

Planning and Environment Act 1987

Panel Report

**Melton Planning Scheme Amendment C195
Plumpton and Kororoit Infrastructure Contributions Plan**

16 August 2018

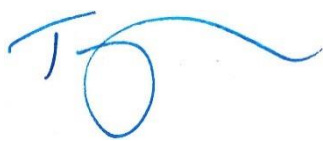
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Panel Report pursuant to section 25 of the Act

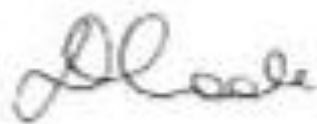
Melton Planning Scheme Amendment C195

Plumpton and Kororoit Infrastructure Contributions Plan

16 August 2018



Trevor McCullough, Chair



Dalia Cook, Member

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List of Abbreviations

the Act	<i>Planning and Environment Act 1987</i>
DCP	Development Contributions Plan
DELWP	Department of Environment, Land, Water and Planning
ICO	Infrastructure Contributions Overlay
ICP	Infrastructure Contribution Plan
NDA	Net Developable Area
NDHa	Net Developable Hectares
PSP	Precinct Structure Plan
UGZ	Urban Growth Zone
VPA	Victorian Planning Authority

Overview

Amendment summary	
The Amendment	Melton Planning Scheme Amendment C195
Common name	Plumpton and Kororoit Infrastructure Contributions Plan
Brief description	Incorporation of an Infrastructure Contributions Plan and associated Schedule 1 to impose standard and supplementary infrastructure contributions across the relevant area.
Subject land	All land within the Plumpton and Kororoit PSPs
The Proponent and Planning Authority	Victorian Planning Authority (VPA)
Exhibition	17 May to 15 June 2018
Submissions	<p>Number of Submissions: 8 Opposed: 7</p> <p>Dacland Pty Ltd on behalf of Dahua Group Melbourne Number 3 Pty Ltd</p> <p>HWL Ebsworth on behalf of Western Victoria Sri-Lankan Buddhist Association Inc.</p> <p>Mesh Planning on behalf of Villawood Properties</p> <p>Tract Consultants Pty Ltd on behalf of Marantali Pty Ltd</p> <p>Landeq</p> <p>AusNet Transmission Group</p> <p>Breese Pitt Dixon on behalf of Resi Ventures and SOHO Living</p> <p>Melton City Council</p>

Panel process

The Panel	Trevor McCullough, Chair Dalia Cook, Member
Panel Appointment¹	22 June 2018 (Trevor McCullough) 17 July 2018 (Dalia Cook)
Directions Hearing	PPV, 6 July 2018
Panel Hearing	PPV, 24 and 26 July 2018
Site inspections	Not required
Appearances	<p>Mr Rory O'Connor, Solicitor, Hall & Wilcox with Ms Stephanie Harder for VPA. He called Mr Glen Chrzanowski, Engineer, SMEC Australia to give expert evidence on project costing.</p> <p>Mr Greg Tobin, Solicitor, Harwood Andrews for Melton City Council. He called Ms Sian McKenna, Quantity Surveyor, WT Partnership to give expert evidence on project costing.</p> <p>Ms Meg Lee, instructed by Gadens Lawyers for Dacland Pty Ltd on behalf of Dahua Group Melbourne Number 3 Pty Ltd. She called Mr Adam Charlton, Engineer, Charlton Degg to give expert evidence on project costing.</p>
Citation	Melton PSA C195 [2018] PPV
Date of this Report	16 August 2018

¹ By Chief Panel Member under delegation from the Minister for Planning.

Executive summary

(i) Summary

Melton Planning Scheme Amendment C195 (the Amendment) seeks to incorporate the Plumpton & Kororoit Infrastructure Contributions Plan (ICP) into the planning scheme, including a supplementary levy.

The gazetted PSPs for Plumpton and Kororoit provide strategic justification for the application of the ICP considered by the Panel. They also delineate key infrastructure, facilities and services required for the urban development of these areas.

This is the first Panel to consider the incorporation of an ICP into the planning scheme. There are several current planning scheme amendments pending that are expected to follow, involving issues with varying levels of complexity. The Panel has also been required to consider the relevant Ministerial Direction for the first time.

The Panel has therefore considered how relevant elements of the system are expected to operate and provided some commentary on several issues identified through submissions.

The Panel has considered all submissions, whether the submitters attended the Hearing or not, and has had regard to all the evidence called and all relevant documents presented as part of the Amendment. The VPA and parties are commended for taking a collaborative approach to the resolution of the vast majority of issues.

Key issues raised in submissions included:

- whether the calculated costings of various items of infrastructure are adequate and appropriate
- whether an exemption should be applied to land proposed to be used as a Place of Worship
- whether particular infrastructure works would be duplicated with other approved Development Contributions Plans
- the designation of certain land or infrastructure nominated in the ICP.

Melton City Council raised specific issues including:

- staging of ICP infrastructure items
- the Plumpton Aquatics Centre
- the deficiency in the community and recreation construction levy
- issues relating to the Regional Park and the infrastructure items in Kororoit Part 2 PSP.

The Panel has concluded that there is strategic justification for the ICP as drafted and the form of the ICP complies with the Ministerial Direction and the Act. The Panel agrees that the imposition of a supplementary levy for nominated items of infrastructure is acceptable in principle. The Panel endorses the matters agreed between the parties in the Panel process.

In relation to unresolved issues raised in specific submissions, the Panel makes the following findings:

- The decision to levy contributions on land proposed for a Place of Worship (Buddhist Temple) is justified.
- The costings of infrastructure items affecting the Dacland/Dahua properties are fair and reasonable subject to refinements accepted by the VPA.

- The VPA's proposed approach to seek an exemption to include a proportion of the land for the Plumpton Aquatics Centre in the ICP is supported.
- Community and recreation construction projects will not be fully funded by the ICP but the Panel notes that it is not the purpose of ICPs to fully fund all infrastructure.
- The VPA proposed apportionment of projects in the adjoining Kororoit Part 2 PSP to the Kororoit and Plumpton ICP is supported. In particular, the Panel supports the apportionment of 25 per cent of the cost of Neale Road to the Kororoit-Plumpton ICP.

(ii) Recommendations

Based on the reasons set out in this Report, the Panel recommends that Melton Planning Scheme Amendment C195 be adopted subject to the following changes:

- 1. Accept all changes proposed by the Victorian Planning Authority in the List of Changes – ICP (v3) included in the closing submission (as shown in Appendix B of this report) unless further amended by other Panel recommendations.**
- 2. Add a clause to the Infrastructure Contributions Plan that:**
 - a) notes that the Minister exempts the Infrastructure Contributions Plan from complying with Table 7 of Annexure 1 in respect of the Plumpton Aquatics Centre**
 - b) states 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'.**
- 3. Add a new standard levy infrastructure item RD-21, Neale Road: Sinclairs Road to eastern boundary of Kororoit Part 2 precinct (construction of 2-lane arterial road interim standard), with a 25 per cent apportionment to this Infrastructure Contributions Plan.**
- 4. Amend the allocation of the 'supplementary' culvert items to the standard or supplementary levy once final costings are determined.**

1 Introduction

1.1 The Amendment

(i) Amendment description

The Amendment proposes to:

- insert Schedule 1 to the ICO at clause 45.11 (ICO1), and apply ICO1 to land within the Amendment area
- amend the schedule to clause 61.03 to include new maps 9ICO, 10ICO, 13ICO and 14ICO
- amend the schedule to clause 81.01 to include a new incorporated document titled Plumpton and Kororoit Infrastructure Contributions Plan, April 2018.

Clause numbers relate to the planning scheme as exhibited.

(ii) Purpose of the Amendment

The ICP is intended to deliver identified infrastructure items within the PSP precincts by nominating land or monetary contributions by reference to identified land or classes of development.

The Amendment will incorporate an ICP with:

- a standard levy for community and recreation construction and transport construction for each parcel to the maximum allowable rate in Table 1 of Annexure 1 to the Ministerial Direction
- a supplementary levy component applying to all land within the PSP areas affected by nominated major culverts and bridges.

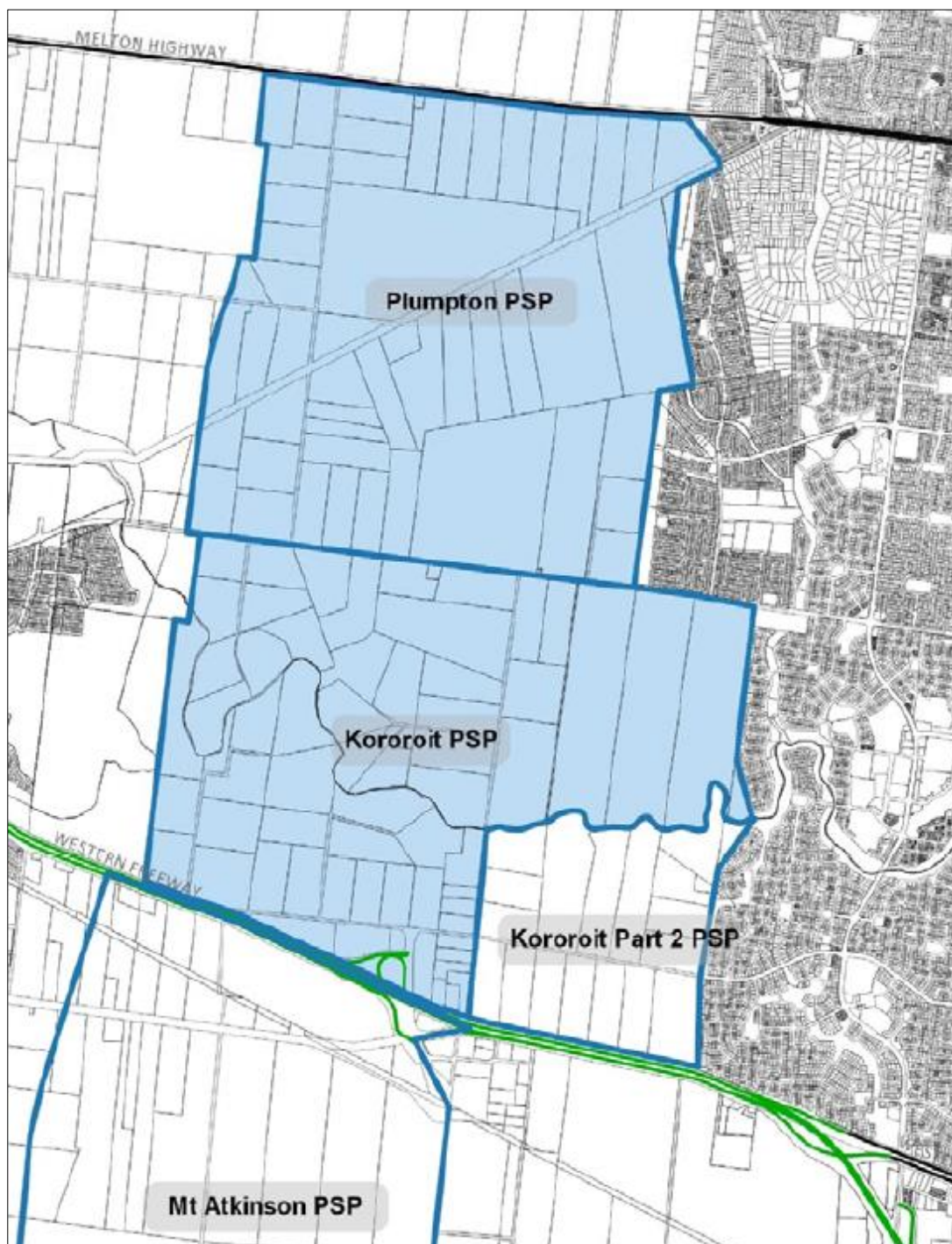
(iii) The subject land

The Amendment will apply to all land within the Plumpton Precinct Structure Plan area that is currently zoned Urban Growth Zone (Schedule 11) (UGZ), which is generally bounded by Melton Highway to the north, the approved Taylors Hill West Precinct to the east, Taylors Road to the south and the Outer Metropolitan Ring Road reservation to the west.

