

A Thriving Community Where Everyone Belongs



**C201 MT ATKINSON AND TARNEIT PLAINS
INFRASTRUCTURE CONTRIBUTIONS PLAN**

Exhibition Submission by Melton City Council, 15 October 2018

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1. Introduction

The City of Melton welcomes the opportunity to comment on the Planning Scheme Amendment documentation for C201 which comprises the following:

1. Mt Atkinson and Tarneit Plains Infrastructure Contributions Plan, August 2018; and
2. Planning Scheme Ordinance including Infrastructure Contributions Overlay Schedule 3.

Melton City Council acknowledges the hard work that the Victorian Planning Authority (VPA) has undertaken to finalise the documentation associated with this Infrastructure Contributions Plan (ICP).

Melton City Council has had the cost estimates for the infrastructure projects peer reviewed to ensure that the cost estimates are reasonable and reflective of the actual construction costs.

This submission recommends changes that should be made to Mt Atkinson and Tarneit Plains ICP and ordinance related to C201.

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2. Key Issues

There are a number of key issues which need to be considered and addressed prior to Melton City Council (MCC) providing support for the amendment. These are issues that are considered to have a significant impact on MCC's ability to implement the PSP and the ICP.

2.1 Discrepancies with the approved Precinct Structure Plans

A number of discrepancies have been identified between the proposed Infrastructure Contributions Plan (ICP) and the approved Mt Atkinson and Tarneit Plains Precinct Structure Plan. The PSP constitutes the strategic justification for the ICP. The information in the ICP and the PSP should match each other substantively and adopt consistent language.

In particular, Council is concerned that a number of the project descriptions in the ICP do not match the project descriptions in the PSP.

It is noted that the staging in the ICP for many of the projects do not match the staging in the PSP.

Given that the PSP is an incorporated document in the Melton Planning Scheme, Council requests that information in the ICP and the PSP be the same.

2.2 Transport Construction Project Costs

Melton City Council has undertaken a review of the transport projects in the Mt Atkinson and Tarneit Plains ICP. The review has found that whilst many of the projects have been identified as being benchmark projects, the Functional Layout Plans in the ICP for these projects are bespoke designs, and therefore should have been costed based on those designs.

WT Partnership have prepared detailed cost estimates based on the bespoke FLPs in the Mt Atkinson and Tarneit Plains ICP, which are attached at **Appendix One**. Council requests that the cost estimates prepared by WT Partnership are used for the ICP, as the benchmark costs are not based on these designs.

WT Partnership's review has found that the transport projects apportioned to the Mt Atkinson and Tarneit Plains ICP will cost \$120,071,318 to deliver, whereas the VPA have estimated the delivery cost at \$105,948,255. This results in a difference of \$14,123,063 in the value of the transport projects.

The standard levy for Transport Construction in the ICP is \$114,062 per hectare which raises \$103,412,031. The standard levy has a shortfall of \$16,659,287 which should be made up for by the supplementary levy.

The supplementary levy would need to be raised from \$2,797 per net developable hectare proposed by the exhibition version of C201 to \$18,375 per net developable hectare to cover the construction of the basic and essential transport projects.

The supplementary levy could be applied to the three bridge projects (BR-01, BR-02, and BR-03), and the one culvert project (CU-01)

2.3 Community and Recreation Construction Levy

Melton City Council raises concerns with the current capped rate for the Community and Recreation Construction levy.

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Exhibited ICP Project Cost Estimates

Using the Community and Recreation Project Costs in the exhibited ICP the community and recreation projects in the Mt Atkinson and Tarneit Plains ICP area will cost \$60,113,990 to deliver, and Council will collect \$35,567,313 from the Community and Recreation Construction levy to fund these projects, which results in a shortfall of \$24,546,677. The levy will collect 59.2% of the money required to construct essential community and recreation infrastructure. This percentage is less than what is currently collected for community and recreation infrastructure in approved DCP's in the City of Melton.

