

Donnybrook Woodstock ICP (Amendment GC102)

Background and Evolution of the ICP

Victorian Planning Authority



mesh

Client	Victorian Planning Authority
Project	Donnybrook Woodstock ICP (Amendment GC102)
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Prepared By	Chris De Silva & Jo Fisher
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EXPERIENCE & INSTRUCTIONS

Name and Address

1. Chris De Silva, Executive Director, Mesh Liveable Urban Communities at Level 2, 6 Riverside Quay, Southbank, Victoria 3006.

Qualifications and Experience

2. I hold a Bachelor of Applied Science (Planning)(Honours) from RMIT University. I have worked as a strategic planner, principally in the field of metropolitan and regional growth area planning for approximately 30 years.

A CV is included at Appendix 1

Area of Expertise

3. I have a broad range of experience in strategic planning and development matters (including preparation of numerous precinct structure plans and development contributions plans).
4. I started my career in a planning consultancy and thereafter was employed by the City of Whittlesea over an extended period (approximately 20 years). At the City of Whittlesea, I occupied various positions including Manager Strategic Planning and Director Planning and Development. After leaving Council I occupied a specialist strategic planning role in a privately-owned development company for a year.
5. I established Mesh in 2009 and have since occupied the position of Director and owner of the company. Mesh acts for a combination of public and private sector clients on a broad range of metropolitan and regional and growth area projects, infill redevelopment projects, urban design of all scales and infrastructure funding frameworks including preparation and implementation of development contributions plans and infrastructure contributions plans.
6. I was a member of the Standard Development Contributions Advisory Committee (SDCAC) that was appointed by the then Minister for Planning. Since being a member of the SDCAC I have provided on-going advice and support to Government to implement the Infrastructure Contributions Plan system including preparation of a draft Infrastructure Contributions Plan for Fishermens Bend.

Other Contributors

7. This report has been prepared by Chris De Silva with assistance from Jo Fisher (Associate Director, Mesh). Jo has a Masters in Regional and Resource Planning (Distinction) and a Bachelor of Science (Geography) from the University of Otago.

8. Jo has over 15 years experience in strategic planning and has extensive experience in the preparation and implementation of both development contributions plans and infrastructure contributions plans.
9. Jo prepared the draft Fishermans Bend ICP, assisted the Victorian Planning Authority with the translation of the recent ICPs into the new ICP template to reflect the land contribution model and has prepared numerous development contribution plans.

A CV is included at Appendix 1

Instructions for Scope of Work

10. I was commissioned by Hall & Wilcox on behalf of the Victorian Planning Authority (VPA) *to prepare a report addressing the background, evolution and strategic basis for the new Infrastructure Contributions system, in the context of the Amendment. In particular, your report should have regard to the introduction of the Planning & Environment Amendment (Public Land Contributions) Act 2018 (Public Land Act), the Ministerial Direction on the Preparation and Content of Infrastructure Contributions Plans and the Infrastructure Contributions Plan Guidelines (Ministerial Guidelines) and the use of "Benchmarking" in the preparation and implementation of ICP's.*

Completion of Tests or experiments upon which the expert has relied on

11. No additional tests or experiments have been completed

Declaration

12. I have made all the inquiries that I believe are desirable and appropriate and no matters of significance which I regard as relevant have to my knowledge been withheld from the Panel.



Chris De Silva

Director

SUMMARY OF FINDINGS

Upon review of the iterative and involved process to prepare, approve and implement the Donnybrook Woodstock final ICP it is reasonable to conclude that the process has not been ideal. It is important to acknowledge however that there are a number of important reasons why this has been the case. In my opinion the VPA has acted responsibly and sought to address and incorporate the implications of an evolving system whilst at the same time trying to respond to landowners and the Councils by keeping the process moving in a manner that would allow for the collection agency to gather contributions and administer the system.

The specific key reasons why the process was iterative are set out below.

- > The VPA prepared the Donnybrook Woodstock Standard Levy ICP (GC61) which was gazetted in November 2017.
- > When the Public Land Act was introduced in July 2018 it did not include any transitional arrangements and therefore the Donnybrook Woodstock Standard Levy ICP (GC61) could no longer have any effect. Consequently, the VPA introduced the Donnybrook Woodstock Interim ICP 1 (GC101) which was approved under section 20(4) of the Act. The Interim ICP 1 ensured that the two collecting agencies could continue to issue permits and lawfully collect infrastructure contributions from development proponents.
- > The Public Land Act split the infrastructure contribution into a Monetary Component and Land Component. The Land Component implemented the new land contribution model which included prescribed calculation and valuation methodologies as well as notification requirements and a dispute resolution process. Given Interim ICP 1 had to be introduced concurrently with the Public Land Act for the reasons outlined above the VPA were unable to include the Land Component details (land credit amounts and land equalisation amounts) as they did not have sufficient time to notify the affected landowners and allow for the conclusion of any dispute resolution process.
- > In addition, the Public Land Act changes resulted in the removal of the ability to reallocate unspent funds between infrastructure categories which led to the Donnybrook Woodstock ICP now requiring a supplementary levy for transport construction. As a result, the final ICP was required to undergo a full planning scheme amendment. Accordingly, the VPA placed the Donnybrook Woodstock final ICP (GC102) on public exhibition in August – September 2018. The draft Benchmark Costing Report (July 2018) was released as part of the public exhibition period.
- > Once the affected landowners had been notified and the estimates of land value were resolved the VPA prepared Interim ICP 2 which included the resolved estimates of land value along with the same Monetary Component details as per Interim ICP 1. Interim ICP 2 (GC108) was approved via section 20(4) in November 2018. Interim ICP 2 allowed both collecting agencies to continue to issue permits and specify the land component – land credit amounts and land equalisation amounts.
- > The Cardno July 2018 draft Benchmark Report was 'tested' through the exhibition of both the Donnybrook Woodstock ICP and the Mount Atkinson and Tarneit Plains ICP (C201), the expert witness conclaves that occurred in early 2019 and broader industry and stakeholder feedback received between September and December 2018. Consequently, Cardno updated their report and issued a final Draft in April 2019.
- > In late 2018 the Minister for Planning requested that the VPA and DELWP review the all ICPs including the Donnybrook Woodstock exhibited final ICP to ensure its consistent with the land contribution model in accordance with the Act. As noted in Section 4.3 this review identified that the inner public purpose land be included in contribution land for the purposes of calculating the ICP land contribution percentage and that inner public purpose land for transport purposes be directly apportioned based on the need generated by each class of development (land use) within the precinct. Therefore, the Donnybrook Woodstock ICP land contribution percentage needed to be recalculated.
- > Following the release of the draft final April 2019 Benchmark Costing Report and the finding that the ICP land contribution percentage needed to be recalculated the VPA notified the Panel of recommended changes to the ICP in April 2019.

- > Based on the April 2019 recommended changes the VPA prepared Interim ICP 3 (GC134) which resulted in an increase in the supplementary levy to \$34,777 per ND hectare and recalculating the ICP land contribution percentage to 13.09%. Interim ICP 3 which was in the same document as the Recommended Changes (April) ICP document was gazetted in July 2019.

As outlined above, the iterative process is due to the legislative changes, refinement in implementation approach, and consultation and finalisation of the individual project designs whilst ensuring both collecting agencies could continue to lawfully issue permits and lawfully collect infrastructure contributions from development proponents.

INTRODUCTION

1 Purpose of this Report

The purpose of this report is to provide the Panel with a detailed explanation of the origins of the Infrastructure Contributions Plan (ICP) system and the process by which the various legislative changes and other operational aspects of the system were introduced.

Having established the origins of the ICP system the report will then provide an overview of the Donnybrook Woodstock ICPs including Amendment GC102, and the basis for the three Interim ICPs.

In this context, it is important to note that this report will not address specific ICP matters that have been raised in submissions however some of the explanation in relation to the various components of the ICP system may be relevant to consideration of submissions and evidence from others including Paul Shipp of Urban Enterprise.

From the outset it is relevant to state that the transition from the former Development Contributions Plan (DCP) system to the ICP system has sought to address some very complex matters such as the process by which land is secured for public purposes. Whilst issues such as the limitations associated with the former DCP system were commonly identified and the need for change was supported by developers and Local Government for similar reasons, three key points must be recognised in reviewing this report and assessing the passage of the Amendment:

- > Firstly, the transition from the DCP system to the ICP system involves a level of complexity that is well beyond the DCP system;
- > Secondly, implementation of the ICP in metropolitan greenfield growth areas is in its infancy and not all the components of the new system were introduced seamlessly; and
- > Thirdly, the ICP for a given Precinct Structure Plan (PSP) area should be viewed as a related component of the PSP that has a specialised function.

ICP SYSTEM OVERVIEW

This section describes the background and evolution of the new ICP system, including the Public Land Contributions Act 2018. However, before describing the current ICP system it is important to quickly recap on the background to the new system including identification of the key deficiencies of the DCP system and the process that was used to overcome the deficiencies.

2 Background

2.1 Development Contribution Plan System

By the time it was overtaken by the ICP system in metropolitan greenfield growth areas in 2016, the former DCP system had become established as the only accepted means of calculating and administering development contributions on a broad scale basis within growth areas. Whilst the DCP system came into effect in 1995, it is relevant to note that broad scale use of DCPs in metropolitan growth areas only occurred between the mid to late 2000's to early 2016.

2.2 2001-2003 Development contributions review

The Standard Development Contributions Advisory Committee report No.1 summarised the general purpose and scope of the 2001-2003 Development Contributions Review as follows:

In 1999, the Department of Infrastructure commissioned a review of the DCP system. This was in response to the disappointing level of uptake of DCPs by local government, which appeared to stem from their complexity and lack of flexibility and risk attached to their implementation.

This review was overseen by an independent steering committee with broad representation from local government and the development industry.

The steering committee made a number of recommendations for reform which were ultimately adopted by the Government and taken forward as a package of reforms in May 2003. From this, it announced a number of reforms to improve the workability of the development contributions system, including:

- Detailed guidance about the use of DCPs, including new guidelines adopting the methodology put forward by the steering committee;*
- 'Off the Shelf' DCPs – the introduction of standardised off the shelf levies which could be adopted in the preparation of a DCP;*
- A clearer framework for the use of permit conditions – amendments to the Planning and Environment Act 1987 to clarify the ability to impose permit conditions for the provision of infrastructure required as a result of a specific use or development;*
- A new definition of development infrastructure – a Ministerial Direction (dated 15 May 2003) was issued by the then Minister for Planning, Mary Delahunty, which clarified what infrastructure items may be funded from a development infrastructure levy (this is discussed further below);*

- *Removal of the \$450 cap on community infrastructure (however for housing affordability reasons this position was later modified to raising the cap to \$900 and not complete removal); State Government agency DCPs – providing greater flexibility to State Government agencies to administer DCPs and collect infrastructure levies directly; and*
- *Improving the collection of community infrastructure levies – through the release of a practice note to building surveyors raising awareness of their obligations not to issue building permits where levies have not been paid.*

The measures requiring legislative approval were implemented through the Environment (Development Contributions) Act 2004 (No. 101/2004) in December 2004. Relevantly, a new head of power was provided to the Minister to issue a Ministerial Direction (section 46K(1)(d)) specifying standard levies to apply to specified infrastructure. (SDCAC Report 1, Dec 2012, pgs. 17-18)

2.3 Development Contribution Plan System Evolution

During the period that followed the review the system was progressively refined through revision to the DCP Guidelines, issue of Ministerial Directions and perhaps more importantly via practice and ultimately review in various Panel Hearings. Early comprehensive whole of growth areas examples such as the **Mernda Strategy Plan Development Contributions Plan** – City of Whittlesea (2004) established the template that was ultimately adopted throughout the growth areas. Adoption of a comprehensive whole of growth area approach as was demonstrated in the Mernda Strategy Plan DCP differed from earlier examples that were either developed on a site-specific basis only, lacked strategic justification and/or only included certain types of infrastructure.