It will also apply to all land within the Kororoit Precinct Structure Plan area that is currently zoned UGZ (Schedule 12), which is bounded by Taylors Road to the north, Monaghans Lane (north of Kororoit Creek), Kororoit Creek and Sinclairs Road (south of Kororoit Creek) to the east, Western Freeway to the south and the Outer Metropolitan Ring Road reservation to the west.

The Amendment applies to land shown in Figure 1.

Figure 1 **The subject land**



This land area is consistent with the recommendations of the Panel in Amendments C146 and C147 in respect of the PSPs, that the ICO be applied to all land encompassed by the PSPs.

1.2 Background to the proposal

Schedule 2 to Clause 45.11 was introduced into the Planning Scheme via Amendment C197 on 2 July 2018. This is intended to operate on an interim basis until the ICP is updated and incorporated following the Panel process.

Amendment C197 introduced monetary components for both standard and supplementary levies and a land component.

Schedule 1 to Clause 45.11 proposed in Amendment C195 is intended to replace Schedule 2.

As exhibited, the Amendment proposed the following levy rates:

Table 1 Monetary component – Standard levy

Class of development	Infrastructure category	Levy rate payable
Residential development	Community and recreation construction	\$86,800 per NDHa
	Transport construction	\$108,700 per NDHa
	- Total standard levy rate payable	\$195,500 per NDHa
Commercial and industrial development	Community and recreation construction	None specified
	Transport construction	\$108,700 per NDHa
	- Total standard levy rate payable	\$108,700 per NDHa

Table 2 Monetary component – Supplementary levy

Class of development	Infrastructure category	Levy rate payable
Residential development	Community and recreation construction	None specified
	Transport construction	\$31,256 per NDHa
	Total standard levy rate payable	\$31,256 per NDHa
Commercial and industrial development	Community and recreation construction	None specified
	Transport construction	\$31,256 per NDHa
	Total standard levy rate payable	\$31,256 per NDHa

The Panel has not shown the land contribution components as they are not matters for the Panel to consider (See Chapter 3).

It is noted that the transport construction levy proposed is less than the maximum standard levy for this category of contribution, being \$114,000 per NDHa.

1.3 Summary of issues raised in submissions

There are two broad categories of submission to this Amendment – those that were resolved in principle prior to the Hearing, and those that were the subject of submissions and evidence at the Hearing.

Issues resolved in principle included:

- adjustments to remove duplication within infrastructure projects between this ICP and a DCP for adjacent land
- the need to update costings in the ICP to account for relevant biodiversity and offset obligations
- review of design of various major culverts to ensure appropriate land contribution areas
- challenges to land contributions will be addressed via a separate process provided for in the Act.

The remaining unresolved issues are:

- the appropriateness of costings for infrastructure projects affecting the Dacland/Dahua land
- whether an exemption from contributions under the ICP should be granted for land proposed for a Buddhist Temple
- consistency between the PSPs and the ICP
- the status of the proposed Plumpton Aquatic Centre in the ICP and Ministerial Direction
- addressing a shortfall in the estimated costs of community and recreation infrastructure compared with the capped infrastructure levy in the ICP
- how to account for land proposed for Kororoit Regional Park affecting Neale Road in calculations under the ICP.

1.4 Issues dealt with in this Report

The Panel has considered all written submissions made in response to the exhibition of the Amendment and submissions, evidence and other material presented to it during the Hearing.

Substantial material was provided as part of the Panel hearing process, much of which involves detailed engineering specifications and cost estimates. The Panel has had to be selective in referring to the more relevant or determinative material in the Report.

All submissions and materials have been considered by the Panel in reaching its conclusions, regardless of whether they are specifically mentioned in the Report.

This Report deals with the issues under the following headings:

- Planning context
- Infrastructure Contributions system
- Proposed VPA changes to the Amendment and ICP
- Threshold issues pertaining to the ICP
- Resolved submissions
- Dacland Pty Ltd / Dahua Group Melbourne Number 3 Pty Ltd submission
- Western Victoria Sri-Lankan Buddhist Association Inc. submission
- Melton City Council submission.

2 Planning context

The VPA provided a response to the Strategic Assessment Guidelines as part of the Explanatory Report.

The Panel has reviewed the VPA's response and the policy context of the Amendment and has appraised the relevant zone and overlay controls and other relevant planning strategies.

2.1 Policy framework

Since the date of the Hearing, Amendment VC148² made substantial changes to the structure of policies within all planning schemes, including the Melton Planning Scheme (scheme).

The Panel did not consider it necessary to invite the parties to respond to these changes specifically since the policies that underpin the Amendment are high level and were not fundamentally altered by Amendment VC148.

The central issues raised in the Panel process were at a detailed level and did not raise questions about the application of any particular policy within the scheme.

Planning Policy Framework

The VPA submitted that the Amendment was supported by clause 19 of the former State Planning Policy Framework which pertained to infrastructure, since it would implement a mechanism to collect developer contributions to fund nominated assets. Detailed policy support now stems from the clause 19.03-1S to the current scheme.

The amended clause 19 includes relevant objectives to provide social and physical infrastructure in a way that is efficient, equitable, accessible and timely. Growth and redevelopment of settlements should be planned to provide for the logical and efficient provision and maintenance of infrastructure. Clause 19 specifically encourages planning authorities to consider the use of development and infrastructure contributions in funding infrastructure.

A relevant strategy under the new clause 19.02-4S seeks to ensure that social infrastructure is delivered early and in the right locations within growth areas. Likewise, the objective to clause 19.03-2S is *"to provide timely, efficient and cost effective development infrastructure that meets the needs of the community"*.

2.2 Planning scheme provisions

(i) Zones

All land within the scope of the Amendment is included in the Urban Growth Zone (UGZ). No changes to zones are proposed as part of the Amendment.

(ii) Overlays

The Infrastructure Contribution Overlay (ICO) is directly relevant to this Amendment. The purpose of the ICO is:

² Gazetted on 31 July 2018.

To implement the Municipal Planning Strategy and the Planning Policy Framework.

To identify the area where an infrastructure contributions plan applies for the purpose of imposing contributions for the provision of infrastructure.

To identify the infrastructure contribution imposed for the development of land.

The ICO provides the head of power to which the proposed schedule would attach.³ Clause 45.11-2 provides that “A permit must not be granted to subdivide land, construct a building or construct or carry out works until an infrastructure contributions plan has been incorporated into this scheme”.

2.3 Ministerial Directions, Practice Notes and Guidelines

The Panel confirms that the Amendment complies with the following Ministerial Directions:

- Ministerial Direction 9 – Metropolitan Strategy
- Ministerial Direction 11 – Strategic Assessment of Amendments
- Ministerial Direction on the Preparation and Content of Infrastructure Contributions Plans and Ministerial Reporting Requirements for Infrastructure Contributions Plans
- Ministerial Direction on Form and Content of Planning Schemes.

The VPA has also followed the approach recommended in the Infrastructure Contributions Plan Guidelines, October 2016, DELWP.

2.4 Discussion and conclusion

State Planning Policy (including as updated by VC148) expressly encourages the preparation of ICPs as a means of providing certainty, efficiency and timeliness for planned infrastructure, particularly in growth areas. This is supported by the detailed system provided for by the Act (explained below), as given effect to by the ICO.

The underlying PSPs have been critiqued and confirmed via a fulsome Panel and administrative process. The Panel supports the use of the ICP in this particular context, as it pertains to the Plumpton and Kororoit PSP areas.

³ At Clause 45.11-1.

3 Infrastructure Contributions system

3.1 The legislative framework

The Infrastructure Contributions Plan system was introduced in Victoria in October 2016 via Part 3AB of the *Planning and Environment Act 1987*. It provides an alternative process to Development Contributions, which are governed by Part 3B of the Act.

The ICP system allows levies to be applied to particular land or classes of development to fund the provision of essential infrastructure to support new or growing communities. An underlying component of the system is the preparation of an ICP which must be incorporated into the planning scheme.

The *Planning and Environment Amendment (Public Land Contributions) Act 2018* commenced operation earlier this year, introducing Part 3AB of the Act in respect of ICPs. The consolidated Act improves the method of securing land for public purposes by introducing a land contribution model for the ICP system. The land contribution model enables land for public purposes to be provided as part of an infrastructure contribution when land is developed, replacing the monetary contribution (public land standard levy amount) from the ICP system. The Act also prescribes the method by which the cost of providing all public land is equalised across all landowners within a PSP area.

3.2 New ICP system

Under the new system, the infrastructure contribution to be provided by each landowner will now consist of the following:

- Monetary levy – a monetary levy that may be used to fund the provision of works, services, facilities and plan preparation costs. The levy may consist of a standard levy, a supplementary levy or both.
- Land component – land identified for public purposes by the ICP is to be vested in, transferred to or acquired by Council. Parcels of land that have a parcel contribution percentage that is less than the ICP land contribution for a class of development is required to pay a land equalisation amount as identified in the ICP. Parcels of land that have a parcel contribution percentage that is greater than the ICP land contribution for a class of development will receive a land credit as identified in the ICP.

The new system in effect splits ICPs into two separate levies with costs no longer able to be transferred between land and infrastructure (as it was under the old system), and two separate review mechanisms.

Panels can only consider submissions in relation to the monetary levy. There is a separate review mechanism through the Valuer General Victoria for the land component.

3.3 'Interim' ICP

Amendment C197 to the Melton Planning Scheme introduced the 'interim' Plumpton and Kororoit ICP (ICO Schedule 2) to align with the new ICP system. This ICP applies to both Plumpton and Kororoit PSP areas and was introduced to allow development to proceed in accordance with issued planning permits while an ICP was exhibited in accordance with the Act.

