

16 May 2024

Strategic Planning Team
232 High Street
Melton
VIC 3337

To whom it may concern,

SUBMISSION IN RESPONSE TO THE MELTON PLANNING SCHEMES DEVELOPMENT CONTRIBUTIONS PLAN (PLANNING SCHEME AMENDMENT C232MELT)

1 Introduction

Human Habitats act on behalf of Thornhill Gardens Dev Co, the developer of 236, 264, 352 and 394 Paynes Road, as shown in the Site Location Plan provided in Figure 1 below. We have been instructed to prepare this submission in relation to Planning Scheme Amendment C232melt.



Figure 1 - Site Location Plan (subject sites outlined in red).

Our client's land is at various stages of the planning approval and delivery stage, with 236 Paynes Road approved and being delivered, 264 Paynes Road is under application, 352 Paynes Road is approved and being delivered and 394 Paynes Road is under application.

1.1 Overview of the Amendment

With reference to the exhibited Explanatory Report for draft Planning Scheme Amendment C232melt, we note that the Amendment proposes to update the Toolern Development Contributions Plan and the Toolern Precinct Structure Plan, and revise Schedule 3 to the Urban Growth Zone, Schedule 3 to the Development Contributions Plan Overlay and other operational provisions to facilitate the delivery of infrastructure within the Toolern precinct.

It will also make the following changes for the Melton Planning Scheme (among others):

- Amend Schedule 3 to Clause 37.07 Urban Growth Zone to make non-government schools a Section One Use, increase the shop floor area in Cobblebank Metropolitan Activity Centre where no permit is required, making a dwelling with a frontage of more than two metres in a Commercial 1 Zone a Section 2 Use, and adding a buildings and works provision for non-government schools. Changes have been made to ensure the schedule is consistent with the Form and Content of Planning Schemes Ministerial Direction (Minister for Planning, 19 January 2022).
- Amend the Schedule to Clause 43.01 Heritage Overlay to remove an individual place (HO74) 148-200 Abey Road, Cobblebank as it burnt down in 2014.
- Delete HO74 from 148-200 Abey Road, Cobblebank and amends Planning Scheme Map 8HO.
- Amend the Schedule to Clause 66.04 Referral of Permit Applications Under Local Provisions to move referral provisions from Schedule 3 to Clause 37.07 Urban Growth Zone to this provision. Changes have been made to this provision to ensure the schedule is consistent with the Form and Content of Planning Schemes Ministerial Direction (Minister for Planning, 19 January 2022).
- Amend the Schedule to Clause 72.04 Incorporated Documents by inserting the following documents:
 - Toolern Precinct Structure Plan (including Native Vegetation Precinct Plan), July 2011 (Amended June 2022); and
 - Toolern Development Contributions Plan, July 2011 (Amended June 2022).

To understand how it relates to our clients land we have reviewed the impacts of the proposed amendment from an area calculation perspective by comparing the existing and proposed land use budget tables, see below.

Table 1 – Land Budget Analysis

Address			Bridges		Waterway /			Total Net	
236 Paynes Road (Existing / Proposed)	66	24.55	-	1.95	2.00	0.17	0.20	20.23	0
			-	1.95	2.00	0.17	0.20	20.23	
264 Paynes Road (Existing / Proposed)	67	13.59	-	-	2.17	1.11	0.80	9.51	- 1.1
			-	-	3.27	1.11	0.80	8.41	



352 Paynes Road (Existing / Proposed)	75	12.02	-	-	0.40	-	0.10	11.52	- 0.3
			-	-	0.70	-	0.10	11.22	
394 Paynes Road (Existing / Proposed)	76	11.97	1.81	-	1.19	-	0.01	8.96	- 0.31
			1.81	-	1.50	-	0.01	8.65	
TOTAL		62.13	1.81 1.81	1.95 1.95	5.76 7.47	1.28 1.28	1.11 1.11	50.22 48.51	- 1.71