Important matters such as the distinction between development infrastructure and community infrastructure, the concept of ‘basic and essential’ and the guidance offered by the underlying principles of need, nexus, equity, transparency and accountability were refined through the various Panel Hearings. Through the process of refinement and review, the DCP process reached a point where there was general understanding and acceptance of what was required to formulate a DCP that could be viewed as being equitable and generally in accordance with the underlying principles and the requirements of Part 3B of Planning and Environment Act (the Act).

Notwithstanding the relative success of the DCP system through this process of refinement and practice over roughly a 10-15-year period, the system still suffered from some common criticisms and limitations including: -

- > Increasing levies and associated affordability concerns;
- > Inconsistency in levies from one growth area to the next;
- > Inconsistency in standards of infrastructure provision;
- > Risk associated with valuing and securing land for public purposes;
- > Debate regarding development and community infrastructure definitions and standards;
- > Protracted, uncertain and expensive Panel Hearing processes;

- > Poor accountability; and
- > Lack of flexibility.

In addition to the common criticisms and limitations of the DCP system there was also an underlying sense that the DCP framework had reached its conclusion in terms of refinement and evolution and that the framework was struggling to deal with the increasing complexity of the planning processes in growth areas.

2.4 A New Victorian Local Development Contribution System

In May 2012 the Minister for Planning announced a new Victorian Local Development Contribution System. *A New Victorian Local Development Contributions System – A Preferred Way Forward*, was prepared by the Department of Planning and Community Development (DPCD) in July 2012. This position paper outlined a preferred framework for introduction of a new standardised local development contribution system. The new standard levy model proposed was based around five infrastructure components.

- > a fixed community infrastructure construction levy that cannot be varied.
- > a fixed open space infrastructure construction levy that cannot be varied.
- > a variable transport levy for transport infrastructure including the construction of council arterial roads, bridges, intersections and on-road bicycle paths. The levy was to be based on a set fixed charge per infrastructure item or per geographic area. The infrastructure items need to be identified and set by a structure plan or an equivalent strategic plan.
- > a variable drainage levy. The levy was based on a set fixed charge per drainage item or per geographic area. The drainage infrastructure items needed to be identified and set through a drainage scheme, a structure plan or an equivalent strategic plan.
- > a variable public land contribution levy for local open space, local community facilities and local arterial roads that was set through a structure plan or an equivalent strategic plan or through section 18 of the Subdivision Act or Clause 52.01 of the planning scheme (A preferred Way Forward, 2012:11).

The Government's intention at that time was to simplify and standardise the development contributions system with pre-determined levies that could be selected and applied to different development settings including metropolitan greenfield growth areas. It should be noted however that the concept of introduction of standard levies at that time was not well developed and was flagged as an initiative primarily in response to the increasing cost of levies and lack of consistency.

2.5 Appointment of the Standard Development Contributions Advisory Committee

In September 2012, the Minister appointed the Standard Development Contributions Advisory Committee (the Committee or SDCAC) to review and report on the new system. The purpose of the Committee was to provide advice, in accordance with the Terms of Reference, to inform the Minister's decision on the final framework for a new Victorian development contributions system and for the establishment of standard levies.

The SDCAC released two reports Report 1: Setting the Framework and Report 2: Setting the Levies. In summary, the SDCAC proposed a new Development Levy System comprising:

- > Standard Levies that could be applied across Victoria, in three development settings: Growth Areas, Urban Areas and Strategic Development Areas;
- > A Standard Levy was proposed as the default in each development setting;
- > For genuine 'exceptional' circumstances, the flexibility to use Supplementary Levies was available in Growth Areas and Strategic Development Areas, but only where specific criteria can be met (SDCAC Report 2: 2013:iii);
- > A new approach to securing and valuing public land in growth areas was proposed along with a revised approach to works in kind;
- > Allowable Items were defined for each infrastructure category and development setting in order to clearly define what funds could be expended on under each Standard Levy. The Committee also recommended that new Design Guidelines be produced to clearly define the responsibilities of the planning authority, VicRoads and developers and to detail typical road cross sections and intersection designs; and
- > Recommended standard levy rates for each development setting by land use type.

3 Planning & Environment Amendment (Infrastructure Contributions) Bill (2016)

The ICP system formally commenced on 27 October 2016 with the introduction of Part 3AB to the Act and the Victorian Government released the following key documents: -

- > Ministerial Direction on the preparation and content of Development Contribution Plans and Ministerial reporting requirements for Development Contribution Plans (October 2016).
- > Infrastructure Contribution Plan Guidelines (October 2016).
- > Overview of the Infrastructure Contribution Plan System.
- > Transitional Arrangements for metropolitan green-field growth area infrastructure contributions.

3.1 Overview of the 2016 ICP system

The 2016 ICP system is based on the concept of standard levies that are pre-set for particular development settings (i.e. greenfield growth areas, strategic development areas) and classes of development (land use types) in order to fund the construction of basic and essential infrastructure to service the growing urban communities. The system allows for a supplementary levy or levies, in addition to the standard levy, if required, to fund infrastructure that cannot be adequately funded by the standard levy or where required to “unlock” the growth opportunity of an area. A supplementary levy can apply to transport, public land, other, and/or state infrastructure (only in non-GAIC areas) categories.

The Ministerial Direction on the *Preparation and Content of Infrastructure Contribution Plans* (October 2016) sets out the following: -

- > The types of land where an infrastructure levy may be imposed;
- > Classes of development exempt from an infrastructure levy;
- > Allowable items – i.e. an ICP can only fund allowable items;
- > Requirements for imposing a standard levy;
- > Requirements for imposing a supplementary levy;
- > Exemptions;

- > Annexure 1 – Metropolitan Greenfield Growth Areas
- > The annexure defines what constitutes a Metropolitan Greenfield Growth Area and performs a number of other important functions including:
 - > Sets the standard levy rates for residential and commercial and industrial classes of development by infrastructure category (i.e. community & recreation construction, transport construction, public land) for the south-east growth area and the north and west growth areas.
 - > Specifies the indexation method and timing of standard levy rates;
 - > Indexation of items being funded by a supplementary levy;
 - > The cap on community and recreation construction;
 - > Lists all allowable items for each infrastructure levy category;
 - > Estimating project costs: -

- > the annexure specifies that if an ICP seeks to impose a supplementary levy to fund transport construction or public land, the planning authority must estimate the cost of all allowable items to be funded from the standard levy; and
- > that the Public Land Estimate of Value Methodology (PLEM) described in the ICP Guidelines (2016) must be used to estimate the cost of public land to be funded by the ICP.

3.2 Implementation of the 2016 ICP System

When the ICP system was introduced the VPA prepared, in consultation with the respective Councils, several new ICP's including the Donnybrook Woodstock Standard Levy ICP (GC61).

When the VPA prepared the first ICP's they undertook the following (summarised) tasks: -

- > Identified the ICP allowable items based on the PSP;
- > Determined the scope of each project and the area of land required;
- > Used PLEM to establish the value of the public land required and whether a supplementary levy was required (i.e. if the total value of the PLEM for the ICP exceeded the total levies collected under the public land levy);
- > Tested whether the transport construction projects could be delivered under the standard levy, this involved applying standard construction costs to the draft ICP list. The 'standard' construction costs applied in 2016/17 were based on recently approved DCPs as the draft benchmark costing report was not yet prepared;
- > If either the transport costs or public land costs exceeded the amount allocated in the standard levy the VPA assessed whether any 'unspent' funds from one infrastructure category could be redirected to the other category to avoid the need for a supplementary levy; and
- > If a supplementary levy for either transport or public land was required, the VPA ensured that the specific project/s met the certain criteria set out in the Ministerial Direction.

Several aspects of the ICP system continued with accepted practice from the former DCP system. For example, the infrastructure contribution levies were calculated based on net developable area (NDA) as only developable land was levied under the DCP system. In addition, the VPA recognised that whilst a planning authority did not need to include the construction costs in a standard levy ICP an initial assessment was required to determine whether the nominated allowable items could be reasonably funded within the Standard Levy amounts. To improve efficiency in the preparation of ICPs the VPA prepared a request for proposals in April 2017 to prepare a benchmark costing report.

The standard levy rates introduced in the *Ministerial Direction on the Preparation and Content of Infrastructure Contributions Plans 2016* are shown in Table 1.

Table 1: Standard Levy Rates (July 2016 \$)

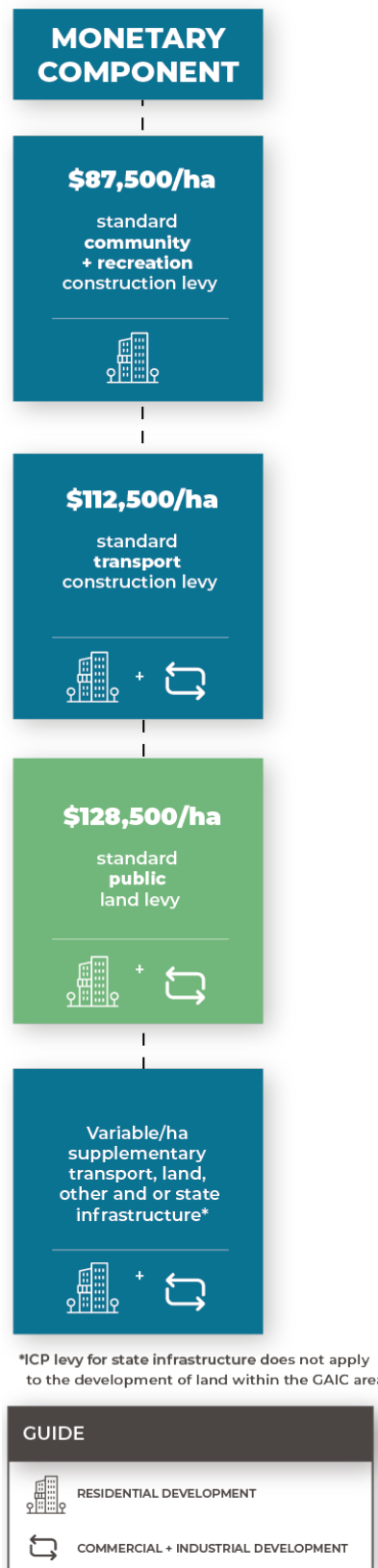
Metropolitan Growth Area	Class of development	Community and recreation construction	Transport construction	Public land	Total Levy Rate
		All amounts in \$ per net developable hectare			
South-East Growth Area	Residential development	\$87,500	\$112,500	\$139,000	\$339,000
	Commercial and industrial development	\$0	\$112,500	\$46,000	\$158,500
North and West Growth Areas	Residential development	\$87,500	\$112,500	\$128,500	\$328,500
	Commercial and industrial development	\$0	\$112,500	\$42,500	\$155,000

