

Hepburn

SHIRE COUNCIL

PROPOSED SALE OF THE REX COMMUNITY ENGAGEMENT REPORT

JUNE 2022



Contents

1	Introduction	3
2	Invitation for Community Feedback	4
3	Participate Hepburn Project Report	4
4	Snapshot of Feedback.....	5
5	Themes from Community Feedback.....	6
6	Conclusion.....	10

1 Introduction

At the 23 November 2021 Council Meeting, the Council passed the following motion:

That Council:

1. ...determines not to proceed with the Hepburn Hub at The Rex project; ...
4. Request that the Chief Executive Officer undertakes a process to sell, through a public process, The Rex building;
5. Work with the Daylesford Cinema group on potential temporary and permanent solutions for the community cinema; and
6. Request the Chief Executive Officer prepare a scope to undertake a planning project that will review possible solutions of staffing accommodation and community facilities that were to be included in the Hepburn Hub; ...

[NB. Edited for relevance]

One part of the public process involved in a proposal to sell The Rex is specified in s.114(2)(b) of the *Local Government Act 2020*, that Council must undertake a community engagement process in accordance with its community engagement policy.

Council determined, in accordance with its Community Engagement Policy and the International Association for Public Participation (IAP2) Spectrum of Public Participation (the industry standard for community engagement), that the level of engagement required for this project was to “consult”. This involves obtaining public feedback on analysis, alternatives and/or decisions and keeping the community informed, listening to and acknowledging community concerns and aspirations and provide feedback on how public input influenced the decision.

Council values and respects community input. Community engagement recommendations and findings, along with legislative requirements and Council’s roles, responsibilities and resources are all important elements of Council decision making. Council will weigh and balance input regarding each of these elements to inform decision making.

Hepburn Shire Council engaged Max Hardy Consulting to assist with the development and implementation of the Community Engagement.

The focus and purpose of the Community Engagement was to discuss the proposed sale of The Rex and not a revival of The Hepburn Hub at The Rex project. It was also specifically noted that, “all proposals for alternative use for the building will only be considered if there is a financially viable option with significant community support”.

2 Invitation for Community Feedback

The Community Engagement on the Proposed Sale of The Rex was comprised of the following:

1. Participate Hepburn website Project Page with downloadable Background Information, a Conversation Guide and online Surveys;
2. The surveys were available to be printed and submitted via post or email; this was also possible at the Customer Service Hubs and Libraries.

The Community Engagement Surveys on Participate Hepburn were advertised in The Local (25 April and 8 May), Clunes Newsletter (May) and Creswick District News (April). It was also publicised in Council's eNewsletter, Hepburn Life (April), and promoted on Council's Facebook Page on 27 & 29 April and 5, 10, 16 & 19 May.

