



Killingworth Reserve is an access point and camping area used by commercial tourism and environmental education operators.

The preferred pipeline corridors follow or run close to Killingworth Road in private cleared land to Carey Road and then to the Goulburn Valley Highway (Options A2 and A3).

Construction of the pipeline will impact on properties along the chosen the route during construction. The main economic impacts will relate to the impacts on the farming and other businesses along the corridors. There are a number of enterprises that may be impacted including pastoral enterprises, at least one significant horse breeding business and a range of other businesses. These businesses could be affected by such aspects as reduced access, noise, disruption to stock, stock security and potential transmission of weeds and disease. In some cases, business operators may need to relocate stock and business activities to ensure on-going operations. Concerns about these types of impacts on their businesses could also mean a significant social impact that could also affect business operations.

A further issue in this part of the corridor is that some owners have recently received planning approval to subdivide their land to allow for rural residential living. From discussion with one landowner, the current uncertainty about the location of the pipeline corridor and the impact of construction appear to be affecting the sale of the new blocks.

When the final route is determined by the Minister for Planning, the Alliance will work closely with all affected landowners and businesses to minimise disruptions and adverse effects and that, where appropriate, fair compensation will be paid.

3.1.2 Corridor Sections B, C and D

The preferred corridors (Option B1c) then pass to the east of Yea and the Yea River, to avoid the Yea Wetlands which are located in Section A, which is developing as a significant environment education and tourism facility. The corridors also pass the Yea Caravan Park to the east, to the Melba Highway on the southern side of Yea, crossing the Yea River just before the highway.

While the pipeline corridor avoids the Caravan Park, it could pass within some 4 - 500m of the back of the Park. The Park appears to house some permanent van sites and residents. As such, depending on the time of construction, a significant number of residents could possibly be affected by noise, dust and visual disturbance, although the visual disturbance would be reduced by an element of vegetation screening. Similarly temporary visitors could also be put off by the construction activity, potentially affecting the Park's income.

Conversely the apparent relatively high proportion of permanent van sites could mitigate against any economic loss caused by possible reduced visitation during construction.

The preferred pipeline corridors (option B1c, C3 and D2) then run parallel to the Melba Highway in private and public land on the east and west side of the highway. The area is mostly open



farmland with some developments such as stockyards and farm dams. This area includes some significant pastoral properties including, we understand, at least one with a large export market. Within the time available, it was not possible to establish the nature of farming properties in the area and whether they are commercial or hobby farms and what the farm production is. There are few official information sources that capture this information and have it for release on the localised scale or at a time scale that is useful where land uses are changing. This aspect will be explored further through direct local contact as the final pipeline route firms up.

There are concerns about the incidence and possible transfer of Johne's disease within these sections of pipeline corridor. The Alliance has worked with DPI to establish biosecurity protocols for potential biohazards including preventing the spread of Bovine and Ovine Johne's, Equine Influenza, Phylloxera and Phytophthora along the whole corridor.

Closer to Glenburn, there are two Berry Farms but both are outside the preferred pipeline corridor and a substantial Alpaca operation on the Highway.

There are a number of tourism and recreational sites and facilities within preferred corridor D2 including Murrindindi Scenic Reserve, Murrindindi Winery, two accommodation operations and a Gallery. All of these operations are away from the preferred corridor and would not be directly affected by construction although, as with the broader region, could be affected temporarily by access and traffic issues.

There are accommodation operations on both sides of the Highway. Two operations near Glenburn and closer to the Highway are in or near the preferred pipeline corridor but are unlikely to be affected directly by the preferred pipeline corridor.

3.1.3 Corridor Section E

Just south of Glenburn, approximately 28km south of Yea, the open farmland ends and the Melba Highway enters the forest. The Toolangi State Forest is located on the eastern side and the Kinglake National Park and Yea River on the western side of the Melba Highway. The preferred pipeline corridors (Options E1, E2 and E4) are located to the east of the Highway, within the state forest, the road reserve and via tunnelled sections respectively. There is a large quarry on the eastern side just before the forested area.

