacts and mitigation measures.
- 7 Participated in relevant project workshops and community engagement processes (Options Assessment Workshop, Technical Reference Group, Environmental Risk etc).

- 8 Prepared an economic assessment report that provides detailed analysis of each option to inform the selection of a preferred alignment.

Specific details on methodologies are included in Chapters 7 and 9.

#### 4.5 Mitigation

Mitigations for identified impacts were developed by discipline specialists in consultation with RRV. All identified mitigations developed for the project have been informed by specialist experience with proven feasible control measures for major civil infrastructure projects, industry best practice measures and regulatory measures defined by State, Commonwealth and International Government agencies.

Mitigations for the project were developed throughout the impact assessment process to inform the residual impacts of the preferred alignment, which are detailed in Section 11.

#### 4.6 Options Assessment

The alignment refinement for the Beaufort Bypass has been undertaken in three distinct phases since project inception. These are discussed in the Beaufort Bypass Options Assessment Report (EES Attachment IV) as:

- Phase 1 – Concept alignment development
- Phase 2 – Option development and assessment
- Phase 3 – Identification of preferred alignment.

This options assessment method section considers the Phase 3 assessment and details the process for selection of the preferred alignment.

The Phase 3 assessment considered four alignment options to select the preferred alignment, utilising a customised comparative options assessment to rank each option against the following areas:

- Biodiversity
- Catchment values and hydrology
- Cultural heritage (Aboriginal and Historic)
- Social and Community
- Amenity
- Landscape and Visual.

Multiple scoring scenarios and sensitivity testings were undertaken against each option to ensure the environmental, social, heritage and economic assessment criteria aligned with the EES evaluation objectives. The scoring framework developed sought to ensure a wholistic decision-making process was undertaken, and that no single scoring or sensitivity scenario would be the primary determining factor in the identification and selection of the preferred alignment.

Weightings for the assessment included the application of six scenarios and sensitivity tests to eliminate bias of specific environmental constraints. These scenarios included:

- Scenario 1: Apply a score of 1 to 4 from least to highest impact

- Scenario 2: Alignment with highest number of least impact scores
- Scenario 3: Apply a score of 1 to the highest impact and then subtract the percentage difference between alignments
- Scenario 4: Apply a score of 1 to least impact and then add the percentage difference between remaining alignments
- Scenario 5: As per Scenario 3, but minus criteria that can be mitigated
- Scenario 6: As per Scenario 4, but minus criteria that can be mitigated.

The sensitivity tests included:

Scoring sensitivity scenario 1:

- Options with the lowest impact and other options within 5% of the lowest impact are apportioned a score of one point and a green light
- Options within 5-20% of the lowest impact option are apportioned a score of zero points and an amber light
- Options with an impact of 20% or greater than the lowest impact option are apportioned a score of minus one and a red light.

Scoring sensitivity scenario 2:

- Options with the lowest impact and other options within 5% of the lowest impact are apportioned a score of one point and a green light
- Options within 5-25% of the lowest impact option are apportioned a score of zero points and an amber light
- Options with an impact of 25% or greater than the lowest impact option are apportioned a score of minus one and a red light.

Scoring sensitivity scenario 3:

- Options with the lowest impact and other options within 5% of the lowest impact are apportioned a score of one point and a green light
- Options within 5-15% of the lowest impact option are apportioned a score of zero points and an amber light
- Options with an impact of 15% or greater than the lowest impact option are apportioned a score of minus one and a red light.

The assessment process included an iterative process with RRV, the Technical Reference Group (TRG), legal and discipline specialists to refine the assessment environmental risk workshops and develop a customised assessment matrix. The suite of assessment criteria are detailed within the Beaufort Bypass Options Assessment Report.



## 5 Legislation, Policies and Guidelines

This section assesses the project against the Commonwealth and State legislation, policies, and guidelines relevant to the Regional Economy Impact Assessment.

### 5.1 State Legislation, Regulation & Policy

#### 5.1.1 Victoria's 30 Year Infrastructure Strategy, Infrastructure Victoria 2016

Victoria's 30-year Infrastructure Strategy (2016), prepared by Infrastructure Victoria is a state-wide, evidence-based plan covering all types of infrastructure. The Strategy sets out a pipeline of initiatives, including 137 recommendations to be delivered over the next three decades to help create the best possible future for the state.

In relation to the regional road network and commercial productivity, Infrastructure Victoria makes the following recommendation (13.4.1, p.144):

*“Establish a transparent and evidence-based process for prioritising, at a state level, regional highway upgrades that will increase productivity and safety for road users within 0-5 years. This should involve the application of strategic criteria and draw on local knowledge and assessment of region-specific priorities”.*

*“High-priority projects that will improve the level of service for commercial vehicles and improve safety and capacity for all road users could include highway duplications (for example on the Western Highway from Ararat to Stawell), road widenings with centre safety barriers (for example on the Goulburn Valley Highway), town bypasses (for example Shepparton and Traralgon), upgraded river crossings (for example at Swan Hill) and upgrades to improve traffic flow such as overtaking lanes”*

The Beaufort Bypass project aims to improve productivity, capacity, and safety for road users in line with Infrastructure Victoria's Strategy.

#### 5.1.2 Transport Integration Act 2010

The *Transport Integration Act 2010* (TI Act) came into effect on 1 July 2010 and is Victoria's principal transport statute.

The TI Act requires that all decisions affecting the transport system be made within the same integrated decision-making framework and support the same objectives. The TI Act brings together the transport portfolio, including ports and marine, under one statute.

The Act, which falls under the purview of the Department of Jobs, Precincts and Regions (DJPR), provides a framework with six transport system objectives (what we are aiming for) and eight decision-making principles (how we deliver this aim). Decision makers must have regard to all these objectives and principles. The triple bottom line framework is summarised below.

#### 5.1.3 Local Jobs First Act 2003

The *Local Jobs First Act 2003* seeks to provide for the development and implementation of a Local Jobs First Policy. This Policy is developed in response to Section 4 of the *Local Jobs First Act 2003*, and is a requirement for projects, developments and procurements undertaken or funded by the State Government. The objectives of the Local Jobs First Policy include promoting employment and business growth for local industry and enhancing awareness of and access to local industry capability for contractors.

Under the *Local Jobs First Act 2003*, the Minister may declare the project to be ‘standard’ (includes projects in rural and regional Victoria with a budget of \$1 million or more) or ‘strategic’ (includes projects with a budget of \$50 million or more). Construction of the Beaufort Bypass project would be in excess of \$50 million and therefore fall into the strategic project category under the Act.

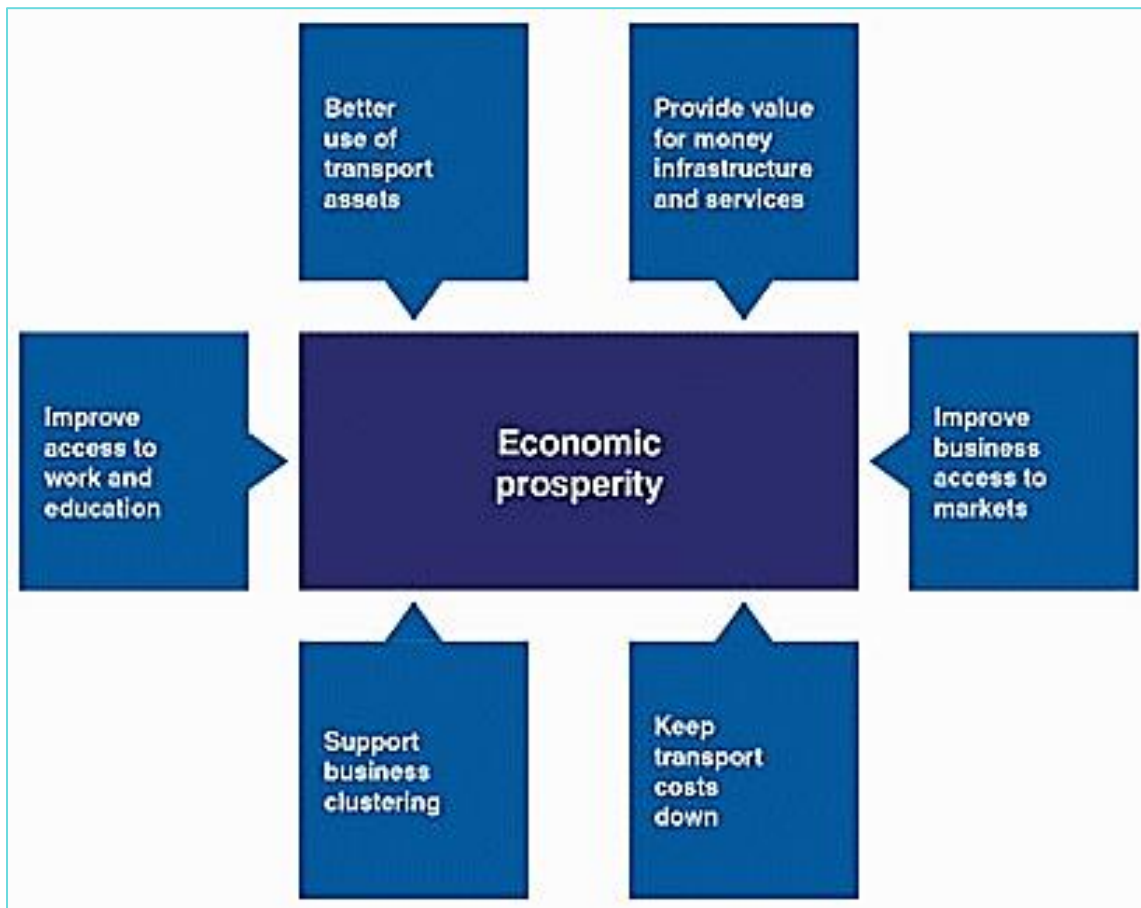
The Minister for Industry, Support and Recovery determines percentage quotas for local employment for strategic projects to ensure employment for local people first. In this case, Beaufort would be considered a strategic project and subject to local employment targets set by the Minister.

**Economic Prosperity**

Transport has an important role facilitating economic prosperity. An efficient and reliable transport network helps the productivity of existing businesses. It also helps people access a wide range of job opportunities.

The Beaufort Bypass project aims to improve the efficiency and reliability of the transport network and in doing so generate productivity gains for existing businesses.

**Figure 4.1: Transport Integration Act 2010 – Economic Prosperity Framework**



Source: Department of Jobs, Precincts and Regions (formerly Department of Economic Development, Jobs, Transport and Resources)

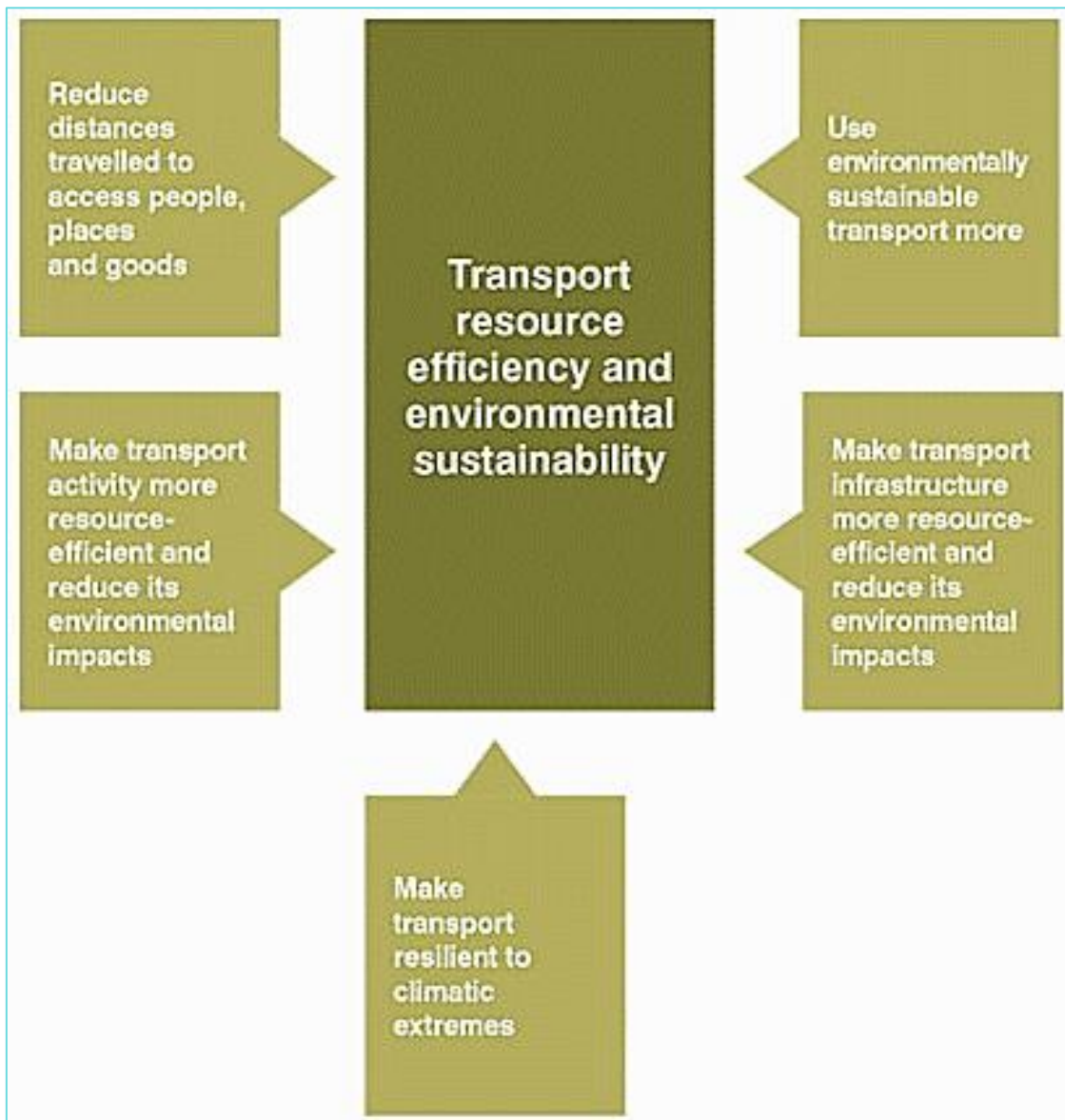
**Transport Resource Efficiency and Environmental Sustainability**

The transport sector is a significant consumer of energy, and a major source of urban air pollution. It is important to minimise the resources used by transport. Environmentally-responsible decisions

protect, conserve, and improve the natural environment. This ensures we maintain and improve living conditions needed to sustain people and other species.

The Beaufort Bypass project aims to improve efficiency of movement for vehicles (especially commercial vehicles) and in doing so assist in reducing energy consumption and vehicle pollution levels.

**Figure 5.2: Transport Integration Act 2010 – Transport Resource Efficiency and Environmental Sustainability Framework**



Source: Department of Jobs, Precincts and Regions (formerly Department of Economic Development, Jobs, Transport and Resources)

**5.1.4 Central Highlands Regional Growth Plan, Victorian Government, 2014**

The *Central Highlands Regional Growth Plan* (2014) produced by the Victorian Government considers a range of land uses, as well as long-term infrastructure and service requirements, to support regional population and economic growth.