The 'interim' ICP was required to allow collecting agencies to lawfully collect infrastructure contributions from land owners rather than rely on planning permits that reference the superseded ICP system.

The 'interim' ICP (reflected in ICO2) will have effect on an interim basis and is necessary until such time as the 'final' ICP (reflected in ICO1) is gazetted.

3.4 The Ministerial Direction

The *Ministerial Direction on the Preparation and Content of Infrastructure Contribution Plans* was issued in July 2018 under section 46GJ of the Act to guide the preparation and content of ICPs. An ICP may only be applied to land within the mapped Metropolitan Greenfield Growth Areas. This Direction also bears on the scope and nature of recommendations that can be made by a Panel when considering an amendment involving an ICP.

This Direction has been considered carefully by the VPA in preparing the current ICP.

Key elements include a Monetary Component which provides requirements for imposing a standard levy and a supplementary levy, respectively, and the opportunity to impose a Land Component. The latter covers both 'inner public purpose land' and 'outer public purpose land', with identified methods for calculation value, credit amounts and equalisation per parcel and adjustment of public purpose land values.

The Amendment before the Panel necessitates closer consideration of various clauses of the Ministerial Direction and their practical application.

The Ministerial Direction contains requirements for imposing a supplementary levy at clause 16. It provides:

A supplementary levy may only fund the following:

- *any works, services or facilities that are listed as supplementary levy allowable items in the applicable Annexure to this Direction; and*
- *plan preparation costs if those costs are incurred in respect of works, services or facilities to be funded by the supplementary levy.*

Criteria for applying a supplementary levy are nominated in clause 17, which provides:

When deciding whether to impose a supplementary levy, the planning authority must consider:

- (a) whether the plan preparation costs, works, services or facilities can be wholly or partially funded from a standard levy, unless the applicable Annexure to this Direction specifies those supplementary levy allowable items must not be funded from a standard levy;*
- (b) whether the works, services or facilities are essential to the orderly development of the area;*
- (c) whether the works, services or facilities are identified in a precinct structure plan or equivalent strategic plan applying to the land;*
- (d) whether the land has particular topographical, geographical, environmental or other physical constraints or conditions that significantly affect the*

estimated cost of allowable items to be funded through the infrastructure contributions plan; and

(e) any other criteria specified in the applicable Annexure to this Direction.

The Amendment proposes supplementary levies for nominated infrastructure works.

Table 4 of the Ministerial Direction sets out the transport construction supplementary levy allowable items.

In summary, the effect of the Ministerial Direction is that only works, services or facilities listed as 'supplementary levy allowable items' in the Annexure and limited plan preparation costs can be funded via a supplementary levy. In determining whether it is appropriate to apply a supplementary levy for these listed items, the planning authority and - by extension - the Panel, must have regard to the considerations in clause 17. This issue is discussed in Chapters 7 and 9 as it relates to matters raised in submissions.

3.5 Scope of matters to be considered by a Panel on ICPs

Given that this is the first Panel to address ICPs under the new system, the Panel believes it is appropriate to comment on the scope of matters that should and should not be addressed by ICP Panels.

Standard and supplementary levies

It is outside the scope of the Panel to recommend any change to the maximum standard levy amount for community and recreation or transport infrastructure. These are set by the Ministerial Direction.

In considering whether a supplementary levy should apply, the Panel must also consider whether all or part of the cost of an infrastructure item should be funded from the standard levy as required by Clause 17a) of the Ministerial Direction. It is therefore relevant for the Panel to consider submissions relating to both standard and supplementary levies.

Community and recreation levy

The community and recreation levy is a capped levy. If there are unexpended funds in the community and recreation levy, these funds may be applied to transport items. It is therefore relevant for the Panel to consider any submissions in relation to community and recreation levy items to the extent that they may impact on the overall levy payable.

In this case the estimated cost of community and infrastructure items exceeds the levy cap. Apart from the submission of Melton Council in relation to the proposed Plumpton Aquatic Centre, there are no submissions on community and infrastructure items.

Resolved submissions

The VPA submitted that matters raised within the ICP Panel Hearing process that have subsequently been resolved should not be addressed by the Panel.

The Panel agrees that it is generally not necessary for it to consider resolved matters, but disagrees that it "should not" address such matters. It is up to the Panel to make its own determinations about whether any matter, resolved or not, is relevant.

Resolution of a matter with one submitter may have implications for another and, in any case, the Panel needs to provide recommendations that relate back to the exhibited version of the Amendment. It is therefore necessary for the Panel to record any changes agreed between parties and whether they are supported by the Panel.

Location, apportionment and type of infrastructure item

The VPA submitted that these matters are addressed and determined by the PSP process and should not be revisited by the ICP Panel. The Panel agrees.

Public purpose land

The VPA submitted that estimates of value of public purpose land (including land credit amount and land equalisation amount) within the land component of the ICP are not matters for an ICP Panel to consider. These matters are addressed through a separate process established in Division 4 - Valuation and Dispute Resolution for Inner Public Purpose Land in Part 3AB of the Act. The process for addressing disputed estimates is dealt with through the Valuer-General Victoria.

The Panel agrees that ICP Panels have no direct role in resolving the amount of land contributions.

One public land related issue that may be relevant for an ICP Panel is where the area of public land is varied. This would be relevant if it impacts the Net Developable Area (NDA) and therefore the ICP levy rates.

There are a number of variations to the footprint of public land in this Amendment that impact on NDA.

Other matters set by the Ministerial Direction

It is outside the scope of the Panel to recommend any change to the standard levy for community and recreation or transport infrastructure. These are set by the Ministerial Direction.

The VPA has identified that the purchase of land for an indoor sports facility appears to have been mistakenly left off the list of allowable items in the Ministerial Direction. The Panel agrees that this should be addressed.

The Panel has identified two other matters that may need to be addressed in future reviews of the Ministerial Direction:

- how benchmark project costs are to be treated
- the threshold for supplementary transport construction levies.

These issues are discussed in section 5.2 of this report.

4 Proposed VPA changes to the Amendment and ICP

4.1 VPA proposed changes

In correspondence to the Panel prior to the Hearing, the VPA, Melton and submitters advised that productive discussions had been held and that a number of issues raised in the submissions had been resolved by agreement. The resolved submissions are discussed in Chapter 6 of this report.

Changes in response to ‘interim’ ICP updates (Amendment C197)

The ‘interim’ ICP (C197) was prepared after the exhibition of Amendment C195. C197 included several changes that the VPA now proposed be also incorporated into C195. These include:

- Indexing the standard levies as follows:
 - Standard transport construction levy \$114,062 per hectare
 - Community and recreation levy \$86,627 per hectare
- Correction of the apportionment of the Aquatics Centre land (IR-01)
- Amend the description of the Aquatics Centre from ‘indoor recreation component (Plumpton Aquatics Centre)’ to ‘Plumpton Aquatics Centre’.
- Correction of a number of mapping errors and subsequent minor changes to the land budget.
- Change the apportionment of IN-17 to 84 per cent to align with the Taylors Hill DCP.
- Added text to section 5.6.2 to update definitions.

Infrastructure changes to Plumpton and Kororoit PSPs post-exhibition (C146, C147)

The VPA advised that there have been several changes to infrastructure items in the ICP as a result of post-Panel changes to the Plumpton and Kororoit PSP. These were listed in the VPAs Part A submission (Document 1).

Amendment C203

The VPA is currently preparing Amendment C203 to update the ‘interim’ ICP to include revised land values. The Amendment also makes minor corrections to the Plumpton and Kororoit PSPs to ensure consistency between the PSPs and ICP.

Key Changes Table

The VPA provided a Key Changes Table at Appendix 1 to its Part A submission (Document 1). The Table incorporates all changes proposed by VPA to the start of the Hearing, including those included in Amendments C197 and C203.

List of Changes – ICP (v3)

The VPA tabled a List of Changes – ICP (v3) as part of its closing submission (Appendix B). The list incorporates all changes from the Key Changes Table (including C197 and C203 changes) and changes arising from the VPA’s response to submissions.

The Panel has used this table as the reference point for its recommendations. In other words, the Panel accepts all changes identified in the List of Changes unless a further specific recommendation is made.

The Panel has reproduced the List of Changes as Appendix B to this report.

4.2 Recommendation

The Panel makes the following recommendation:

- 1. Accept all changes proposed by the Victorian Planning Authority in the List of Changes – ICP (v3) included in the closing submission (as shown in Appendix B of this report) unless further amended by other Panel recommendations.**

5 Threshold issues pertaining to the ICP

5.1 Use of the supplementary levy

The issue is whether the ICP has properly included nominated infrastructure items within the supplementary levy.

(i) Evidence and submissions

The VPA confirmed that the infrastructure to be funded by the supplementary levy would comprise road bridges and major culverts.

No submitter or witness took issue with the proposal to impose a supplementary levy in respect of these items in principle. Nevertheless, the Panel has sought to satisfy itself that this component of the ICP is justified as a precursor to the challenge to particular costings brought by submitters.

(ii) Discussion

The ICP clearly specifies the cost of each of the works to be funded from the standard levy, as well as the cost of the works to be funded by the supplementary levy – it then nominates the proportion of the total costs to be funded by the supplementary levy.

The Panel agrees that the ICP has appropriately provided for a supplementary levy for the relevant infrastructure.

It relates to categories of infrastructure that can form the basis of a supplementary levy under Table 4 of Annexure 1 to the Ministerial Direction (as required by clause 16). The supplementary levy has been proposed to fund road bridges and major culverts where the construction costs of the bridge cannot be wholly or partially funded from the standard levy; the bridge forms part of the council arterial road network and the internal cross-sectional area of the culverts are at least 1.75 square metres.

The Panel has also considered all matters in clause 17 of the Ministerial Direction. It finds the criteria in clause 17(a)(b) and (c) of the Ministerial Direction are satisfied in that the plan preparation costs, works and services associated with the nominated major culverts and bridges:

- (a) cannot be wholly or partially funded from the standard levy (noting that there will be projected costs in excess of the cap),
- (b) are essential to the orderly development of the area, and
- (c) are identified in a precinct structure plan applying to the land (noting that the latter considerations overlap).

The VPA has (correctly) specified that the 'supplementary items' should be funded from within the standard levy to the extent possible. It has nominated specific projects to be funded (or part funded) from the standard levy (to take the levy up to the maximum of \$114,062 per hectare), with the balance to be part of the supplementary levy.

The Panel believes that this is the correct way to assign costs although it is noted that this will need to be refined as the ICP is implemented and final costs within the 'standard levy cap' versus 'overflow costs' are known.

(iii) Conclusion

The ICP has made appropriate use of the supplementary levy.

5.2 Approach to ICP costings

Potential use of benchmark project costs

At the outset of the Hearing, the Panel queried whether ‘benchmark costings’ had been used in this ICP for particular infrastructure projects.