There are large berry and potato operations to the eastern side of the Highway at or near Toolangi including a farm that supplies strawberry runners in large volumes for retail outlets. However, these are some distance from the preferred pipeline corridors and will not be impacted directly.

After the ridge, the preferred pipeline corridor move from the Shire of Murrindindi into Shire of Yarra Ranges. The preferred pipeline corridors continue on the eastern side of the Highway through cleared private land and then through the state forest again.



3.1.4 Corridor Section F

After leaving the forest, the preferred pipeline corridors generally follow the Melba Highway (Options F1 and F3). This section is more developed than other sections of the corridor with a number of kennels/catteries on the western side and a conference centre, vineyards and horse/equestrian developments on the eastern side of the Highway. Part of the preferred corridor option runs to the east of Dixons Creek (Option F3) behind the Yarra Valley Conference Centre, avoiding the businesses along the Highway until closer to Hunts Lane. The corridor still passes in front of two wineries along the Melba Highway just north of Hunts Lane, potentially impacting on their access from the Highway albeit only for a short time period. The Berry Café is located on the south-west corner of Hunts Lane and the Highway with a reasonable sized vineyard on the northern side of the lane and a tourist cottages development on the southern side behind the cafe. There is a large commercial orchard on the eastern side of the Highway opposite Hunts Lane. Crossing from the east to the west of the Highway around Hunts Lane and continuing along the western side of the Melba Highway would avoid affecting these businesses directly.

3.1.5 Corridor Section G

The preferred corridors (Options G5 and G6) continue along the western side of the Melba Highway to Gulf Road, a road that links the Highway with the lower part of Steels Creek Road, and the Maroondah Aqueduct. These corridors pass large vineyard/winery operations, including De Bortoli, which are set back from the road. The main access points for these operations are from side roads off the Highway. However, shortly after passing Hunts Lane, the preferred corridors pass the Dixons Creek Primary School and the CFA complex which are located on the western side of the Highway. There are three wineries (Millers Dixon Creek Estate, Mandala Wines and Immerse) on the eastern side of the Highway between Pinnacle Lane and to the south of Wills Road with access drives off the Highway. There are also some significant farming properties including a major Hereford stud. Again, a corridor to the west of the Highway should avoid direct impacts on these businesses on the east of the Highway.

The Balgownie Winery has developed a restaurant/tasting room complex in a vineyard setting on the south-west corner of the Melba Highway and Gulf Road with a resort behind along Gulf Road. There are large vineyards belonging to Balgownie (north side) and Yarrowood (south side) on both sides of Gulf Road at this point. These developments are set back from the Highway, with some limited landscape screening views between the road and resort that could reduce the impacts of the construction activity. Gulf Road has a wide road reserve so that the buildings, in the main, are set back from the road.

The preferred corridor (Option G6) appears to have greater support from some parts of the community, follows the existing Maroondah (Melbourne Water) Aqueduct. This corridor joins Steels Creek Road to the south of the signed conservation area. The 3775 Community Group, a body representing residents in the locality, has indicated a strong preference for a corridor that



follows the western side of Melba Highway from the Dixons Creek Primary School to Gulf Road and that uses the Maroondah (Melbourne Water) Aqueduct as far as possible.

There is some limited development on the northern side of Gulf Road. Closer to Steels Creek Road, there is another winery (Acacia Ridge) but again set back from the road and with some screening vegetation and then a few smaller properties on the southern side of the road until the junction with Steels Creek Road.

Non preferred corridors (Options G1, G2 and G3) leave the Highway at Hunts Lane. Hunts Lane is an unsealed road bordered by some rural residential developments. On the southern side after entering from the Highway there is a deer farm and further along there are vineyards on both sides. The road is reasonably challenging with the gravel surface and relatively steep terrain.