The importance of the Western Highway for the regional economy is emphasised in the Plan, as follows (p.18):

*“Directing growth to locations with good existing physical and social infrastructure that can be further enhanced is a priority. As the region grows, improving transport networks and capacity for people and freight will be important. The transport network is focused around the Western Highway and rail corridors linking Melbourne to Adelaide and Melbourne to Ararat”.*

Future directions include:

- Improve the capacity and functioning (including safety, reliability, and resilience) of the region’s transport networks;
- Understand and ensure efficient ways to transport products between producers and markets (supply chains);
- Develop integrated freight precincts and related networks as a means of improving the distribution and collection of goods across the region.

The Plan’s key land use planning directions will be implemented through the state planning system, providing a regional context to guide and inform councils in planning for their municipalities.

The Beaufort Bypass project will improve the regional transport network, especially with regard to freight movements.

## 5.2 Local Policy

### 5.2.1 Pyrenees Growth Strategy 2015 – 2019, Pyrenees Shire Council 2015

The *Pyrenees Shire Growth Strategy 2015-2019* states that Council has a role in promoting economic development, a role which is embedded in the *Local Government Act 2020*.

The Strategy supports Council’s ability to achieve the objectives in the Council Plan, in particular the “commerce” objective:

*“We will develop the local economy and increase the population of the Pyrenees Shire.”*

The Strategy aims to foster sustainable and achievable economic growth in the shire’s economy and to support an increase in the shire’s population.

The Growth Strategy outlines three objectives to achieve this economic outcome:

- 1 Attract new residents, visitors, and investment
- 2 Foster the capability of key economic sectors
- 3 Develop local business and employee capability.

This Regional Economy Impact Assessment will have regard for these growth strategy objectives when considering the impacts of the bypass route Options.

### 5.2.2 Pyrenees Shire Council Tourism Strategy 2016 - 2019, Pyrenees Shire Council 2016

This Strategy notes tourism is a valuable industry sector to the Pyrenees Shire, contributing local employment, recreational opportunities, and additional services and facilities that enhance the shire’s liveability for residents. Tourism contributes \$28 million to the shire’s economy and 128 jobs. It also

indirectly supports other industry sectors such as construction, wine and food production, and retail, as noted by the Strategy.

With regard to Beaufort and surrounds, the Strategy identifies the following:

- **Strengths:** Refreshment stops (cafes), nature – bushwalking and mountain biking.
- **Emerging product strengths:** collectables, homesteads, visual arts, and heritage.
- **Competitive position (based on existing strengths):** a timely refreshment stop along the Western Highway (2 hours' drive from Melbourne), convenient hub for touring the Pyrenees, Grampians, Ballarat, and Goldfields.
- **Opportunities to enhance competitive position:** Improve directional signage to/at nature reserves, main street improvements, enhance business proactivity and collaboration, interpret history.

Potential impacts of the four bypass route alignments on Beaufort's tourism sector, both during construction and on an ongoing basis, are considerations for this Regional Economy Impact Assessment.

### 5.2.3 Beaufort Framework Context Report 2017

Pyrenees Shire Council engaged Hansen Partnership to undertake a series of background investigations to form the basis for a Framework Plan for Beaufort, a wider strategic planning project being undertaken by the Council under the banner of Pyrenees Futures. Points of relevance from the *Context Report* (2017) by Hansen Partnership are outlined as follows:

#### *Introduction*

- Given the impending bypass of the town, it is critical for the local community and Council to be prepared and ready to understand and respond to the resulting opportunities and challenges. This includes a fundamental restructuring of the town centre, the town's entrances, and potential growth areas. It also leads to future and more detailed public realm initiatives to transform the former Western Highway road corridor (within the town) to a high amenity people environment – once approximately 1,500 trucks per day are removed from the main street. (p.3)

#### *Regional and Municipal Context*

- Beaufort's location within an hour of Ballarat, and location approximately 2hrs drive from Melbourne on the route to Halls Gap, makes it a common stopping point for tourists. The proposed bypass, for which three northern routes have been identified, may impact on this and the Framework Plan is intended to provide a proactive response. (p.5)

#### *Opportunities (identified through stakeholder consultation and a community survey)*

- **Destination:** There is a particular focus on making Beaufort a place people want to visit. This involves promotion, developing places that will make people want to stop and events. The idea of making Beaufort a destination is interwoven with bypass adaptation and many of the other opportunities/priorities identified across survey responses. (p.23)
- **Main Street:** While the heritage character of the main street is appreciated, there are opportunities to activate spaces, plant trees (particularly by forming a boulevard-style median strip), introduce public art, encourage al fresco dining, and capitalise on the potential removal of heavy vehicles post-bypass. (p.23)

- Some in the community look forward to better safety and amenity in the town centre and the potential to reclaim a sense of a village main street. (p.24)

#### *Framework Directions*

- With the introduction of the bypass, approaches to the township will also need to be considered. The character of township approaches provides clear signals to visitors and residents alike. Southern approaches to the township will remain relatively unchanged, defined largely by bushland and open space, although the impact of development of currently unused industrial land will need to be addressed, and opportunities for a landscape feature to define the town's southern edge at the intersection could also be explored. (p.41)
- Approaches from the east, west and north, however, have the potential for significant change. The current highway alignment has a strong presence of roadside vegetation, yet the width of the road pavement is likely to be excessive once the bypass is implemented. Opportunity exists to consider median planting to assist in transitioning this road space from a through 'highway' to an appropriate town approach. This eastern approach is particularly critical given it is likely to be the main tourist entry. Closer to the township, the management of development along roadsides, including potential screening vegetation should also be considered. The transition at the urban edge of the township to exotic deciduous avenue planting could be strengthened to build on this important aspect of town character. (p.41)
- Further to the north, Albert Street would also benefit from the introduction of generous avenue planting. To the west, the highway corridor contains generous planting to Gregory Street which then becomes more scattered as it transitions to more 'bush' plantings. Establishing an appropriate extent of avenue plantings (perhaps to Old Shirley Road) and protecting the existing bush entry should form part of the plan. Back Raglan Road, leading into the township from the north, may or may not function as a gateway to the township and council will need to consider this as the framework evolves. (p.41)
- Consideration should be given not only to very high quality toilet and rest facilities and associated parking, but also to a high quality nature based play space which could complement the more 'traditional' playgrounds within the town and act as a catalyst for visitor stopovers in Beaufort. The development of such a space could present a 'pro-active' response to the anticipated bypass.

#### *Framework Actions*

- Prepare a master plan for the area between Camp Hill and the Town Centre to confirm uses to activate this area, connect the two spaces, and establish a new 'gateway' precinct on the site of the old town centre in response to the proposed bypass. (p.45)
- Confirm extent of avenue plantings to mark key approaches and seek to establish these in the shorter term in advance of the introduction of the bypass. (p.45)
- Liaise with RRV to confirm road management and rezone road corridors to reflect this. Confirm anticipated highway zoning as part of the bypass implementation. (p.45)
- Undertake an Industrial Land Use Strategy to determine demand, rationalise existing zoning and identify future industrial land (subject to demand), having consideration for the bypass implications. (p.45)
- Review existing Restructure Overlays proximate to the township if they are between the approved alignment of the bypass and Beaufort. (p.45)

The framework actions will assist in helping the Beaufort township transition from its existing highway status to a post bypass environment.

#### **5.2.4 Pyrenees Shire Council Towards 10,000 – Economic Development Strategy**

The Pyrenees Shire Council Towards 10,000 – Economic Development Strategy provides a framework for development of the Shire over the next five years. The Strategy incorporates the following themes:

- Supports growth in and of the key propulsive sectors of agriculture, wine manufacturing, construction, and tourism
- Attracts new investment that complements our industry sectors
- Builds the capacity of existing businesses
- Leverages the lifestyle benefits and affordability of residential housing to attract new residents
- Identifies and implements projects that continue to enhance the lifestyles of local residents who live in towns and villages across the Shire.

Council has identified a number of opportunities and challenges (including the impacts of the proposed Beaufort Bypass project) which have potential to influence growth into the future. This Strategy aims to both capitalise on and create new opportunities while addressing those challenges.

## 6 Existing Conditions

### 6.1 Regional and Local Economic Overview

The project is located in the Pyrenees Shire Council in Victoria's Central Highlands Region.

The Beaufort township, which is to be bypassed, is located some 40km from the major urban centres of Ballarat to the east and Ararat to the west. Beaufort is located approximately 175km north-west of Melbourne and 140km south-east of Horsham on the Western Highway, which is the primary road connection between Melbourne and Adelaide. Refer Figure 6.1.

Beaufort is also situated on an important north-south route for business operators – particularly those associated with the region's agricultural sector – linking farming operations to markets and suppliers via the Western Highway through the Beaufort-Lexton Road / Skipton Road (C172) route. This route also services residents and visitors by linking Beaufort to other regional townships such as Lexton, Avoca, Maryborough, Skipton, and Snake Valley.

Important local roads for industry include:

- Back Raglan Road
- Main Lead Road
- Racecourse Road.

Beaufort remains one of the few settlements now servicing the Western Highway route. The township is a stopping-off point for freight operators and visitors and contains a range of support services (e.g., fuel, food, accommodation, and toilets).

Figure 6.1 shows the local context in which the Beaufort Bypass is located.

This Chapter provides a local overview of the following aspects:

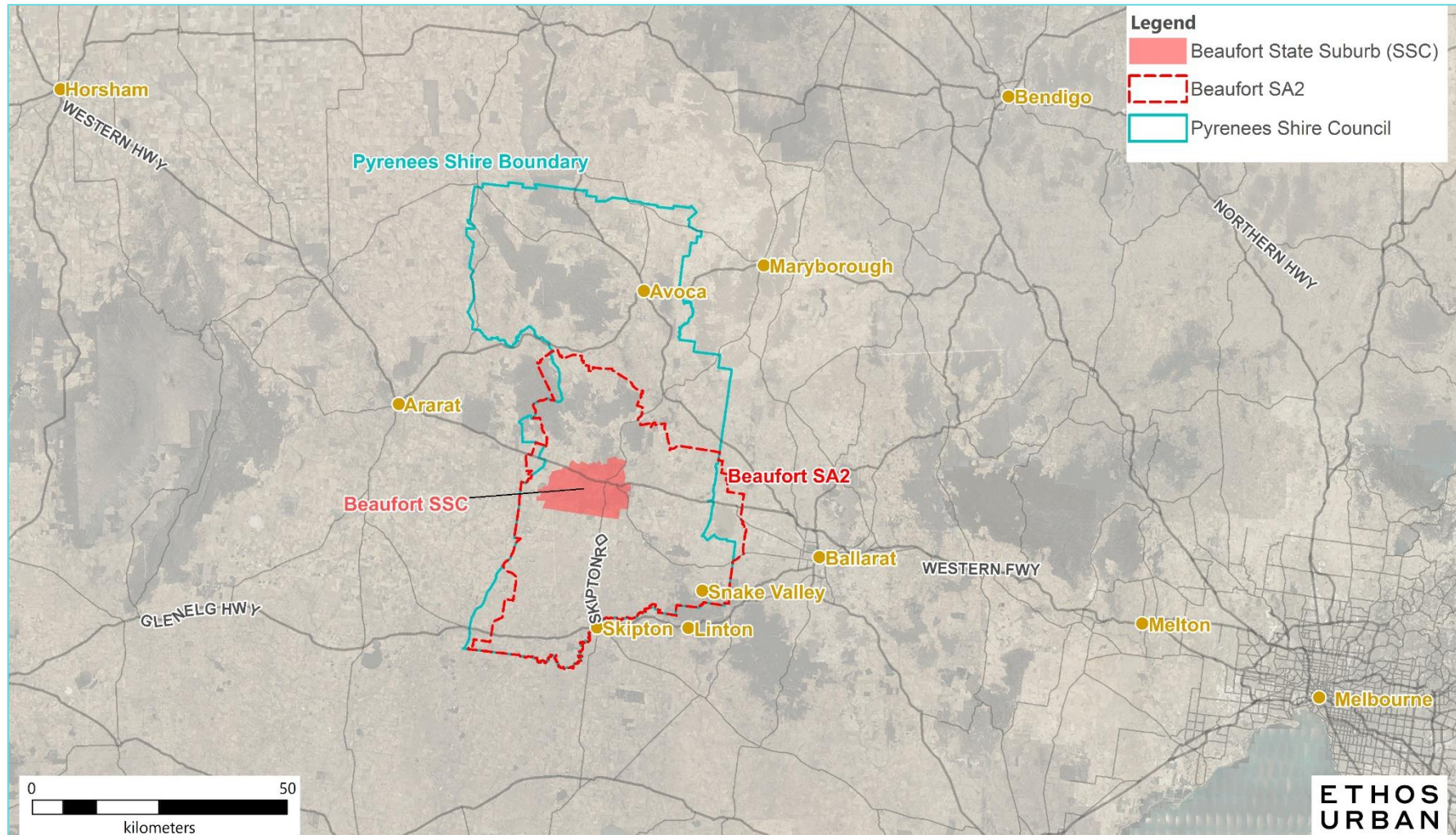
- Population levels and forecasts
- Industry structure
- Occupational structure
- Business structure
- Labour markets.

Reference is made to the following Australian Bureau of Statistics (ABS) statistical geographies shown in Figure 6.1:

- Pyrenees Shire – the relevant local government area (LGA)
- Beaufort State Suburb (SSC) – which represents the Beaufort township area
- Beaufort Statistical Area 2 (SA2) – comprising Beaufort township and surrounding rural land in the area of Beaufort.



Figure 6.1: Beaufort Bypass – Regional Context Map



Source: Ethos Urban with MapInfo and StreetPro

## 6.2 Population

The population of Beaufort SSC was 1,540 persons in 2016 (ABS Census 2016) representing an increase of +135 persons since the 2011 Census, or a growth rate of +1.8% pa over the five-year period (refer to Table 6.1).

Pyrenees Shire's population increased from 6,670 persons in 2011 to 7,240 persons in 2016, an increase of +570 persons or a growth rate of 1.7% pa between the two census counts.

**Table 6.1: Population Levels, Selected Locations, 2011 and 2016**

CATEGORY	2011	2016	CHANGE 2011-2016	ANNUAL AVERAGE GROWTH RATE 2011-2016
Beaufort (SSC)	1,405	1,540	+135	+1.8%
Pyrenees Shire (S)	6,670	7,240	+570	+1.7%

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016.

Note: Figures rounded'

Population forecasts prepared by the State Government (Victoria in Future 2019) provide projections to 2036 for Pyrenees Shire and the Victoria in Future Statistical Area (VIFSA) of Beaufort-Snake Valley District, which encompasses a broader area than Beaufort SSC.

These forecasts indicate modest population growth across Pyrenees Shire (+0.3% pa) over the period 2019-2036; underpinned by the Beaufort-Snake Valley District VIFSA, with annual growth of +0.4% (+280 persons) projected over the period.

**Table 6.2: Population Projections, 2019 and 2036.**

CATEGORY	2019	2036	CHANGE (2019-2036)	ANNUAL AVERAGE GROWTH RATE (2019-2036)
Beaufort-Snake Valley District VIFSA	4,245	4,525	+280	+0.4%
Pyrenees Shire (S)	7,350	7,710	+360	+0.3%

Source: Victoria in the Future 2019, Department of Environment, Land, Water and Planning 2019.

## 6.3 Industry Structure

The industry structure of Beaufort SSC, as per the 2016 Census, shows residents are employed across a broad range of sectors, including significant share of workers employed in the primary, secondary and tertiary (or service) sectors respectively.