The VPA advised that it was currently preparing benchmark project costs with intended use in future ICPs, but that they have not been used for this Amendment. Costings have been based on standard rates for particular items, but each infrastructure project has been individually costed.

The Panel has some concerns that if this individual project costing approach continues to be followed in future it will open the way for the costing of every infrastructure item to be challenged and result in very long and costly panel hearings. This would seem to defeat the purpose of standard infrastructure contributions.

The Panel generally encourages the use of benchmark project costs, noting its potential to provide increased certainty within ICPs. The use of benchmark project costs may need to be addressed in future iterations of the Ministerial Direction if this direction is supported.

It remains to be seen whether benchmark costs would reduce the scope for individual challenges to costings of particular infrastructure items in the future.

Threshold for supplementary transport construction levy

The Ministerial Direction provides one of the criteria for applying the supplementary levy to arterial roads and intersections (normally standard levy items) as:

Construction costs of the council arterial road /intersection cannot be wholly or partially funded from the standard levy because:

- *of the topographical, geographical, environmental or other physical conditions of the land; or*
- *the road is designed to primarily service industrial development; or*
- *the area of the precinct in net developable hectares is limited.*

The Panel notes that the Ministerial Direction does not set a threshold for when this component of the supplementary transport construction levy kicks in. The Direction as written means that if the total cost of council arterial roads or intersections goes one dollar over the \$114,062 per hectare standard levy (for the reasons specified), then a supplementary levy can be struck, which in turn requires exhibition, review of the whole ICP and most likely a panel hearing. The Panel’s concern is that the system is therefore exposed to potentially frivolous submissions.

One approach to this might be to set a threshold that must be met before a supplementary levy can apply. For example, it could be mandated that the total cost of council arterial roads and intersections in the ‘transport construction standard levy allowable items’ must be at least (say) 5 or 10 per cent over the standard levy before a supplementary levy can apply. Any limit should not apply to road bridges, pedestrian bridges and major culverts, which would otherwise not be funded.

This is consistent with the principle that ICPs should be a contribution rather than a mechanism for fully funding infrastructure and would avoid unreasonable costs and delays in implementing ICPs.

6 Resolved submissions

The Panel commends the collaborative approach taken by the parties to narrow or resolve the matters of concern to submitters.

At the Hearing, the VPA outlined the resolution of the submissions referred to below, including the further work that will be required to update and finalise the ICP as a consequence.

The Panel supports the approach taken by the relevant submitter and the VPA, summarised below.

6.1 Villawood Properties (Submitter 3)

Villawood has an interest in Properties 26 and 27 within the Plumpton PSP. It submitted that the exhibited ICP duplicates infrastructure projects in whole or part that are already included in the adjacent Taylors Hill West Development Contributions Plan (DCP).

It referenced projects RD-15, RD-16 and IN-17 in the ICP, which overlap to some degree with Taylors Hill DCP projects DI-RO-04a and DI-RO-04b. Villawood sought clarification as to how this overlap would be reconciled and requested that consequential adjustments be made prior to gazettal of the ICP.

The VPA clarified the position in its closing submission:

There is an overlap with IN-17 and DI-RO-04b (Taylors Road interim upgrade). The extent of works for IN-17 is approximately 240m along Taylors Road. The overlap is in the order of 100m; 50m from the outside ends of IN-17's extent of works. This is a result of the extent of works for DI-RO-06 (Taylors Hill West DCP), a proposed roundabout at City Vista Drive and Taylors Road, 140m along Taylors Road (70m on each side from the centre of IN-17). Currently DI-RO-04b funds 100m of Taylors Road from DI-RO-06's 70m extent of works at both east and west ends.

The VPA recommends that the extent of works for IN-17 does not change as the overlapping sections are now subject to a new scope i.e. intersection flaring. The VPA recommended that the 100m overlap be addressed as part of RD-15 by reducing its extent of works from its eastern end by 100m. The VPA notes that funds for the roundabout have already been apportioned to IN-17 in the ICP.

The VPA recommends the deletion of RD-16 as a transport construction items as this section of Taylors Road is fully covered by DI-RO-04b, however, it will remain as a public land item to address its future widening as a 6-lane arterial road.

The VPA would like to note that the resolution of Tract's submission has no implications to the precinct's NDA.

The VPA advised that it will instruct SMEC to amend its cost sheets for RD-15 and IN-17 to reflect funds allocated as part of item DI-RO-04b in the Taylors Hill West DCP. It is understood that Council accepts this revised position.

The Panel agrees that this is a sensible approach and that RD-16 should be deleted and RD-15 and IN-17 should be amended to reflect the above agreed position. These changes are included

in the List of Changes – ICP (v3) (Appendix B) tabled in the VPA’s closing submission and recommended for adoption by the Panel.

6.2 Marantali Pty Ltd (Submitter 4)

Marantali Pty Ltd has an interest in land identified as Properties P-16 (part), P-17, P-18 and P-19 in the ICP. It submitted that there are certain costs associated with delivering nominated infrastructure items that were not captured in the ICP but should be included. In particular, it identified native vegetation offsets as costs to be captured by the ICP, with relevant adjustments.

Marantali Pty Ltd also sought a revision to the definition of landholdings in the ICP. It requested that the VPA:

- separate Property 16 into two components to recognise a current subdivision of this land
- relocate LP-06 from Property 16 to Property 17 in the plan and the land budget.

These matters are outside the scope of the Panel’s considerations as they relate to the land budget.

The VPA has been advised by DELWP that the extent of land required for IN-01, IN-02 and IN-03 within the Melton Highway road reserve was not subject to surveys as part of the Biodiversity Conservation Strategy as the road reserve is outside the Urban Growth Boundary.

The VPA confirmed at the Hearing that biodiversity assessments would be required as a precursor to the construction of the infrastructure on this land. It advised that these have been prepared in respect of IN-1 and IN-2 but are yet to be endorsed. The VPA also clarified that a native vegetation assessment would also be required in connection with IN-3 and that these items will require updates to Table 5 of the ICP.

Council advised that it agrees with the VPA’s position.

The Panel observes that, this will not affect the Net Developable Area (NDA), however it will increase the cost of the infrastructure items to be costed from the standard levy.

The Panel notes this change to the ICP. It is included in the List of Changes – ICP (v3) (Appendix B) tabled in the VPA’s closing submission and recommended for adoption by the Panel.

6.3 Landeq (Submitter 5)

Landeq submitted that the ICP land contribution percentage had not been calculated accurately. It also raised questions about the methodology of calculating the land component equalisation amount pertaining to properties 19 and 20.

The VPA advised that it has agreed to update relevant table figures within the ICP to reflect the correct values of ICP contribution land.

While land credit and equalisation amounts may be legitimate concerns for the VPA to explore with this submitter, they sit outside the scope of the Panel.

6.4 Ausnet Transmission Group (Submitter 6)

This submitter advised that it had no objections to the proposed Amendment. It noted that its assets include two transmission lines partly in the eastern portion of the PSP land and that there are requirements to refer proposals for development including infrastructure to it.

6.5 SOHO Living (Submitter 7) and Resi Ventures (Submitter 8)

SOHO Living has an interest in property K-64 within the ICP, which is affected by RD-14 and IN-16. It requested the VPA to review the public land provision amount for this property to ensure that the net developable area had not been inflated. Resi Ventures raised similar issues to SOHO Living, property P-43. That site is affected by RD-11 and IN-13.

The VPA proposed to reassess the amount of *waterway and drainage reserve* land required for culverts CU-06 and CU-08 to ensure that the amount of land shown in the land budget is accurate and fair. The VPA advised it will instruct SMEC to review the extent of works for the two culverts so it can amend the allocation of *waterway and drainage reserve* land in RD-11 and RD-14 accordingly. It is anticipated that the amount of *waterway and drainage reserve* land exceeds the extent of works for the culverts, thus slightly increasing the NDA on parcels P-43 and K-64 and the NDA overall. The VPA was unable to advise on the exact increase amount, however, it expects it will be minor.

Council advised that it agrees with the VPA's position.

The Panel notes this agreed change to the ICP. It is included in the List of Changes – ICP (v3) (Appendix B) tabled in the VPA's closing submission and recommended for adoption by the Panel.

7 Dacland Pty Ltd / Dahua Group Melbourne Number 3 Pty Ltd submission

7.1 The issue

Dacland/Dahua are the developer and owner (respectively) of Properties P31 and P32 in the Plumpton PSP (see Figure 2). Dacland/Dahua challenged the ICP cost estimates for infrastructure affecting its land, claiming that there was a substantial shortfall which may impact the ability to deliver the projects across the ICP area within allocated funds.

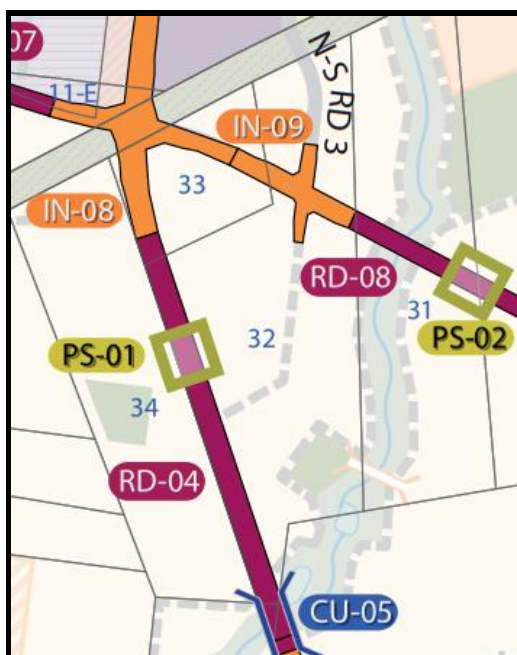
The issue is whether the specific cost estimates for these particular items are reasonable for the purpose of this ICP.

7.2 Analysing specific costings

(i) Evidence and submissions

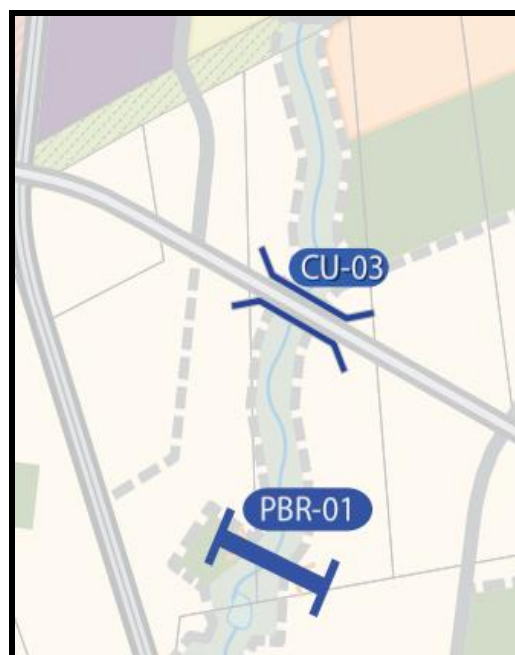
The infrastructure affecting the submitter's land is depicted in plan in Figures 2 and 3 below.