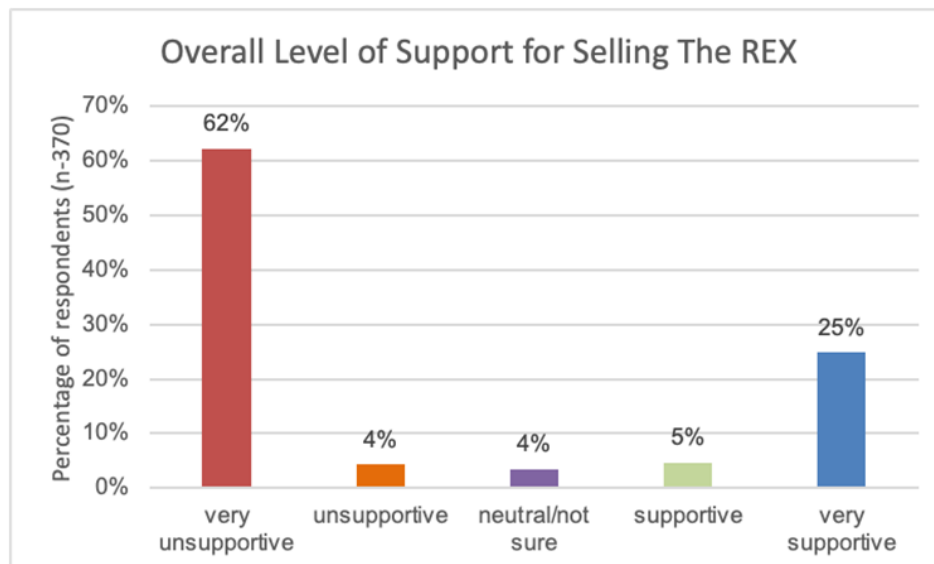
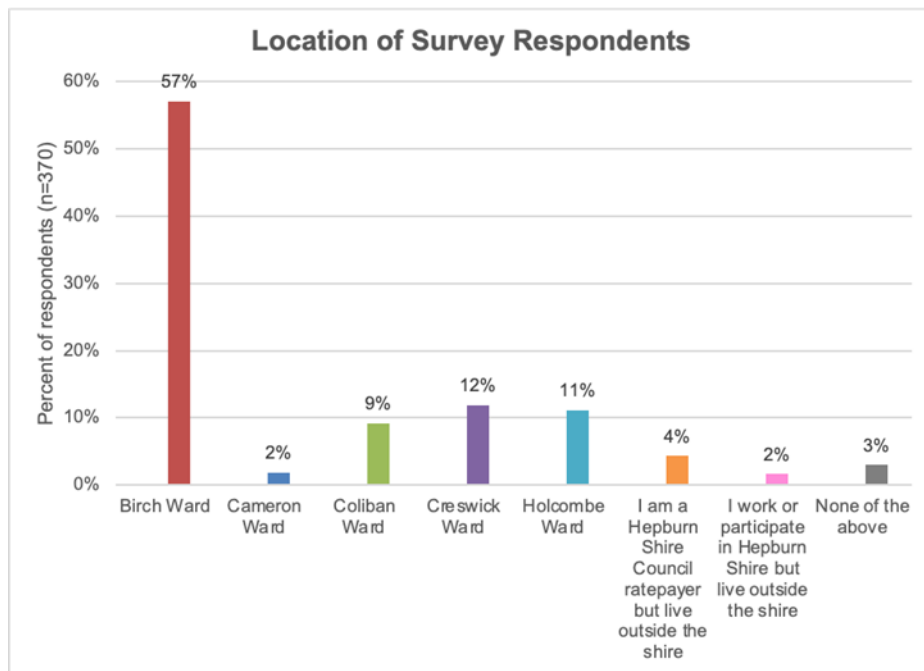
Council Officers contacted a number of community groups to encourage them to Host a Conversation and submit the feedback results. Council is also aware that the Council's Facebook posts were shared to various community Facebook pages and flyers were handed out by the Rethink the Rex (now Hepburn Matters) community group in Daylesford encouraging participation.

The community were able to submit feedback via the Participate Hepburn website from 27 April 2022. The period for submissions closed on Friday 20 May 2022 and this report outlines the feedback received.

3 Participate Hepburn Project Report

The online survey received 369 individual responses (NB. one (1) submission was withdrawn) and four (4) group submissions. This represents 2.3% of the Hepburn Shire population. This is a significant response from the community to the engagement.

4 Snapshot of Feedback



5 Themes from Community Feedback

5.1 Community Hub

The majority of the responses that were unsupportive or very unsupportive are concerned with a Community Hub at The Rex, a project that Council has determined will not proceed and this will not be reconsidered.

As outlined in the Background Information for the surveys, Council's reasons for cancelling this project were varied and included:

- uncertainty of the final cost
- previous construction issues
- Council's financial position and unknown financial impacts of COVID, storm recovery and operating in a rate capping environment
- concerns the project would not deliver expected outcomes
- perceived lack of Shire-wide value

Since the decision was made in November 2021, there has been continuing uncertainty with COVID, a rise in inflation and difficulties in the construction industry due to supply and demand issues. This means that the potential costs have increased even further than were already of concern at that time.

There are two additional points worth mentioning from the Council Decision at the 23 November 2021 meeting. The motion passed included the following:

- *That Council would work with the Daylesford Cinema group on potential temporary and permanent solutions for the community cinema; and*
- *That the Chief Executive Officer would prepare a scope to undertake a planning project that will review possible solutions of staffing accommodation and community facilities that were to be included in the Hepburn Hub.*

These commitments remain important to Council and the community and will still be investigated and progressed by Council at locations other than The Rex.

Council acknowledges that there are a number of members of the community who are disappointed that The Rex development as a community hub has not proceeded. This is primarily due to extensive building issues and financial shortfall; however, we also acknowledge that there are facilities that are important to the community and these will not be forgotten.

The feedback received in the community engagement highlighted the following facilities that the respondents were concerned will be abandoned with the proposal to sell The Rex and discontinue the Hub project: the cinema, the building's heritage, provision of additional public toilets, improved library and community space.

5.2 Heritage

It has been confirmed that 49-51 Vincent Street Daylesford has a Heritage Overlay under the Hepburn Planning Scheme. The Heritage Overlay Schedule lists HO 674 – Former “Rex Theatre” and Shop, Vincent Street, Daylesford and confirms that both External Paint Controls and Internal Alteration Controls apply.

It should be noted that the building is zoned as Commercial, which means that additional permits would be required in order to develop the building for many of the suggested alternative uses.

The planning controls will determine a number of aspects for the future use and development of The Rex building.