At the end of Hunts Lane, the non preferred corridors turns into Steels Creek Road and run to Yarra Glen in private land generally on the east of the road. In this section, there is a small number of Bed and Breakfast and guesthouse accommodation facilities. As the corridors go south, there are a number of vineyards and wineries and an increasing number of residential properties on the eastern side. This part of the Steels Creek Valley is considered to be a significant landscape by the community as an important example of an early farming development landscape in the Yarra Valley. Further south on Steels Creek Road, there is a small area of natural vegetation including wild flowers which is informally protected by roadside conservation signs. The non preferred corridors close to Steels Creek Road would impact on the accommodation and other businesses along the road either directly or indirectly albeit for a short period only. There are environmental, economic and social and technical concerns about various aspects of these routes.

The Traffic Impact Assessment indicated that the existing conditions of Hunts Lane are not suitable for construction vehicle access and the use of Hunts Lane should be avoided.

3.1.6 Corridor Section H

The preferred corridors (Options H2 and H4) from Yarra Glen to Sugarloaf Reservoir also pass through extensive vineyard developments and wineries, including passes the Sticks Winery. At this locality, the route is adjacent to the current phylloxera exclusion area). This may impact on operations related to the delivery of plant and equipment and/or the disposal of spoil depending on the access routes through the Yarra Valley.

The corridor finally first rises steeply to the ridge and then drops relatively steeply to the reservoir on the eastern side. Melbourne Water are considering a mini hydro plant at this point to recover some of the energy used in pumping the water by generating electricity. This will also reduce the speed the water enters the reservoir potentially reducing environmental impacts and possibly reducing any effects on recreational activities such as sailing and fishing. The actual route and point of entry to the reservoir is still to be determined.



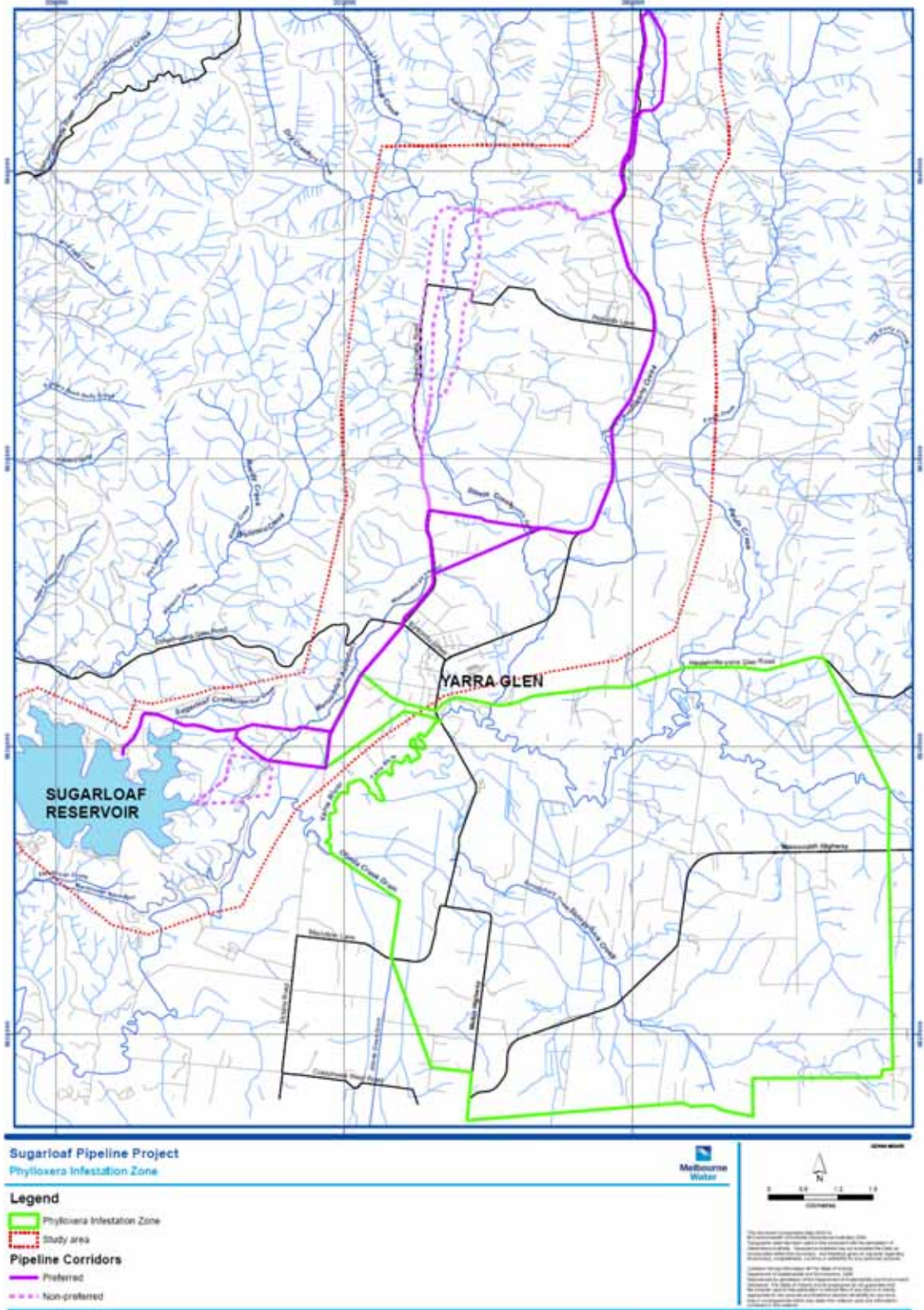
3.2 Identified Economic and Tourism Facilities within the Pipeline Route Boundary