Source: Table 1, *Ministerial Direction on the Preparation and Content of Infrastructure Contributions Plans, 2016*

3.3 Summary of the 2016 ICP System

A summary of the 2016 ICP system is provided below: -

- > The system applies to defined development settings, which are limited to greenfield growth areas (in metropolitan and regional areas) and strategic development areas.
- > Only the metropolitan greenfield growth area development setting was defined and is operational.
- > The ICP infrastructure levy may comprise of a standard levy, a supplementary levy or both.
- > The standard levy is a pre-set monetary rate to fund basic and essential infrastructure. The standard levy rates are different for different land uses (i.e. residential vs. commercial and industrial).
- > The standard levy amounts for transport construction and community and recreation construction are the same across all metropolitan greenfield growth areas. However, different public land levy amounts were allocated to the South-East Growth Area and North and West Growth Areas to reflect the different land costs between the regions.
- > In the circumstance where the overall standard levy rate for a particular infrastructure category is not exceeded, a planning authority can choose to redirect standard levy funds from one infrastructure category to another. Given that the community and recreation construction levy is capped, there is flexibility in the use of funds between transport construction and public land categories and any surplus C+R funds could be transferred to land or transport. The ability to reallocate the spending of funds between these two categories often prevented the need for a supplementary levy under the 2019 ICP system. For example, a planning authority was able to direct 'unused' funds from public land to transport construction (or vice versa).
- > The supplementary levy is an additional levy that may be used to provide extra funding for specific infrastructure projects. The supplementary levy may only be used in particular circumstances where certain criteria are met.
- > Only specified infrastructure, known as allowable items, can be funded under the standard and supplementary levies.
- > The value of public land must be determined using PLEM.
- > An ICP is the mechanism to apply an infrastructure levy and an amendment is required to incorporate the ICP in the planning scheme.
- > A standard levy ICP amendment may be dealt with under section 20A of the Act provided an amendment to introduce the PSP or equivalent strategic plan in the planning scheme has been approved and the ICP complies with the Ministerial Direction.



- > An ICP seeking to introduce a supplementary levy must go through a formal amendment process.
- > The existing DCP system has been retained for councils that want to prepare a DCP in areas where the ICP system will not apply.
- > Existing DCPs will continue to operate.
- > Transitional arrangements in metropolitan greenfield growth areas were introduced.

The key components of the ICP system as it was introduced in 2016 are illustrated in Figure 1, which includes the standard levy rates for the residential class of development within the north and west growth areas.

In November 2017 the Donnybrook Woodstock Standard Levy ICP, Amendment GC61, was gazetted. The Donnybrook Woodstock Standard ICP charges the 2017 north and west growth areas residential standard levy rate of \$334,300 per net developable hectare which results in the collection of a total of \$345,259,046 in levies.

However, on the 2 July 2018 the ICP system was updated with the Planning & Environment Amendment (Public Land Contributions) Act 2018 (the Act) which is explained in the following section.

Figure 1 ICP Contribution Components – North & west growth area residential 2016 \$ rates as per the Ministerial Direction on the Preparation and Content of Infrastructure Contribution Plans

4 Planning & Environment Amendment (Public Land Contributions) 2018 (Public Land Act)

The land component introduced by the Public Land Act is based on the land contribution model which enables land for public purposes to be provided as part of an infrastructure contribution(at the time that land is developed) and it replaces the monetary contribution (public land standard levy amount).

The land component improved the ICP system as it establishes the method of securing land for public purposes by introducing a land contribution model which prescribes: -

- > the method by which the cost of providing all public land is equalised across all landowners within the ICP area;
- > how the land component is to be satisfied i.e. through the transfer of inner public purpose land and/or equalisation amount payment;
- > how the value of inner and outer public purpose land is estimated and land credit amounts are calculated along with notification requirements for affected landowners;
- > that landowners cannot dispute the estimated value of public purpose land through the planning scheme amendment process but rather must do so through the dispute resolution process (as per sections 46GR, 46GS and 46GT of the Act); and
- > removes the right for landowners to trigger the Land Acquisition and Compensation Act regarding the value of inner public purpose land therefore significantly reducing the financial risk to the collecting agency implementing the ICP.

In summary, the land contribution model prescribes that the land owners that are required to provide in excess of the ICP land contribution percentage are entitled to a land credit amount (reimbursement) which is paid for by the landowners required to provide less than the ICP land contribution percentage (land equalisation amount).

4.1 Key Components of the Public Land Act

The Public Land Act requires that the ICP land contribution percentage is calculated for the ICP plan area. The ICP land contribution percentage is the total area of public purpose land specified in an ICP divided by the total area of contribution land in the ICP, expressed as a percentage and determined in respect of each class of development of land specified in the ICP.

If the parcel contribution percentage is less than the ICP land contribution percentage (for the applicable class of development), the development proponent must pay a land equalisation amount when the parcel of land is developed. The land equalisation amount is in addition to the monetary component of an infrastructure contribution required to be paid under the ICP.

If the parcel contribution percentage is more than the ICP land contribution percentage for the applicable class of development, the landowner is entitled to be paid a land credit amount.

Land equalisation amounts and land credit amounts:

- > are calculated in accordance with the Ministerial Direction on the Preparation and Content of ICPs 2018 and ICP Guidelines (2019); and
- > are specified in the ICP for each parcel of land.

Land equalisation amounts are used to fund the land credit amounts and the acquisition of any outer public purpose land.

The land credit amount is calculated by valuing each individual piece of inner public purpose land nominated on a parcel that is required to provide in excess of the ICP land contribution percentage, to establish an average value per hectare specific to that land parcel. This parcel specific value per hectare is then multiplied by the number of 'over provided' inner public purpose hectares to determine the land credit amount for the respective land parcel.

The total land credit amount is calculated by adding the sum of the land credit amounts for all parcels of land which are 'overproviding' hectares of inner public purpose land and the estimate of value for any outer public purpose land. The total land credit amount is then divided by the total number of hectares of inner public purpose land which is 'under provided' in the ICP area to determine the land equalisation rate as a dollar value per hectare. The land equalisation rate is then multiplied by the number of 'underprovided' hectares of inner public purpose land in the respective parcels (in accordance with the *Ministerial Direction on the Preparation and Content of Infrastructure Contributions Plans* and ICP Guidelines 2019) to calculate the land equalisation amounts.

If a parcel is entitled to a land credit amount the landowner is classified as an 'affected landowner' and the Planning Authority must notify the affected landowner in accordance with sections 46GO and 46GP of the Act. The notification includes setting out the amount of inner public purpose land required from the parcel, and how many hectares is required in excess of the ICP land contribution percentage and the credit amount the landowner is entitled to. The notification letter provides the landowner with the opportunity to make a submission on the estimate of value of the land. Any submission received is referred to the independent certified valuer engaged by the Planning Authority and may be further referred to Valuer-General Victoria (VGV) for resolution at a valuers' conference (in accordance with sections 46GR, 46GS and 46GT of the Act).

Figure 2 graphically represents the new land component introduced by the Public Land Act and the key tasks completed to determine each element.



Figure 2 Summary of the land component introduced in the Public Land Act

4.2 How does the Public Land Act affect the 2016 ICP system?

It is important to recognise that introduction of the land component via the Public Land Act in 2018 (and in the absence of any transitional arrangements) meant that any gazetted ICP could no longer have any effect. Therefore, all existing ICPs had to be replaced with interim ICPs to ensure that collecting agencies were able to lawfully collect infrastructure contributions under existing planning permits, and issue new planning permits while the final ICP is prepared.

The Public Land Act splits the former infrastructure contribution into a monetary component and land component which affects the spending allocation of standard levies.

The change from a monetary levy to a land component for public land removes the flexibility introduced in 2016 whereby unallocated funds could be redirected from one category to another. As a result, existing and new ICPs are more likely to require a supplementary levy for transport infrastructure. Any ICP seeking to introduce a supplementary levy requires a full planning scheme amendment and therefore several final ICPs were placed on public exhibition in mid-late 2018.

The change to the monetary component highlighted again the importance of preparing a benchmark costings report to inform the preparation of the new ICPs given most of them would require a supplementary levy for transport construction based on the current standard levy rate. As noted earlier the VPA engaged Cardno in mid-2017 to prepare a benchmark costing report. The purpose of the benchmark costing report is to reduce the time and cost associated with preparing new ICPs and to avoid lengthy debate at panel hearings regarding the design and costing of the transport infrastructure projects.

Due to the introduction of the Public Land Act the gazetted Donnybrook Woodstock Standard ICP (August 2017) ceased to operate and as a result Interim ICP 1 was gazetted on 2 July 2018. The Interim ICP 1 did not include any land values as there was not sufficient time to complete the notification requirements in accordance with sections 46GO and 46GP and dispute resolution process as set out in sections 46GR, 46GS and 46GT of the Act.

4.3 Review of the methodology for calculating the ICP land contribution percentage

In late 2018, the Minister for Planning requested the VPA and Department of Environment, Land, Water and Planning (DELWP) review all ICPs including the proposed Donnybrook Woodstock final ICP to ensure that they were consistent with the land contribution model in accordance with the Act.

The review identified that:

- > inner public purpose land was incorrectly excluded from the contribution land for the purposes of calculating the ICP land contribution percentage and parcel contribution percentage; and
- > inner public purpose land for transport purposes was apportioned across the entire precinct.

It was subsequently confirmed in accordance with the Act and the land contribution model:

- > for the inner public purpose land to be included within the contribution land for the purposes of calculating the relevant percentages; and
- > for inner public purpose land for transport purposes to be directly apportioned based on the need generated by each class of development (land use) within the precinct.

The outcome of this review was significant and required all ICP land contribution percentages to be recalculated i.e. public purpose land (IPPL + OPPL) divided by contribution land (NDA + IPPL) = ICP land contribution percentage. In summary, the recalculation generally resulted in two changes: -

- > ICP land contribution percentage decreased as the total public purpose land area remained the same but the land contribution area increased; and
- > the amount of IPPL required in excess of the ICP land contribution percentage on specific parcels decreased as the land contribution area (the area being levied the land component) increased therefore the total land credit amount decreased.

The following example demonstrates how the recalculation affects a subject parcel. It is assumed the subject parcel is in an ICP:

- > has an NDA of 13 hectares;
- > is required to provide 3 hectares of IPPL;
- > its parcel contribution percentage exceeds the ICP land contribution percentage;
- > original ICP land contribution percentage calculation results in 15% (based on contribution land = NDA); and
- > revised ICP land contribution percentage calculation results in 13% (based on contribution land = NDA+IPPL).

Under the original ICP land percentage calculation the subject property is required to transfer 1.95 hectares (15% of 13ha) and is entitled to a land credit amount for the additional 1.05 hectares.

Under the revised calculation method, the ICP land contribution percentage is 13% and the subject parcel is required to transfer 2.08 (13% of 16ha) hectares at no cost and is entitled to a land credit amount for the remaining 0.92 hectares.