Figure 2 Extract from Plan 2 ICP



Source: Gadens submission

Figure 3 Extract from Plan 3 ICP



Source: Gadens submission

Dacland/Dahua claimed that it was somewhat disproportionately impacted compared with other landowners in the ICP area since its properties contain seven items of road and transport infrastructure totalling approximately \$13m of approximately \$173m for all transport projects (on ICP estimates).

Basis of calculations

The VPA's cost estimates for the relevant works (Property 31: RD-08, PS-02, CU-03 and Property 32: RD-04, PS-01, IN-09 and PBR-01) were calculated by SMEC. These were refined following various meetings and input from Mr Charlton, the expert appointed by the submitter.

Dacland/Dahua's key submission was that the costings in the ICP had failed to:

- cost the projects at current rates appropriate for the north-west region basalt plains, and
- allow additional line items or adequate quantities required due to local geography or topography.

Its practical concern was that underestimated costings may compromise its current intention to deliver the 'works in kind' in the near future, since the authority may otherwise commission the construction of the infrastructure within a later timeframe.

Dacland/Dahua made detailed submissions and called evidence in respect of the costings of infrastructure affecting Properties 31 and 32. The cost differential (before agreed adjustment) is conveniently depicted in Table 3.

Table 3 Summary of shortfall in costings			
	Charlton estimate	ICP Figure	Estimated Shortfall
Standard Levy items			
RD-04	\$4,715,624.19	\$3,117,626.70	\$1,597,997.49
RD-08	\$3,182,955.75	\$2,152,648.59	\$1,030,307.16
PS-01	\$208,312.50	[initially \$77,500] \$178,910.06 (revised)	\$29,402.44
PS-02	\$208,312.50	[initially \$77,500] \$178,910.06 (revised)	\$29,402.44
IN-09	\$4,152,588.59	\$3,087,046.08	\$1,065,542.51
Total			\$3,742,652.04
Supplementary Levy items			
CU-03 [#]	\$5,087,770.90	\$4,078,961.00	\$1,008,809.90
PBR-01	\$927,815.88	\$ 700,098.75	\$227,717.13
Total			\$1,236,527.03
Source: Table 2 of Dacland/Dahua submission			

*Note: CU03 was proposed to be partially funded by the Standard Levy and partially by the Supplementary Levy (67:33)

Submissions and evidence called by Dacland/Dahua sought to demonstrate that the VPA rates did not pay particular regard to site specific conditions. An element of the evidence and cross examination focused on whether there had been a two-dimensional or three-dimensional assessment of the infrastructure required, or a hybrid of these.

Mr Charlton gave evidence that it was well known in the industry that rates for construction costs in the north-west growth areas are significantly higher than in the south-east region due to the underlying western basalt rock plains in the former.

In summary, he considered that the VPA estimates (unreasonably):

- underestimated the volume of earthworks required

- made inadequate provision for subgrade improvement works or excavation in rock
- used reduced drainage quantities
- avoided provision for demolition, farm access management and temporary drainage works
- underestimated or lacked provision for signal/conduit costs or maintenance in the case of pedestrian signals, and
- omitted specific works required for major culverts and pedestrian bridges, such as provision for head walls and scour protection.

Council generally supported the VPA methodology, quantities and overall costings provided in the ICP for the items under consideration.

It engaged Ms McKenna, a quantity surveyor, to calculate independent costings of the infrastructure items. Her calculations were slightly higher than those of the VPA (even when revised) but can be considered to be in general alignment.

For the most part, she regarded the Dacland/Dahua rates and/or quantities for earthworks, pavements, kerb and channel, footpaths and landscaping as overly high. She did not support an additional allowance for temporary drainage given the 'greenfield' site conditions. She considered that the precast culvert rate accounted for various works that were allocated additional costs by Dacland/Dahua.

A key variant between the VPA/Melton costings and those for Dacland/Dahua was the amount allocated for bulk earthworks.

Mr Charlton considered that the calculations for the VPA did not reflect the full extent of earthworks required for the projects since he suggested it was unlikely that the existing surface would approximate the actual road level. He also anticipated further costs for subgrade improvements.

Ms McKenna proceeded on the basis that the earthworks required were for pavement boxing and that the proposed roads generally followed the natural ground profile, not requiring the extensive fill assumed by Mr Charlton.

Mr Chrzanowski reviewed the original VPA calculations and provided expert evidence. In respect of RD-04, for example, he explained that part of the variance was attributable to changes in quantities, especially cleaning and grubbing and earthworks. He had calculated the relevant area as 12,200 sqm compared with Mr Charlton's calculation of 15,000 sqm.

The VPA submitted that the rates applied to earthworks are appropriate to allow for the soil conditions likely to be encountered in the north-west of Melbourne and make reasonable allowance for the presence of rock. This view was supported by Council and the evidence of Mr Chrzanowski and Ms McKenna.

Rates nominated in costings

It appears from his responses to cross examination that Mr Charlton approached the costings task with the outlook that rates at or close to top of market rates should be used, and that reasonable contingencies need to be factored in.

Dacland/Dahua submitted that there were significant cost increases in construction since the original costs were calculated by SMEC and urged the Panel to be cautious in accepting submissions about trends that may affect market rates.

The VPA submitted that “adopting Dacland’s rates would have a serious impact on costs of the entire ICP program for this PSP” and that “adopting this methodology would represent a fundamental shift in how ICPs are prepared”.

(ii) Discussion

Special conditions of land

In Chapter 5 of this report, the Panel confirmed the appropriateness of the use of the supplementary levy based on criteria in clause 17 (a) to (c) of the Ministerial Direction being satisfied.

However, on the issue of criterion (d), the Panel is not satisfied by evidence or submissions that “the land has particular topographical, geographical, environmental or other physical constraints or conditions that significantly affect the estimated cost of allowable items to be funded through the infrastructure contributions plan”.

There is accepted evidence that rock is commonly encountered during construction on land within the north-west region, and that the excavation and removal of a substantial amount of rock would add to conventional construction costs. However, no geomorphological or other site-specific assessments of the Dacland/Dahua land or nearby land were presented to the Panel that demonstrated that this land would be different to any other land in the north-west region.

The Panel considers that there is no basis at this stage to find that there would be particular conditions that would ‘significantly affect’ the estimated cost. Rather, the Panel considers that the rates used by the VPA are appropriate for this region and the contingency percentage of 15% as allowed for in the VPA costings is reasonable to provide for this eventuality.

Likewise, the Panel accepts that parts of the Dacland/Dahua landholding are undulating. In some parts, surface topography varies by up to 4-5 metres.⁴ However, after hearing the evidence by Mr Chrzanowski, the Panel finds that the methodology used by the VPA to calculate earthworks has been sufficiently inputted into the costings on behalf of the VPA at this stage of design. The Panel believes that it is significant that the Council has accepted that the costings are reasonable, as Council has the most to lose if the estimates are wrong.

Are the cost estimates within the ICP (as proposed to be adjusted) acceptable?

Clause 18 of the Ministerial Direction provides:

Unless otherwise specified in an Annexure to this Direction, if an infrastructure contributions plan imposes a supplementary levy the plan must specify

(a) the estimated cost of each of those works, services or facilities that are to be funded from the standard levy;

(b) the estimated cost of each of those works, services or facilities that are to be funded from the supplementary levy as required by section 46G(1)(r)(ii) of the Act;

⁴ For example, in the location of IN-09.

(c) the proportion of the total of the costs referred to in paragraph (b) to be funded from the supplementary levy as required by section 46G(1)(r)(iv) of the Act.

Neither the Act nor the Ministerial Direction provides specific guidance or mandatory methods for 'estimating' these costs. The Infrastructure Contributions Guidelines, DELWP (2016) do not provide meaningful guidance as to the method by which costs for infrastructure should be estimated.

Clause 20 of Annexure 1 to the Ministerial Direction confirms that site preparation, drainage, foundations (and similar) and temporary works, access restoration and 'making good' works are allowable costs in calculating supplementary levies for transport projects. This was recognised by the VPA and all experts, but different allowances were made for these items.

Many submissions and much of the evidence presented to the Panel centred on a detailed analysis of the scope of the identified infrastructure works and associated costings. The basis on which the VPA, Melton and submitters (or their experts) calculated projected costs differed in terms of methodology, rates and/or quantities adopted.

In terms of experience, the Panel notes Mr Chrzanowski's substantial experience with PSPs and associated ICPs in precincts close to Plumpton and Kororoit, with broadly similar geotechnical and geographical conditions that have been inputted into relevant calculations.

Caution has been applied by the Panel in considering the evidence of Mr Charlton as it pertained to other construction/materials quotes he referred to at the Hearing. These were not included in his written report and could not be tested by the other parties.

In addition, clause 4.3 of the *Infrastructure Contributions Guidelines* advise that "*a supplementary levy is not designed to cover variations in construction costs arising from different local construction standards or delivery models*".

The Panel regards the approach taken by Mr Chrzanowski - to rely on a principally two-dimensional design but to 'ground truth' it to some extent against known detailed contour information - as suitable in this instance. His costings have been compared against genuine tendered contracts for similar works in similar geographic areas, albeit with an inevitable time lag.

It is not reasonable to expect a planning authority undertaking costings for each infrastructure item in an ICP to undertake a full 'three dimensional' assessment of the type that would be expected at detailed design stage. In any event, there is scope for the precise alignment of roads and other infrastructure to change as the PSP area develops over time.

It is also important to put into perspective the dynamics of costings within an ICP overall. They are estimates by nature that can be subject to a degree of variation when the authority commissions the actual works. The Panel observes that the approach taken by Dacland/Dahua to effectively 'future proof' costings against rising market costs is overly conservative. The rates adopted by the VPA in the exhibited ICP calculations are calculated to early 2018 figures, and as discussed above, there will be updates made to reflect more current pricing in the version of the ICP to be adopted. It is also significant in the Panel's view that a 15% contingency allowance has been made.

The Infrastructure Contributions Guidelines note at clause 4.5 that *“the Act requires the levies to be indexed annually to keep pace with changing infrastructure costs”*. Annual indexation would be undertaken for levies under this ICP in accordance with the ICO and Ministerial Direction.

Notably, the ability to construct works in kind is at the discretion of the collecting agency. If a particular landowner considers there will be a shortfall in costings, it is not obliged to provide those works itself although in practice, the Panel recognises that landowners will commonly seek to balance cost with timing in such a scenario.