A total of 516 Beaufort residents were in employment at the 2016 Census, with the:

- Primary sector (Agriculture, forestry & fishing; Mining) accounting for 7.8% or 40 jobs
- Secondary sector (Manufacturing; Construction) accounting for 14.7% or 76 jobs
- Tertiary sector (All services) accounting for 72.3% or 373 jobs; and
- 'Inadequately described' or 'not stated' jobs accounting for 5.2% or 27 jobs.

Section 6.5 provides details on businesses and services located in the township.

In contrast to Beaufort SSC, the proportion of those employed Pyrenees Shire residents who work in the Primary sector is 21.3% of jobs and this far exceeds the proportion in Beaufort (7.8%), while the Shire has a similar proportion of residents employed in the Secondary sector (15.8%), but far fewer

employed in the Tertiary sector (58.2% compared with Beaufort's 72.3%). Notably, the state-wide employment distribution by key sector is broadly similar to the distribution for Beaufort.

This industry sector employment data is shown in Table 6.3, with the industry mix highlighting the key service role Beaufort township plays in catering to the needs of the broader Shire, as well as travellers who pass through the region.

The industry structure of the Shire confirms a significant reliance on the road network for agricultural, manufacturing, transport and logistics, and construction activities, which typically involves the use of large commercial vehicles and machinery. As noted earlier, freight and tourism traffic also passes through Beaufort on the Melbourne to Adelaide route. In view of these factors, a consideration in the selection of the preferred bypass route option was to ensure the efficiency of vehicle movement from both a local (i.e., north-south movements) and national network perspective.

**Table 6.3: Industry Sector of Employment (Employed Persons, Usual Residence) 2016**

INDUSTRY SECTOR	BEAUFORT SSC		PYRENEES LGA		VICTORIA
	No.	%	No.	%	%
Agriculture, forestry, and fishing	40	7.8	547	20.4	2.2
Mining	0	0.0	25	0.9	0.3
Manufacturing	37	7.2	231	8.6	7.8
Electricity, gas, water, and waste services	3	0.6	16	0.6	1.1
Construction	39	7.6	193	7.2	8.3
Wholesale trade	12	2.3	59	2.2	3.2
Retail trade	62	12.0	219	8.2	10.2
Accommodation and food services	32	6.2	135	5.0	6.6
Transport, postal and warehousing	26	5.0	129	4.8	4.8
Information media and telecommunications	6	1.2	29	1.1	1.9
Financial and insurance services	3	0.6	19	0.7	3.9
Rental, hiring and real estate services	3	0.6	12	0.4	1.6
Professional, scientific, and technical services	19	3.7	87	3.2	7.9
Administrative and support services	15	2.9	58	2.2	3.4
Public administration and safety	65	12.6	187	7.0	5.3
Education and training	37	7.2	166	6.2	8.6
Health care and social assistance	68	13.2	318	11.9	12.5
Arts and recreation services	3	0.6	34	1.3	1.9
Other services	19	3.7	94	3.5	3.6
Inadequately described/Not stated	27	5.2	124	4.6	4.7
<b>Total</b>	<b>516</b>	<b>100.0</b>	<b>2,682</b>	<b>100.0</b>	<b>100.0</b>

Source: Australian Bureau of Statistics, Census of Population and Housing 2016.

## 6.4 Occupational Structure

The occupational structure of Beaufort SSC and Pyrenees Shire shows residents are employed in manual/construction-related occupations in higher proportions than State averages. For example, the ABS Census for 2016 (latest available for this indicator) shows approximately 39% of Beaufort SSC resident workers and 36% of employed Pyrenees Shire residents were employed as technicians and trades workers, machinery operators and drivers, and labourers; compared to 28% for these categories across Victoria at this time.

This data, which is included in Table 6.4, indicates labour force participants in Beaufort and the broader Pyrenees Shire are well-placed to benefit from employment associated with the construction phase of the project.

**Table 6.4: Occupation of Employment (Employed Persons, Usual Residence) 2016**

OCCUPATION	BEAUFORT SSC		PYRENEES LGA		VICTORIA
	No.	%	No.	%	%
Managers	66	12.0	618	23.2	13.5
Professionals	59	10.7	297	11.1	23.3
Technicians and trades workers	76	13.8	359	13.5	13.1
Community and personal service workers	67	12.2	289	10.8	10.6
Clerical and administrative workers	63	11.5	272	10.2	13.3
Sales workers	60	10.9	178	6.7	9.7
Machinery operators and drivers	51	9.3	228	8.5	5.8
Labourers	89	16.2	374	14.0	9.0
Inadequately described / not stated	18	3.3	52	1.9	1.7
<b>Total</b>	<b>549</b>	<b>100.0</b>	<b>2,667</b>	<b>100.0</b>	<b>100.0</b>

Source: Australian Bureau of Statistics, Census of Population and Housing 2016.

## 6.5 Business Structure

### 6.5.1 Beaufort Business Counts

ABS Business Counts for Beaufort Statistical Local Area (SA2) for 2019 (latest available data) highlights the importance of the agricultural, forestry and fishing sector to the local economy, with 247 businesses or approximately 51% of all businesses located in the SA2 associated with this sector.

Comparative SA2 data is available for 2014 and shows a net change of just +11 business across the 2014-2019 period, indicating a relatively stable business structure. Construction and rental hiring and real-estate services were the main growth sectors (+14 businesses each); with wholesale trade (-9 businesses) and agriculture, forestry, and fishing (-7 businesses) the main sectors to have observed a decline over the 5-year period.

Business count data is presented in Table 6.5.

Note, Beaufort SA2 encompasses a much wider area than Beaufort SSC.

**Table 6.5: Business Counts, Beaufort SA2, 2014 and 2019**

CATEGORY	2014		2019		CHANGE
	NO.	%	NO.	%	NO.
Agriculture, Forestry and Fishing	254	53.9%	247	51.2%	-7
Mining	0	0.0%	0	0.0%	0
Manufacturing	9	1.9%	18	3.7%	9
Electricity, Gas, Water and Waste Services	3	0.6%	0	0.0%	-3
Construction	43	9.1%	57	11.8%	14
Wholesale Trade	14	3.0%	5	1.0%	-9
Retail Trade	11	2.3%	13	2.7%	2
Accommodation and Food Services	21	4.5%	20	4.1%	-1
Transport, Postal and Warehousing	25	5.3%	28	5.8%	3
Information Media and Telecommunications	3	0.6%	0	0.0%	-3
Financial and Insurance Services	24	5.1%	26	5.4%	2
Rental, Hiring and Real Estate Services	21	4.5%	35	7.3%	14
Professional, Scientific and Technical Services	16	3.4%	17	3.5%	1
Administrative and Support Services	6	1.3%	5	1.0%	-1
Public Administration and Safety	0	0.0%	0	0.0%	0
Education and Training	3	0.6%	0	0.0%	-3
Health Care and Social Assistance	0	0.0%	0	0.0%	0
Arts and Recreation Services	3	0.6%	0	0.0%	-3
Other Services	12	2.5%	11	2.3%	-1
Currently unknown	3	0.6%	0	0.0%	-3
<b>Total</b>	<b>471</b>	<b>100.0%</b>	<b>482</b>	<b>100.0%</b>	<b>11</b>

Source: Australian Bureau of Statistics, Counts of Businesses, 2014 and 2019.

### 6.5.2 Beaufort Township – Key Enterprises

The location of Beaufort between the major population centres of Ballarat and Ararat, and on the broader Melbourne to Adelaide national road route, is highlighted by many business activities which are reliant (to some extent) on the Pyrenees region's role as a visitor destination and passing trade.

Tourism Research Australia (TRA) data shows the Pyrenees Shire attracted 164,000 visitors in 2019 and generated 283,000 visitor nights. Total tourism expenditure in the Shire was estimated to be approximately \$35 million. Note, TRA's estimates of visitors, visitor nights and expenditure for Pyrenees Shire exclude international visitors.

As of July 2017 (when field work for the Existing Conditions Assessment was undertaken), the following highway and tourism-related businesses/activities were identified in and around Beaufort Township:

#### Service stations:

- Caltex including The Foodary
- United Petroleum including Quickstop shop.

#### Accommodation

- Beaufort Motel (10 rooms)
- Beaufort Lake Caravan Park (55 tourist sites, including 37 powered sites, 6 cabins and 12 unpowered sites)

- Euramben Historic Homestead (3 cottages/apartments)
- Beaufort Hotel (4 rooms)
- Golden Age Hotel (9 rooms)
- Mureybet B & B (3 bedrooms)
- Forest Haven B & B (2 bedrooms)
- Warburton House B & B (3-bedroom property).

*Hotels*

- Golden Age Hotel (including dining room)
- Beaufort Hotel (including sit down and takeaway meals).

*Cafes / bakeries*

- Beaufort Bakery
- Church Café and Gallery
- Angels Café and Gifts
- Deliciously Vintage
- Beaufort Park Café
- Home Made Café
- Sparrows Café
- Pyrenees Pantry (Fine Foods).

*Supermarket/Convenience/Take-Away*

- Ryans IGA
- Fish and Chips
- Milk Bar.

*Craft / Gift / Opportunity Shops*

- Beaufort Big Garage Sale (collectables)
- Renee's Cottage Crafts
- The Original Craft Shop
- Beaufort Park Antiques
- De Bare House Antiques / Gallery
- The Tangled Vine (clothing, jewellery, gifts, fresh produce)
- Imperial Egg Gallery (tea rooms and gifts)

- Paintings, Gifts and Book Shop
- Beaufort Op Shop.

#### *Visitor Services*

- Visitor Information Centre
- Beaufort Newsagent / Tattslotto
- Bendigo Bank
- Post Office
- UFS Pharmacy
- Real Estate (Elders and Red Circle).

#### *Tourism Attractions and Events (includes the broader region)*

- Beaufort Art Trax Gallery
- Eurambeen Historic Homestead and Gardens
- Michael Unwin Winery including Cellar Door (note, this business is no longer operating in Beaufort).
- Beaufort Market (monthly located in Memorial Park)
- Beaufort Golf Club (including restaurant and bar)
- Beaufort Lake (fishing, boating, skiing, and swimming)
- Buangor State Park and the Mount Cole State Forest (hiking; mountain bike and dirt bike riding; four-wheel driving; hang-gliding and paragliding)
- Lake Goldsmith Steam Rally (May and November, annually)
- Rainbow Serpent Festival (annual)
- Cave Hill Creek (Outdoor Recreational Centre and Camp).

### **6.5.3 Beaufort Industry Activities**

Beaufort plays a role in servicing the needs of the agricultural sector and other industry sectors including manufacturing and construction, both in terms of end markets and support services.

Beaufort's businesses and industrial areas (as of 2017) that support local industry include:

- Beaufort Animal Supplies
- Beaufort Rural and Hardware Supplies
- Broadbent Machinery (Mower, Chainsaw, & Brushcutter repairs)
- Beaufort Transfer Station
- Beaufort Industrial Estate - which includes storage facilities, auto-mechanics, vehicle wreckers, timber storage, steel fabrication, construction, cement supplies etc.

#### 6.5.4 Primary Industry Activities

Land uses associated with primary industry are in the bypass study area. These land uses include agriculture and timber (plantation) activities. The *Beaufort Bypass Agricultural Report* (Phillips Agribusiness, July 2017) notes the following agricultural activities are located in the study area:

- Livestock grazing (with a strong orientation to wool sheep and prime lamb)
- Cattle breeding and fattening (beef)
- Cropping.

It is stated in the *Beaufort Bypass Agricultural Report* that: “*agricultural land use across the broader region is predominately livestock grazing...wool and prime lamb production are the main enterprises while cropping is a minor use but growing in importance...forestry is a minor and declining use*” (p6)

The *Beaufort Bypass Agricultural Report* identifies the following potential impacts on primary industry during both construction and operational phases:

- Direct land loss
- Property/land severance
- Loss or damage to infrastructure
- Changes in access to property/land holdings
- Vehicle and stock movement constraints.

#### 6.6 Labour Force

Labour force data for December Quarter 2019 shows the unemployment rates for both Beaufort SA2 (4.1%) and Pyrenees Shire (4.5%) are lower than the State average (4.9%).

Compared to the December Quarter 2018, the unemployment rates for Beaufort SA2 and Pyrenees Shire have both increased by +0.3 percentage points. In contrast, the unemployment rate across Victoria has increased by +0.7 percentage points over the 12-month period, highlighting the relative strength of both the Beaufort SA2 and Pyrenees Shire labour markets, respectively.

A review of data for surrounding municipalities shows that the unemployment rate over the 12-month period (December 2018 to December 2019) increased for Ararat LGA from 4.0% to 5.3% (+1.2 percentage points) but decreased for Ballarat LGA from 4.5% to 3.7% (-0.8 percentage points).

While the timing of the bypass construction is not known at this stage, access to labour supply for the bypass project may become an issue if the existing labour market remains tight. This situation recognises the competing needs for labour from other construction-related projects, as well as labour demand from key industry sectors such as manufacturing, transport and logistics and agriculture (including specific seasonal labour requirements).

If construction workers are required to relocate to the Beaufort area to service the project (either in response to regional labour shortages or the requirement for specialist project skills), this may have implications with regard to the relatively limited supply of accommodation available in town (23 hotel/motel rooms, 55 caravan sites/cabins, and 10 or so B&B rooms) and potential impacts on the overnight tourism sector (noting that some 164,000 persons visited the Pyrenees Shire in 2019).

However, an influx of project workers to Beaufort would also deliver a spending stimulus (wage spending, trade purchases etc) to the town during the construction phase.



**Table 6.6: Labour Force Statistics, December 2017 to December 2019**

Category	Beaufort SA2			Pyrenees LGA			Victoria
	Labour Force	Unemployed	Unemployment Rate	Labour Force	Unemployed	Unemployment Rate	Unemployment Rate
	No.	No.	%	No.	No.	%	%
Dec-17	1,966	73	3.7	3,211	136	4.2	6.2
Dec-18	1,814	69	3.8	2,978	126	4.2	4.2
Dec-19	1,909	79	4.1	3,147	143	4.5	4.9

Source: Australian Government Department of Employment – Small Area Labour Markets, December Release 2019

## 6.7 COVID-19 Impacts

The COVID-19 pandemic has created negative economic impacts for many communities across Victoria, including those in regional areas. No specific data is available regarding the level of impact of COVID-19 for Beaufort; however, modelling is available for the broader Pyrenees LGA.

This modelling, which is sourced from REMPLAN ([remplan.com.au/pyrenees/economy/covid-19](http://remplan.com.au/pyrenees/economy/covid-19)), shows that prior to COVID-19 and the introduction of social lockdown measures to manage the pandemic, total employment across all local industry sectors in the Pyrenees LGA was estimated at 2,001 jobs. By January 2021, total employment is estimated at 1,999 jobs, a fall of 0.1% or just -2 jobs. This represents an employment recovery from a low point in May 2020, when local employment was estimated at 1,956 jobs (a fall of -2.2% or -43 jobs compared to the pre-COVID-19 situation). The hardest hit sector in Pyrenees LGA has been Accommodation & Food Services with a loss -5 jobs over the period, with a low point of -11 jobs lost in April 2020. Retail Trade suffered a loss of -8 local jobs by May 2020 but has since recovered to its pre-Covid 19 levels (+ 1 job).

Employment impacts for Pyrenees LGA are broadly similar to trends observed in the REMPLAN data for the Grampians Region and Victoria.