Therefore, the subject property is required to provide a greater amount of IPPL and accordingly the property's land credit amount has dropped which impacts the total land credit amount included in the ICP.

4.4 Summary of the ICP System post July 2018

A summary of the ICP system as it is today is provided below and Table 2 clearly sets out how the initial key deficiencies of the former DCP system have been addressed by the SDCAC, the 2016 legislation and the introduction of the Public Land Act in 2018.

- > The infrastructure contribution is split into a Monetary Component and Land Component.
- > The Monetary Component comprises of a standard levy, and/or a supplementary levy.
- > The metropolitan greenfield growth area is still the only defined development setting.
- > The standard levy set for metropolitan greenfield growth areas includes (July 2018-19 rates): -
 - Transport standard levy \$114,062 (residential and commercial and industrial)
 - Community and Recreation standard levy \$86,627 (residential only)
 - Total standard levy \$200,689 (residential), \$114,062 (commercial and industrial)
- > The Land Component comprises of inner public purpose land, outer public purpose land, land equalisation amounts and land credit amounts. These aspects must be calculated in accordance with the Ministerial Direction on the Preparation and Content of Infrastructure Contribution Plans 2018 and the ICP Guidelines 2019.
- > The supplementary levy is an additional levy that may be used to provide extra funding for specific infrastructure projects. The supplementary levy may only be used in particular circumstances where certain criteria are met.
- > The ICP can only fund specified infrastructure, known as allowable items, under the standard and supplementary levies. I.e. A supplementary levy can only be sought for transport, state and other allowable items as defined in the Ministerial Direction on the Preparation and Content of Infrastructure Contribution Plans 2018.
- > The estimate of value of inner public purpose land and outer public purpose land must be determined using the methodology prescribed in Ministerial Direction on the Preparation and Content of Infrastructure Contribution Plans 2018.
- > An ICP is the mechanism to apply an infrastructure levy and an amendment is required to incorporate the ICP in the planning scheme.
- > A standard levy ICP amendment may be dealt with under section 20A of the Act provided an amendment to introduce the PSP or equivalent strategic plan in the planning scheme has been approved and the ICP complies with the Ministerial Direction.
- > An ICP seeking to introduce a supplementary levy must go through a formal amendment process.
- > The splitting of the infrastructure contribution into the monetary component and land component highlights the importance of preparing a benchmark costings report to reduce the time and cost of preparation of the new ICPs given most of them will require a supplementary levy for transport construction based on the current standard levy rate.

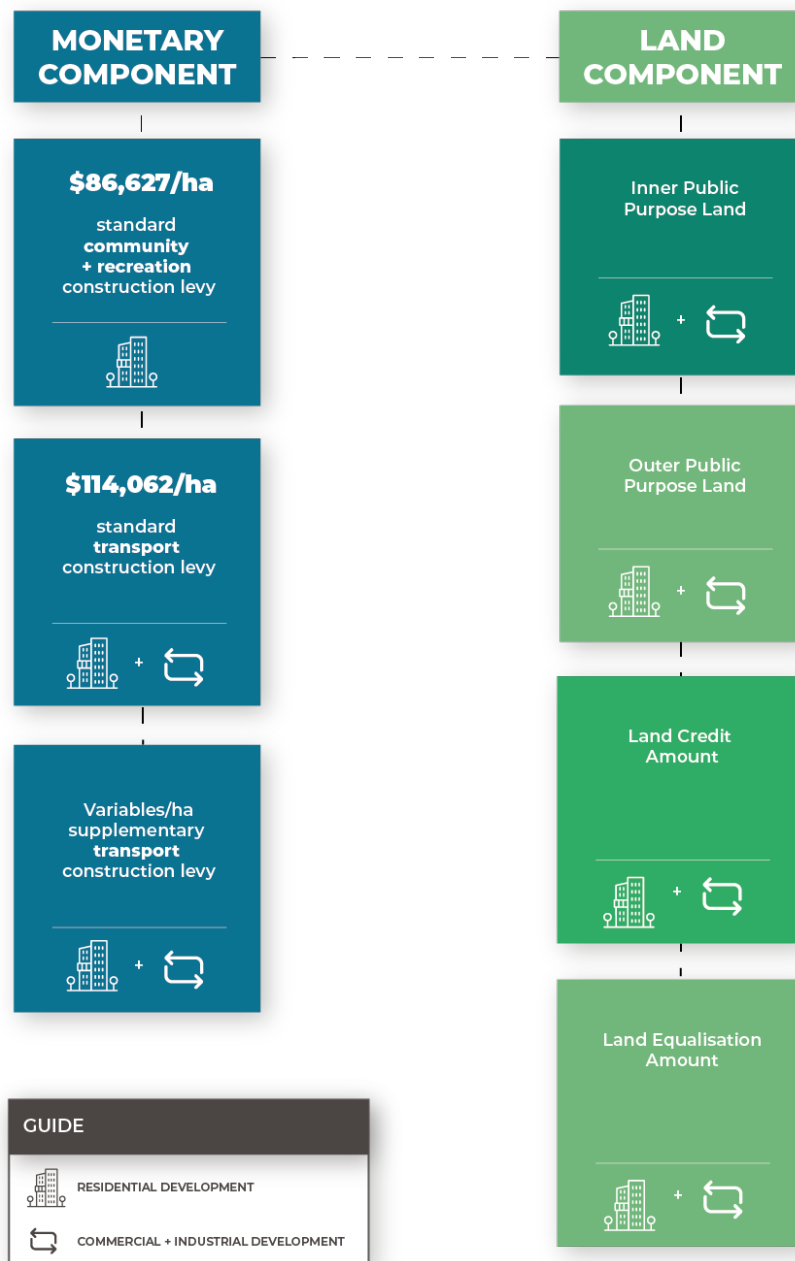


Figure 3 Overview of the 2018 ICP System including the Public Land Act (July 2018-19 rates).

Table 2: Summary of the evolution of key components of the ICP system as it relates to Metropolitan Greenfield Growth Areas

Deficiency of the DCP System	SDCAC Recommendation regarding the proposed Development Levy System (Report 2, 31 May 2013)	2016 Legislation (ICP system)	2018 Legislation (Public Land Act)
Substantial financial and procedural risk around securing land for public purposes	<p>Committee recommends (pg. 97):</p> <p><i>That the Planning and Environment Act 1987 (and other legislation if required) be reviewed to enable improvements to the process of the valuation and securing of public land in Growth Areas as set out in this Report.</i></p> <p><i>That the valuation methodology for land in Growth Areas be formalised via Ministerial Direction or equivalent, and include the features as set out in Chapter 8.5 of this Report.</i></p> <p><i>That a revised process be adopted to enable the components of the public land levy in Growth Areas to be properly determined and administered.</i></p> <p>Put simply the Committee recommended an extension of the Clause 53.01 principle in terms of setting a PSP wide percentage for all public land whereby the under providers pay for the over providers. However, the key difference to Clause 53.01 is that the SDCAC model valued all land.</p>	<p>Public land is a standard levy component and set rates are determined for the south east growth area and the north and west growth areas. A planning authority may seek a supplementary levy for public land if it cannot be funded within the standard levy.</p> <p>The methodology adopted generally aligns with that recommended by the SDCAC however it does not 'fix' the land value and removes the ability to challenge the value at a later date.</p> <p>Prescribes the method of valuing the public land (PLEM).</p> <p>Implemented in a similar nature to the former DCP system in that all public land required is valued.</p>	<p>Split the infrastructure contribution into a Monetary Levy and a Land Levy and introduced the land contribution model.</p> <p>Prescribes how the Land Component is to be satisfied, i.e. all IPPL up to the ICP land contribution percentage on a parcel is to be transferred to the collecting agency at no cost.</p> <p>All IPPL provided on a parcel that is in excess of the ICP land contribution percentage is entitled to a land credit amount. The land credit amounts are fixed. The land credit amounts are paid for via the land equalisation amounts (from those parcels providing less than the ICP land contribution percentage) therefore reducing any funding shortfall.</p> <p>Prescribes the method to estimate land value, notification requirements and dispute resolution process and removes ability for affected landowners to access the Land Acquisition and Compensation Act regarding the value of IPPL.</p>

<p>Escalating levies, lack of certainty regarding the levy amount due to lack of consistency in infrastructure costings</p>	<p>Committee recommends (pg. 28) a standard levy for transport; public land, community & recreation (capped) for the metropolitan greenfield growth areas development setting.</p> <p><i>A Supplementary Levy may be applied in Growth Areas but is limited to additional items of public land or transport infrastructure not included in the Standard Levy where it can be demonstrated that there is need and a clear nexus to the development AND the supplementary item cannot be accommodated within the Standard Levy.</i></p> <p><i>It is not available for Community and Recreation infrastructure which is as a 'fixed' or 'capped' Levy.</i></p> <p>The Committee notes that the supplementary levy is to be applied <i>in very limited circumstances</i> (pg. 20).</p> <p>Whilst the Committee did not recommend setting standard costs for each transport item it did propose that <i>Design Guidelines be developed that provide benchmarks for what could normally be expected to be provided by a Standard Levy.</i></p> <p><i>The Committee recommends that the Design Guidelines be developed by the GAA in consultation with Councils and the development industry.</i></p>	<p>Introduces pre-set fixed standard levies for transport; public land, community & recreation (capped) for the metropolitan greenfield growth areas development setting.</p> <p>Allows for the transfer of unallocated funds from one infrastructure category to another. i.e. unspent funds from the public land levy could be allocated to the transport levy and therefore remove the need for a supplementary levy.</p> <p>The VPA recognise the need for establishing benchmark costs to inform the preparation of future ICPs and in April 2017 they release a request for quote.</p>	<p>Introduces the Monetary Component and Land Component.</p> <p>Monetary component comprises: -</p> <ul style="list-style-type: none"> standard transport component; standard community & recreation component which is capped; allows for supplementary levies for transport, other and state allowable items if certain criteria are met. <p>The Land Component only values land that is provided on a parcel that is in excess of the ICP land contribution percentage, all other land is to be transferred at no cost. Therefore, the ICP levies collected under the land component is less than the former public land standard levy.</p> <p>The removal of the public land levy from the Monetary Component removes the previous flexibility of the 2016 system and as a result most new ICPs require a supplementary levy for transport construction.</p> <p>Given a supplementary levy requires all projects to be costed and a full planning scheme amendment it is vital that the benchmark costing report is finalised to streamline the preparation and approval of the new ICPs.</p>
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Substantial resources, cost and time are required to prepare and maintain a DCP	<p>The Committee were of the view that the recommended new system would be less time consuming and costly compared with the DCPs for the following reasons: -</p> <ul style="list-style-type: none"> • the new system prescribed where and when a development levy can be imposed; • introduced pre-set standard levies; • the standard levies removed any avenue for challenge so long as the application criteria were met; and • the standard levies would be implemented via a streamlined amendment process. <p><i>The Committee is strongly of the view that the Standard Levy should be the default levy and that introduction of one or more Supplementary Levies should not be a 'choice' of the planning authority, but rather should require a form of approval that requires justification of the reasons for its inclusion (pg. 20,21).</i></p>	<p>The Ministerial Direction introduces pre-set standard levies, if the development setting criteria are met a planning authority can access the standard levy and if no supplementary levy is required and the PSP has already been gazetted the ICP can be implemented via 20(4) amendment.</p> <p>Includes flexibility in terms of being able to allocate unspent funds from one standard levy category to another reduces the need to a supplementary levy and therefore the amendment can be prepared and approved relatively quickly.</p>	<p>As noted above the separating out of the public land levy into the land component has resulted in many new ICPs requiring a supplementary levy for transport construction. If a supplementary levy is required all ICP construction projects must be costed and a full planning scheme amendment process completed. This has resulted in an increase in the time and costs to prepare these ICPs.</p> <p>To reduce the time and cost to prepare future supplementary ICPs the VPA has commissioned a Benchmark Costing Report which, when finalised, will reduce the time and cost associated with preparing supplementary levy ICPs.</p>

EVOLUTION OF THE DONNYBROOK WOODSTOCK ICP

Preparation of the Donnybrook Woodstock ICP has been an iterative process due to changes in legislation, refinement in the implementation of the new legislation, finalisation of the benchmark costings report and resolution of the scope and cost of the Monetary Component infrastructure items. This section: -

- > describes the standard levy ICP;
- > explains how the three interim ICPs have been developed and the key components of each document; and
- > describes the exhibited final ICP and the proposed post exhibition changes.