(iii) Conclusions

On the whole, the Panel draws the following conclusions in relation to the matters that were disputed:

- the method used by the VPA to calculate costings of the relevant infrastructure items is generally sound
- the allowance for site clearing and preparation in the ICP costings figures is sufficient
- there is no justification to attribute an additional cost for temporary drainage measures since this already forms part of the site establishment cost allowance of 2.5 per cent
- the rates adopted for the infrastructure items in the VPA calculation (including landscaping) are appropriate and consistent with standard practice for an ICP of this scale in a growth area.

The Panel regards the scope of works involved and the rates applied for each infrastructure project as realistic and appropriate in so far as they affect Properties 31 and 32.

7.3 Broader implications of challenges to ICP contributions

(i) Evidence and submissions

Dacland/Dahua advised that it was only seeking to revise the costs associated with the infrastructure items that affect its land and did not seek for all transport construction items to be reviewed.

The VPA urged the Panel to consider the potential effect of the changes sought by Dacland/Dahua across the entire ICP. They submitted that the changes sought by Dacland/Dahua represent a different methodology and if the increased scope of works and higher rates are applied across the entire ICP it will lead to an unrealistically high levy.

The Panel posed the question to Mr Charlton about the effect that making an additional allowance of the magnitude allowed by him for additional earthworks on other costings for other land within the ICP (if applied consistently). He acknowledged that it would be appropriate to apply any amended rates across other transport construction items in the ICP.

There were several areas of agreement between the VPA and Dacland/Dahua on items that had been incorrectly costed. For example, it was agreed that pedestrian signals had been double counted. The VPA has agreed to remove this duplication and this has been picked up in the List of changes – ICP (v3) attached as Appendix B.

(ii) Discussion

It is commonly necessary to consider the broader impacts of individual decisions such as these on an ICP overall. For example, it is clear that changes to factors such as the NDA would impact on the allocation of levies.

The Panel estimates that, if the methodology adopted by Mr Charlton was applied across the entire ICP, it could increase the levy by \$40,000 to \$45,000 per NDHa.

A key feature of the ICP system is the consistent and transparent calculation of contributions. If a successful challenge was mounted by a submitter to either the methodology or the rates used by the planning authority in the case of particular infrastructure items, this would have the potential to affect contributions across the entire ICP for comparable items.

Absent site or infrastructure specific conditions, it is reasonable for a planning authority to be alive to the need for consistency when formulating 'standard' rates for infrastructure works within a particular ICP.

In the Panel's experience, if applied across the entire ICP, the 'bottom line' levy amount that would result from the application of Mr Charlton's approach to costings would be well above levies in other DCPs or ICPs for comparable geographic areas and would not be reasonable for this particular ICP.

(iii) Conclusion

The Panel concludes that the methodology applied to cost estimation for the Dacland/Dahua land by Mr Charlton, if applied across the entire ICP, would result in an unreasonably high ICP levy.

8 Western Victoria Sri-Lankan Buddhist Association Inc. submission

8.1 The issue

The Western Victoria Sri-Lankan Buddhist Association Inc. (Association) submitted that its property in Neale Road, Rockbank should be exempted from all infrastructure contributions under the ICP.

The question is whether there is capacity to provide an exemption in relation to this proposed land and, if so, whether it would be justified.

8.2 Evidence and submissions

The Association is a charitable, not-for-profit organisation⁵ which does not oppose the Amendment in principle.

It advised that it had lodged a permit application with the Council for the use and development of its land in Rockbank for a Buddhist Temple (Place of Worship). It submitted that the proposed development offers “similar benefits” to the community projects to be funded by the ICP.

This planning permit application was being progressed as at the date of the Hearing.

The Association submitted that it would suffer a financial burden if it was required to contribute under the ICP, which may affect its ability to deliver the community facility consistent with the PSP.

The VPA submitted that there was no power under the Act or Ministerial Direction to grant ‘site specific’ or ‘use specific’ exemptions. It submitted that an exemption benefiting the Association could only be conferred if the Minister exempted Places of Worship from ICP contributions, as the relevant class of development.

Council submitted that it was appropriate for contributions to be levied on land owned by the Association since it would benefit from transport improvements encompassed by the ICP. It also noted that the land is in private ownership and could be transferred in the future.

It suggested that the Panel should not recommend an exemption for a Place of Worship, since this was a matter for the Minister and likewise accepted the VPA’s view that there is no capacity for the planning authority to introduce a site specific exemption from contributions.

8.3 Discussion

First, the Panel considers whether a planning authority has power to provide an exemption from contributions for land or a particular type of development within an ICP (reflected in the ICO), beyond the approved Ministerial exemptions.

⁵ It has also been endorsed as an income tax exempt charitable entity and has received a Growth Areas Infrastructure Contribution exemption on 31 January 2014.

Second, the Panel explains why it would not be appropriate to grant an exemption for this submitter's land within the ICP.

Exemptions approved by the Minister

Sections 12(2)(a) and 46GK of the Act, more specifically, provide that a planning authority must comply with an applicable Ministerial Direction.

Section 46GJ of the Act provides that:

- (1) The Minister may issue written directions to planning authorities in relation to the preparation and content of infrastructure contributions plans.*
- (2) Without limiting subsection (1), a Minister's direction may specify any one or more of the following-*
 - ...*
 - (i) the classes of development of land in respect of which a standard levy or a supplementary levy or both of those levies may or must not be imposed under an infrastructure contributions plan.*

Clause 9 of the Ministerial Direction then provides:

An infrastructure contribution must not be imposed in respect of the development of land for:

- (a) a government school;*
- (b) a non-government school; or*
- (c) housing provided by or on behalf of the Department of Health and Human Services; or*
- (d) any other class of development approved by the Minister.*

In terms of the relevant planning controls, clause 45.11-6 provides that certain land or development is exempt from an infrastructure contribution. It specifies that a non-government school and housing provided by or on behalf the Department of Health and Human services is exempt. It also includes *"any other land or development of land [to be] specified in a schedule to this overlay"*.

It appears that this clause has not been updated to include government schools in line with clause 9.0 of the Ministerial Direction or with a generic dot point reflecting 'any other class of development approved by the Minister'.

It is clear that the Minister could consider approving an exemption for a Place of Worship as a class of development. This would potentially encompass the land in question if it were developed as such. Notably, no such exemption applies at the current time.

The Panel considers that clause 9.0 of the Ministerial Direction simply prevents contributions being imposed in respect of certain classes of development under an ICP. Importantly, it does not specifically prevent a planning authority from nominating any specific exemptions outside the classes identified by the Minister.

The question is whether there is a 'head of power' for such a potential exemption under the relevant legislative provisions.

Does a planning authority have residual discretion to provide a specific exemption to an ICP?

The Panel does not accept the submissions of the VPA and Council that there is no discretion vested in the planning authority to nominate specific land or development to be exempt from the payment of an infrastructure contribution.

Although the planning scheme is the mechanism that gives statutory effect to a particular ICP via its incorporation in the ICO, it is not the source of the power to prepare or approve an ICP.

An ICP is a type of plan whose content is expressly governed by legislation. The legislation provides a detailed list of the mandatory and potential discretionary contents of an ICP. It does not expressly provide a power to exempt land or certain types of development from a contribution. However, the Panel considers this is not necessarily determinative.

The starting point is section 46GG of the Act which enables a planning scheme to incorporate an ICP to fund the provision of works, services or facilities and the provision of land for public purposes, in addition to reasonable costs and expenses of the planning authority.

Matters that must and may be included in an ICP are specified in section 46GI. Subsection 1(a) requires the ICP plan area to be specified. Subsection 1(b) requires an ICP to specify the contribution land (a defined term) in the ICP plan area. Subsection 1(f) requires an ICP to specify the classes of development of land in relation to which an infrastructure contribution is imposed.

It may not always be the case that the ICP plan area and the contribution land within the plan will be exactly the same. A planning authority may conceivably wish to exclude certain land from making a contribution where there is suitable justification.

Separately, even if the ICP plan area and the contribution area mirror one another, a planning authority has capacity to require contributions from some classes of development, but not others.

In the legislative provisions relating to Development Contributions in Part 3B of the Act, section 46K sub-section (2) expressly enables a DCP to exempt land or certain types of development from payment of a particular type of levy. This is not replicated in section 46GI (2) pertaining to ICPs.

On closer consideration of the suite of new provisions applying to ICPs, it is likely that the reason the direct capacity to create an exemption was not replicated is that there is now inherent capacity to exclude certain land or classes of development within the ICP framework.

The Panel's interpretation is reinforced in the *Infrastructure Contributions Guidelines, October 2016, DELWP*. In Part 6.1 it refers to the capacity for the Minister to exempt classes of development and provides that "*a planning authority also has the option of including exemptions for other types of development in a particular ICP*".

It appears to the Panel that the Ministerial power to approve an exemption is directed to broad classes of development that he considers warrant exemptions from infrastructure contributions on a state-wide basis. Presumably, this is intended to address issues of policy and equity.

The Panel sees logic in the system making provision for a planning authority to exempt particular land or land used for a particular purpose to enable consideration at a more site specific level. This would provide flexibility to a planning authority to consider the specific

circumstances of properties within the affected area, such as whether they may benefit from or offset the infrastructure to be provided. This could facilitate equitable outcomes within the particular ICP.

The relevant planning provisions

The Panel's interpretation of the scope of discretion is neatly supported by the wording of the relevant planning controls.

Clause 45.11-6 provides that certain land or development is exempt from an infrastructure contribution. It includes 'any other land or development of land [to be] specified in a schedule to this overlay'. This is the mechanism through which any exemptions in the ICP can be recorded in the relevant schedule. The Panel confirms that the Amendment follows the Ministerial Direction pertaining to form and content of planning schemes.

For the reasons above, the suggestion by the VPA that DELWP consider 'correcting' the ICO and its schedule to delete 'land' to reflect only 'classes of development' exempted by the Minister is not supported by the Panel.

Should a site specific or development specific exemption apply to the Association's land?

Although it may be lawful to exempt the Association's land from the ICP, the Panel considers that the Association's particular proposition has a number of key shortcomings, including:

- prematurity, since the site does not yet have approval to be used or developed for a Place of Worship
- lack of certainty, since its future use as a Buddhist Temple is both unknown and cannot be assured
- the fact that there are transport assets included within the ICP that the land would derive benefit from, whether used as a Temple or otherwise
- the lack of demonstration of an 'equivalent' community contribution to warrant an in-principle dispensation from the community and recreation levy.

In addition, the Panel would be concerned about the potential for an ad-hoc precedent if this particular Place of Worship was granted an exemption. A site specific exemption of this nature would have the potential to undermine the efficacy of the ICP.

8.4 Conclusion

The Panel supports the VPA's refusal to exempt land owned by the Western Victoria Sri-Lankan Buddhist Association Inc. from infrastructure contributions under the ICP.

9 Melton City Council submission

9.1 The issues

The VPA and Council have worked collaboratively to resolve issues, with the result that there are only a very small number of unresolved issues for the Panel to consider.