## 6.8 Summary

The key implications of the existing conditions findings for the bypass project are as follows:

- 1 Beaufort's strategic location on the national Melbourne to Adelaide route will continue to generate strong traffic volumes, principally relating to the expanding state and national freight task and increased levels of tourism over time.
- 2 Beaufort and the broader Pyrenees Shire are experiencing population growth which will lead to an ongoing uplift in local and regional vehicle-related trips for residents, visitors, and businesses. The need to ensure existing road access is maintained, including access to/from local routes, is paramount.
- 3 Beaufort has a strong reliance on servicing travellers, apparent by the many highway dependent services located in and around the town, including fuel supplies, overnight accommodation, retail, food, and drink, postal and banking, tourism attractions and visitor information. Beaufort also plays an important role in servicing the needs of industry relating to the significant primary production activities occurring in the broader region. Ensuring the vibrancy of the township's economy during the construction phase and in the post-bypass environment will be an important economic development consideration for the project.
- 4 Primary production – such as grain, cereal, meat, hay, and wine – underpin the local and regional economy; therefore, it will be important to minimise impacts on farming businesses and communities during the construction phase (access to individual properties and markets). The long-term impacts on individual businesses and the broader agricultural sector of compulsory land acquisitions required to facilitate the bypass project will need to be

considered. These considerations may require specific mitigation measures, including temporary and permanent access arrangements to minimise impacts on businesses during and post construction of the bypass.

- 5 Labour force growth and declining unemployment rates characterise the current Beaufort and Pyrenees Shire labour markets. Should this tight labour market remain at the time of the bypass construction, potential exists for labour supply shortages in the economy associated with competing labour demands (e.g., associated with other road construction projects, energy infrastructure or agricultural activities). Potential also exists for accommodation shortages associated with non-local project workers temporarily relocating to the Beaufort area, noting the limited supply of overnight rooms currently available in the commercial market (motel, hotel, b&b, cabins). These supply and demand factors will need careful management during the construction phase, including preparation of relevant mitigation strategies if required to minimise impacts on the local economy.
- 6 As of January 2021, negative impacts of the COVID-19 pandemic on local employment are very small for Pyrenees LGA, although recognising no specific data is available for Beaufort.

## 7 Impact Assessment – Four Alignment Options

### 7.1 Consideration of Options

This section provides an overview of those considerations which informed the assessment of the four alignment options.

For reference, enterprises potentially impacted by the four alignment options were identified in conjunction with RRV and WSP as part of the stakeholder engagement process (refer to Appendix B) and include:

- Highway trade dependent business in Beaufort township including the Caltex Service Station, United Petroleum Service Station (Red Kangaroo), and retail businesses in the town.
- Beaufort Motel
- Stakeholder 1 (owner of potentially impacted agriculture property)
- Stakeholder 2 (owner of potentially impacted agriculture property)
- Stakeholder 3 (owner of potentially impacted vineyard and apiary)

#### *OPTION A0*

- Requires an area of land to be acquired (around 45ha) from stakeholders 1 and 2.
- Potential to impact on the stakeholder 3 property.
- Total capital cost of \$405.6m, generating total national economic output of \$891.0m including \$357.6m in value-added.
- Direct construction employment of 900 FTE positions; total direct and indirect (flow-on) employment of 2,790 FTE positions.
- Total land acquired of 146.4ha (including stakeholder 1 and 2 land)
- Potential impact to sales of \$5.2m (or -16%) for highway trade dependent businesses.
- Potential loss of 27 FTE positions.
- Temporary uplift in local commercial accommodation occupancy during the construction phase.
- Temporary supply shortage of commercial accommodation restricting overnight accommodation available to tourist sector during construction phase.
- A temporary uplift in revenues of Beaufort's retail business associated with the construction phase of the project (i.e., workforce spending).
- Temporary uplift to revenues of construction aligned industry located in Beaufort, wider Pyrenees Shire Council associated, and Ballarat region associated with the construction phase.
- Potential benefits in the long-term associated with the Beaufort leveraging the environmental benefits of bypassing to broaden its appeal to visitors and potential residents.

*OPTION A1*

- Requires a quantum of land to be acquired (approximately 35 ha) from stakeholders 1 and 2.
- Potential impact on the stakeholder 3 property.
- Total capital cost of \$391.3m, generating total national economic output of \$859.6m including \$345.0m in value-added.
- Direct construction employment of 870 FTE positions; total direct and indirect (flow-on) employment of 2,700 FTE positions.
- Total land acquired of 142ha (including stakeholder 1 and 2 land)
- Potential impact to sales of \$5.2m (or -16%) for highway trade dependent businesses.
- Potential loss of 27 FTE positions.
- Temporary uplift in local commercial accommodation occupancy in the construction phase.
- A temporary uplift in revenues of Beaufort's retail business associated with the construction phase of the project (i.e., workforce spending).
- Temporary supply shortage of commercial accommodation restricting overnight accommodation available to tourist sector during construction phase.
- Temporary uplift to revenues of construction aligned industry located in Beaufort, wider Pyrenees Shire Council associated, and Ballarat region associated with the construction phase.
- Potential benefits in the long-term associated with the Beaufort leveraging the environmental benefits of bypassing to broaden its appeal to visitors and potential residents.

*OPTION C0*

- Provides for relatively small land acquisition (approximately 24 ha) from stakeholders 1 and 2.
- No potential to impact on the stakeholder 3 property.
- Total capital cost of \$424.5m, generating total national economic output of \$932.5m including \$374.2m in value-added.
- Direct construction employment of 940 FTE positions; total direct and indirect (flow-on) employment of 2,920 FTE positions.
- Total land acquired of 123.7ha (including stakeholder 1 and 2 land)
- Potential impact to sales of \$5.2m (or -16%) for highway trade dependent businesses.
- Potential loss of 27 FTE positions.
- Temporary uplift in local commercial accommodation occupancy during the construction phase.
- A temporary uplift in revenues of Beaufort's retail business associated with the construction phase of the project (i.e., workforce spending).
- Temporary supply shortage of commercial accommodation restricting overnight accommodation available to tourist sector during the construction phase.

- Temporary uplift to revenues of construction aligned industry located in Beaufort, wider Pyrenees Shire Council associated, and Ballarat region associated with the construction phase.
- Potential benefits in the long-term associated with the Beaufort leveraging the environmental benefits of bypassing to broaden its appeal to visitors and potential residents.

#### OPTION C2

- Requires for a quantum of land to be acquired (around 45ha) from stakeholders 1 and 2.
- No potential to impact on the stakeholder 3 property.
- Total capital cost of \$482.5m, generating total national economic output of \$1,060.0m including \$425.4m in value-added.
- Direct construction employment of 1,070 FTE positions; total direct and indirect (flow-on) employment of 3,320 FTE positions.
- Total land acquired of 130.6ha (including stakeholder 1 and 2 land)
- Potential impact to sales of \$5.2m (or -16%) for highway trade dependent businesses.
- Potential loss of 27 FTE positions.
- Temporary uplift in local commercial accommodation occupancy during the construction phase.
- Temporary supply shortage of commercial accommodation restricting overnight accommodation available to tourist sector during construction phase.
- A temporary uplift in revenues of Beaufort's retail business associated with the construction phase of the project (i.e., workforce spending).
- Temporary uplift to revenues of construction aligned industry located in Beaufort, wider Pyrenees Shire Council associated, and Ballarat region associated with the construction phase.
- Potential benefits in the long-term associated with Beaufort leveraging the environmental benefits of bypassing to broaden its appeal to visitors and potential residents.

#### In summary:

- All Options (A0, A1, C0 and C2) would result in similar potential impacts for affected stakeholders and highway trade dependent business in Beaufort when construction and operational and construction phases are considered.

## 8 Options Assessment & Preferred Alignment Selection

The options assessment completed for the project assessed alignment options A0, A1, C0 and C2 against the customised set of criteria summarised in section 4.5. The results of the options assessment and sensitivity testing are detailed in Table 8.1. As well as the score for each alignment under each scenario, a colour coding has been applied to rank the performance of the options under each scenario as follows:

- Best performing Alignment Option: Green
- Second performing Alignment Option: Yellow
- Third performing Alignment Option: Orange
- Worst performing Alignment Option: Red.

**Table 8.1: Combines Alignment Option Scenario Scoring**

SCENARIO	ALIGNMENT A0	ALIGNMENT A1	ALIGNMENT C0	ALIGNMENT C2
Scenario 1	128	123	126	111
Scenario 2	18	22	20	27
Scenario 3	45.85	44.89	50.01	43.95
Scenario 4	81.03	77.59	93.98	74.12
Scenario 5	24.16	22.70	27.03	19.44
Scenario 6	47.74	42.69	56.16	35.49
Sensitivity Scenario 1	-6	-3	-5	9
Sensitivity Scenario 2	-3	2	-4	11
Sensitivity Scenario 3	-11	-6	-9	5

The alignment scoring scenarios outlined in Table 8.1 show that the best performing option is the C2 Alignment, while the worst performing options are the A0 and C0 Alignments. The primary drivers for this outcome were due to the C2 alignment having:

- The lowest amount of total native vegetation clearance
- The least impact on threatened vegetation communities identified under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) and Flora and Fauna Guarantee Act 1988 (FFG Act).
- The least impact on wildlife corridors, particularly the core habitat areas
- The lowest amount of native vegetation with high conditions to be removed by Ecological Vegetation Class (EVC) Conservation Status
- The lowest potential impacts on known or registered sites of Aboriginal and historic heritage significance
- The smallest number of dwellings within 100m, 200m and 300m of the alignment corridor.

As noted previously, expected Regional Economy impacts (potential costs and benefits) are considered similar for all options and was not a factor in the options assessment.

## 9 Impact Assessment – Preferred Alignment

This chapter provides an overview of the potential economic impacts and benefits to individual enterprises and the wider economy associated with construction and operation of the C2 alignment, the preferred alignment option.

Reference is made to potential impacts and benefits to businesses in Beaufort due to the township being bypassed, as well as land acquisition and severance impacts to specific enterprises in the path of the C2 alignment.

Suggested mitigation measures flowing from the potential impacts identified are outlined in Chapter 10.

The identification of impacts, benefits and mitigation measures was informed by targeted stakeholder consultation, Ethos Urban's professional expertise, and available case studies and literature (where relevant).

### 9.1 Bypassing Impacts Analysis

#### 9.1.1 Findings from Relevant Literature & Case Studies

A review of relevant bypass literature and case studies was undertaken to inform the assessment of impacts to Beaufort businesses due to bypassing.

It is apparent that economic impacts on individual towns due to bypassing have potential to be varied can be informed by a broad range of factors including the town's size (population), the nature and diversity of its economic base, destination, and tourism qualities; as well as the volume and nature of traffic types set to bypass the town.

The most comprehensive assessment of potential impacts to towns associated with bypassing in Australia is the report undertaken by the New South Wales (NSW) Government department of Transport, Roads and Maritime Services in November 2011 titled *Economic Evaluation of Town Bypasses*.

This report provides a synthesis of highway bypass literature (comprising both national and international examples) since 1994, with a view to understand the longer-term economic impacts of highway bypass roads and how communities have adapted and changed in response to these impacts. Three key areas relating to highway bypass were examined – economic impacts, social impacts and community and response mitigation measures.

“The NSW Government report (p.2) emphasises that the review findings provide a strong message that there is “*life after the bypass*” for those bypassed communities, and that other impacts may influence the economic prosperity of a community more so than a highway bypass”.

The report states that in most cases, highway bypasses have resulted in economic development benefits for towns which have been bypassed, with possible positive impacts including amenity uplifts, increases in business mix and employment, as well as increases to land values.

Population size, economic base and distance from a major centre were outlined by the NSW Government report as the main indicators for post bypass change. Small towns (less than 2,500 population) were seen as generally more at risk of adverse economic impacts from bypassing than medium or larger towns. While a narrow economic base – in particular, a high dependence on highway generated trade – was also cited as a significant factor that could indicate economic difficulty in the post bypass period.



Other factors that were cited as having potential to increase a town's vulnerability post bypassing include low quality urban design and limited amenity, as well as existing economic issues including population decline, unemployment, and high shopfront vacancy rates.

### **Case Study 1: Kempsey**

A report undertaken by Dr Bruno Parolin in February 2014 titled *Pacific Highway Bypass Economic Impacts Kempsey* provides a 'before and after' assessment of economic consequences flowing from the township of Kempsey being bypassed.

Kempsey is located on the NSW's Mid North Coast region and was bypassed by the Pacific Highway in 2012. The town historically functioned as a natural stop-over point for traffic traveling between Brisbane and Sydney and had a population of approximately 10,400 residents in 2011 (immediately prior to bypassing).

The report undertaken Dr Parolin, compared the results of an assessment of businesses in the town undertaken in 2013 (subsequent bypassing) to surveys undertaken in 2012 and 2005. It is noted that prior to bypassing the town's economy was significantly geared to passing highway trade.

The Kempsey report provides an indication of the initial impacts only that could potentially result from bypassing, having regard for the timing of the analysis.

#### Key findings:

- Total gross annual turnover for the 114 businesses included in the survey was estimated to have decreased from \$124.7 million in 2012 to \$110.5 in 2013, a reduction of \$14.2 million or -12.8% in percentage terms.
- The major share of the decrease in gross annual turnover (just over 70%) was attributed to eateries and service stations – with declines of approximately \$5.4 million and \$5.1 million, respectively. It was noted that virtually all service stations and well over half of the cafes, restaurants and take-away shops reported a downturn in business.
- It was estimated that a total of 94 jobs (including part-time jobs) were lost in the eight months after the bypassing, representing 7.6% of the 1,231 workers employed by the 110 businesses surveyed in 2012; or around 3.3% of total jobs recorded for Kempsey urban centre at the 2011 census (2,870 jobs).
- In this initial post-bypassing period 20 new jobs were created as a direct result of the bypass due to improvements to the street environment and access to premises etc. Accordingly, the net change in employment was -74 jobs in the eight months post bypassing, or -2.6% of total jobs at Kempsey (based on 2011 census data).
- Indirect impacts were relatively insignificant and those that were observed were primarily attributed to reductions in supply chain inputs for food outlets in the town. A total of four jobs were lost due to indirect impacts based on the survey results.
- The diversion of through traffic was expected to progressively enhance the quality of town centre as a place for shopping and make it more attractive for people to visit.
- Proactive economic development initiatives from Council resulted in the creation of a post-bypass strategy. This strategy focused on additional employment opportunities including the development of a highway service centre which would result in over 100 jobs being created in Kempsey in the short-term (as stated in the report). Other initiatives from Council included a street beautification program to improve the towns qualities as a visitor destination.

### **Case Study 2: Karuah**

In contrast to Kempsey, an assessment of the longer-term impacts of bypassing was undertaken for the township of Karuah by University of Sydney (refer report titled: *The Karuah Highway Bypass Economic and Social Impacts – The 5 Year Report*).

Karuah is a small town located in the Hunter region of NSW and was bypassed by the Pacific Highway in 2004. The township had a residential population of 1,170 persons at the 2001 census (prior to bypassing).

Karuah's history was directly linked to its role as a highway town, with the report stating that *"from the late 1950s Karuah grew as a highway town, with an increasing dependence on passing traffic and delivery of highway services to travellers such as stopovers, fast food, vehicle repairs and food."* The report goes on to note that *"Karuah was highly vulnerable to the economic impacts of bypassing due its small population, high-level of trade dependency, pre-existing socio-economic problems and dispersed and poorly defined town centre"*, amongst other aspects.

The report undertaken by University of Sydney provides an assessment of Karuah's business sector in 2009, some five years after bypassing. The results of the assessment were compared to the findings of previous economic analysis undertaken one year after bypassing, providing a lens to the nature of the economic transition observed by the town across the 5 years.