Evolution of the Donnybrook Woodstock ICP(s) is presented below in chronological order.

5 Donnybrook Woodstock Standard Levy ICP – November 2017

Amendment GC61 to the Whittlesea and Mitchell Planning Schemes introduced the Standard Levy Donnybrook Woodstock ICP (August 2017) which was gazetted on 3 November 2017. This ICP was prepared in accordance with the 2016 ICP system and comprised a standard levy only, no supplementary levy was required.

5.1 Monetary Component

As noted in Section 3, the 2016 ICP system only included a monetary component which included a public land levy standard levy. A summary of the Donnybrook Woodstock standard levy is provided in Table 3.

Table 3: Donnybrook Woodstock Standard Levy ICP Summary (July 2017 \$)

DEVELOPMENT CLASS	NET DEVELOPABLE AREA	STANDARD LEVY RATE	TOTAL
Residential	1,032.78	\$334,300	\$345,259,046
TOTAL	1,032.78		\$345,259,046

Source: Donnybrook Woodstock Metropolitan Greenfield Growth Area Standard Levy Infrastructure Contributions Plan (August 2017)

It is understood that this ICP was informed by detailed designs for the intersections and bridges completed as part of the PSP, which are referred to as the PSP-ICP plans, as well as standard (pre-Benchmark Costings Report) designs. These designs informed the land areas required for the intersections in the ICP.

Whilst no individual costs are included in this ICP it is understood that the VPA used cost estimates prepared prior to the Benchmark Costings Report to 'test' whether the ICP infrastructure could be delivered via the standard levy. In addition, the VPA calculated the estimate of value for the public land required to determine whether a supplementary levy was

required to fund the purchase of public land and to determine the credit that a landowner may receive if the land was accepted as works in kind.

Note no land within the Donnybrook Woodstock ICP is classified as commercial or industrial so only the residential standard levy applies.

5.2 Summary of Standard Levy ICP

Monetary Component (in July 2017 \$)

- > Standard Levy
- > Transport standard levy \$108,700 per ND hectare
- > Community and Recreation standard levy \$86,800 per ND hectare
- > Public Land standard levy \$138,800 per ND hectare. 155.47 hectares (as per Table 9 of the gazetted ICP) of public land is identified and is costed using the Public Land Estimate of Value Method (PLEM).
- > Total standard levy \$334,300 per ND hectare
- > No Supplementary Levy required
- > Total levies collected is \$345,259,046
- > Basis of costings – no costs were included in the ICP as it did not require a supplementary levy. However, the VPA commissioned estimate of value report for all public land and tested whether the transport projects could be delivered under the standard levy using cost estimates prepared prior to the Benchmark Costing Report.

6 Donnybrook Woodstock Interim ICP 1 – 2 July 2018

Amendment GC101 to the Whittlesea and Mitchell Planning Schemes introduced the first interim Donnybrook Woodstock ICP (July 2018) following introduction of the new Public Land Act. Amendment GC101 was gazetted on 2 July 2018.

As noted in Section 4, introduction of the Public Land Act resulted in the Donnybrook Woodstock Standard ICP no longer having effect and the construction and land projects had to be separated into the Monetary Component and Land Component respectively.

6.1 Monetary Component

With the introduction of the Public Land Act the ICP Standard Levy rate was amended to remove the proportion of the levy attributed to public land. As a result, the Monetary Component Standard Levy was reduced to \$200,689 per net developable hectare for the residential class of development (comprising \$114,062 for transport and \$86,627 (capped) for community and recreation infrastructure construction in July 2018 \$).

With the removal of the public land levy (set at \$138,000 per net developable hectare in 2017 \$) from the standard levy, the VPA costed all the transport, community and recreation construction projects to determine whether they could be funded from the revised Standard Levy.

This initial costing work for the Donnybrook Woodstock Interim ICP 1 was based on the draft Cardno Benchmark Costing Report prior to the exhibition version report dated 23 July 2018 and highlighted: -

- > The total cost of the transport construction costs exceeded the total funds to be collected via the standard levy and as a result a supplementary levy of \$810.42 per net developable hectare was required;
- > Three bridge projects were categorised as supplementary items including: -
 - BR-02 (51%)
 - BR-03 (100%)
 - BR-04 (100%)
- > The total cost of the community and recreation projects exceeded the total standard levy by \$26,614.48 per net developable hectare, creating a shortfall of approximately \$27.4M which is to be funded directly by the collecting agencies.

The Monetary Component of the Donnybrook Woodstock Interim ICP 1 is illustrated in Table 4 and the supplementary items are set out in Table 5.

Table 4: Donnybrook Woodstock Interim ICP 1 Monetary Component Levy Summary (July 2018 \$)

Development Class	Net Developable Area (Hectares)	Levy Rate	Total Levy To Be Collected
Standard levy			
Residential	1032.78	\$200,689.00	\$207,268,001.05
Commercial and Industrial	0.00	\$0.00	\$0.00
Subtotal	1032.78		\$207,268,001.05
Supplementary levy			
Residential	1032.78	\$810.42	\$836,987.97
Commercial and Industrial	0.00	\$0.00	\$0.00
Subtotal	1032.78		\$836,987.97
Total levy			
Residential	1032.78	\$201,499.42	\$208,104,989.01
Commercial and Industrial	0.00	\$0.00	\$0.00
Total	1032.78		\$208,104,989.01

Source: Table 1, Donnybrook Woodstock Interim ICP 1 (July 2018)

Table 5: Donnybrook Woodstock Interim ICP 1 Monetary Component Supplementary Levy Transport Projects (July 2018 \$)

ICP Project ID	Project Title & Description	Staging	Internal Apportionment	Apportionment Funding Source	Estimated Cost	Cost Apportioned to ICP	Cost per Hectare (NDA)
Culvert Projects							
BR-02	Culvert: Patterson Drive Construct a 2 lane interim culvert crossing of constructed waterway	M (interim)	51%	Supplementary Levy	\$334,000	\$168,988	\$164
BR-03	Culvert/bridge: Hayes Hill Boulevard Construct a Growling Grass Frog Habitat suitable culvert/bridge crossing of Darebin Creek – 2 lane culvert crossing.	M (ultimate)	100%	N/A	\$334,000	\$334,000	\$323
BR-04	Culvert/bridge: Cameron Street Construct a Growling Grass Frog Habitat suitable culvert/bridge crossing of Darebin Creek – 2 lane culvert crossing.	M (ultimate)	100%	N/A	\$334,000	\$334,000	\$323
					\$1,002,000.00	\$836,987.97	\$810.42

Source: Table 6, Donnybrook Woodstock Interim ICP 1 (July 2018)

6.2 Land Component

The Donnybrook Woodstock Interim ICP 1 requires a total of 155.47 hectares of inner public purpose land as set out in Table 6.

Table 6: Donnybrook Woodstock Interim ICP 1 Public Purposes Land (July 2018 \$)

Class of Development	NDA	Transport Public Purposes Land (HA)	Residential Community & Recreation Public Purposes Land (HA)	Employment Community & Recreation Public Purposes land (HA)	Total Public Purposes land (HA)
Residential (Ha)	1032.78	47.68	107.79	0.00	155.47
Commercial and Industrial (Ha)	0.00	0.00	0.00	0.00	0.00
Total	1032.78	47.68	107.79	0.00	155.47

Source: Table 9, Donnybrook Woodstock Interim ICP 1 (July 2018)

The ICP land contribution percentage of 15.05% set out in Table 7 is calculated using net developable area (NDA) i.e. the total number of inner public purpose land is divided by the total net developable area (155.47 hectares / 1032.78 hectares = 15.05%).

Table 7: Donnybrook Woodstock Interim ICP 1 Land Contribution Percentage (July 2018 \$)

Class of Development	Transport Contribution Percentage	Residential Community & Recreation Contribution Percentage	Employment Community & Recreation Contribution Percentage	Total ICP Contribution Percentage
Residential (%)	4.62%	10.44%	0.00%	15.05%
Commercial and Industrial (%)	0.00%	0.00%	0.00%	0.00%

Source: Table 10, Donnybrook Woodstock Interim ICP 1 (July 2018)

The Donnybrook Woodstock Interim ICP 1 does not include any land credit amounts or land equalisation amounts. The reason for this is that the VPA did not have sufficient time to notify the affected owners (owners entitled to a land credit amount as they are required to provide an amount of public purpose land in excess of the ICP land contribution percentage) in accordance with Sections 46GO and 46GP and allow affected landowners to make a submission in accordance with Section 46GQ of the Act. Upon the conclusion of the valuation and dispute resolution process in accordance with Division 4, Part 3AB of the Act the land credit amounts, and land equalisation amounts will be adopted.

6.3 Summary of Donnybrook Woodstock Interim ICP 1 – 2 July 2018

6.3.1 Monetary Component (in July 2018 \$)

- > Standard Levy
- > Transport standard levy \$114,062
- > Community and Recreation standard levy \$86,627
- > Total standard levy \$200,689

Supplementary Levy

- \$810.42 levy rate per ND hectare
- ICP bridge project items BR-03 (100%), BR-04 (100%) and BR-02 (50%) are classified as supplementary items
- Total levy rate for residential class of development is \$201,499.42 per hectare
- > Total levies collected is \$208,104,989.01
- > Basis of costings were the pre-exhibition Benchmark Costing report prior to the draft report being published on 23 July 2018.

6.3.2 Land Component

- > ICP land contribution percentage is 15.05%, calculated using NDA.
- > The estimates of value were not resolved therefore the ICP does not include any land credit amounts or land equalisation amounts.

7 Donnybrook Woodstock final Supplementary ICP (exhibited)

Amendment GC102 seeks to introduce the final Donnybrook Woodstock ICP into the Whittlesea and Mitchell Planning Schemes. The final ICP was exhibited between 13 August and 14 September 2018.