Peer Review Project Cost Estimates

The VPA have used the benchmark costs for the Level 1 and Level 2 Community Centres, and have developed bespoke costs for the active open space reserves (and pavilions).

Melton City Council had the Community and Recreation projects in the *Review of Benchmark Infrastructure Costings* prepared by Cardno for the VPA peer reviewed by Turner and Townsend.

Turner and Townsend have prepared detailed cost estimates and have found the following differences in value for community and recreation projects:

Project	ICP Estimate	TT Estimate	Difference	% Difference
Level 1 Community Centre	6,398,000	6,451,000	- 53,000	- 0.8%
Level 2 Community Centre	7,648,000	7,730,000	- 82,000	- 1.1%
6ha Active Open Space (with pavilion)	10,347,000	11,042,000	- 695,000	- 6.7%
10ha Active Open Space (with pavilion)	14,655,000	12,872,000	1,783,000	12.2%

In the context of the Mt Atkinson and Tarneit Plains ICP context there are two Level One Community Centres, one Level Two Community Centre, two 10 hectare Active Open Space Reserves, and one six hectare Active Open Space Reserve.

Overall the differences in value between Turner and Townsend's cost estimates and the VPA's cost estimates are minor.

The 6 and 10 hectare active open space reserves have a bespoke value that Council thinks is reasonable as extensive earthworks that will need to be undertaken to create open space on the slopes of Mt Atkinson (it is noted that one of the reserves has a fall of eight metres across its length (east-west)).

Using the figures prepared by Turner and Townsend the community and recreation projects in the Mt Atkinson and Tarneit Plains ICP area will cost \$57,418,000 to deliver, and Council will collect \$35,567,313 from the Community and Recreation Construction levy to fund these projects, which results in a shortfall of \$21,850,687. Based on the Turner and Townsend figures, the levy will collect 62% of the money required to construct essential community and recreation infrastructure. This percentage is less than what is currently collected for community and recreation infrastructure in approved DCP's in the City of Melton.

The cumulative community and recreation construction shortfall for Mt Atkinson and Tarneit Plains, and the Kororoit and Plumpton PSP areas is \$57,830,894.

Council requests the Department of Environment, Land, Water and Planning (DELWP) work

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with the Victorian Planning Authority and Growth area Councils to review the cost of delivering essential community infrastructure as part of the benchmark cost document being prepared by the VPA to ensure that the levy is fair and reasonable, and appropriate to deliver this essential infrastructure.

Council notes that it is currently exploring mechanisms and delivery models to help manage the funding contribution it makes to the delivery of infrastructure. However, there is a concern that an overall increased shortfall is unmanageable for Council particularly in a rate capping environment.

2.4 Mt Atkinson Indoor Recreation Centre

The previous Ministerial Direction released on 20 October 2016, allowed for the purchase of land for an *indoor sports facility* in Section 21, Table 5.

In the revised Ministerial Direction released on 2 July 2018, an *indoor sports facility* is no longer listed as a *public land allowable item*. Council has sought clarification from the VPA on this matter, and they have been informed by DELWP that the removal of this was an error and it will be reinstated as a *public land allowable item* in a future update of the Ministerial Direction.

Based on the information provided by DELWP to the VPA, we request that the indoor sports facilities remain as public land allowable items in the ICP (or are otherwise caught up by the remaining provisions). We request that the Ministerial Direction error to be rectified by DELWP prior to the ICP being approved and gazetted.

Should the Ministerial Direction not be updated prior to the gazettal of the ICP, it may result in difficulties for Council when negotiating the acquisition of land with landowners.