#### Key findings:

- Traffic volumes in Karuah's main street were found to have declined significantly five years on from the bypass, with the proportion of Pacific Highway traffic that stops in the town estimated to be in the order of 1-2%.
- The number of businesses in Karuah declined from 38 to 34 business (a net change of -4 business) one year after bypassing, including the loss of two petrol stations and three restaurants/cafes. However, after five years the number businesses in town had increased to 42 (a net change of +4 businesses on the pre-bypass level), with the new businesses including three restaurants/café/takeaways, two other retail businesses, one professional services business, one accommodation business and one club/hotel.
- It was observed that 5 years after bypassing *"a surprising factor has been the establishment of several new businesses, of which many seem to be retail and restaurants, which cater to niche markets."* (p25)
- A common theme of businesses who survived post-bypass is that they were willing to adjust in the inevitable change attributed to bypassing. Adjustments of successful businesses included increasing advertising and changing products/services and employment levels. The local butcher building a reputation as a boutique shop providing specialty products not available at mainstream outlets is one of several examples provided in the report of successful adaption.
- Council were proactive in mitigating the impacts of bypassing through development of an economic development plan for the town and other initiatives in partnership with community stakeholders including the establishment of a local events including Karuah River of Music Festival. Despite these efforts, the report noted that need for increased signage and promotions was a prominent issue raised by businesses five years on from bypassing.

### **Considerations for Beaufort**

Having regard for relevant literature and the case studies outlined above, it is apparent that:

- Certain characteristics render some towns more vulnerable to impacts of bypassing – namely small populations, narrow economic base, and a high dependence on trade from passing through traffic.
- Once bypassing occurs, impacts (such as loss of business) materialise quickly and are largely centred on sectors geared to highway trade such as cafes/takeaways and service stations.
- There is evidence that townships can transition and prosper post bypass, even those (such as Karuah) with characteristics indicating significant vulnerability to bypassing.
- Proactive economic development initiatives from local government and adaptive management by individual businesses are the key to economic survival. Areas of focus include signage and promotion, events, public realm improvements and businesses pivoting to ‘niche’ offerings to differentiate and leverage new markets where practicable.

In view of the aspects discussed above, the following high-level considerations are relevant to the Beaufort.

First, it should be accepted that Beaufort’s local economy will be impacted in the short-term post construction should bypassing occur. Those enterprises that are specifically geared to highway trade are most likely to experience a downturn in revenue and employment due to bypassing. Specific ‘highway service’ enterprises include service stations and/or fast food/takeaway outlets, particularly those located on the edges of towns in locations valued for their proximity and accessibility to highway traffic, rather than amenity, built, cultural or scenic values.

Indeed, the United Petroleum Service Station located at the western entrance to the Beaufort township, and to some extent the Caltex Service Station (and convenience store), are examples of ‘highway service’ geared enterprises at Beaufort which may experience a significant downturn in sales due to bypassing. Cafes and other businesses in the township would be impacted to varying extent, although a growing resident population base and opportunities to leverage increase destination visitor spending would potentially reduce these impacts in the longer term.

**Figure 9.1: Current Businesses on Neill Street in Beaufort**



Source: Ethos Urban

**Figure 9.2: Highway Through-Traffic, Neill Street, Beaufort**

Source: Ethos Urban

In the longer term, a range of factors indicate Beaufort's local economy is sufficiently robust to weather initial transitional effects and potentially benefit. While the population of Beaufort at 1,540 persons (as per the 2016 ABS Census) is relatively small, unlike many rural townships, Beaufort's population has observed an increasing trend of +1.8% annual growth (refer Section 6.2). This increasing trend can be partly attributed to the township's scenic and rural lifestyle values and proximity to Ballarat. An increasing population sends a positive signal to those individuals or businesses looking to invest in Beaufort.

Further, Beaufort has a relatively diverse economic base, as outlined in Section 6.3, which is informed by the township's regional service role and function as the administrative centre of the Pyrenees Shire Council and location in an agricultural area amongst other factors. Beaufort has a strong blue-collar industry base despite the township's relatively small population, as discussed previously in Section 6.5. Larger industrial enterprises located in Beaufort include Epping Timber and Eureka Concrete. The labour force growth and the relatively low unemployment rates observed for Beaufort SA2 and Pyrenees Shire Council (as a whole), are also indicative of the diverse economy and breadth of business and employment opportunities afforded by the Beaufort township and the surrounding region.

Importantly, there are a number of factors which suggest that Beaufort township has potential to leverage the amenity benefits (due to reductions in heavy traffic through the town) which would flow from bypassing. Beaufort already has a 'rural village' feel, which would be elevated by amenity uplift associated with the Bypass, while the township's proximity to Ballarat (and to an extent Melbourne) and the Grampians would provide opportunities to further attract visitors. That is: visitation stemming from those persons who are drawn to the township and surrounding area for specific reason – be it Beaufort's cafes, gift shops and small-town charm; the outdoor recreation activities available including Beaufort lake, nearby horse trail riding, four-wheel driving, and bush walking; as well as the events/festivals in the Pyrenees Shire Council region including Rainbow Serpent Festival, Beaufort Agricultural Show, and the Lake Goldsmith Steam Rally.

The establishment of a high-end restaurant (or related use) is an example of a potential opportunity for Beaufort which could draw visitation to the town post bypass. This was noted in conversations with a number of stakeholders. Loch, in south-east Gippsland, is an example of a town that has benefited significantly post bypassing by leveraging its attractiveness as a destination. Visitors are attracted to Loch by the culinary opportunities, boutique brewery and distillery etc now provided in the town which are complemented by the localities tranquillity and rural village feel, enhanced by the lack of heavy commercial traffic.

Finally, the proposed Bypass also presents an opportunity for strategic thinking to take place regarding Beaufort's future role in a planning and development context. It is understood that Pyrenees Shire Council are currently updating their strategic planning and design framework for Beaufort, and that this update would have regard for potential impacts and opportunities presented by the proposed Bypass. The frameworks actions identified in the Beaufort Framework Context Report 2017 (refer to section 5.2.3) provides a starting point to this process.

The following initiatives serve as approaches to leveraging opportunities associated with bypassing that Council may want to consider:

- **Population growth.** Increasing the local retail spending base through population growth is a key opportunity for Beaufort to mitigate impacts associated with a reduction in highway trade due to bypassing. The strategic planning for an expanded township informed by prudent analysis of constraints and economic drivers is the key initiative in this context. Broadly speaking, population growth above recent historic trends is considered to be an opportunity for Beaufort, having regard for the town's location in proximity to Ballarat and coupled with direct rail and road connection to Melbourne. The opportunity may also present for strategic planning initiatives to leverage the COVID-19 pandemic which has resulted in increased interest in regional residential markets.
- **Transitioning Beaufort from a 'stop-over' to a 'destination'.** Initiatives that could assist in repositioning the town as a destination include:
  - Appropriate signage alerting highway traffic to Beaufort's services and amenities
  - A branding and promotion strategy to increase the town's appeal as a destination
  - The establishment of events and festivals held in the centre of Beaufort – noting that the Pyrenees Shire already has a strong reputation for festivals/events
  - Street scape and other improvements to the quality of the public realm so that the township presents attractively to visitors
  - Provision of business coaching services for local retailers to assist them in adjusting to a post bypass environment; and
  - Economic development initiatives to attract new businesses, such as Council offering rates reductions, grants, or other sweeteners to attract major employers to Beaufort or businesses with an offering would significantly assist the township repositioning itself as a destination (for example a high-end restaurant).

A summary of mitigation measures flowing from the construction and operation of the C2 Alignment is provided by Chapter 10.

### 9.1.2 Highway Trade Impact Assessment

#### **Background**

For the purposes of this study, Ethos Urban has prepared estimates of the potential economic impact to Beaufort associated with the diversion of highway trade due to bypassing.

This analysis seeks to provide an indication of the initial economic impacts that would occur once the C2 Alignment becomes operational, noting that in the longer-term there is potential for Beaufort's economy to transition and recover initial losses, as indicated by the Karuah case study. The degree in which Government stakeholders (including State, Council and RRV) and the private sector can successfully implement mitigation measures discussed previously and listed in Chapter 10 will, in

Ethos Urban's view, have a major bearing on Beaufort's ability to recover initial economic losses associated with bypassing.

Estimating the potential economic impacts to a township flowing from bypassing is difficult, influenced by a range of factors, and relies on information that is limited. In this regard, the following estimates provide a general indication of the impacts that, in Ethos Urban's opinion, could conceivably materialise in the short-term due to bypassing, based on available information.

### **Methodology**

The methodology employed comprised the following steps:

- 1 Estimate total gross annual revenue of all businesses located in Beaufort's town centre.
- 2 Estimate share of gross annual revenue attributed to passing through traffic – e.g., 'highway trade'.
- 3 Estimate initial downturn in highway trade revenue due to bypassing.
- 4 Estimate the flow-on reduction to total gross annual revenue due to bypassing (e.g., total gross annual revenue less the downturn in the highway trade component).
- 5 Estimate the flow-on reduction in jobs supported in Beaufort.

It is critical that the reader keeps in mind the distinction between total gross annual revenue and revenue attributed to highway trade when considering impacts. For the purposes of this assessment, highway trade is defined as revenue generated by an enterprise's exposure to highway through-traffic and/or Beaufort's current context as a highway stop-over town. To be clear, revenue attributed to highway trade is a subset of total gross annual revenue.

All enterprises included in the Highway Trade Impact Assessment included either a retail or accommodation component (and thus had potential to be impacted by bypassing).

Businesses analysed were categorised as belonging to the following sectors which allowed for a like-to-like comparison of retail expenditure and other data across the Beaufort township:

- **Food, Liquor & Groceries**, comprising supermarkets and bottle shops.
- **Food, Liquor & Groceries (Speciality)**, comprising speciality food retail (butcher, bakery etc.). Note, the shop (retail) component of service stations was not included in this category.
- **Food & Drink Catering**, comprising cafes, restaurants, fast-food outlets, and bistro/bars.
- **Non-Food Retail**, including all non-food retail uses – gift shops, antique shops, homemaker, bulky goods, apparel, leisure (general), discount retail and nurseries. Note, this category did not include light industrial or trade supplies (such as timber yards).
- **Service Stations/Fuel**, including the fuel and shop component of the service stations (both the Caltex and Red Kangaroo service stations).
- **Accommodation.**

The analysis was informed by:

- A **floorspace and turnover survey** of Beaufort's retail and accommodation uses undertaken by Ethos Urban on 12th March 2019. Understanding the floorspace provision and mix is critical when estimating retail turnover in strip centres and provides an information base for average turnover and rental metrics to be tested and inform estimates of total gross turnover.
- **Face-to-face meetings** with the owners and/or management of eight businesses located in Beaufort's town centre representing the broad types of activities with a reliance on highway trade. These businesses were:
  - Ryan's Supa IGA;
  - The Big Garage Sale;
  - Beaufort Bakery;
  - Pyrenees Pantry;
  - Golden Age Hotel;
  - Godfrey's Milk bar;
  - Beaufort Newsagent & Lotto;
  - UFS Pharmacy.

Businesses were jointly identified for consultation by Ethos Urban, WSP and RRV, for the purposes of collecting information to inform analysis by Ethos Urban regarding the dependency of Beaufort town centre businesses on highway trade and the likely impacts to sales (\$) that would result from bypassing. Conversations were undertaken with individual businesses in good faith and on a confidential basis. Note, while conversations with stakeholders informed the preparation of turnover estimates and the share of revenue attributed to highway trade, these estimates were ultimately based on Ethos Urban's professional judgement.

- An assessment of **key local and regional economic considerations** (refer Chapter 6), as well as available literature concerning the impacts of bypassing (refer Section 7.2). Ethos Urban's experience in undertaking economic impact assessments on regional towns and activity centres across Australia also informed estimates of trade dependency and sales impacts.
- Input from of **relevant data** including:
  - MarketInfo – a micro-simulation retail spending model that uses data from the ABS Household Expenditure Survey, the ABS Census of Population and Housing, ABS National Accounts, and other relevant sources. These estimates were generated at a local level.
  - Local real estate market information from properties being sold or leased, such as average rents (per m<sup>2</sup> of floorspace). Ethos Urban subscribes to the Pricerfinder property analytics platform.
- **Findings of the traffic modelling** undertaken by WSP in 2017 including the results of origin-destination (O-D) traffic survey results (refer to discussion below).

### **Traffic Assessment Results**

In undertaking the highway trade impact assessment, Ethos Urban had regard for the findings of the report prepared by WSP in 2020 titled *Beaufort Bypass Environment Effects Statement Traffic and Transport Assessment*, which was informed by traffic surveys (including O-D survey) and traffic modelling undertaken by WSP in 2017.

As outlined in Chapter 9 of the *Traffic and Transport Assessment*, under a no bypass scenario Western Highway traffic volumes in the centre of Beaufort (between King Street and Beaufort-Lexton Road intersection) for a Thursday were estimated at 11,110 vehicles per day in 2017 and forecast to increase to 14,660 vehicles per day by 2031. It is noted in the report that “*at this volume (14,660 vehicles per day) the centre of town is likely to experience congestion leading to safety issues and accessibility issues*”. (refer executive summary)

Under a bypassing scenario (C2 Alignment), traffic volumes in the centre of Beaufort for a Thursday would reduce to 5,821 vehicles per day under 2017 levels and to 7,680 vehicles per day under 2031 forecasts. This outcomes represents a decline of 48% for both 2017 and 2031 compared with a no project scenario.

In preparing this highway trade impact assessment the Ethos Urban also had regard to the results of O-D survey data. This data indicates that out of the vehicles found to be highway through-traffic approximately 13% stopped in town (12.6% for light vehicles and 8.0% for heavy vehicles), based on analysis of eastbound and westbound match times.

However, it is noted that:

- The O-D survey data was only collected for a 12-hour period on one day (Thursday 26 October 2017).
- Insufficient data is available to interrogate where individual vehicles stopped.
- No modelling is available that forecasts the share of traffic that would stop in town under a bypass scenario.

An analysis of eastbound and westbound match times for one day provides a very general basis to sense check the estimated share of total revenue by Beaufort Businesses attributed to highway trade. But traffic modelling data is not available to inform a precise estimate of the potential reduction in highway through-traffic that would stop in town (to buy a drink or lunch etc) under a bypassing scenario, having regard for the above observations.

Instead, the traffic modelling does indicate that bypassing would result in traffic volumes in the centre of Beaufort declining by around 48%, as previously discussed.

In this context, it is Ethos Urban's view that the broad, conservative assumption that bypassing would conceivably result in a reduction in **highway trade** of up to 50% is reasonable based on available information and provides an appropriate basis to understand initial economic impacts.



Note: Ethos Urban's experience and expertise is in the analysis of the economy and impacts to businesses. Traffic modelling is not an area of which Ethos Urban has experience or expertise. Guidance from WSP transport engineers assisted Ethos Urban in interpreting results of O-D survey and traffic modelling. In this regard, WSP notes all traffic forecasts are subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realised, and unanticipated events/circumstances may occur. Therefore, no assurance can be provided that the reported forecasts will be achieved. The actual outcomes may vary from those forecasts and the variations may be material.

### **Estimated Impact to Highway Trade and Gross Annual Revenue**

#### Estimated Total Annual Sales and Sales Attributed to Highway Trade

In total, it is estimated that highway dependent businesses generate \$31.6m in gross total revenue per annum (in 2019 dollars). The largest sales sector is Food, Liquor and Groceries (10.1 million or 32% of total sales), followed by Service Station/Fuel sector (\$7.6m or 24% of total sales).