The economic and tourism facilities within the pipeline corridor identified to date are shown in Table 3 above and on the maps in Appendix D. Further more detailed identification of economic activity at a property level will be undertaken along the final corridor as determined. As indicated above, the key assets along the corridor from a regional perspective include the Goulburn River and Yea Wetlands to the north, the commercial farm properties and the vineyard and winery developments especially to the south of the Great Dividing Range and the Sugarloaf Reservoir.

An important potential economic impact of the project that will be the need to managed is the potential for construction traffic and activity to spread plant and animal diseases. The project routes pass through or close to areas north of the divide with incidences of Johne's and Phylloxera in part of the Yarra Valley. Figure 2 indicates the current DPI Phylloxera exclusion zone and its proximity to the project route options. The Alliance has developed protocols to mitigate and manage the possibility of spreading disease.

Other individual facilities are important in their immediate locality and to individual business owners and the effect of the project at this level needs to be considered as well as at a broader regional level. This consideration will include any effects on planned and/or potential future developments as well as on the current facility/business and its activities. As noted there are also regional economic and tourism assets that are not within or immediately adjacent to the preferred corridors, that may be indirectly affected by the pipeline development.

■ Figure 2 - Phylloxera Exclusion Area





3.2.1 Other Regional Issues

A number of potential issues have been identified including:

- The regional importance of the Melba Highway as both part of multiple Local Government Authority touring routes and as through route to other areas including further north to join the Hume Highway and as an access route to the snow in the winter. On this basis, disruption to the Highway during construction could have an impact on the economy of a wide geographic area
- The potential impact on Lake Eildon. Lake Eildon is seen as a significant regional attraction for the region. The community's main concerns are:
 - The perception that the pipeline will lead to a further reduction in the water levels in the Lake and thence on recreational activities. This could have an impact on visitation to the townships of Yea and Alexandra as well as Eildon and could also effect visitation to Yarra Glen and Healesville.
 - The potential affect of the pipeline construction period in reducing visitation either through road closures/delays, actual or perceived, or visitors being put off by the perception that the route will not be as attractive during construction.
- The potential impact on on-water recreational activities on the Goulburn River. The potential effects are the same as for Lake as above.
- The potential impact on regional events.

3.2.2 Regional Events

Table 4 identifies the significant broader regional events that could be affected directly or indirectly. Some of the events included in the table take place close to the project area and hence could be directly impacted by construction activity. Other events listed take place further away and may be impacted by district wide traffic issues and/or by perceptions about the impact of the construction in the region. Careful scheduling of construction activity could eliminate or at least reduce possible conflicts with, and impacts on, regional events.