7.1 Monetary Component

The exhibited Donnybrook Woodstock final ICP includes the same projects as the Interim ICPs 1 and 2, however the construction costs for all projects excluding the pedestrian signals PED-01, PED-02 and PED-03 and bridge project BR-01, have been updated to:

- > Reflect the draft Cardno Benchmark Costing Report, 23 July 2018, in terms of design and costs
- > Classify many projects as bespoke; and
- > Apply a 'hybrid' cost to several projects.

In summary, the exhibited final ICP resulted in the following changes to the monetary component, compared with Interim ICP 1:

- > All road, intersection and community building project construction costs were reduced;
- > Bridge projects BR-02-BR-05 construction costs were increased;
- > All open space construction project costs were increased;
- > The net result was that the supplementary levy was reduced from \$810.42 per ND hectare to \$412 per ND hectare which is illustrated in Table 8 and Table 9; and
- > The total cost of the community and recreation projects exceeded the total standard levy by \$46,381 per net developable hectare, creating a shortfall of approximately \$47.9M which is to be funded directly by the collecting agencies.

Table 8: Donnybrook Woodstock Final ICP Monetary Component Levy Summary (exhibition)

Development Class	Net Developable Area (Hectares)	Levy Rate	Total Levy To Be Collected
Standard levy			
Residential	1032.78	\$200,689	\$207,268,001
Commercial and Industrial	0.00	\$114,062	\$0.00
Subtotal	1032.78		\$207,268,001
Supplementary levy			
Residential	1032.78	\$412	\$425,314
Commercial and Industrial	0.00	\$412	\$0.00
Subtotal	1032.78		\$425,314
Total levy			
Residential	1032.78	\$201,100	\$207,693,315
Commercial and Industrial	0.00	\$114,473	\$0.00
Total	1032.78		\$207,693,315

Source: Table 1, Donnybrook Woodstock final ICP (August 2018, exhibited)

Table 9: Donnybrook Woodstock final ICP Monetary Component Supplementary Levy Transport Projects ((August 2018, exhibited)

ICP Project ID	Project Title & Description	Staging	Internal Apportionment	Apportionment Funding Source	Estimated Cost	Cost Apportioned to ICP	Cost per Hectare (NDA)
Culvert Projects							
BR-05	Bridge: Patterson Drive Construct a 2 lane interim bridge crossing of Merri Creek (shared development agency responsibility (City of Whittlesea/Shire of Mitchell)).	M (Interim)	7%	Standard Levy	\$6,415,000	\$425,315	\$412
					\$6,415,000.00	\$425,314.50	\$412

Source: Table 6, Donnybrook Woodstock final ICP (August 2018, exhibited)

7.2 Land Component

The estimate of land values (land credit amount and land equalisation amount) are included in the exhibited final ICP. The total land credit amount is \$78,934,595.19, which is paid for via the land equalisation amounts, (required to pay for the 31.77 hectares of land that exceeds the ICP land contribution percentage of 15.05% on the affected parcels). The balance of public purpose land (being 123.69 hectares) is vested in the collecting agency at no cost as it is the amount of inner public purpose land located on individual properties where the parcel ICP land contribution does not exceed the ICP land contribution percentage. The split of public purpose land between the infrastructure categories is shown in Table 10.

Furthermore, it is important to note that the land credit amount is valued in accordance with the *Ministerial Direction on the Preparation and Content of Infrastructure Contribution Plans* and does not use the former PLEM method.

Table 10: Donnybrook Woodstock final ICP Public Purposes Land (August 2018, exhibited)

Class of Development	NDA	Transport Public Purposes Land (HA)	Residential Community & Recreation Public Purposes Land (HA)	Employment Community & Recreation Public Purposes land (HA)	Total Public Purposes land (HA)
Residential (Ha)	1032.78	47.68	107.79	0.00	155.47
Commercial and Industrial (Ha)	0.00	0.00	0.00	0.00	0.00
Total	1032.78	47.68	107.79	0.00	155.47

Source: Table 9, Donnybrook Woodstock final ICP (August 2018, exhibited)

Table 11: Donnybrook Woodstock final ICP Land Contribution Percentage (August 2018, exhibited)

Class of Development	Transport Contribution Percentage	Residential Community & Recreation Contribution Percentage	Employment Community & Recreation Contribution Percentage	Total ICP Contribution Percentage
Residential (%)	4.62%	10.44%	0.00%	15.05%
Commercial and Industrial (%)	0.00%	0.00%	0.00%	0.00%

Source: Table 10, Donnybrook Woodstock final ICP (August 2018, exhibited)

7.3 Summary of exhibited Donnybrook Woodstock final ICP (in July 2018 \$)

7.3.1 Monetary Component

- > Standard Levy
 - Transport standard levy \$114,062
 - Community and Recreation standard levy \$86,627
 - Total standard levy \$200,689
- > Supplementary Levy
 - \$412 levy rate
 - ICP bridge project BR-05 (7%) is classified as a supplementary item.
- > Total levy rate for residential class of development is \$201,499.42 per hectare
- > Total ICP levies collected is \$207,693,315
- > Basis of costings – draft Benchmark Costing Report dated 23 July 2018 and a number of bespoke costings.

7.3.2 Land Component

- > ICP land contribution percentage is 15.05%, calculated using NDA.
- > The estimates of value (land credit amount and land equalisation amount) are included.
- > Total land credit amount/ land equalisation amount is \$78,934,595.19.

Total combined value of ICP levies collected under the monetary component and land component is \$286,627,910

8 Donnybrook Woodstock Interim ICP 2 – November 2018

Amendment GC108 to the Whittlesea and Mitchell Planning Schemes introduced the second interim Donnybrook Woodstock ICP (July 2018, Amended September 2018). Amendment GC108 was gazetted on 15 November 2018. The second interim ICP includes the same monetary component as Interim ICP 1 but has been updated to include the resolved land credit amounts and land equalisation amounts.

8.1 Monetary Component

The Donnybrook Woodstock Interim ICP 2 includes the same construction projects in terms of cost and applies the same standard levy rate and supplementary levy rate as Interim ICP 1 (refer to Section 6).

The monetary component of the Donnybrook Woodstock Interim ICP 2 is illustrated in Table 12 and the supplementary items are set out in Table 13.

Table 12: Donnybrook Woodstock Interim ICP 2 Monetary Component Levy Summary (July 2018 \$)

Development Class	Net Developable Area (Hectares)	Levy Rate	Total Levy To Be Collected
Standard levy			
Residential	1032.78	\$200,689.00	\$207,268,001.05
Commercial and Industrial	0.00	\$0.00	\$0.00
Subtotal	1032.78		\$207,268,001.05
Supplementary levy			
Residential	1032.78	\$810.42	\$836,987.97
Commercial and Industrial	0.00	\$0.00	\$0.00
Subtotal	1032.78		\$836,987.97
Total levy			
Residential	1032.78	\$201,499.42	\$208,104,989.01
Commercial and Industrial	0.00	\$0.00	\$0.00
Total	1032.78		\$208,104,989.01

Source: Table 1, Donnybrook Woodstock Interim ICP 2 (July 2018, Amended September 2018)

Table 13: Donnybrook Woodstock Interim ICP 2 Monetary Component Supplementary Levy Transport Projects (July 2018 \$)

ICP Project ID	Project Title & Description	Staging	Internal Apportionment	Apportionment Funding Source	Estimated Cost	Cost Apportioned to ICP	Cost per Hectare (NDA)
Culvert Projects							
BR-02	Culvert: Patterson Drive Construct a 2 lane interim culvert crossing of constructed waterway	M (interim)	51%	Supplementary Levy	\$334,000	\$168,988	\$164
BR-03	Culvert/bridge: Hayes Hill Boulevard Construct a Growling Grass Frog Habitat suitable culvert/bridge crossing of Darebin Creek – 2 lane culvert crossing.	M (ultimate)	100%	N/A	\$334,000	\$334,000	\$323
BR-04	Culvert/bridge: Cameron Street Construct a Growling Grass Frog Habitat suitable culvert/bridge crossing of Darebin Creek – 2 lane culvert crossing.	M (ultimate)	100%	N/A	\$334,000	\$334,000	\$323
					\$1,002,000.00	\$836,987.97	\$810.42

Source: Table 6, Donnybrook Woodstock Interim ICP 2 (July 2018, Amended September 2018)

8.2 Land Component

The estimate of land values has been resolved and accordingly Interim ICP 2 includes the land credit amounts and land equalisation amounts. The total land credit amount is \$78,934,595.19, which is required to pay for the 31.77 hectares of land that exceeds the ICP land contribution percentage of 15.05% on the affected landholder parcels. The balance of public purpose land (being 123.69 hectares) is vested in the collecting agency at no cost as it is the amount of inner public purpose land located on individual properties whose parcel ICP land contribution does not exceed the ICP land contribution percentage.

The quantum of public purpose land and ICP land contribution percentage is set out in Table 14 and Table 15 respectively. The ICP land contribution percentage of 15.05% included in Interim ICP 2 is calculated using NDA as per Interim ICP 1 and the exhibited final ICP.

Table 14: Donnybrook Woodstock Interim ICP 2 Public Purposes Land (July 2018 \$)

Class of Development	NDA	Transport Public Purposes Land (HA)	Residential Community & Recreation Public Purposes Land (HA)	Employment Community & Recreation Public Purposes land (HA)	Total Public Purposes land (HA)
Residential (Ha)	1032.78	47.68	107.79	0.00	155.47
Commercial and Industrial (Ha)	0.00	0.00	0.00	0.00	0.00
Total	1032.78	47.68	107.79	0.00	155.47

Source: Table 9, Donnybrook Woodstock Interim ICP 2 (July 2018, Amended September 2018)

Table 15: Donnybrook Woodstock Interim ICP 2 Land Contribution Percentage (July 2018 \$)

Class of Development	Transport Contribution Percentage	Residential Community & Recreation Contribution Percentage	Employment Community & Recreation Contribution Percentage	Total ICP Contribution Percentage
Residential (%)	4.62%	10.44%	0.00%	15.05%
Commercial and Industrial (%)	0.00%	0.00%	0.00%	0.00%

Source: Table 10, Donnybrook Woodstock Interim ICP 2 (July 2018, Amended September 2018)

8.3 Summary of Donnybrook Woodstock Interim ICP 2 (in July 2018 \$)

8.3.1 Monetary Component

There was no modification to the Monetary Component compared with Interim ICP 1.

- > Standard Levy
 - Transport standard levy \$114,062
 - Community and Recreation standard levy \$86,627
 - Total standard levy \$200,689
- > Supplementary Levy
 - \$810.42 levy rate
 - ICP bridge project items BR-03 (100%), BR-04 (100%) and BR-02 (50%) classified as supplementary items
- > Total levy rate for residential class of development is \$201,499.42 per hectare
- > Total ICP levies collected is \$208,104,989.01.
- > Basis of costings – same as Interim ICP 1.

8.3.2 Land Component

- > ICP land contribution percentage is 15.05%, calculated using NDA.
- > The estimates of land value are resolved, therefore Interim ICP 2 includes all land credit amounts and land equalisation amounts.
- > Total land credit amount/ land equalisation amount is \$78,934,595.19.

Total combined value of ICP levies collected under the monetary component and land component is \$287,039,584.