At the lower end of the spectrum, only \$0.8m (or 2%) of total sales are estimated to be generated by the Accommodation sector, while the Food & Drink Catering, Non-Food Retail, and Food, Liquor and Groceries (Speciality) sectors accounted for 19%, 16%, and 7% of total sales revenue, respectively.

Approximately 33% or \$10.4m of total sales are estimated to be directly attributed to highway trade: that is, sales generated by the businesses' exposure to highway through-traffic and/or Beaufort's current context as a highway stop-over town (see Table 6.1). Sectors with the highest reliance on highway trade are Service Stations (68% or \$5.1m in sales) and Food & Drink Catering (47% or \$2.8m in sales).

**Table 9.1: Estimated Annual Sales & Dependency on Highway Trade**

Category	Food, Liquor & Groceries	Food, Liquor & Groceries (Specialty)	Food & Drink Catering	Non-Food Retail	Service Stations (Fuel and non-fuel sales)	Accommodation	Total
Estimated Total Gross Revenue (2019) (\$ million)	\$10.1m	\$2.2m	\$5.9m	\$5.0m	\$7.6m	\$0.8m	\$31.6m
Revenue Attributed to Highway Trade (\$ million)	\$1.1m	\$0.6m	\$2.8m	\$0.7m	\$5.1m	\$0.1m	\$10.4m
Share of Total Gross Revenue (%)	11%	26%	47%	14%	68%	14%	33%

Source: Ethos Urban

Estimated Revenue Impacts

The estimated revenue impacts for each sector under a scenario in which 50% of highway trade is forgone is outlined in Table 9.2. The total revenue forgone under a scenario in which highway trade reduces by 50% is \$5.2m.

**Table 9.2: Estimated Annual Sales and Potential Adverse Impacts**

Category	\$ Millions		
	Total Gross Revenue	Revenue Attributed to Highway Trade	Bypass Impact: 50% of Revenue Attributed to Highway Trade Forgone
Food, Liquor & Groceries	\$10.1m	\$1.1m	-\$0.6m
Food, Liquor & Groceries (Specialty)	\$2.2m	\$0.6m	-\$0.3m
Food & Drink Catering	\$5.9m	\$2.8m	-\$1.4m
Non-Food Retail	\$5.0m	\$0.7m	-\$0.3m
Service Stations/Fuel	\$7.6m	\$5.1m	-\$2.6m
Accommodation	\$0.8m	\$0.1m	-\$0.1m
<b>Total</b>	<b>\$31.6m</b>	<b>\$10.4m</b>	<b>-\$5.2m</b>

Source: Ethos Urban

The reduction in total gross revenue (expressed as a percentage) for each sector estimated to occur under a scenario whereby highway trade reduces by 50% is shown in Table 9.3.

The estimates provided show that a loss of \$5.2m in highway trade is equivalent to a total decline in gross revenue of 16% (\$5.2m / \$31.6m).

In other words, the impact associated with bypassing is estimated to be a 16% reduction in total revenue for businesses in Beaufort which have a reliance on highway trade.

This estimate represents the initial impact attributed to bypassing. Importantly, there would be an opportunity to reverse the losses and even increase the revenue base relative to the no-bypass scenario if targeted steps are taken to broaden the town's appeal to visitors and grow the residential population.

Note, turnover for service stations (retail fuel sales and non-retail fuel sales) is based on information sourced from the Australian Competition & Consumer Commission (ACCC) - *Financial performance of the Australian downstream petroleum industry 2020 to 2018*, April 2020.

**Table 9.3: Estimated Total Annual Gross Revenue Impact**

Category	Food, Liquor & Groceries	Food, Liquor & Groceries (Specialty)	Food & Drink Catering	Non-Food Retail	Service Stations/Fuel	Accommodation	Total
Estimated Total Sales (2019)	\$10.1m	\$2.2m	\$5.9m	\$5.0m	\$7.6m	\$0.8m	\$31.6m
Sales Attributed to Highway Trade	\$1.1m	\$0.6m	\$2.8m	\$0.7m	\$5.1m	\$0.1m	\$10.4m
<b>Sales Forgone due to Bypassing (50% Reduction in Sales Attributed to Highway Trade)</b>	<b>-\$0.6m</b>	<b>-\$0.3m</b>	<b>-\$1.4m</b>	<b>-\$0.3m</b>	<b>-\$2.6m</b>	<b>-\$0.1m</b>	<b>-\$5.2m</b>
<b>Reduction in Total Sales (%)</b>	<b>-5%</b>	<b>-13%</b>	<b>-24%</b>	<b>-7%</b>	<b>-34%</b>	<b>-7%</b>	<b>-16%</b>

Source: Ethos Urban

#### Estimated Employment Impacts

Estimates of the number of FTE employees currently supported by highway-trade dependent business and forgone due to impacts of bypassing were calculated using available ABS Census and economy.id (National Institute of Economic and Industry Research) data, which enabled estimates of FTE employment per business category to be generated.

Under a scenario in which highway trade reduces by \$5.2m (representing a decline of 16% of total gross revenue for highway dependent businesses), it is estimated that around 27 FTE positions would be lost in the Beaufort township in the short-term reflecting a reduction of approximately 4.4% of FTE employment for Beaufort township. Note, Beaufort township FTE employment estimates are derived from 'place of employment' figures for Beaufort Destination Zone (ABS Census 2016).

It is anticipated that 25%-30% of reduced employment will be associated with impacts of the bypass on Beaufort's service station operators.

The anticipated initial reduction in Beaufort township employment (-4.4%) is slightly higher than the recorded initial employment impact for Kempsey (-3.3%) due to bypassing (refer to 9.1.1).

#### Additional Considerations

The estimated total revenue impact aforementioned (-\$5.2m, representing a 16% decline in total gross revenue for highway dependent businesses) is the indicative impact to the current gross revenue level for these businesses should bypassing occur in 2019.

Accordingly, the following additional aspects should be considered:

- **Project timing:** Rather than occurring at the time of writing, bypassing is likely to occur several years from now. This time lag would result in the total gross revenue level being higher than the current \$31.6m per annum due to factors such as local population and visitation growth. Thereby the reduction in total sales attributed to the bypassing would occur

from a higher revenue base with potential for the % share of total gross revenue to be reduced.

- **Construction stimulus:** Discussions with the eight businesses surveyed reveal that sales revenue increased between 5%-10% per annum over the last 10 or so years. This uplift has been generally attributed to the increase in the number of workers in the Beaufort area associated with construction of nearby wind farms and the Western Highway duplication projects. A construction spending impact is also expected to occur in relation to the building of the Beaufort Bypass, providing a significant spending stimulus to local businesses during the construction phase. The construction phase of the project is estimated to generate between approximately 870 and 1,070 direct FTE jobs in civil engineering and heavy construction sector (see Section 9.2). In particular, engineers, construction workers and other employees working onsite would likely provide a revenue boost to service stations, local cafes, supermarket, pubs as well as the motel (which already has a relatively high occupancy rate and principally provides for workers related to nearby infrastructure projects).
- **Long-term local and regional spending growth:** While bypassing would result in an initial reduction (or rebasing) of revenue levels for businesses with retail, fuel, food & beverage, or accommodation components; in the longer term, growth in the local and regional retail spending base associated with population and visitor growth may provide opportunities for Beaufort businesses to increase revenues to pre-bypassing levels (in relative terms).

For example, by 2031, the retail spending of residents in Pyrenees Shire Council is estimated to be \$117.2m, an increase of \$18.1m on the current 2019 level (\$99.1m), having regard for the MarketInfo 2016 retail spending model.

More significant are the long-term opportunities for Beaufort businesses afforded by the proximity of Ballarat, Victoria's second largest regional city. By 2031, the retail spending of Ballarat (LGA) residents is estimated to be \$2,164.8m (\$2.2b), an increase of +\$613.0m on the current 2019 level (\$1,551.7m). Increased retail spending of residents in both Pyrenees and Ballarat LGAs can be attributed to population growth and real growth associated with increased wealth over time (around +1% per annum).

Although Beaufort would reasonably be expected to capture only a very small share of retail spending from Ballarat residents, the sheer size of the spending pool available would present opportunities for the township's businesses into the future regarding the attraction of day-trip visitation. The scale of amenity benefits leveraged through reduced heavy vehicle traffic in Beaufort will be an important factor in maximising day-trip visitation and spending from the broader region, as discussed previously.

## 9.2 Summary of Potential Impacts

This section provides a summary of the potential impacts flowing from the construction and operation of the preferred C2 alignment option. Each impact identified is assigned as number (Impact: #) and an impact rating is provided that has been informed by the risk assessment in Appendix A.

### 9.2.1 Economic Impacts of Land Acquisition and Severance

For background information regarding potential land acquisition and severance impacts refer Appendix B: Stakeholder Consultations.

#### Stakeholder 1

Under option C2, approximately 15.8 hectares of land would need to be acquired which currently accommodates some blue gum plantation harvesting as well as grazing activities.

### Potential Impacts

- **Impact 1:** Construction and operation - Loss of land due to acquisition. (*Localised extent and ongoing duration. Impact Rating: Medium*)
- **Impact 2:** Construction and operation - Reduced access to water due to the properties southwest catchment being fully or partially affected by the bypass alignment (*Localised extent and ongoing duration. Impact Rating: Medium*)
- **Impact 3:** Operation - Loss of access from Smiths Lane compromising the operational efficiency of the enterprise (*Localised extend and ongoing duration. Impact Rating: Low*)

#### Stakeholder 2

Under option C2 approximately 29.5 hectares of land would be acquired from the property.

### Potential Impacts

- **Impact 4:** Construction and operation - Loss of land due to acquisition. The loss of irrigated land is of particular concern to the landowner. (*Localised extent and ongoing duration. Impact Rating: Medium*)
- **Impact 5:** Construction and operation - Access to irrigation water forgone due to severance for all or some of the subject property resulting in a downturn in business revenues. (*Localised extent and ongoing duration. Impact Rating: Medium*)
- **Impact 6:** Construction and operation - Loss of east-west access across the property due to severance, including ability to move heavy machinery and livestock between land on either side of the Bypass, with flow-on impacts to business revenues. (*Localised extent and ongoing duration. Impact Rating: Low*)
- **Impact 7:** Construction - Environmental impacts on Livestock and flow on impacts to business revenues. An example of an environmental impact could be excessive noise scaring animals resulting in injuries or damage to fencing infrastructure. (*Localised extent and temporary duration. Impact Rating: Low*)

#### **9.2.2 Impacts and Benefits Relevant to the Future Growth and Development of Beaufort**

For background information regarding the potential impacts identified in this section, refer to Appendix B: Stakeholder Consultations and Section 9.1.

#### **Potential Impact – Construction Phase**

- **Impact 8:** Additional demand for overnight accommodation in Beaufort due to major construction projects may result in a local supply shortage (commercial and private) and restrict overnight accommodation available for the tourist sector. Considerable regional accommodation options are available in Ballarat, Ararat etc to support construction projects. The amount of project workers requiring accommodation in Beaufort and the broader region will be dependent on local procurement arrangements, specialised project skills/expertise needed, and the specific requirements of each stage of the project. (*Localised extent and temporary duration. Impact Rating: Low*)

#### **Potential Benefit – Construction Phase**

- **Impact 9:** A temporary uplift in Motel, caravan park, hotel, and other accommodation occupancy (and business revenues) attributed to the proposed Bypass project's construction phase (i.e., workforce needs). (*Localised extent and temporary duration. Impact Rating: NA*)

- **Impact 10:** A temporary uplift in revenues of Beaufort's retail business associated with the construction phase of the project (i.e., workforce spending). (*Localised extent and temporary duration. Impact Rating: NA*)
- **Impact 11:** A temporary uplift in revenues of construction aligned industry located in Beaufort, wider Pyrenees Shire Council, and Ballarat region associated with the construction phase of the project (i.e., services to the Project). (*Localised extent and temporary duration. Impact Rating: NA. Impact Rating: NA*)

#### **Potential Impact – Operational Phase**

Potential impacts attributed to bypassing:

- **Impact 12:** Estimated initial revenue reduction of -\$5.2m (-16%) for highway dependent businesses, resulting in an estimated employment impact of -27 FTE positions. (*Localised extent, temporary duration. Impact Rating: High*)

#### **Potential Benefit – Operational Phase**

- **Impact 13:** An uplift in revenues for business in Beaufort, above what would occur under a no bypass scenario, attributed to improvements to the township's environment associated with the reduction in through-traffic (especially heavy vehicles) when bypassed. This potential benefit is a long-term consideration and is predicated on Council, local businesses and other stakeholders undertaking targeted, strategic initiatives aimed at facilitating population growth and broadening the township's appeal to visitors. (*Localised extent, ongoing duration. Impact Rating: NA*)

## 10 Mitigation

This Chapter provides a summary of potential mitigation measures for the impacts identified previously in Section 9.2. The identification of mitigations was informed by discussions with potentially impacted enterprises and other relevant stakeholders including Pyrenees Shire Council and RRV, as well as Ethos Urban's professional expertise and judgement.

### 10.1 Summary of Mitigations

A summary of mitigations is provided in Table 10.1 and will require incorporation into the EMF for the management of residual impacts.

**Table 10.1 Summary of Mitigations**

Entity / Sector	Impact No.	Impact	Mitigation	Project Phase	Responsibility
Rural/Agricultural Stakeholder 1	1	Loss of land due to acquisition.	Compensation agreed with landowner in accordance with RRV Procedures.	Initial	RRV
Rural/Agricultural Stakeholder 1	2	Access to irrigation water forgone due to severance.	Any reductions in prevailing water catchment drainage to the property to be offset by water collected from the new Bypass and diverted to the subject property; and/or compensation agreed with landowner in accordance with RRV Procedures.	Development and Operation/ Maintenance	RRV
Rural/Agricultural Stakeholder 1	3	Loss of access from Smiths Lane compromising the operational efficiency.	Preparation of Access Management Strategy; or compensation agreed with landowner in accordance with RRV Procedures.	Development and Operation/ Maintenance	Contractor (Access Management Strategy) RRV (compensation)
Rural/Agricultural Stakeholder 2	4	Loss of land due to acquisition.	Compensation agreed with landowner in accordance with RRV Procedures.	Initial	RRV
Rural/Agricultural Stakeholder 2	5	Access to irrigation water forgone due to severance.	Compensation agreed with landowner in accordance with RRV Procedures.	Development and Operation/ Maintenance	RRV
Rural/Agricultural Stakeholder 2	6	Loss of east-west access across the property due to severance.	Preparation of Access Management Strategy or compensation agreed with landowner in accordance with RRV Procedures.	Development and Operation/ Maintenance	Contractor (Access Management Strategy) RRV (compensation)
Rural/Agricultural Stakeholder 2	7	Environmental impacts on Livestock during the construction phase.	Preparation of Construction Management Plan Preparation of Consultation Plan	Development	Contractor
Beaufort Tourist Sector	8	Overnight accommodation shortage due to additional demand.	Preparation of a construction workforce management plan which seeks to utilise regional accommodation options (such as Ballarat, Ararat, private sector);	Development	Contractor

Entity / Sector	Impact No.	Impact	Mitigation	Project Phase	Responsibility
			and ongoing consultation with Beaufort's accommodation providers.		
Beaufort Accommodation & Tourist Sector	9	A temporary uplift in accommodation occupancy.	Benefit - mitigation not applicable	Development	N/A
Beaufort Retailers	10	A temporary uplift in revenues of Beaufort's retail businesses.	Benefit - mitigation not applicable	Development	N/A
Local Construction Sector	11	A temporary uplift in revenues of construction aligned industry.	In accordance with the percentage targets declared by the Minister for Industry Support and Recovery under the <i>Local Jobs First Act 2003</i> , Contractors will develop local procurement strategies.	Development	N/A
Beaufort Businesses	12	Revenue forgone due to bypassing and flow-on employment impacts.	Business Disruption Plan to minimise impacts to businesses during construction. The plan would include integrated transport, access and consultation with effected businesses to inform businesses of construction disruptions and minimise impacts to business operation.	Development	Contractor
			<p>During pre-construction stages, DoT in partnership with Council, will develop transitional initiatives to reposition Beaufort from a highway dependent town to a bypassed town to assist its economic and social recovery post Bypass.</p> <p>Transitional initiatives identified for Beaufort should generally be aligned with the Pyrenees Economic Development Strategy – February 2020 and would include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Attracting new and diverse businesses and employment opportunities to Beaufort;</li> <li>• Planning and design projects to be implemented in support of new and</li> </ul>	Development	RRV



Entity / Sector	Impact No.	Impact	Mitigation	Project Phase	Responsibility
			existing business and employment opportunities and population growth within the township; <ul style="list-style-type: none"> <li>• Identifying the critical population mass required to enhance the social and economic sustainability of Beaufort;</li> <li>• Branding and promotion including appropriate signage;</li> <li>• Public realm and amenity improvements</li> <li>• Identifying infrastructure improvements that support tourism, investment and the liveability of Beaufort; and</li> <li>• Identifying potential resourcing and capacity building and funding options to support Council with implementation.</li> </ul>		
Beaufort Businesses	13	Long-term uplift in revenues for business in Beaufort, above what would occur under a no bypass scenario.	Benefit - mitigation not applicable	Operation/ Maintenance	N/A

Source: Ethos Urban

## 11 Residual Impacts

This Chapter provides a summary of potential residual impacts associated with the project.