Council notes that a similar problem existed with Amendment C195 to the Melton Planning Scheme, the Kororoit and Plumpton Infrastructure Contributions Plan. We note that the Planning Panel for Amendment C195 recommended a clause be added to the Kororoit and Plumpton ICP to address this matter. The clause should:

- a) Note that the Minister exempts the Infrastructure Contributions Plan from complying with Table 7 of Annexure 1 in respect of the Plumpton Aquatics Centre.
- b) State that the exemption has been granted on the basis that 'land for indoor sports facilities' was unintentionally excluded from the Ministerial Direction when it was revised as a result of the commencement of the *Planning and Environment Amendment (Public Land Contributions) Act 2018*.
- c) Confirms that the Precinct Structure Plan specifies that the relevant land is to be set aside for the purposes of 'indoor sports facilities'.

We request that a similar clause be added to the Mt Atkinson and Tarneit Plains ICP.

2.4 Implementation of the Infrastructure Contributions System

Melton City Council is concerned that there is still a lack of clarity on how the new Infrastructure Contributions system will operate, particularly how Councils are expected to implement the changes to public land contribution system. It is difficult to evaluate the appropriateness of the ICP in the absence of the Ministerial Direction as consistency with this direction is a key evaluative tool. For example, in relation to land credits and payment the note to the new Section 46GW states '*The method for calculating the land credit amount is specified in a Minister's direction applying to the approved infrastructure contributions plan*'. Council reserves its position in this regard.

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Council seeks clarification on how the Infrastructure Contributions System will operate for the following matters:

- What process will be undertaken to calculate the rate that public land will be indexed? This has implications for the amount of money that Council will administer through the land equalisation and credit process.
- When is Council required to pay landowners the land credit for the over provision of land?

Council would like information on the reporting arrangements for the land credit and equalisation process. What information is required to be provided to the Minister for Planning on public land contributions?

In the Development Contributions system Councils are prohibited from placing money in accounts that accrue interest. Council interprets that under the new system equalisation money can be held in an account that accrues interest, in order to minimise the risk to Council that land credits may exceed the land equalisation amount over time. Confirmation of this issue is sought.

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3. Detailed Comments and Recommended Changes

In addition to the issues and recommendations outlined in Section 2, the following tables provide detailed comments on the draft documentation and recommended changes to each document which forms part of the C201.

- The Mt Atkinson and Tarneit Plains Infrastructure Contributions Plan; and
- Planning Scheme Ordinance, including ICO3 and associated mapping.

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Table 1: Infrastructure Contributions Plan

Item No.	Section, Page no.	Comment	Recommended Change
1	General Comment	The wording in the Mt Atkinson PSP and the ICP should match, this includes information in the project descriptions, and the staging of projects.	VPA make changes to ensure that the information in the PSP and the ICP match. (Refer section 2 of this submission for detail)
2	Section 2.2	Planning and Environment Act 1987	
	p.5	Incorrect reference made to Clause 45.10 to the Infrastructure Contributions Overlay	Change reference to the Infrastructure Contributions Overlay from Clause 45.10 to Clause 45.11
	Table 5	Monetary Component Standard Levy Transport Projects	
		Road Projects	
3	p.12-13	The staging for road projects RD-01, RD-02, RD-04, RD-05, RD-07, RD-08, RD-11, and RD-12 do not match the staging in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.
4	p.12-13	The project description for road project RD-01 does not match the description of this project in the approved PSP.	Change the description of this road project to match the description in the approved PSP: <i>Construction of a 2 lane carriageway, excluding intersections (interim treatment) within the existing Greigs Road reserve.</i>
5	p.12-13	The project description for road projects RD-02, RD-03, RD-04, RD-05, RD-06, RD-07, RD-08, RD-09, RD-10, RD-11, and RD-12 do not match the description of these projects in the approved PSP.	Change the description of the road projects to match the description in the approved PSP: <i>Construction of a 2 lane carriageway, excluding intersections (interim treatment).</i>
		Intersection Projects	
6	p.14-16	The staging for intersection projects IT-03, IT-05, IT-07, IT-08, IT-13, and IT-16 do not match the staging of these projects in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.
		Bridge Projects	
7	P.16	The staging for culvert project CU-01 t does not match the staging for this project in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.