9 Donnybrook Woodstock exhibited Final ICP April 2019 post-exhibition recommended changes

Following receipt of submissions to Amendment GC102, broader industry feedback on the draft Benchmark Costings report, the functional layout plan conclave statement dated 26 March 2019 and completion of the final draft Benchmark Costing Report (April 2019) the VPA advised Panels Victoria that it will be making a submission to the Panel to include changes to the amendment documents.

The April 2019 recommended changes relate to increasing the supplementary levy to \$34,777 and recalculating the ICP land contribution percentage to ensure it is consistent with the land contribution model envisaged by the Act.

The April 2019 recommended changes were included in the Interim ICP 3, which is described in detail below.

10 Donnybrook Woodstock Interim ICP 3 – July 2019

Amendment GC134 to the Whittlesea and Mitchell Planning Schemes introduced the third interim Donnybrook Woodstock ICP (April 2019). Amendment GC134 was gazetted on 18 July 2019.

Interim ICP 3 proposes a range of changes including: -

- > Updating the monetary component project costs and design based on the final draft Benchmark Costing Report, Cardno (April 2019), multiple bespoke design and costs, and hybrid costs; and
- > Recalculating the ICP land contribution percentage based on contribution land area including the inner public purpose land.

These changes are described in detail in the following sections.

10.1 Monetary Component

The Donnybrook Woodstock Interim ICP 3 includes the same projects as Interim ICPs 1 and 2 and the final exhibited ICP, however the construction costs for all projects excluding the pedestrian signals PED-01, PED-02 and PED-03, have been updated to reflect the recommended April 2019 changes including:

- > Reflecting the draft Final Cardno Benchmark Costing Report, April 2019, in terms of design and costs;
- > Updating the cost type from benchmark to hybrid to accord with the bespoke designs for multiple projects; and
- > Changing several projects from benchmark costs to bespoke costs to align with the bespoke designs.

In summary, Interim ICP 3 results in the following changes to the monetary component, compared with the exhibited final ICP.

- > All road projects are classified as benchmark design and costs, and the final costs have increased for all road projects;
- > No changes to the pedestrian signal costs;

- > The cost type for all intersection projects, except project IN-16, change from benchmark to hybrid and the overall total construction cost for intersections has increased;
- > The design type and cost type for bridge projects BR-03 - BR-05 construction costs have changed to bespoke, the costs for projects BR-01 and BR-02 have reduced slightly and the construction costs for the other three bridge projects have increased;
- > All community building project construction projects are classified as benchmark in terms of both design and cost type, however the updating of the benchmark costs results in all projects increasing in cost;
- > All open space construction project costs decreased and project SR-03 and SR-05 cost type change from benchmark to hybrid; and
- > The net result was that the supplementary levy increases from \$412 per ND hectare in the exhibited final ICP to \$34,777 per ND hectare Table 16 and Table 17; and
- > The total cost of the community and recreation projects exceeded the total standard levy by \$49,630 per net developable hectare, creating a shortfall of approximately \$51.2M which is to be funded directly by the collecting agencies.

Table 16: Donnybrook Woodstock Interim ICP 3 Monetary Component Levy Summary (April 2019)

CLASS OF DEVELOPMENT	NET DEVELOPABLE AREA (HECTARES)	LEVY RATE	LEVY TO BE PAID
STANDARD LEVY			
Residential	1,032.70	\$200,689	\$207,252,496
Commercial and Industrial	0.00	\$114,062	\$0
Subtotal	1,032.70	-	\$207,252,496
Supplementary levy			
Residential	1,032.70	\$34,777	\$35,914,318
Commercial and Industrial	0.00	\$34,777	\$0
Subtotal	1,032.70	-	\$35,914,318
Total MONETARY COMPONENT			
Residential	1,032.70	\$235,465.94	\$243,166,814
Commercial and Industrial	0.00	\$148,838.94	\$0
Total	1,032.70	-	\$243,166,814

Source: Table 1, Donnybrook Woodstock Interim ICP 3 (April 2019)

Table 17: Donnybrook Woodstock Interim ICP 3 Monetary Component Supplementary Levy Transport Projects (April 2019)

ICP Project ID	Project Title & Description	Staging	Internal Apportionment	Apportionment Funding Source	Estimated Cost	Cost Apportioned to ICP	Cost per Hectare (NDA)
Intersection Projects							
IN-02	Intersection: Donnybrook Road & Connector Street (N-S Connector) Construction of a primary arterial to connector road 4-way intersection (interim treatment). The construction cost of the intersection cannot be wholly funded from the standard levy because of the physical conditions of the land, being that service relocation incorporates a significant cost.	S (interim)	100%	N/A	\$6,154,000	\$6,154,000	\$5,959
IN-03	Intersection: Donnybrook Road & Patterson Drive Construction of a primary arterial to secondary arterial road 4-way intersection (interim treatment). The construction cost of the intersection cannot be wholly funded from the standard levy because of the physical conditions of the land, being that service relocation incorporates a significant cost.	S (interim)	36%	Standard levy	\$7,213,000	\$2,596,680	\$2,514
Signalised Pedestrian Crossing							
Ped-02	Signalised Pedestrian Crossing Crossing Gunns Gully Road between Koukoura Drive and Patterson Drive associated with the shared path along the gas pipeline easement.	M (interim)	100%	N/A	\$276,614	\$276,614	\$268
Ped-03	Signalised Pedestrian Crossing Crossing Donnybrook Road between Koukoura Drive and Patterson Drive associated with the shared path along the gas pipeline easement connecting south to Northern Quarries PSP.	M (interim)	50%	Shenstone Park ICP 50%	\$276,614	\$138,307	\$134
Bridge Projects							
BR-01	Bridge: Cameron Street Construct a 2 lane Interim road bridge spanning Merri Creek and Melbourne-Sydney Railway	M (interim)	50.000%	Lockerbie DCP 50%	\$22,885,000	\$11,442,500	\$11,080
BR-02	Culvert: Patterson Drive Construct a 2 lane interim culvert crossing of constructed waterway	M (interim)	100%	N/A	\$794,217	\$794,217	\$769
BR-03	Culvert/bridge: Hayes Hill Boulevard Construct a Growling Grass Frog Habitat suitable culvert/bridge crossing of Darebin Creek - 2 lane culvert crossing.	M (ultimate)	100%	N/A	\$3,438,000	\$3,438,000	\$3,329
BR-04	Culvert/bridge: Cameron Street Construct a Growling Grass Frog Habitat suitable culvert/bridge crossing of Darebin Creek - 2 lane culvert crossing.	M (ultimate)	100%	N/A	\$3,336,000	\$3,336,000	\$3,230
BR-05	Bridge: Patterson Drive Construct a 2 lane Interim bridge crossing of Merri Creek (shared development agency responsibility (City of Whittlesea/Shire of Mitchell)).	M (interim)	100%	N/A	\$7,738,000	\$7,738,000	\$7,493
					\$52,111,445	\$35,914,318	\$34,777

Source: Table 6, Donnybrook Woodstock Interim ICP 3 (April 2019)

10.2 Land Component

In late 2018 the Minister for Planning requested the VPA and DELWP to review the Donnybrook Woodstock exhibited final ICP to ensure it is consistent with the land contribution model envisaged by the Act. As noted in Section 4.3 this review identified that the inner public purpose land be included in contribution land for the purposes of calculating the ICP land contribution percentage and that inner public purpose land for transport purposes be directly apportioned based on the need generated by each class of development (land use) within the precinct.

As a result, the ICP land contribution percentage for Donnybrook Woodstock Interim ICP 3 was recalculated as 13.09% (total area of public purposes land 155.58 hectares divided by the contribution area of 1,188.28 hectares (NDA + inner public purposes land). This recalculation results in two changes: -

- > a lower ICP land contribution percentage is required i.e. 13.09% compared with 15.05%; and
- > the contribution area that is required to make this payment has increased by 155.58 hectares i.e. the inner public purposes land is charged the land component.

Due to the changes outlined above, the total land credit amount/ land equalisation amount reduces to \$68,727,569.13.

In addition, the land areas for intersection projects IN-03 and IN-04 increased slightly resulting in the total area of public purpose land increasing from 155.47 hectares as per Interim ICP 2 to 155.58 hectares in Interim ICP 3 as illustrated in Table 18.

Table 18: Donnybrook Woodstock Interim ICP 3 Public Purposes Land (April 2019)

Class of Development	Total Contribution Land (Ha)	Transport Public Purposes Land (Ha)	Community and Recreation & Open Space Public Purposes Land (Ha)	Total Inner Public Purposes Land (Ha)	Total Outer Public Purposes Land (Ha)	Total Public Purposes Land (Ha)	Total ICP Contribution Percentage
Residential (Ha)	1,188.29	47.79	107.79	155.58	0.00	155.58	13.09%
Commercial and Industrial (Ha)	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Total	1,188.29	47.79	107.79	155.58	0.00	155.58	

Source: Table 9, Donnybrook Woodstock Interim ICP 3 (April 2019)

Table 19 demonstrates that 127.85 hectares of public purpose land is to be vested in the collecting agency at no cost and 27.67 hectares of IPPL is located on parcels over providing and therefore entitled to a land credit amount of \$68,727,569.13.

Table 19: Donnybrook Woodstock Interim ICP 3 Land Equalisation Rate (April 2019)

Class of Development	Total IPPL (Ha) Equal to or less than ICP Land Contribution Percentage	Total IPPL (Ha) Over ICP Land Contribution Percentage	Total IPPL Land Credit Amount (for 'Over' land)	Total Outer Land Estimated Value	Total Land Equalisation to be Paid	Land Equalisation Rate (\$ per Ha)
Residential (Ha)	127.85	27.67	\$68,727,569.13	\$0.00	\$68,727,569.13	\$2,483,937.27
Total	127.85	27.67	\$68,727,569.13	\$0.00	\$68,727,569.13	\$2,483,937.27

Source: Table 11, Donnybrook Woodstock Interim ICP 3 (April 2019)

10.3 Summary of Donnybrook Woodstock Interim ICP 3 – July 2019 (in July 2018 \$)

10.3.1 Monetary Component

- > Standard Levy
 - Transport standard levy \$114,062
 - Community and Recreation standard levy \$86,627
 - Total standard levy \$200,689
- > Supplementary Levy
 - \$34,777 levy rate
 - ICP intersection projects IN-02 (100%), IN-03 (36%), pedestrian signals PED-02 (100%, PED-03 (50%) and bridge projects BR-01(50%) and items BR-02 - BR-05 (100%) are all classified as supplementary items.
- > Total levy rate for residential class of development is \$235,465.94 per hectare.
- > Total ICP Monetary Component levies collected is \$243,166,814
- > Basis of costings – updated to reflect the final draft Benchmark Costing Report (April 2019), hybrid costs and updating of bespoke costs.

10.3.2 Land Component

- > Land areas for intersection projects IN-03 and IN-04 increased slightly resulting in the total area of public purpose land increasing from 155.47 hectares as per Interim ICP 2 to 155.58 hectares in Interim ICP 3.
- > ICP land contribution percentage is 13.09%, calculated using contribution as NDA plus inner public purpose land.
- > The estimates of value resolved, therefore Interim ICP 3 includes all land credit amounts and land equalisation amounts.
- > Total land credit amount/ land equalisation amount is \$68,727,569.13

Total combined value of ICP levies collected under the monetary component and land component is \$311,984,383.