### 11.1 Summary of Residual Impacts

The potential for residual impacts has only been identified for Impact 12 (Revenue forgone due to bypassing and flow-on employment impacts).

Proposed additional mitigation measures to reduce residual impacts are outlined in as follows:

- Various initiatives to assist in repositioning Beaufort as a visitor destination, including:
  - Appropriate signage
  - Branding and promotion strategy
  - Public realm improvements.

If the proposed mitigation measures are implemented the residual impact ratings would be low in all cases. (refer to Table A.1).

**Table 11.1 Summary of Residual Impacts**

Entity / Sector	Impact No.	Initial Impact	Mitigations to Reduce Residual Impacts	Residual Impact	Project Phase
Rural/Agricultural Stakeholder 1	1	Loss of land due to acquisition. <b>MEDIUM</b>	Compensation agreed with landowner in accordance with RRV Procedures.	<b>LOW</b>	Initial
Rural/Agricultural Stakeholder 1	2	Access to irrigation water forgone due to severance. <b>MEDIUM</b>	Any reductions in prevailing water catchment drainage to the property to be offset by water collected from the new Bypass and diverted to the subject property; and/or compensation agreed with landowner in accordance with RRV Procedures.	<b>LOW</b>	Development and Operation/ Maintenance
Rural/Agricultural Stakeholder 1	3	Loss of access from Smiths Lane compromising the operational efficiency. <b>LOW</b>	Preparation of Access Management Strategy; or compensation agreed with landowner in accordance with RRV Procedures.	<b>LOW</b>	Development and Operation/ Maintenance
Rural/Agricultural Stakeholder 2	4	Loss of land due to acquisition. <b>MEDIUM</b>	Compensation agreed with landowner in accordance with RRV Procedures.	<b>LOW</b>	Initial
Rural/Agricultural Stakeholder 2	5	Access to irrigation water forgone due to severance.	Any reductions in prevailing water catchment drainage to the property to be	<b>LOW</b>	Development and Operation/ Maintenance

Entity / Sector	Impact No.	Initial Impact	Mitigations to Reduce Residual Impacts	Residual Impact	Project Phase
		<b>MEDIUM</b>	offset by water collected from the new Bypass and diverted to the subject property; and/or compensation agreed with landowner in accordance with RRV Procedures.		
Rural/Agricultural Stakeholder 2	6	Loss of east-west access across the property due to severance. <b>LOW</b>	Preparation of Access Management Strategy; or compensation agreed with landowner in accordance with RRV Procedures.	<b>LOW</b>	Development and Operation/Maintenance
Rural/Agricultural Stakeholder 2	7	Environmental impacts on Livestock during the construction phase. <b>LOW</b>	Preparation of Construction Management Plan Preparation of Consultation Plan	<b>LOW</b>	Development
Beaufort Tourist Sector	8	Overnight accommodation shortage due to additional demand. <b>LOW</b>	Preparation of a construction workforce management plan which seeks to utilise regional accommodation options (such as Ballarat, Ararat, private sector); and ongoing consultation with Beaufort's accommodation providers.	<b>LOW</b>	Development
Beaufort Accommodation & Tourist Sector	9	A temporary uplift in accommodation occupancy. <b>BENEFIT</b>	In accordance with the percentage targets declared by the Minister for Industry Support and Recovery under the <i>Local Jobs First Act 2003</i> , Contractors will develop local procurement strategies.	NA	Development
Beaufort Retailers	10	A temporary uplift in revenues of Beaufort's retail businesses. <b>BENEFIT</b>	In accordance with the percentage targets declared by the Minister for Industry Support and Recovery under the <i>Local Jobs First Act 2003</i> , Contractors will develop local procurement strategies.	NA	Development

Entity / Sector	Impact No.	Initial Impact	Mitigations to Reduce Residual Impacts	Residual Impact	Project Phase
Local Construction Sector	11	A temporary uplift in revenues of construction aligned industry. <b>BENEFIT</b>	In accordance with the percentage targets declared by the Minister for Industry Support and Recovery under the <i>Local Jobs First Act 2003</i> , Contractors will develop local procurement strategies.	NA	Development
Beaufort Businesses	12	Revenue forgone due to bypassing and flow-on employment impacts. <b>HIGH</b>	Business Disruption Plan to minimise impacts to businesses during construction. The plan would include integrated transport, access and consultation with effected businesses to inform businesses of construction disruptions and minimise impacts to business operation. During pre-construction stages, DoT in partnership with Council, will develop transitional initiatives to reposition Beaufort from a highway dependent town to a bypassed town to assist its economic and social recovery post Bypass. Transitional initiatives identified for Beaufort should generally be aligned with the Pyrenees Economic Development Strategy – February 2020 and would include, but are not limited to: <ul style="list-style-type: none"> <li>• Attracting new and diverse businesses and employment opportunities to Beaufort;</li> <li>• Planning and design projects to be implemented in support of new</li> </ul>	<b>LOW</b>	Operational/ Maintenance

Entity / Sector	Impact No.	Initial Impact	Mitigations to Reduce Residual Impacts	Residual Impact	Project Phase
			<p>and existing business and employment opportunities and population growth within the township;</p> <ul style="list-style-type: none"> <li>Identifying the critical population mass required to enhance the social and economic sustainability of Beaufort;</li> <li>Branding and promotion including appropriate signage;</li> <li>Public realm and amenity improvements</li> <li>Identifying infrastructure improvements that support tourism, investment and the liveability of Beaufort; and</li> <li>Identifying potential resourcing and capacity building and funding options to support Council with implementation.</li> </ul>		
Beaufort Businesses	13	Long-term uplift in revenues for business in Beaufort, above what would occur under a no bypass scenario. <b>BENEFIT</b>	N/A	NA	Operation/ Maintenance

Source: Ethos Urban

## 12 Conclusions

This regional economy impact assessment has been undertaken for the purpose of the Beaufort Bypass project. The report considered the existing and future economic conditions within the study area and potential impacts to individual business and Beaufort township resulting from the C2 Alignment.

The following key findings are highlighted:

- Potential impacts identified to businesses flowing from the construction or operation of the Option C2 include:
  - Land acquisition and severance impacts to some agricultural properties;
  - Additional demand for overnight accommodation during the construction phase resulting in a supply shortage in Beaufort (commercial and private);
  - Estimated total gross revenue forgone due to bypassing of -\$5.2 million (-16%) pa, with potential to result in the loss of approximately 27 FTE positions, or 4.4% of township employment.
- There is for potential for economic benefits in the construction phase including increased demand for local civil construction services and an uplift in local retail trade attributed to the construction workforce during the construction phase of the project.
- Once the bypass is operational, an uplift in revenues for local businesses through improved township amenity, safety and environment is a possibility. However, this potential benefit is a long-term consideration and is predicated on Council, local businesses and other stakeholders undertaking targeted, strategic initiatives that facilitate population growth and broadened the township's appeal to visitors.
- Identified mitigations include compensation in accordance with RRV procedures for acquisition and severance impacts, and a construction workforce management plan to manage impacts on the local accommodation and tourism sector.
- To mitigate the impacts of bypassing it is suggested that:
  - Various initiatives are undertaken collaboratively by State government, RRV, tourism agencies, Council, and local business to reposition Beaufort as a visitor destination including appropriate signage, a branding and promotion strategy, establishment of festivals and events, public realm improvements, business coaching, and targeted economic development strategies to attract new businesses to the town.
  - Strategic planning is undertaken to support population growth in Beaufort and surrounds, facilitated by improved amenity of the township through the removal of heavy traffic and targeted initiatives (see above), which will increase available local expenditure for businesses.

## 13 Limitations

This Report is provided by Ethos Urban under a Sub consultancy Agreement with WSP on behalf of Regional Roads Victoria (*Client*) in response to specific instructions from the Client.

### 13.1 Permitted Purpose

This Report is provided by Ethos Urban for the purpose described in the Agreement and no responsibility is accepted by Ethos Urban for the use of the Report in whole or in part, for any other purpose (*Permitted Purpose*).

### 13.2 Qualifications and Assumptions

The services undertaken by Ethos Urban in preparing this Report were limited to those specifically detailed in the Report and are subject to the scope, qualifications, assumptions, and limitations set out in the Report or otherwise communicated to the Client.

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## Appendix A: Risk Register

**Table A.1: Economic Impact Risk Assessment Register – C2 Alignment (Preferred Option)**

Risk ID	Project Phase	Project Activity Aspect	Initial Risk					Residual Risk		
			Primary	Description of Risk & Impact	Mitigation Measure (Standard Controls)	Consequence	Likelihood	Risk Rating	Additional Controls	Risk rating
Eco1	Initial	Design	Compulsory land acquisition	Compulsory acquisition of farming or commercial land leads to impact on viability of productive activities / business operations	Design should avoid compulsory land acquisition where practicable. Community engagement. Compensation agreed with landowner in accordance with RRV Procedures.	Minor	Possible	Medium	Not required	Low
Eco2	Development	Construction	Impacts on local economy	Potential impact on local tourism sector if project construction workers occupy local accommodation facilities.	Construction contractor to prepare a construction workforce management plan to spread accommodation requirements across the region. Ongoing consultation with Beaufort accommodation providers.	Minor	Possible	Low	Not required	Low
Eco3	Development	Construction	Impacts on local economy	Reduced access to farms, businesses, and other properties.	Design should avoid severance to properties and businesses where practicable, and alternative access constructed should it be required. Ongoing consultation. Development of Access Plans for impacted businesses	Minor	Possible	Low	Not required	Low

Risk ID	Project Phase	Project Activity Aspect	Initial Risk						Residual Risk	
			Primary	Description of Risk & Impact	Mitigation Measure (Standard Controls)	Consequence	Likelihood	Risk Rating	Additional Controls	Risk rating
Eco4	Development	Construction	Impacts on local economy	Reduced access to irrigated water for farming properties.	Compensation agreed with landowner in accordance with RRV Procedures.	Minor	Possible	Medium	Not required	Low
Eco5	Development	Construction	Impacts on local economy	Environmental impacts on Livestock during the construction phase.	Development of Construction Management Plan Development of Consultation Plan	Minor	Possible	Low	Not required	Low
Eco6	Operation /Maintenance	Operation	Impacts on local economy	Potential permanent impacts on access to farms, businesses, and other properties	Implement recommendations of EIA. Construction Management Plan controls to minimise changes/alterations to existing road networks, access to farms businesses and other properties.	Minor	Possible	Low	Not required	Low
Eco7	Operation /Maintenance	Operation	Impacts on local economy	Reduced access to irrigated water for farming properties.	Compensation agreed with landowner in accordance with RRV Procedures.	Minor	Possible	Low	Not required	Low

Risk ID	Project Phase	Project Activity Aspect	Initial Risk					Residual Risk		
			Primary	Description of Risk & Impact	Mitigation Measure (Standard Controls)	Consequence	Likelihood	Risk Rating	Additional Controls	Risk rating
Eco8	Operation /Maintenance	Operation	Impacts on local economy	Potential short-term loss of trade	Consultation with local business stakeholders and Government agencies	Moderate	Likely	High	Business Disruption Plan to minimise impacts to businesses during construction. The plan would include integrated transport, access and consultation with effected businesses to inform businesses of construction disruptions and minimise impacts to business operation. During pre-construction stages, DoT in partnership with Council, will develop transitional initiatives to reposition Beaufort from a highway dependent town to a bypassed town to assist its economic and social recovery post Bypass. Transitional initiatives identified for Beaufort should generally be aligned with the Pyrenees Economic Development Strategy – February 2020 and would include, but are not limited to: <ul style="list-style-type: none"> <li>• Attracting new and diverse businesses and employment opportunities to Beaufort;</li> <li>• Planning and design projects to be implemented in support of new and existing business and</li> </ul>	Low

Risk ID	Project Phase	Project Activity Aspect	Initial Risk					Residual Risk		
			Primary	Description of Risk & Impact	Mitigation Measure (Standard Controls)	Consequence	Likelihood	Risk Rating	Additional Controls	Risk rating
									employment opportunities and population growth within the township; <ul style="list-style-type: none"> <li>Identifying the critical population mass required to enhance the social and economic sustainability of Beaufort;</li> <li>Branding and promotion including appropriate signage;</li> <li>Public realm and amenity improvements</li> <li>Identifying infrastructure improvements that support tourism, investment and the liveability of Beaufort; and</li> <li>Identifying potential resourcing and capacity building and funding options to support Council with implementation.</li> </ul>	

Source: WSP and Ethos Urban

## Appendix B: Stakeholder Consultation

To inform the identification of potential economic impacts and benefits, and potential mitigations, Ethos Urban consulted with a range of enterprises and stakeholders that have potential to be impacted by each bypass option (in addition to those businesses interviewed for the purposes of the Highway Trade Dependency Assessment).

These stakeholders were identified in conjunction with RRV and WSP and are listed below. Conversations took place either by face-to-face consultation, or by telephone in July 2017.

- Pyrenees Shire Council – Manager Economic Development & Planning
- Beaufort Visitor Information Centre – Manager
- Business for Beaufort
- United Petroleum
- Caltex Service Station<sup>1</sup>
- Beaufort Motel
- Visitor Information Centre
- Stakeholder 1 (owner of potentially impacted agriculture property)
- Stakeholder 2 (owner of potentially impacted agriculture property)
- Stakeholder 3 (owner of potentially impacted vineyard and apiary)

(1) A regional representative from Caltex could not be contacted. Discussions were instead undertaken onsite with the facilities team leader.