5.3 Ideas for Alternative Uses

Proposals for alternative use for the building will only be considered if there is a financially viable option with significant community support.

The key criterion for assessment of any alternative proposals centred around the financial viability for Council to implement the ideas and the estimated capital investment that would be required. A proposal was also considered less viable if it was a piecemeal use for only a small part of the building's whole. The majority of suggestions for any use of the building focusses on Daylesford-based services and are outside Council's general activities.

The following tables show an assessment of the alternative ideas proposed in the Community Engagement.

Considerations				
Idea	Comments	Area of impact	Council's core business	Does this exist in community
Community Spaces (library, auditorium, co-working space)	As part of the November 2021 Council Decision, a commitment was made that the CEO would separately scope a project for the community facilities that were to be included in the Hepburn Hub. Community facilities for Birch Ward and office space will be considered as a separate project, as requested by Council. This will begin after a decision regarding The Rex and will involve significant community consultation.	Daylesford and surrounds	Yes	Yes
Community Cinema	As part of the November 2021 Council Decision, a commitment was made that Council would work with the Daylesford Cinema group on solutions for the community cinema.	Daylesford and surrounds	No	No
Retail space	This would be a project best undertaken by a developer.	Daylesford	No	Yes
Art gallery / performance space	There are established galleries in the surrounding area as well as the major galleries in Ballarat and Bendigo. There are existing performance spaces available within Hepburn Shire, such as the Town Halls. We acknowledge improvements at these sites could be undertaken and these will be subject to future project and budget considerations.	Daylesford and surrounds	No	Yes
Information centre / public toilets	The number and location of public toilets in Vincent St is an issue that Council is aware of, however this site is not ideally suited particularly due to the size of the building.	Daylesford	Yes	Yes
Swimming pool / aquatic centre	Investigations relating to these facilities are being addressed as part of the Aquatics Strategy; The Rex has not been identified as a suitable site for this.	Daylesford and surrounds	Yes	Yes
Apartments / Hotel	While it is acknowledged that there is a social housing issue, this would be a project best undertaken by a developer.	Daylesford	No	Yes
Car parking	Paid parking has been investigated previously and has been shown to have an unsuitable return on investment even if the surrounding area also had paid parking.	Daylesford	Yes	Yes

Financial Viability			
Idea	Initial estimated capital investment	Potential for Grant funding to be available	Comments
Community Spaces	\$18 million	Yes	Unlikely to have a financial return on capital investment, however we note the community benefit and that community spaces are subject of a future project to be undertaken by Council.
Community Cinema	\$18 million	No	Unlikely to have a financial return on capital investment. However, we note the community benefit and have committed to working with the Daylesford Cinema group on other potential options.
Retail space	\$18 million	No	Potential to have a reasonable return on investment period, however typically not Council's core business
Art gallery / performance space	\$16 million	Yes	Unlikely to have a financial return on capital investment
Information centre / public toilets	\$9 million	No	Unlikely to have a financial return on capital investment
Swimming pool / aquatic centre	\$25+ million	Yes	Unlikely to have a financial return on capital investment
Apartment / Hotel	\$25 million	Yes	Potential to have a reasonable return on investment period, however typically not Council's core business
Car parking	\$10 million	No	With free parking available in central Daylesford it is unlikely that paid parking would generate a suitable return on capital investment

There were a range of suggestions put forward through the engagement process and these have been broadly categorised below with an initial response / comment from officers.

5.3.1 Community facilities

A number of the proposals submitted as part of the community engagement duplicate facilities or activities already available in Daylesford, such as community markets, historical museum, galleries, function spaces, spaces for hire, performance spaces, and health and well-being activities or services.

Council operates a Visitor Information Centre adjacent to existing public toilets and the town offers ample accommodation, supermarkets, food and beverage and retail stores and parking. There are both private and public/community auditoriums and meeting facilities available, including Town Hall, the Daylesford Senior Citizens Centre and Daylesford Neighbourhood House (including The ARC).

The community desire for additional community spaces that were to have been included in the Hepburn Hub, including the Cinema and additional public toilets, will continue to be addressed by Council as a separate project in location/s other than The Rex.

5.3.2 Aquatic facilities

The suggestion of utilising The Rex for an aquatic centre is impractical and was not considered in detail. The Council's recently completed Aquatic Strategy has confirmed the community's desire for an indoor swimming pool and this will be further investigated as a separate project.

5.3.3 Council Strategies

The need for Youth spaces and Art spaces and Food Co-op are being investigated as part of other Council Strategies currently under development and these processes have not identified The Rex as a suitable location.

6 Conclusion

We appreciate the time taken by the community to provide feedback on the proposed sale of The Rex. This report will be included in the final report to Council regarding the sale of the building. Hepburn Shire Council thanks you for your interest and participation.