Council made submissions in relation to:

- Consistency between the PSPs and ICP
- Staging of ICP infrastructure items
- The Plumpton Aquatics Centre
- The deficiency in the community and recreation construction levy
- Issues relating to the Regional Park and the infrastructure items in Kororoit Part 2 PSP.

9.2 Resolved issues

The following issues have been resolved to the satisfaction of Council and the VPA.

Consistency

The issues in relation to consistency between the PSPs and the ICP have been resolved. The changes to the PSPs proposed as part of Amendment C203 will resolve these inconsistencies. The changes are included in the List of Changes – ICP (v3) (Appendix B) tabled in the VPA's closing submission and recommended for adoption by the Panel.

Staging

Agreement has also been reached on the staging of infrastructure items, and these changes were included in the List of Changes tabled by the VPA in its closing submission (Document 13). Council did identify that the staging of projects IN-16 and BR-02 appeared to have been incorrectly identified in the revised ICP tables. The VPA agreed that this was an error and that it should be corrected to read 'medium' in both cases. This has been corrected in the List of Changes – ICP (v3) (Document 14) tabled in the VPA's closing submission and recommended for adoption by the Panel (Appendix B).

Aquatics Centre

The issues in relation to the Plumpton Aquatics Centre are partly resolved by changing the reference in the ICP from 'Indoor Recreation Component (Plumpton Aquatics Centre)' to 'Plumpton Aquatics Centre'. The VPA noted that the purchase of land for an indoor sports facility appears to have been mistakenly left off the list of allowable items in the Ministerial Direction. The VPA advised that it understands that this is likely to be corrected in future versions of the Ministerial Direction.

As an interim solution, the VPA proposes to rely on clause 29 of Part A of the Ministerial Direction, which allows the Minister to exempt a particular ICP from the need to comply with some or all of the Ministerial Direction. The VPA proposed that the ICP will include a clause which:

- notes that the Minister has exempted the ICP from complying with Table 7 of Annexure

- states the exemption has been granted on the basis that 'land 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*
- confirms that the PSP specified that the relevant land is to be set aside for the purposes of 'indoor sports facilities'.

This position is consistent with the Panel recommendations in the Melton C146, C147 panel report.

The Panel understands that this issue may have been addressed in the List of Changes – ICP (v3) (Document 14) tabled in the VPA's closing submission but is not clear on exactly where it is addressed and has therefore made a more specific recommendation to make sure it does not get overlooked.

The Panel notes that if the Ministerial Direction is updated before the Amendment is gazetted, then there is no need for the recommended additional clause in the ICP.

Recommendation

The Panel makes the following recommendation:

- 2. Add a clause to the Infrastructure Contributions Plan that:**
 - a) notes that the Minister exempts the Infrastructure Contributions Plan from complying with Table 7 of Annexure 1 in respect of the Plumpton Aquatics Centre**
 - b) states 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'.**

9.3 Community and recreation levy

(i) The issue

Council submitted that there is a shortfall in the funds that can be collected from the standard community and recreation construction levy.

(ii) Submissions

In its submission to the Hearing, Council submitted that the new ICP system appears to have changed the level of contribution to community infrastructure compared to the old DCP system.

Council noted in its submission:

The community and recreation projects in the Plumpton and Kororoit ICP area will cost \$133,961,408.66 to deliver, and Council will collect \$98,176,088 from the Community and Recreation Construction levy to fund these projects, which results in a shortfall of \$35,785,400.66. The levy will collect 73.3% 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.

Council submitted that the contribution should be closer to 90 per cent.

Council acknowledged that the shortfall cannot be made up from supplementary levies or by any other mechanism in the current ICP system.

In response, the VPA acknowledged the financial burden on Council from the deficit, but noted that the levy is capped, and it is therefore outside the scope of the Amendment to alter the levy amount. It noted that ICPs are intended to provide a contribution to infrastructure and are not designed to fully fund all infrastructure. It submitted that there is no ability to change the levies specified in the Ministerial Direction, and that it is not appropriate for the Panel to comment on the matter.

(iii) Discussion and conclusion

The Panel notes Council's concerns but agrees with the commentary by both Council and the VPA that it is outside the scope of the Amendment to address any shortfall.

Council's analysis of the shortfall observes that the Community and Recreation Construction levy will collect 73.3 per cent of funds required in this instance. The Panel makes the following observations about Council's analysis:

- The analysis is only taken over one ICP and may not be reflective over all ICPs.
- Any comparison of the level of funding of ICPs should consider the overall level of funding over all infrastructure types and land. The Panel observes that the level of funding for transport and land projects is much closer to fully funded, and if this is taken into account the overall level of funding of ICP projects would likely be similar to, or higher than, the old DCP regime.

Any broader consideration of whether levy rates ought to be reviewed should, in the Panel's view, consider these factors over an appropriate period of time.

The Panel agrees with the VPA's comments that ICPs are, in any case, intended to be a contribution, and not a mechanism for fully funding infrastructure. This is supported by the wording of clause 19.03-1S in the Planning Scheme which says:

Prepare development contributions plans and infrastructure contributions plans, under the Planning and Environment Act 1987, to manage contributions towards infrastructure. (Panel emphasis)

9.4 Proposed regional park (Kororoit Part 2 PSP)

(i) Background

The Council's hearing submission provided a useful summary of the background to this issue relating to the adjoining Kororoit Part 2 PSP:

PSP1080.2 concerns a small area of land in the south east corner of the Kororoit PSP. It is a land that is currently earmarked for Conservation Area 3 - Clarke's Road Grassland in the Biodiversity Conservation Strategy for Melbourne's Growth Corridors. Any changes to the extent of this conservation area will need to be approved by the Commonwealth and State Governments.

The State government has appointed an advisory committee to consider land required for various regional parks including the relevant Park within this future

PSP area. This work supports GC99 which is intended to determine PAO extents. The Advisory Committee is hearing a range of submissions from stakeholders including Council and will make recommendations to the Minister for Planning on what land should be purchased for the Kororoit Creek Regional Park. It is unclear what the Advisory Committee will recommend or what the Minister's response will be.

Once the Minister for Planning has confirmed the boundaries of the regional park, the State Government will apply to the Commonwealth Government to alter the boundaries of Conservation Area 3 to match the boundaries of the Regional Park. At this point of time it is unknown what the boundaries of the regional park will be, or what the Commonwealth Government's view is on a potential boundary change of the Conservation Area.

Accordingly, the area of land available for urban development in this future PSP is uncertain. There is no urban form proposed for the area.

The Kororoit Part 2 area contains a number of infrastructure projects that are required for the development of the Kororoit PSP area:

- RD-21 Upgrade of Neale Road east of Sinclairs Road (As exhibited, this project is not included in the Amendment. VPA proposed 25 per cent apportionment to Kororoit-Plumpton ICP)
- IN-24 Intersection of Neale Road/Sinclairs Road (50 per cent apportioned to each ICP)
- PBR-03 Pedestrian bridge (90 per cent apportioned to Kororoit-Plumpton ICP).

(ii) The issue

The key disputed issue is the extent of apportionment of these three projects between Kororoit-Plumpton and Kororoit Part 2 ICPs.

Council is concerned that the transport infrastructure items costed to the Kororoit Part 2 ICP will be spread over a small NDA in that PSP area, and will therefore be underfunded. It submitted that all three projects should be fully apportioned to the Kororoit-Plumpton ICP to reduce the likelihood of any underfunding the projects.

(iii) Evidence and submissions

Council submitted that the extent of any developable land in Kororoit Part 2 PSP is very uncertain and proposed that the entire cost of RD-21, IN-24 and PBR-03 should, in the first instance, be funded from Kororoit-Plumpton ICP; and then once the extent of NDA is known for Kororoit Part 2, the Kororoit-Plumpton ICP can be adjusted accordingly.

Council made the following submission⁶:

- *there is no certainty that Kororoit Part 2 PSP will include any developable land to pay for these projects*
- *these transport projects are essential works required to service development in the Kororoit PSP area and their delivery would be complicated if there is no funding available for them*

⁶ Council submission p3

- *the impact of these transport construction shortfalls are compounded by the significant shortfall in the Community and Recreation Construction Levy.*

In response, the VPA submitted that the cost estimates that Council have assumed for the construction of Neale Road are overestimated, and do not take into account that Neale Road already exists as a rural road (and is therefore partly formed).

It further submitted that, when the above corrections are made, the apportionment of 75 per cent of the construction costs of Neale Road to Kororoit Part 2 can be fully funded by a standard levy, assuming the proposed boundary of the Kororoit Creek Regional Park set out in the *Kororoit Creek Regional Park Planning Report-2018*. It noted that submissions to the advisory committee argued that the Conservation Area should decrease, meaning that, if anything, the NDA may increase.

The VPA agreed with Council that (based on projected traffic volumes) Neale Road may be able to be delivered (at least in the interim) as a two-lane connector road rather than a four-lane arterial. The Panel understands that this should be more correctly referred to as ‘2-lane arterial – interim standard’ to more correctly flag its interim status.

The VPA submitted:

If Neale Road was delivered as a connector road in the interim as suggested in the Council submission and supported by the VPA, it could only be contemplated and justified as an allowable item if the road ‘is on or adjoins land in fragmented ownership’.

The VPA argued that, if this is to be case, there is a strong nexus between the road and the adjoining development in Kororoit Part 2, and so the Kororoit Part 2 ICP should contribute to the projects. It also submitted that if RD-21 was fully funded by Kororoit-Plumpton ICP, it may raise some questions about the validity of whether the item is an allowable item that “*is on or adjoins land in fragmented ownership*”.

(iv) Discussion

The Panel agrees with the VPA that Council’s assumptions about the cost of construction of Neale Road are overestimated. If the VPA assumptions about cost estimates are used instead, along with currently available information about the most likely area of development in Kororoit Part 2, the risk of any funding shortfall for projects RD-21, IN-24 and PBR-03 is likely to be minimal.

The Panel believes that the VPA’s approach of using the best available assumptions about the nature of Conservation Areas and developable area in Kororoit Part 2 is appropriate. It is not uncommon for such assumptions to be made about ‘unplanned’ precincts in growth areas. In this case, the Panel agrees that it is reasonable to rely on the *Kororoit Creek Regional Park Planning Report-2018*.

The Panel makes the observation that the Regional Park will abut a substantial extent of Neale Road, and no doubt access (both maintenance and public) to the Park will be gained from Neale Road. The Panel believes that, in the event that there is a shortfall, it would not be unreasonable for Council to seek a future contribution to the road from the owner of the Park (likely to be Parks Victoria).

(v) Conclusions

The Panel concludes that the following projects in (or partially in) the Kororoit Part 2 precinct should be apportioned to the Kororoit-Plumpton ICP as follows:

- RD-21 (25 per cent)
- IN-24 (50 per cent)
- PBR-03 (90 per cent).