### *Pyrenees Shire Council*

A face-to-face meeting was held with the Manager of Economic Development & Planning. The potential implications of the proposed bypass for the economic development and tourist context of Beaufort and surrounding region was the primary point of discussion. Reference was made to the visitor accommodation context of the township, noting that Pyrenees Shire Council are the owners of the Beaufort Caravan Park.

The main viewpoints expressed on behalf of Council, at this meeting are outlined as follows:

- Beaufort's economic context is significantly influenced by the township's proximity to Ballarat (a major regional service centre) and to a lesser extent Greater Melbourne. A significant proportion of the township's labour force commute to Ballarat or for work, while daytrip visitation from Ballarat is becoming more important to local retail business (café's etc) in terms of revenues. The rural living opportunities afforded by Beaufort, coupled with the township's proximity to Ballarat are expected to drive future population growth. Attracting more daytrip visitation and spending from Ballarat residents is an important economic development opportunity for Beaufort moving forward.
- Beaufort has one residential greenfield development site (Correa Park) located on the western edge of town; Pyrenees Shire Council is the developer. Sales commenced in 2013, and since that time 54 lots have been sold. A covenant exists on the land which requires new landowners to construct a dwelling on the land within three years of purchase.

- Beaufort's local economy has a relatively broad industry base, although some businesses in the township (in particular its retail businesses) are significantly geared to highway related trade. The township will need to improve its 'destination qualities' to attract visitors and spending in view of its highway service role being downgraded once the Bypass becomes operational.
- Opportunities exist to promote Beaufort's rural village setting. The establishment of a high-end restaurant is one factor that could drive an increase in daytrip visitation from Ballarat and areas beyond. The impending relocation of Michael Unwin Wines (to an out-of-town location), a restaurant and cellar door facility which currently drives some daytrip visitation to the township, will be a loss to Beaufort.
- Visitation to Beaufort is currently influenced by the bushwalking, horse-riding and four-wheel driving activities in the nearby Pyrenees Ranges and Mount Cole State Forest; local festivals/events including Rainbow Serpent Festival and Lake Goldsmith Steam Rally; as well as the township's attributes as a 'day-trip' location for Ballarat residents, which include the township's cafes as well as Beaufort Lake. In recent years Grey Nomad visitation to the town has increased. Council are currently looking for additional space to accommodate RVs and Caravans staying overnight.
- Overnight accommodation in Beaufort is limited to the Beaufort Motel, Beaufort Caravan Park, Air BnB or rented properties, as well as the township's two Hotels. A large proportion of guest's staying in the Caravan Park (cabins) is workers. Major construction projects in the region include the development the Stockyard Hill Windfarm (149 turbines) which commenced in 2018. The construction phase of the proposed project is expected to drive additional demand for accommodation in Beaufort.

#### *Beaufort Visitor Information Centre – Manager*

A face-to-face meeting was held with the Manager of the Beaufort Visitor information Centre. In this meeting the visitation and tourism context for Beaufort township and the surrounding region was discussed. Note, 'visitation' does not include those persons who are simply passing through Beaufort while travelling to another destination (e.g. Adelaide, Melbourne, the Grampians, or Ballarat), rather those visiting Beaufort specifically.

The main viewpoints expressed at this meeting are as follows:

- Current visitation to Beaufort and the immediate surrounding area is primarily influenced by the following local aspects:
  - The opportunities for nature-based activities (bush walking, four-wheel driving, horse tail riding etc.) afforded by the nearby Mt Cole and Pyrenees Ranges.
  - Beaufort's main street, in particular its provision of cafes and eclectic gift shops which contribute to daytrip visitation from Ballarat residents among other localities.
  - Beaufort's proximity to Ballarat (a major regional service centre), as well as Melbourne.
- Sales attributed to through-traffic in Beaufort are underpinned by Beaufort being the nearest town to Melbourne on the Western Highway that has yet to be bypassed.
- The Village Green and Band Rotunda is the most prominent characteristic that visitors remember about the town (see Figure 8.1 below).
- Visitation to Beaufort and the immediate surrounding area has increased significantly since the Visitor Information Centre was opened in 2001 (17 years ago). Back in 2001, nearly 100% of customers to the Beaufort Information Centre were passing through the town. Now (in

2018), around one-third of customers are specifically visiting Beaufort, the immediate surrounding area, or both.

- Beaufort will have to further elevate its attractiveness to visitors in order to reduce the anticipated downturn in highway service trade that will be associated with the proposed Bypass once operational.

**Figure 7.1 Beaufort Band Rotunda**



Source: Ethos Urban

### *Business for Beaufort*

Business for Beaufort is an advocacy group who support and encourage local business and economic development opportunities in Beaufort. A face-to-face meeting was held with a number of representatives from the group.

The main viewpoints expressed by the Business for Beaufort representatives are summarised as follows:

- Beaufort is highly dependent on highway service trade. Some 90% of businesses in the town are likely to be impacted to some extent by the proposed bypass once operational.
- In response to the proposed bypassing of the township, Beaufort would need to transition from a highway service location to a visitor 'destination'. Attracting more daytrip visitors from Ballarat is one opportunity for the township. The establishment of a high-end restaurant or microbrewery would potentially elevate Beaufort's ability to attract a higher number of visitors to the township. Birregurra is an example of a small country town which leverages a key culinary land use to attract visitation.
- A number of existing businesses in Beaufort will need to improve their product and service offer in order to remain viable if the proposed Bypass becomes operational.
- The current provision of overnight accommodation is limited (see comments from Pyrenees Shire Council regarding accommodation above).
- Beaufort's economic development potential is influenced by a range of positive aspects, including:



- The proximity and connectedness of the township to Ballarat, and to a lesser extent Melbourne (noting that on average five V-Line train services to Melbourne stop at Beaufort Station each weekday).
  - The township's health, and educational facilities (including Beaufort Hospital, Beaufort Nursing Home, Beaufort Secondary College & Beaufort Primary School) make it an attractive location for retirees and young families who wish to live in a small rural town.
  - Local festivals and events bring visitors to the Beaufort and the surrounding district including Rainbow Serpent Festival, Lake Goldsmith Steam Rally, Beaufort Agricultural Show, and the Beaufort Arts Show.
  - The township functions as a base for visitors engaging in outdoor activities at Mount Cole or in the Grampians. The bushland surrounding Beaufort is well regarded for its horse trail riding, and a number of endurance horse trail events are held at Beaufort each year.
- Public and private investment in the town is needed to help alleviate the potential negative impacts of the highway service trade loss which is likely to result from the proposed Bypass once operational. Public space and amenities could be improved and expanded in order to improve the township's attractiveness.
  - A marketing strategy for the town needs to be developed which would promote the township's appeal to daytrip and overnight visitors.
  - Appropriate signage should be erected at either end of the proposed Bypass (when operational) alerting the passing traffic to the existence of Beaufort and its facilities.
  - Preference is for a route alignment which runs closest to town (Option C0). Note, Ethos Urban discounts that the establishment of C0, above any of the other alignment Options, would reduce the potential downturn in trade observed by highway service business within the township associated with bypassing.

### Other Comment

- Business for Beaufort were of the strong view that the establishment of a large service station/fast food facility on Western Highway, in proximity to Beaufort township, would exacerbate the downturn in highway service trade for the township's businesses if the Bypass were to proceed.

#### *Caltex Service Station*

A discussion was undertaken with the Team Leader, at the Caltex Service Station. A regional representative from Caltex could not be contacted during the consultation period.

The Caltex Service Station comprises fuel service component, as well as a convenience and takeaway shop, as shown in Figure 7.2 below.

The viewpoints expressed by at this meeting were as follows:

- The entire facility had just been redeveloped including the fuel service and convenience/takeaway shop components. The total capital invested is unknown.
- Around 85% of the Service Station Facility' sales (including both fuel and shop sales) are attributed to passing trade. Sales could reduce by up to 80% below the prevailing level if the Bypass were to proceed and become operational (Note, it is Ethos Urban's view that these figures may be overestimated). There is potential for sales to increase during the construction phase of the proposed Bypass.
- Some 14 persons are employed onsite (note, this is not full-time-equivalent positions), 40% of which are of school age. In this regard, the Caltex Service Station is important to the local Beaufort community in providing local employment and work experience opportunities to the township's youth.
- Appropriate signage needs to be established at either end of the Bypass (when operational) to alert passing traffic to the township and its facilities/destination attributes.

**Figure 7.2: Caltex Service Station, Beaufort**



Source: Ethos Urban

### *United Petroleum Service Station (The Red Kangaroo)*

A face-to-face interview was undertaken with a representative from United Petroleum.

Although the United Petroleum Service Station is located to the west of the Beaufort township, it will be bypassed by passing traffic as per all proposed Alignment Options (A1, A0, C0 and C2). Similar to Caltex Service Station described above, The Red Kangaroo comprises a fuel service component, as well as a convenience and takeaway shop, as shown in Figure 7.3 below.

According to United Petroleum, the facility operates as a truck stop and includes a truck canopy and area where trucks can be parked for sleeping purposes. The Service Station is one of United Petroleum's the top sites in Victoria in terms of profitability. Approximately 8 to 10 full time equivalent (FTE) employees are employed onsite.

The viewpoints expressed by the United Petroleum representative were as follows:

- Sales could reduce by up to 80% if the Bypass were to proceed and become operational. There is potential for sales to increase during the construction phase of the proposed Bypass. In the long term, if the Bypass were to proceed it is highly likely that the operations of the Service Station would be discontinued.

**Figure 7.3: The United Petroleum Service Station, Beaufort**



Source: Ethos Urban

### *Beaufort Motel*

A face-to-face meeting was undertaken with the owners of the Beaufort Motel. Comprising 10 rooms, the Beaufort Motel is one of the few commercial providers of overnight accommodation in the township.

The viewpoints expressed at this meeting are as follows:

- Over the last ten years, the Motel observed an average occupancy rate of 80%.
- Motel occupants are almost entirely staying overnight in Beaufort due to work reasons, be it upgrades to roads, maintenance on the nearby ABC tower, or employment attributed to a range of other local infrastructure projects. A very small proportion of occupants stay in the Motel for the reason of visiting family or friends located in Beaufort or nearby.

- Almost no Motel occupants attribute their stay in the Motel to tourism.
- The future long-term occupancy prospects for the Motel are strong, with construction of the Stockyard Hill Wind Farm, and the proposed Project (if it is to proceed) likely to drive strong demand for overnight accommodation in the township.

#### *Stakeholder 1*

A face-to-face meeting was undertaken with Stakeholder 1, owner of an agricultural property comprising some 242 hectares (600 acres) of land. The main agricultural activities undertaken on the property are cattle and sheep grazing as well as blue gum plantation harvesting.

Under Options A0, A1, and C2, approximately 15.8 hectares of land would need to be acquired which currently accommodates some blue gum plantation harvesting as well as grazing activities. Approximately 3.2 hectares would be acquired if Option C0 was to proceed – this land abuts the existing Western Highway alignment and is predominantly used for grazing purposes.

The viewpoints expressed by Stakeholder 1 are as follows:

- As the agricultural property is relatively small in size, any amount of land that is acquired has the potential to significantly jeopardise the economic viability of the agricultural enterprise (as a whole).
- All of the property's water drains from a catchment extending to the farm's southwest. If access to this catchment was completely or partially compromised by the construction and operation of any of the Bypass Options, the overall viability of the agricultural enterprise would be significantly threatened. It should be noted that water drains onto the property from the southwest in a number of different locations, See Figure 7.4 below.
- Access needs to be retained to the property from Smiths Lane.

**Figure 7.4: A Water Catchment Entrance Point to the Subject Property**



Source: Ethos Urban

#### *Stakeholder 2*

Stakeholder 2 owns an agricultural property comprising around 194 hectares (480 acres). A face-to-face meeting was undertaken with Stakeholder 2. The subject property is situated to the north-east of

Beaufort township, and comprises around 153 hectares (380 acres) directly east of the motorcross track, bound by Beaufort-Lexton Road (to the north) and Racecourse Road (to the south). In addition, some 40 hectares of land (100 acres) is situated directly south of Racecourse Road and east of the water treatment facility operated by Central Highlands Water.

The following land would need to be acquired from the 153 hectares (bound by Beaufort Lexton Road (to the north) and Racecourse Road) under Options A0, A1 and C2:

- A0: 29.1 hectares;
- A1: 19.3 hectares;
- C2: 29.5 hectares.

Under Option C0 approximately 20.8 hectares of land would also need to be acquired from the 40 hectares (south of Racecourse Road), but no land would need to be acquired directly east of the motorcross track outlined above.

The main agricultural activity undertaken on the property is cattle and sheep grazing. A significant proportion of the property is cut for hay each year. A large proportion of this hay is sold to market and is an important revenue stream for the enterprise.

Around 24 hectares (60 acres) is irrigated with water sourced from the water treatment facility (to the properties south-west) under a commercial agreement with Central Highlands Water.

The main viewpoints expressed by Stakeholder 2 in relation to the proposed Bypass can be summarised as follows:

- As the agricultural property is relatively small in size, any amount of land that is acquired has the potential to jeopardise the economic viability of the agricultural enterprise as a whole.
- Reduced access and land severance have potential to significantly impact the enterprise under all the Options. The preference is for east-west access to be retained in a severance scenario via an underpass being incorporated into the design. It is crucial that that irrigation supply is not forgone due to the severance impacts of the Bypass.
- A significant quantum of irrigated land is situated within Alignment Options A0, A1 and C2. If any of these Options were to proceed the reduction in business revenue attributed to loss of land due to acquisition could be as large as -20%.
- In addition, there is potential for irrigated land to be lost if Option C0 were to proceed with flow-on negative impacts to business revenues.
- RRV should note that the property is heavily stocked in the later months of the year – November and December. The majority of livestock is typically sold to market in January. Accordingly, there is a preference for construction to be undertaken early to mid-year when the quantum of livestock accommodated on the property is not at a high level.

### *Stakeholder 3*

A face-to-face meeting was undertaken with Stakeholder 3 who owns a property situated off Slaughterhouse Lane containing a vineyard. In addition, a number of Bee honey/wax products are produced from an apiary accommodated onsite and sold under the Slaughterhouse Lane label. It is understood that an orchard is planned to be developed on the site as a source of both produce and blossom from the apiary.

The vineyard is pesticide free with the quality of the grapes produced informed by the environmental features of the site – soil, climate, air quality etc. Currently, 750 grape plants are accommodated on

the site, and plans are in place to expand the operation to 2,000 grape plants. Each grape plant produces one bottle of wine (on average), with each bottle retailing at \$25 to \$30.

Products produced from the Beehives include honey, as well as a range of beeswax-based polishes and creams. Information relating to the products produced or the revenue generated could not be provided by the owner.

Options A0 and A1 are aligned directly south of the property and in close proximity to the enterprise's boundary, noting that land will not need to be acquired from the subject property.

The main viewpoints expressed by Stakeholder 3 in relation to the Bypass can be summarised as follows:

- The subject property's water supply is predominately sourced from a catchment that extends to the southwest. This water supply is crucial to operation of the vineyard (including future expansion plans), as well as the future orchard. If access to the water catchment was forgone due to the development of Options A0 and A1, this could potentially jeopardise the current viability of the enterprise as well as future expansion plans.
- The quality of the grapes is significantly influenced by the environmental features of the site and there is potential these features could be negatively impacted by Options A0 and A1 in the construction and operations phase.
- The environmental features of the site coupled with its scenic attributes are an important component of the vineyards brand.
- Access to the site needs to be retained.