A summary of the chronology of the Donnybrook Woodstock ICPs is presented in Table 20.

Table 20: Chronology of Donnybrook Woodstock ICPs

Timeline	Event	Standard Levy per ND hectare	Supplementary Levy per ND hectare	Total value of levies collected*	ICP land contribution %	Design basis	Costs basis
Oct 2016	New ICP Legislation introduced						
Nov 2017	DW PSP and Standard ICP gazetted GC61 (with GC28 for PSP)	\$334,300	\$0.0	\$345,259,046	Included in public land monetary standard levy	No ICP item designs	No individual costs
2 Jul 2018	Public Land Act came into effect				Percentage calculated using Net Developable Area		
2 Jul 2018	Interim ICP 1(GC101) gazetted	\$200,689	\$810.42	\$208,104,989 monetary component only	15.05% No land values included	Some ICP item designs based on PSP Designs (Nov 2017) and benchmark designs referred to but not included in gazetted ICP	Draft Benchmark Costings Cardno Report pre-exhibition (Jul 2018)
23 Jul 2018	Cardno released Draft Benchmark Costing Report						
13 Aug – 14 Sept 2018	Final ICP placed on exhibition (GC102)	\$200,689	\$412	\$286,627,910	15.05% Land values included. Total land credit amount/ land equalisation amount is \$78,934,595	Combination of bespoke designs, benchmark designs	Combination of Draft Benchmark Costings Cardno Report (23 Jul 2018) placed on exhibition, hybrid costs and bespoke costs

Nov 2018	Interim ICP 2 (GC108) gazetted	\$200,689	\$810.42	\$287,039,584	15.05% Land values included. Total land credit amount/ land equalisation amount is \$78,934,595	Some ICP item designs based on PSP Designs (Nov 2017) but not included in gazetted ICP	Draft Benchmark Costings Cardno Report pre-exhibition (Jul 2018)
Feb – Mar 2019	Refinement in implementation of land contribution model –				Percentage calculated using contribution land (net developable area + inner public purpose land)		
Mar 2019	Functional Layout Plan Conclave (GC102), conclave statement issued 26 March 2019						
11 Apr 2019	Cardno released Final Draft Benchmark Costing Report						
Apr - May 2019	VPA released recommended changes to exhibited Final ICP	\$200,689	\$34,777		13.09% based on contribution land (NDA + IPPL). Total land credit amount/ land equalisation amount is \$68,727,569.13	BR-03 and BR-04 redesign, Post exhibition, post FLP conclave (Apr 2019) intersection redesigns	Final Draft Benchmark Costings Report (April 2019) post exhibition comprising benchmark, hybrid and bespoke costs
Jul 2019	Interim ICP 3 (GC134) gazetted	\$200,689	\$34,777	\$311,984,383	13.09% based on contribution land (NDA + IPPL). Total land credit amount/ land equalisation amount is \$68,727,569.13	BR-03 and BR-04 redesign, Post exhibition, post FLP conclave (Apr 2019) intersection redesigns	Final Draft Benchmark Costings Report (April 2019) post exhibition comprising benchmark, hybrid and bespoke costs

*Total levies collected under both the monetary component and land component

SUMMARY OF FINDINGS

Upon review of the iterative and involved process to prepare, approve and implement the Donnybrook Woodstock final ICP it is reasonable to conclude that the process has not been ideal. It is important to acknowledge however that there are a number of important reasons why this has been the case. In my opinion the VPA has acted responsibly and sought to address and incorporate the implications of an evolving system whilst at the same time trying to respond to landowners and the Councils by keeping the process moving in a manner that would allow for the collection agency to gather contributions and administer the system.

The specific key reasons why the process was iterative are set out below.

- > The VPA prepared the Donnybrook Woodstock Standard Levy ICP (GC61) which was gazetted in November 2017.
- > When the Public Land Act was introduced in July 2018 it did not include any transitional arrangements and therefore the Donnybrook Woodstock Standard Levy ICP (GC61) could no longer have any effect. Consequently, the VPA introduced the Donnybrook Woodstock Interim ICP 1 (GC101) which was approved under section 20(4) of the Act. The Interim ICP 1 ensured that the two collecting agencies could continue to issue permits and lawfully collect infrastructure contributions from development proponents.
- > The Public Land Act split the infrastructure contribution into a Monetary Component and Land Component. The Land Component implemented the new land contribution model which included prescribed calculation and valuation methodologies as well as notification requirements and a dispute resolution process. Given Interim ICP 1 had to be introduced concurrently with the Public Land Act for the reasons outlined above the VPA were unable to include the Land Component details (land credit amounts and land equalisation amounts) as they did not have sufficient time to notify the affected landowners and allow for the conclusion of any dispute resolution process.
- > In addition, the Public Land Act changes resulted in the removal of the ability to reallocate unspent funds between infrastructure categories which led to the Donnybrook Woodstock ICP now requiring a supplementary levy for transport construction. As a result, the final ICP was required to undergo a full planning scheme amendment. Accordingly, the VPA placed the Donnybrook Woodstock final ICP (GC102) on public exhibition in August – September 2018. The draft Benchmark Costing Report (July 2018) was released as part of the public exhibition period.
- > Once the affected landowners had been notified and the estimates of land value were resolved the VPA prepared Interim ICP 2 which included the resolved estimates of land value along with the same Monetary Component details as per Interim ICP 1. Interim ICP 2 (GC108) was approved via section 20(4) in November 2018. Interim ICP 2 allowed both collecting agencies to continue to issue permits and specify the land component – land credit amounts and land equalisation amounts.
- > The Cardno July 2018 draft Benchmark Report was 'tested' through the exhibition of both the Donnybrook Woodstock ICP and the Mount Atkinson and Tarneit Plains ICP (C201), the expert witness conclaves that occurred in early 2019 and broader industry and stakeholder feedback received between September and December 2018. Consequently, Cardno updated their report and issued a final Draft in April 2019.
- > In late 2018 the Minister for Planning requested that the VPA and DELWP review the all ICPs including the Donnybrook Woodstock exhibited final ICP to ensure its consistent with the land contribution model in accordance with the Act. As noted in Section 4.3 this review identified that the inner public purpose land be included in contribution land for the purposes

of calculating the ICP land contribution percentage and that inner public purpose land for transport purposes be directly apportioned based on the need generated by each class of development (land use) within the precinct. Therefore, the Donnybrook Woodstock ICP land contribution percentage needed to be recalculated.

- > Following the release of the draft final April 2019 Benchmark Costing Report and the finding that the ICP land contribution percentage needed to be recalculated the VPA notified the Panel of recommended changes to the ICP in April 2019.
- > Based on the April 2019 recommended changes the VPA prepared Interim ICP 3 (GC134) which resulted in an increase in the supplementary levy to \$34,777 per ND hectare and recalculating the ICP land contribution percentage to 13.09%. Interim ICP 3 was gazetted in July 2019.

As outlined above, the iterative process is due to the legislative changes, refinement in implementation approach, consultation and finalisation of the individual project designs whilst ensuring both collecting agencies could continue to lawfully issue permits and lawfully collect infrastructure contributions from development proponents.

APPENDIX 1 - CVS

CV

CHRIS DE SILVA

EXECUTIVE DIRECTOR

Chris is highly respected in the planning industry for his ability to conceptualise the strategic merits of any given project.



Chris De Silva has over 30 years experience as a planner, primarily in the specialized field of growth area planning.

Spending 18 years at the City of Whittlesea, occupying the positions of Manager Strategic Planning and Director Planning and Development Chris was broadly responsible for conceptualising and implementing the Whittlesea Growth Areas framework. This process involved in-house preparation of Precinct Structure Plans for each of the growth areas and formulation of integrated transport plans and development contributions plans for the City.

The approach adopted by the City under Chris's guidance culminated in a total of 11 State awards from the Planning Institute of Australia for Planning Excellence and visits from all other growth areas.

EDUCATION

- + Bachelor of Applied Science (Planning)
RMIT University

EMPLOYMENT

- + 2009 – Mesh, Director
- + 2008 – Villawood Properties,
Strategic Development Director
- + 1991 – City of Whittlesea,
Director of Planning and Development
(and formerly Manager Strategic Planning)
- + 1990 – Wilson Sayer Core, Town Planner

KEY PROJECTS

Chris has been the mastermind behind the following key projects:

- + Armstrong Creek West Precinct Structure Plan and Development Contributions Plan, Geelong
- + Wollert Precinct Structure Plan, Whittlesea
- + Davies Hill, Woodend
- + Strathfieldsaye East Development plan, Bendigo
- + Schofields Indicative Layout Plan Urban Design Review, New South Wales
- + Trillium Estate Masterplan, Hume
- + Redstone Hill Masterplan and Town Centre, Sunbury
- + Greenvale Central Precinct Structure Plan and Masterplan, Hume
- + North of the Merri Local Structure Plan, Development Contributions Plan and Development Plan, Warrnambool
- + Crinigans Road Development Plan, Morwell
- + Cross' Road Development Plan, Traralgon

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JO FISHER

ASSOCIATE DIRECTOR

Jo's extensive knowledge affords her the ability to review and prepare implementation models in a fair and equitable manner.



Jo is a strategic planner with 14 years experience in the public (local and state) and private sectors. Jo has joined the Mesh team after working at the Growth Areas Authority (GAA now VPA) as a Structure Planning Manager. Her role at the GAA involved the preparation of Precinct Structure Plans and DCP across Melbourne's growth areas. Jo has a particular interest in the "on-the-ground" outcomes of the various strategic plans she has worked on and she has extensive experience in the development and implementation of development contribution plans. Specialising in infrastructure funding implementation and review, high level strategic plans, development plan preparation and review, planning scheme amendments. Her knowledge affords her the ability to review and prepare implementation models to support projects to get off the ground in a fair and equitable manner.

EDUCATION

- + Masters in Regional and Resource Planning
- + Bachelor in Science (Geography)

EMPLOYMENT

- + 2012 – Mesh, Principal Consultant Urban Planning
- + 2008 – Growth Areas Authority (now VPA) Structure Planning Manager
- + 2004 – Whittlesea City Council Multiple Strategic Planning Roles
- + 2003 – Ratio Consultants, Strategic Planner

KEY PROJECTS

A selection of major projects Jo has worked on include:

- + Fishermans Bend Infrastructure Contributions Plan (draft), Fishermans Bend Taskforce
- + Fishermans Bend Infrastructure Funding Case Studies, City of Port Phillip
- + Peer review of City of Yarra Municipal DCP, City of Yarra
- + Peer review of the Josephs Road DCP, Maribyrnong City Council and VPA
- + Assisting the VPA with the translation of recent ICPs into the new ICP template to reflect the new land contribution model
- + Maiden Gully DCP, Huntly DCP, City of Greater Bendigo
- + Huntly DCP, City of Greater Bendigo
- + Wangaratta North & South DCPs, Rural City of Wangaratta
- + North Dennington DCP, Warrnambool Shire
- + Implementation and Management of Whittlesea's DCPs, City of Whittlesea
- + Advice to DELW&P regarding the Infrastructure Contributions Plan system

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