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Item No.	Section, Page no.	Comment	Recommended Change
8	p.16	Pedestrian Crossing Projects PS-02 the title of this project does not match the PSP.	Change the project title of PS-02 to match the PSP. The title should be Pedestrian Signals – Boulevard Connector Road .
9	p.17	Monetary Component Supplementary Levy Transport Projects Bridge and Culvert Projects The staging for culvert project CU-01 does not match the staging of this project in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.
10	p.20	Monetary Component Community and Recreation Projects Community Building Projects The staging for community building project CI-04 does not match the staging of this project in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.
11	p.21	Recreation Projects The staging of recreation projects OS-02 and OS-03 do not match the staging of these projects in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.
12	p.23	Public Land Provision Land is required for the provision of BR-02 (p.27), however this is not shown on Plan 4	Plan 4 should show project BR-02
13	p.25	Public Purpose Land Component Projects Road Projects The staging of road projects RD-02, RD-04, RD-05, RD-07, RD-08, and RD-11 do not match the staging of these projects in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.
		Intersection Projects	

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Item No.	Section, Page no.	Comment	Recommended Change
14	p.26-27	The staging of intersection projects IT-03, IT-05, IT-07, IT-08, IT-13, and IT-16 do not match the staging of these projects in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.
15	p.26-27	The project descriptions for intersection projects IT-02, IT-03, IT-04, IT-05, IT-06, IT-07, IT-08, IT-09, IT-10, IT-11, IT-12, IT-13, IT-14, IT-15 and IT-16 do not match the project descriptions of these projects in the approved PSP.	Simplify the project description of the intersection projects to read: <i>Purchase of land for an intersection at an ultimate standard.</i>
		Community and Recreation Projects	
16	p.27-28	The staging of community and recreation projects CI-04, OS-02, OS-03, OS-13, OS-19, OS-21, OS-25, OS-26, OS-31, OS-32, OS-33, and OS-36 do not match the staging of these projects in the approved PSP.	VPA make changes to ensure that the information in the PSP and the ICP match.
		Section 5.9.1 Temporary Works	
17	p.40	The Mt Atkinson ICP refers to Section 5.9.1 as <i>Temporary Works</i> , whereas the Plumpton and Kororoit ICP refers to it as <i>Interim and Temporary Works</i> . Council prefers the wording in the Plumpton and Kororoit ICP, as this is a more inclusive description.	Change the wording of section 5.9.1 to <i>Interim and Temporary Works</i> .
		Table 17 Parcel Specific Land Use Budget	
18	p.52	The net developable area for property R5 in Table 17 in the ICP do not match the areas in Appendix A in the Mt Atkinson and Tarneit Plains PSP. The net developable area for R5 in Table 17 in the ICP is 3.24 hectares, whereas the PSP identifies 3.56 hectares.	VPA make changes to ensure that the information in the PSP and the ICP match.
		Appendix 4 Infrastructure Elements	
19	p.63	IT-03 the ultimate kerb alignment of the intersection is not included.	IT-03 should be amended to include the ultimate kerb alignment.
20	p.64	IT-04 the industrial road width in the ICP (29.0m) does not match the cross-section in the PSP (26.0m).	IT-04 should be amended to match the industrial road cross-section width in the PSP.