Contributions to IN-24 (50 per cent) and PBR-03 (90 per cent) were included in the exhibited ICP. RD-21 is the only new item to be added.

The Panel notes that the VPA has requested SMEC to provide a cost estimate for RD-21, based on consistent rates applied across the ICP. These estimates should be used to determine the estimated cost to be included in the ICP, and any adjustment that may be required to the allocation of 'supplementary' culvert items between the standard and supplementary items.

(vi) Recommendations

The Panel recommends:

- 3. Add a new standard levy infrastructure item RD-21, Neale Road: Sinclairs Road to eastern boundary of Kororoit Part 2 precinct (construction of 2-lane arterial road interim standard), with a 25 per cent apportionment to this Infrastructure Contributions Plan.**
- 4. Amend the allocation of the 'supplementary' culvert items to the standard or supplementary levy once final costings are determined.**

Appendix A Document list

No.	Date	Description	Provided by
1	18/07/2018	Part A submission	VPA
2	24/07/2018	Folder of documents	VPA
3	24/07/2018	Part B submission	VPA
4	24/07/2018	Council submission	Melton Council
5	24/07/2018	VPA Plan – Potential Future Land Use	VPA
6	26/07/2018	Government Media Release, 15 June 2018	Melton Council
7	26/07/2018	ABC News report on construction market, 23 July 2018	Melton Council
8	26/07/2018	Extract Biodiversity Conservation Strategy for Melbourne's Growth Corridors, June 2013	Melton Council
9	26/07/2018	Extract from the The West Growth Corridor Plan	Melton Council
10	26/07/2018	Dacland/Dahua submission	Dacland/Dahua
11	26/07/2018	Costings referred to evidence in chief of Mr Adam Charlton	Dacland/Dahua
12	26/07/2018	IT-09 Contours referred to in cross examination of Mr Adam Charlton by VPA	VPA
13	26/07/2018	Closing submission	VPA
14	26/07/2018	Table of changes to ICP (V3)	VPA
15	26/07/2018	Marked up Taylors Hill West DCP project extent of works with respect to RD-15, RD-16 & IN-17	VPA

Appendix B List of Changes – ICP (v3) tabled by VPA as part of its closing submission

Amendment C195 - Plumpton and Kororoit Infrastructure Contributions Plan

List of changes - ICP (V3)



Page (Exhibited)	Section	Table	Plan	Appendix	Change to ICP	Related Submissions (refer Summary of Submissions document)
Section 1.0 Summary					Proposed changes	
4	1.1	1			Update levies due to their indexation (as per interim ICP).	VPA
4	1.2	2			Update table to reflect the change in apportionment for the IR-01 (50%), which previously was not accounted for (as per interim ICP).	VPA (Agreed by Council)
4	1.2	2			Update table with corrections to GIS data (as per interim ICP).	VPA (Agreed by Council)
5	1.2	3			Update P-12-R in table to reflect change for IR-01.	VPA (Agreed by Council)
5	1.2	3			Amend P-16 by separating into two parcels, P-16a and P-16b to address cadastre change arising from recent subdivision.	4.03
6	1.2	3			Add K-1 to table as previously missing.	VPA
6	1.2	3			Update land credit and equalisation amount (once the values have been finalised by the valuer-general).	VPA / 5.03
Section 2.0 Introduction					Proposed changes	
11	2.2				Update clause to Clause 45.11 to the ICO that will implement the ICP (as per interim ICP).	VPA
11	2.5				Update gross hectares to 1,941.54 arising from GIS corrections (as per interim ICP).	VPA (Agreed by Council)
11	2.5	4			Update areas arising from GIS corrections (as per interim ICP).	VPA (Agreed by Council)
12	2.5		1		Amend cadastre for P-16 (for plans 1-6).	4.03
Section 3.0 Monetary Component Project Identification					Proposed changes	
14	3.0		2		Remove RD-16 due to duplication from DI-RO-04a within Taylors Hill West DCP.	3.01
14	3.0		2		Reduce extent of works for RD-15 to prevent duplication of DI-RO-04a.	3.01
14	3.0		2		Update cadastre for P-16.	4.03
14			2		Add CU-01, CU-02 and CU-03 to plan (as per interim ICP).	VPA
15	3.2	5			Delete item RD-16 from table.	3.01
15	3.2	5			Update cost for RD-15 in table (to be determined by SMEC).	3.01
15	3.2	5			Update construction costs and description for IN-01, IN-02 and IN-03 to include habitat obligation compensations associated with Melton Highway road reserve (compensation amount to be determined).	4.02
15	3.2	5			Add CU-01 and CU-02 as standard levy items (as per interim ICP).	VPA
15	3.2	5			Add CU-03 as a standard levy item and 93% internally apportioned (standard) (as per interim ICP).	VPA
15	3.2	5			Amend apportionment for IN-17 to 84% (as per interim ICP).	VPA
15	3.2	5			Remove the cost for pedestrian signals from RD-04, RD-08, RD-10, RD-12, RD-15 and RD-20 as it is a duplication.	VPA
15	3.2	5			Remove RD-16.	3.01
15	3.2	5			Amend extent of works for RD-15 (to be determined by SMEC).	3.01
15	3.2	5			Update the following transport items to short term delivery: RD-10, IN-02, IN-11, IN-13, IN-15, IN-22, IN-24, PS-03.	9.01
15	3.2	5			Update the following transport items to medium term delivery: RD-11, RD-12, RD-13, RD-14, RD-15, IN-14, IN-16, IN-17, IN-18, IN-19, IN-20, IN-21, PS-04, PS-05, PS-06, CU-06, CU-07, CU-08.	9.01
15	3.2	5			Update remaining transport items to long term delivery.	9.01
15	3.2	5			Update the cost for pedestrian signals (to be determined by SMEC).	VPA
20	3.2		3		Remove CU-01 and CU-02 from plan (as per interim ICP).	VPA
21	3.2	6			Amend CU-03 to be funded by supplementary levy. Item to be internally apportioned 67% (supplementary) (as per interim ICP).	VPA
21	3.2	6			Delete CU-01 and CU-02 as supplementary levy items.	VPA
21	3.2	6			Update the BR-03 to short term delivery.	9.01
21	3.2	6			Update the BR-02 to medium term delivery.	9.01
21	3.2	6			Update remaining transport items to long term delivery.	9.01
23	3.3				Update community and recreation levy to 2018-2019 indexed rate \$86,627 in body of text (as per interim ICP).	VPA
23	3.3	7			Update the following community and recreation items to short term delivery: CI-01, CI-07, LP-07, LP-12, LP-19, LP-32, LP-38.	9.01
23	3.3	7			Update the following community and recreation items to medium term delivery: LP-16, LP-17, LP-36, SR-03, SR-09.	9.01
23	3.3	7			Update remaining community and recreation items to long term delivery.	9.01
25	3.3	7			Update community and recreation levy at the end of the table to 2018-2019 indexed rate of \$86,627 (as per interim ICP).	VPA
Section 4.0					Proposed changes	
26	4.1		5		Update cadastre for P-16.	4.03
26	4.1		5		Add note for IRD-01 on plan: 'Land for IR-01 to be 50% apportioned to Melton City Council' (as per interim ICP).	VPA
27	4.1	8			Update apportionment of Aquatics Centre (IR-01) to 100% and land area to 1.8ha. And changing wording to: 'Purchase of land for an aquatics centre' (as per interim ICP).	VPA
27	4.1	8			Update the following transport items to short term delivery: RD-10, IN-02, IN-11, IN-13, IN-15, IN-16, IN-22, IN-24, CI-01, CI-07, LP-07, LP-12, LP-19, LP-32, LP-38.	VPA (Agreed by Council)
27	4.1	8			Update the following transport items to medium term delivery: RD-11, RD-12, RD-13, RD-14, RD-15, IN-14, IN-16, IN-17, IN-18, IN-19, IN-20, IN-21, BR-02, LP-16, LP-17, LP-36, SR-03, SR-09.	VPA (Agreed by Council)
27	4.1	8			Update remaining items to long term delivery.	VPA (Agreed by Council)
30	4.1	8			Amend BR-02 change description to read: 'Purchase of land for the future construction of a primary arterial bridge (ultimate standard)'.	9A.64

34	4.1	8		Amend IR-02 description to read: 'Deanside Indoor Recreation Facility Centre, Purchase of land for an indoor recreation facility'.	9A.134
34	4.1	9		Update table with corrections to GIS data (as per interim ICP).	VPA (Agreed by Council)
34	4.1	10		Update table addressing 50% apportionment for IR-01 (as per interim ICP).	VPA (Agreed by Council)
34	4.2			Provide additional text below Table 10 to explain the average parcel contribution percentage and how it affects the land credit and equalisation amount shown in Table 11 (as per interim ICP).	VPA
35	4.2	11		Amend table for P-16.	4.03
35	4.2	11		Update 'Transport (Heactares)' with correct areas.	5.02
35	4.2	11		Update land credit and equalisation amount (once the values have been finalised by the valuer-general).	VPA
35	4.2	11		Update P-12-R in table to reflect change for IR-01 (as per interim ICP).	VPA (Agreed by Council)
Section 5.0				Proposed changes	
42	5.4	12		Update table to reflect indexed levies (as per interim ICP).	VPA
42	5.4	13		Update table to reflect indexed levies (as per interim ICP).	VPA
42	5.4	14		Update Supplementary Levy (as per interim ICP).	VPA
43	5.6.2			Include updated definition of inner and outer public purpose land (as per interim ICP).	VPA
43	6.7			Add the following statement to the end of paragraph 1: 'The Land Equalisation Amount or Land Credit Amount will be adopted upon the conclusion of the valuation and dispute resolution process in accordance with Division 4, Part 3AB of the Planning and Environment Act 1' (as per interim ICP).	VPA
Appendix 2 - Parcel Specific Land Budget				Proposed changes	
46	7		6	Add note for IR-01 on plan: 'Land for IR-01 to be 50% apportioned to Melton City Council' (as per interim ICP).	VPA
46	7		6	Update waterway and drainage reserve land for parcels P-43 and K-64.	7.01 & 8.01
47	7	16	2	Update table with corrections to GIS data (as per interim ICP).	VPA (Agreed by Council)
47	7	16	2	Insert new land category for IR-01 'Local Indoor Recreation' (as per interim ICP).	VPA (Agreed by Council)
48	7	17	2	Update table with corrections to GIS data. (as per interim ICP).	VPA (Agreed by Council)
48	7	17	2	Update cadastre for P-16.	4.03
48	7	17	2	Insert new land category for IR-01 'Local Indoor Recreation' (as per interim ICP).	VPA (Agreed by Council)
49	7	17	2	Update waterway and drainage reserve land and residential NDA for P-43.	8.01
49	7	17	2	Update waterway and drainage reserve land and residential NDA for K-64.	7.01