As can be seen from Table 1 above, the proposed changes result in total reduction of our clients net developable area across the four (4) parcels in the order of 1.71 hectares. We note that the overall reduction in net developable area is a result of increases to the drainage basins. We note that the 352 and 394 Paynes Road both benefit from existing planning permits, while 264 Paynes Road is a live planning permit application and has received Melbourne Water consent subject to conditions. In each of these cases, the basins reflect the current and not the proposed PSP area requirements for the drainage basins. It is considered that the PSP/DCP should reflect the current approved/proposed basins for our client's land. It is considered that the proposed amendments in accurately reflect the extent of drainage basins that will be delivered.

2 Submission

2.1 Amendments to the Development Contribution Levies

The amendment proposes to implement the recommendations of the Toolern Development Contributions Plan Review and Precinct Structure Plan Refresh, February 2024 by updating the Toolern Precinct Structure Plan, July 2011 (amended February 2019) and the Toolern Development Contributions Plan, July 2011 (amended December 2023). This amendment will result in changes that dramatically increase the Development Infrastructure Levy (DIL) payable for development across the Toolern PSP. The extent of the changes is outlined in the table below:

Table 2 - Changes to Development Infrastructure Levy.

Charge Area	Existing DIL	Proposed DIL	Increase
Charge Area 1	\$270,536	\$439,563	\$169,029
Charge Area 2	\$279,474	\$441,988	\$162,514
Charge Area 3	\$259,691	\$369,583	\$109,838
Charge Area 4	\$124,616	\$228,563	\$103,946

As outlined in Figure 2 below, our client's land is located within the 'DCP Area 2'. It is noted that the increased Development Contributions will result in a Contribution in the order of \$21.4 million, an increase in excess of \$7.8 million, conservatively based on the update net developable area of 48.51 hectares as described in the previous section. This represents a 58.15% increase in development contributions, which will have a substantial impact on the viability of an Estate that is significantly progressed through the development process.