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Item No.	Section, Page no.	Comment	Recommended Change
21	p.65	IT-05 the secondary road width in the ICP (37.5m) does not match the cross-section in the PSP (34.0m).	IT-05 should be amended to match the secondary road cross-section in the PSP.
22	p.69	IT-09 the secondary road width in the ICP (37.5m) does not match the cross-section in the PSP (34.0m).	IT-09 should be amended to match the secondary road cross-section in the PSP.
23	p.69	IT-09 the connector road width in the ICP (33.3m – 31.0) does not match the cross-section in the PSP (31.0m – 28.0m).	IT-09 should be amended to match the connector road cross-section in the PSP.
24	p.70	IT-10 the industrial connector road width in the ICP (26.0m) does not match the cross-section in the PSP (26.0m).	IT-10 should be amended to match the industrial connector road cross-section width in the PSP.
25	p.71	IT-11 the industrial connector road width in the ICP (25.0m) does not match the cross-section in the PSP (26.0m).	IT-11 should be amended to match the industrial connector road cross-section width in the PSP.
26	p.72	IT-12 the two secondary road widths in the ICP (37.5m) do not match the cross-section in the PSP (34.0m).	IT-11 should be amended to match the secondary road cross-section in the PSP.
27	p.73	IT-13 the secondary road width in the ICP (37.5m) does not match the cross-section in the PSP (34.0m).	IT-13 should be amended to match the secondary road cross-section in the PSP.
28	p.74	IT-14 the ultimate kerb alignment of the intersection is not included.	IT-14 should be amended to include the ultimate kerb alignment.
29	p.75	IT-15 the secondary road width in the ICP (37.5m) does not match the cross-section in the PSP (34.0m).	IT-15 should be amended to match the secondary road cross-section in the PSP.
30	p.76	IT-16 the ultimate kerb alignment of the intersection is not included.	IT-16 should be amended to include the ultimate kerb alignment.

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Table 2: Planning Scheme Ordinance

Item No.	Section, Page no.	Comment	Recommended Change
31	Cl. 45.11	Infrastructure Contribution Overlay , Schedule 3 No change requested.	-
32	Cl. 61.03	Planning Scheme Maps No change requested.	-
33	Cl. 81.01	Incorporated Documents No change requested.	-
34		Explanatory Report No change requested.	-

4. Conclusion

Melton City Council officers are generally supportive of the proposed infrastructure projects which accompanies the amendment documentation, however cannot provide full support of the ICP documentation itself until the issues and comments contained within this submission have been resolved. Of particular note are the following:

- The ICP should match the approved PSP. Council has identified a number of discrepancies including the staging of projects, project descriptions, and land areas of projects;
- Given that the transport projects in the Mt Atkinson and Tarneit Plains ICP area based on bespoke designs, it is inappropriate for the VPA to use benchmark costs for these projects. Council requests that the VPA use the cost estimates prepared by WT Partnership that accompany this submission;
- The three bridge projects (BR-01, BR-02 and BR-03) and the culvert project (CU-01) should be supplementary levy items to ensure adequate money is collected to cover the cost of construction of the required transport projects. The supplementary levy should be increased to \$18,375 per net developable hectare to cover the cost of constructing the transport projects;
- Review the arrangements relating to the *Mt Atkinson Indoor Recreation Centre* to add a clause that confirms that the land is required for the purpose of an indoor sports facility as per Amendment C195 (Plumpton and Kororoit Infrastructure Contributions Plan) to the Melton Planning Scheme; and
- Direction be provided to Councils on how the public land contribution system will operate:
 - Details to be provided on how the public land contributions will be indexed annually.
 - When should land equalisation be paid to Council, and when should land credit amounts be paid to landowners.
 - Can land equalisation money be held in an account that accrues interest.

Council recommends that the Department of Environment, Land, Water and Planning work with the Victorian Planning Authority and Councils to review the Community and Recreation Construction Levy, given the shortfall between the money collected and the actual cost of delivery of this infrastructure. For the Mt Atkinson and Tarneit Plains ICP area only 62% of the money required for the construction of essential community and recreation infrastructure will be collected. It is worth noting that the cumulative community and recreation construction shortfall for Mt Atkinson and Tarneit Plains, and the Kororoit and Plumpton PSPs which are all under the ICP systems is \$57,830,894.

Council officers would welcome the opportunity to have further detailed discussion with the Victorian Planning Authority to resolve the issues outlined in the submission prior to any planning panel process in the interest of expediting the approval of the final ICP.