

Amendment C232 Panel Hearing

Toolern Development Contributions Plan (DCP) Conclave Report

22 August 2024

Attended by:

- Chris De Silva (CDS), Executive Director, Mesh Planning, on behalf of Melton City Council; and
- Matt Ainsaar (MA), Managing Director, Urban Enterprise, on behalf of Melton City Council

4:00pm on 21 August 2024 (video meeting)

Facts and opinions agreed:

1. The DCP has been prepared in accordance with the statutory framework for Development Contributions Plans in Victoria;
2. The need for the more holistic review of the DCP and the associated refresh of the PSP is supported to ensure that infrastructure can be provided in a timely, efficient and equitable way.
3. The review of the DCP is essential in order to address projected shortfalls in funding of local infrastructure that is necessary to support the development of the Toolern PSP area.
4. The exhibited DCP is supported by comprehensive and detailed technical reports and strategic studies that provide the strategic justification for changes to projects and the evidence base for project costs.
5. Under the current levies in 2021/22 dollars, the DIL would collect \$374,809,898. Under the exhibited DCP, the project funding that is required for development infrastructure totals \$598,352,234, so the current levies would result in a shortfall of \$223.54 million. These figures have been updated by Council based on levies indexed to 2024/25 dollars, with the new levies theoretically collecting an additional \$213.45m of which \$78.4m cannot be collected due to existing development.
6. Even under the exhibited DCP, there will be an estimated shortfall in project funding of \$78.4 million for which the Council (as Collecting Agency and Development Agency) is ultimately liable;
7. Without review and adjustment to the Existing DCP (and the PSP as required) there is the definite likelihood of three negative consequences:
 - an increasing gap in infrastructure funding capacity that will need to be met by the Council;
 - delay in delivery of the higher order infrastructure due to underfunding of projects; and
 - proponents of works in kind will be discouraged from taking on the obligation to deliver infrastructure due to shortfalls in credit values as identified by CDS but not by MA and/or that development will be delayed as identified by MA .
8. Several clerical errors have been identified in relation to the land use budget, these include: -
 - a. The justice precinct has been relocated from property 123 to property 31 and increased in land allocation from 2ha to 4ha.

- b. Reflect the latest stormwater asset plan for assets 17, 22 and 23 as provided by Melbourne Water in June 2021.
 - c. Remove the non-government school from properties 33 and 34 and replace with a school and open space.
 - d. Update property 27 (regional park) to reduce the regional park area from 15.66ha to 13.46ha reflect that new 2.2ha drainage reserve.
 - e. Reduce the amount of passive open space on Property 86 and 87 by 0.06ha respectively.
 - f. Show 0.45ha of land is required for arterial roads and bridges for Property 126.
 - g. Amend the tables to reflect RD19 land take as 3,203m² as per the FLP.
 - h. Reflect the correct land area for RD12 (noted by MA as 0.13ha).
9. The Draft DCP includes a cost for land for two projects that are to be delivered by the State Government
- BD19: Mount Cottrell Road Freeway Interchange, land cost \$750,000, DIL charge \$488 per NDHa; and
 - BD20: Mount Cottrell Road Rail Overpass, land cost \$225,000, DIL charge \$146 per NDHa.
- The inclusion of these projects is supported as it is normal practice that land for State transport projects is included in the DCP but construction is funded by the State.
10. The Draft PSP and DCP land uses and respective land budgets reflect the latest stormwater asset plan for assets 17, 22 and 23 as provided by Melbourne Water in June 2021.
11. The approach toward community facilities, in terms of the number of community centres and their distribution, was established as part of the initial PSP process and that the overall approach has remained unchanged.
- What has changed however are the community centre types, the project descriptions and the associated costs (land and construction).
 - It is acknowledged that the proposed changes have been based on the findings of the ASR report and that the proposed changes will respond to the anticipated increases in yield and population and the changes to Government policy.
12. The Cobblebank Town Centre now assumes the status of a Metropolitan Activity Centre (MAC) and that following approval of the Current DCP in 2010 a more detailed Urban Design Framework (UDF) has been prepared for the town centre.
- The approved UDF incorporates changes to the land use framework for the town centre that are inconsistent with the Current DCP and PSP land budget.
 - Ordinarily it would not be appropriate for a document such as a UDF to make significant changes to land use patterns or land take requirements for public purposes that would differ from what is set out in a document such as a DCP and/or a PSP.
 - In this instance however it is appropriate to 'formalise' the refinement that has occurred during the UDF process in the Draft DCP.

13. The objective of delivering a more complete and connected transport 'network' is noted and it is acknowledged that the original DCP applied a single charge area for transport and it is still appropriate.
14. Given the size of the Toolern growth precinct and the additional growth that is projected to occur it is considered appropriate that the DCP retains the existing charge areas.
15. The proposed DIL under the exhibited DCP is in the range of DILs for existing DCPs in greenfield growth areas.
16. The technical work undertaken to underpin the project costs is dated 2021/22, so it is reasonable that this forms the base year for costs and levies. It is normal practice for project costs to be indexed and land re-valued on or prior to, approval of the DCP and it is understood that Council will provide the indexed levies to 2024/25 dollars on Day 1.
17. It is recommended that the project costs are updated to present day costs prior to gazettal.
18. The Draft DCP levies are proposed to be indexed annually by utilising different methods for land and construction projects. All construction projects are to be indexed annually using the Rawlinsons Building Price Index.
19. The exemptions from paying levies should not extend beyond those outlined in the statutory framework for DCPs and it is agreed that there should be a section in the DCP that outlines the exemptions consistent with clause 45.06.

Facts and Opinions not agreed

20. The response to submitter no. 28 regarding extension of project RD17 to the southern boundary of the PSP is not agreed however CDS noted that his recommendation may require amendment to the cross section of the road to ensure that it performs a network role and to ensure that it is appropriate for inclusion within the draft DCP.
21. CDS noted that earlier advice provided by MA supported a reduction in the CIL rate – CDS noted that there is likely to be an underfunding of CIL projects based on revised project costs and that an increase to the CIL cap may be necessary to avoid an additional funding gap - MA has agreed that the CIL rate should be indexed to 2024\$.

Other matters

MA notes the ASR position that active open space land is based on the net developable area and not population and accepts the recommendation of ASR in respect of active recreation facility changes.



Matt Ainsaar, Managing Director, Urban Enterprise



Chris De Silva, Executive Director, Mesh Planning