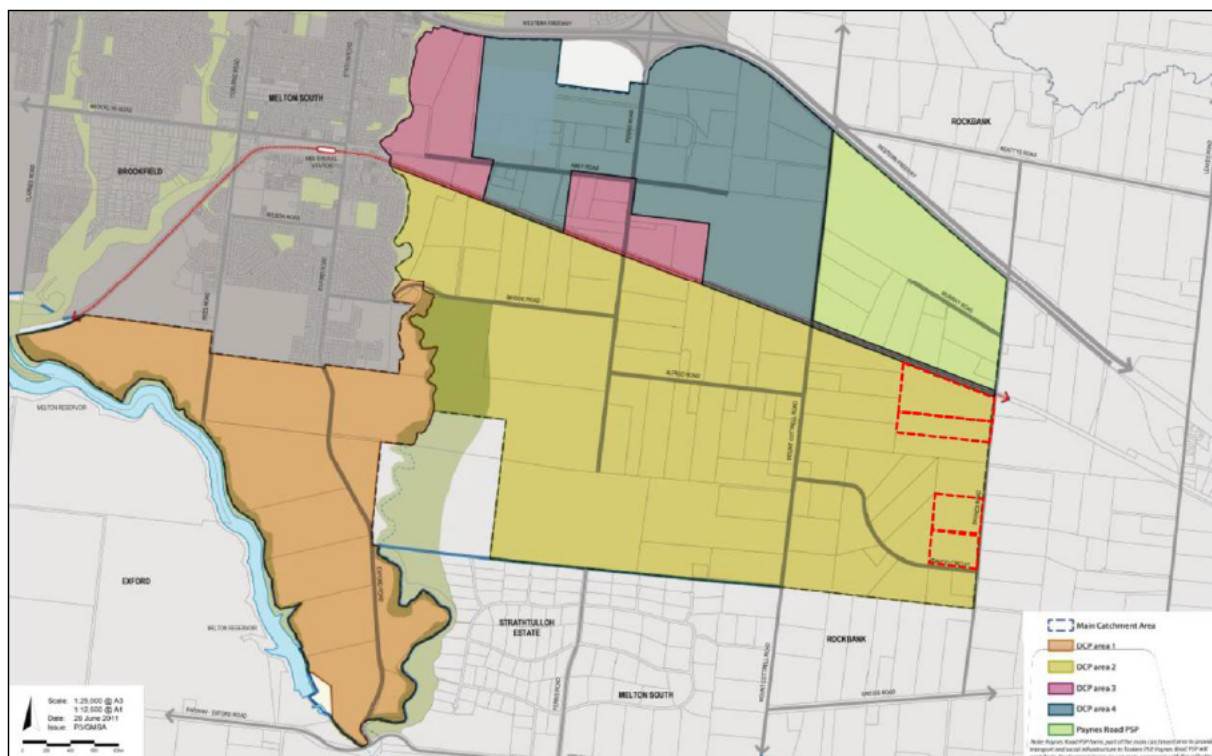


Figure 2 - Area Covered by the Development Contribution Plan, our clients land outlined in red.

Our client submits, that in respect of their land, the plan fails to provide transparency to stakeholders around the substantial increase in development contributions. Whilst our client appreciates and understands the need for development contributions, they are concerned about the impacts the proposed DCP will have relation to the following:

- Viability of development within the context of already high development cost environment.
- Impact on affordability of the housing product and to the end purchaser.
- Impact on the delivery and diversity of housing product across the Toolern DCP area.

Excessive increases in development contributions have historically had a negative impact the delivery of affordable housing, due to contributions driving up the costs of building new homes, and in turn, making them less accessible to low-and moderate-income individuals and families.

Increased development contributions can also lead to a decrease in the supply of new homes, as high development costs result in higher land prices, which in turn increases demand for smaller housing product. However, this is not reflected in changes to the PSP, which is discussed below.

2.2 Amendments to the Precinct Structure Plan

Several of the updates to the Toolern PSP reflect the changes to the Native Vegetation Precinct Plan, School Sites, drainage assets, heritage considerations. In addition to this, the PSP is proposed to be updated to reflect changes in the PSP process, for example, changes to the requirements and guidelines to create greater consistency with the current approach taken in recent PSPs.

It is considered that this PSP review process presents an excellent opportunity to increase the average minimum density across the PSP from 15 dwellings per net developable hectare to a minimum of 20 dwellings per hectare, in-line with PSP 2.0 guidelines. We note that this would not only align with the State Governments broader Housing Strategy, which seeks intensification across Metropolitan Melbourne, but would also assist in offsetting the increased development contributions as proposed under this planning scheme amendment. In addition to this, higher dwelling densities will allow for the more efficient use of infrastructure across the PSP.



3 Summary

Our client's substantive concerns relating to the orderly planning and project deliverability are valid in the context of the excessive development contributions proposed within the amended Development Contributions Plan and accompanying Development Infrastructure Levy.

Respectfully, the necessity of Development Contributions is not at question within our submission; however, the significant increase to development contributions proposed is considered unreasonable and will negatively impact on the delivery of the Toolern PSP and housing affordability of in the area.

It is considered that high Development Contribution costs is not in keeping with the orderly planning of the precinct, and will result in ad-hoc delivery of key pieces of infrastructure that will prevent the delivery of an appropriate mix in lot sizes and typologies in addition to delivery of affordable housing. Further, it is considered that the amended PSP misses an opportunity to create better alignment with the aspirations for greater residential densities as set out in the Housing Statement, which in turn would assist in reducing the burden of higher development contributions.

4 Conclusion

Our client reserves the right to make further and additional submissions at a later date, including to an independent planning panel/ advisory committee and/or the Minister for Planning if necessary.

If you would like to discuss this submission further, please do not hesitate to contact the undersigned by email to [REDACTED] or by phone to [REDACTED]

Yours sincerely,

Director

Associate