■ **Table 4 - Regional Events and Markets**

Location	Event	Timing	Impact
Yea	Yea Community Market- Rotary Art Show St Patrick's Race Day Yea Autumn Festival Picnic Race Meeting Yea Tennis Tournament Yea Adventure Fly In Yea Agricultural Show	1st Saturday (Sept - May) January February March March Easter May November	No direct impact but potential indirect impact from: <ul style="list-style-type: none"> ■ Traffic disruption ■ Adverse publicity
Murrindindi region	Eildon Mountain Bike	September	Possible direct impact on State Canoe competition



	<p>Challenge</p> <p>Eildon Gold Tournament</p> <p>Victorian State Canoe Slalom Comp, Eildon</p> <p>Christmas Carnival, Eildon</p>	<p>October</p> <p>December</p> <p>December</p>	<p>related to changes in water flows. Likely to be positive. Could also allow additional competitions at different times of year.</p> <p>No other direct impact but potential indirect impact from:</p> <ul style="list-style-type: none"> ■ Traffic disruption ■ Adverse publicity
Yarra Valley Annual Events	<p>Rochford Wines Summer Concert Series</p> <p>Yarra Valley Grape Grazing Festival</p> <p>The Worlds Longest Lunch-Yering Station, Stones of the Yarra Valley</p> <p>Melba Festival</p> <p>Vintage Pickers Lunch and Italian Festival-De Bortoli Winery & Restaurant</p> <p>Regional Italian Dinner-De Bortoli Winery & Restaurant</p> <p>Rally of Melbourne-De Bortoli Winery</p> <p>Yering Station Sculpture Exhibition</p>	<p>January</p> <p>February</p> <p>March</p> <p>March moving to October in 2008 - two events expected in 2008.</p> <p>April</p> <p>May</p> <p>October</p> <p>October-December</p>	<p>Potential direct impacts include reduced direct access and traffic congestion (depending on pipeline construction timing). This is likely to only affect:</p> <ul style="list-style-type: none"> ■ De Bortoli events ■ The two major Valley wide events- Yarra Valley Grape Grazing Festival and Melba Festival. <p>The other venues are out of the pipeline corridor, with alternative access routes that should mitigate any significant traffic issues.</p> <p>Adverse publicity (or public perception) could potentially lead to adverse indirect impacts.</p>
Yarra Valley Monthly Events/Markets	<p>Yarra Valley Wine Master Class</p> <p>Yarra Valley Farmers Market -Yering Station</p> <p>Yarra Glen Craft Market</p>	<p>Bi monthly</p> <p>3rd Sunday of month</p> <p>1st Sunday of month except July/August</p>	<p>Partial closure of roads outside the immediate area of the reducing patronage (Unlikely to be an issue to venues other than Yarra Glen)</p> <p>Adverse publicity or public perception may also indirectly affect patronage.</p>

Events and markets may be impacted directly if construction works affect access on event/market days and indirectly if perceptions of the project reduce overall visitation. Consideration will be given to working with event/market organisers during pre-construction and construction to take account of key events/markets in planning and modifying construction schedules and in trying to avoid project work that directly affects access or to ensure early promotion of any changes in timing, date or access route where work is unavoidable.



3.3 Strategic Implications

Consideration will be given to the extent of disruption to farming activity during construction due to such aspects as limitations in access, the extent of the construction area and its implications on reduced grazing potential, the implications of access and movement of construction and related vehicles on stock management and risk and implications of dust and noise both on stock management and worker health etc. As noted above, consideration has been given to ensuring there are appropriate protocols in place to prevent the spread of any plant and animal diseases. These issues will also need to be considered for the longer term operations of the pipeline although any on-going effects are likely to be a much smaller.

South of the Great Dividing Range in the Shire of Yarra Ranges, the land use within the preferred corridors are more intensive with significant vineyard, winery and residential development and tourism accommodation. If the pipeline corridor diverted from the Melba Highway at Hunts Lane, this would avoid some of the larger winery areas and other tourism facilities along and close to the Melba Highway between Dixons Creek and Yarra Glen. However, the larger developments along the Melba Highway are generally set back from the road and Gulf Road offers a flatter and wider road reserve route that avoids the smaller scale tourism operations in the Steels Creek Valley. The preferred corridor (Option G6) along the Melba Highway south of Hunts Lane also proposes to use part of the Maroondah (Melbourne Water) Aqueduct.

While a limited number of properties will be impacted by the pipeline construction, the implications of impacts on vineyards, visitor access to wineries and quality of experience need to be considered. There is also potential to spread the current phylloxera outbreak and, if so, how to contain it. The Alliance is undertaking training programs on appropriate biosecurity measures.

A key strategic issue will be the potential impact of the project on the wineries and tourism attractions in the Dixon Creek district. Consideration will need to be given to whether the project and visitor perceptions of it will reduce visitation to the Dixon Creek attractions while redistributing visitors to the other key winery areas of the Valley along the Maroondah Highway, along the road to Warburton and on the Maroondah Highway, Healesville-Yarra Glen Road and then back down the Melba Highway south of Yarra Glen loop. This effect could disadvantage operators in one area of the Valley and advantage others without necessarily disadvantaging the Yarra Valley as a whole. Approaches to mitigate any such effects locally during construction and post construction (if it happens) to ensure that there is no long term impact need to be considered.

A similar although less likely impact could occur for the Yea area and Lake Eildon if the direct effects of the project reduce access to Yea at key times or perceptions of the project reduce visitation to Lake Eildon. The latter issue is discussed above (section 4.1.3).

The preferred and non preferred route options avoid Yarra Glen as well as such tourist developments or opportunities as Gulf Station, the Yarra Valley Tourist Railway and the Yarra Glen Race Course.



Considerations will also be given to the potential regional benefits and costs such as the income and employment effects of construction operations, and the potential the water saving project have to secure and enhance recreational and tourism activity associated with the regional rivers and streams.

3.4 Regional Socio-Economic Profile

3.4.1 General Profile of Region

Population

Table 5 indicates the population of the three municipalities affected by the Sugarloaf Pipeline project. Of these, the Shires of Murrindindi and Yarra Ranges will be most affected with the pipeline as it only enters small part of Shire of Nillumbik to the east of the Sugarloaf Reservoir. The Shires of Murrindindi and Yarra Ranges experienced slight population growth overall from the 2001 to 2006 Census. The higher rate of growth occurred within Murrindindi (2.1%), with a lower growth in Yarra Ranges of 0.4%. The State of Victoria had a higher rate of growth in total with 5.8% for the same time period.

■ **Table 5 - Project LGAs at the 2001 and 2006 Census**

Local Government Areas	2001 Census	2006 Census	2001 to 2006 (% Change)
Murrindindi (S)	13,109	13,383	2.1
Yarra Ranges (S)	137,539	138,039	0.4
Nillumbik	60,818	59,794	-1.7
Total	211,466	211,216	-0.1
Victoria	4,644,950	4,932,423	6.2
Region/Victoria	4.55%	4.28%	

Education

Table 6 shows the level of educational qualifications in the regions and Victoria. The Nillumbik region has a much higher proportion of residents undertaking study in the form of Postgraduate Degrees, Graduate Diplomas and Certificates and Bachelor Degrees (2.47%, 3.15%, 12.67% respectively) compared with the other two regions and Victoria (1.78%, 1.76%, 10.65% respectively) as a whole. Murrindindi and Yarra Ranges North both have lower proportions undertaking such study as compared with Victoria. Murrindindi West, Nillumbik and Yarra Ranges North all have higher proportions of residents undertaking Certificate level studies than in Victoria, the highest proportion is 19.37% in Nillumbik. Note that a number of responses did not indicate their level of education.