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Officers' Reports



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ITEM: {item-no}

**City Planning and Infrastructure
Growth and Investment
Kathryn Seirlis**

Purpose of Report: To seek endorsement of Council officers' position on Amendment C296case to the *Casey Planning Scheme* to inform a future submission on the planning scheme amendment.

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Recommendation

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That Council:

1. Note the preparation of Amendment C296case to the *Casey Planning Scheme* by the Victorian Planning Authority (the planning scheme amendment);
2. Endorse the "Key items for support" and "Key items of concern for objection" in this report, which will inform Council's submission on the planning scheme amendment;
3. Delegate power to the Manager Growth and Investment to make submissions on any other item arising from a review of the planning scheme amendment that is of material concern to Council; and
4. Note the Manager Growth and Investment has delegated authority to make Council's submission on the planning scheme amendment.

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Officer General or Material Interest

No Council officers involved in the preparation of this report have a general or material interest in matters for consideration.

Council Plan Reference

1. Deliver sustainable and adaptable infrastructure and activate places.
2. Grow Casey's current and emerging sectors.
3. Foster environmentally sustainable practices and work towards being climate ready.

Executive Summary

The Victorian Planning Authority (VPA) has prepared Amendment C296case to the *Casey Planning Scheme* (planning scheme) to facilitate the development of the Croskell employment precinct in Cranbourne East (Precinct). The planning scheme amendment proposes to incorporate the *Croskell (Employment)*

Precinct Structure Plan (PSP) and Croskell (Employment) Infrastructure Contributions Plan (ICP) in the planning scheme.

The PSP seeks to deliver over 6,500 jobs within the broader sub-regional Thompsons Road business corridor, including the Dandenong National Employment and Innovation Cluster to the west and the future Officer South State Significant Industrial Precinct to the east.

If implemented appropriately, the PSP provides a unique opportunity to contribute to the realisation of our Council Plan strategic objective to grow Casey's current and emerging sectors and the attendant strategy to support the creation of new jobs for our residents.

The VPA have advised that they will likely publicly exhibit the planning scheme amendment during the forthcoming election period. In this report, Council officers seek endorsement of key positions on the PSP and ICP focussed on realising the above Council Plan strategic objective to inform a future submission on the planning scheme amendment.

Background

Setting

The Precinct is 317 hectares and is bounded by:

- Thompsons Road, an east-west primary arterial road and Principal Freight Network road, to the north;
- Berwick-Cranbourne Road, a north-south primary arterial road, to the east;
- Linsell Boulevard, an east-west secondary arterial road, to the south; and
- Narre Warren-Cranbourne Road, a north-south primary arterial road, to the west.

Thompsons Road located between Berwick-Cranbourne Road in the west and Koo-Wee-Rup Road in Pakenham in Cardinia Shire in the east is a planned future Principal Freight Network road.

Strategic policy context

The following Victorian Government documents provide the strategic policy context for the preparation of the PSP:

- the *South East Growth Corridor Plan* (2012) identifies the Precinct as "Business with Residential";
- the *Melbourne Industrial and Commercial Land Use Plan* (2020) (MICLUP) identifies the Precinct as a "Regionally Significant Commercial Area – Future Growth Area Business with Residential Precinct".

Council Plan

The development of the Precinct provides a unique opportunity to contribute to the realisation of our Council Plan strategic objective to grow Casey's current and emerging sectors and the attendant strategy to support the creation of new jobs for our residents.

Advocacy

Under *Connecting Casey*, Council has consistently advocated for the prioritisation of the Thompsons Road upgrade and extension from Berwick-Cranbourne Road to Koo-Wee-Rup Road to unlock more than 140,000 jobs and strengthen the regional economy.

Council is also a member of the Greater South East Melbourne (GSEM) Group of Councils, for which the upgrade and extension of Thompsons Road is a priority project.

Should the Victorian Government deliver the Thompsons Road upgrade and extension, the Precinct will be centrally located within the broader sub-regional Thompsons Road business corridor, including the Dandenong National Employment and Innovation Cluster to the west and the future Officer South State Significant Industrial Precinct to the east.

Amendment C296case to the Casey Planning Scheme

The VPA has initiated the planning scheme amendment, which incorporates the PSP and ICP in the planning scheme.

Consequential amendments to the planning scheme include, but are not limited to, the incorporation of Schedule 16 to the Urban Growth Zone (UGZ16) and Schedule 3 to the Infrastructure Contributions Overlay (ICO3) into the planning scheme, which will regulate the development of land in the Precinct.

The VPA is awaiting the approval of the Minister for Planning to commence the public exhibition of the planning scheme amendment, which is likely to occur during the forthcoming caretaker period.

Following the public exhibition of the planning scheme amendment, the VPA will refer any unresolved matters for hearing by the VPA Projects Standing Advisory Committee (SAC) in early 2025. The SAC will hear submissions on, and independently assess, the merits of the planning scheme amendment before providing advice to the Minister for Planning and the VPA.

Introduction

The key positions on the PSP and ICP detailed in this report are focussed on realising the above Council Plan strategic objective.

Key items for support

Council officer advocacy has resulted in the following successful outcomes:

1. The draft ICP will fund the acquisition of land for, and the construction of:
 - (a) the extension of Casey Fields Boulevard from Linsell Boulevard in the south located external to the Precinct;
 - (b) signalised intersections on the boundary arterial road interfaces to the Precinct;
2. A balanced approach to native vegetation removal and retention that recognises the regionally significant employment function of the Precinct and maximises the development potential of employment land; and
3. The protection of co-located Aboriginal heritage and native vegetation values to achieve shared objectives in the Precinct.

Key items of concern for objection

Council officers intend to object to the following items.

1. Council as Development Agency for intersection projects located on declared arterial roads

A Development Agency is the agency responsible for the delivery of ICP infrastructure projects.

Thompsons Road, Berwick-Cranbourne Road and Narre Warren-Cranbourne Road are declared arterial roads managed by the Department of Transport and Planning (the Department).

The Department maintains that Council should be the Development Agency responsible for delivering ICP intersection projects located on declared arterial roads.

Council officers disagree with the Department's position. On previous Contributions Plans, intersection projects where Council was Development Agency, the Department's additional design requirements beyond the Contributions Plan reference design and unreasonable delays in granting approvals, required Council to fund shortfalls in the cost of project delivery. Council funded these shortfalls via rates revenue, which diverted funds from other vital community projects.

The Department must be the Development Agency responsible for delivering ICP intersection projects located on declared arterial roads and funding any costs of project delivery above that funded by the ICP.

2. Development Services Scheme

Council officers seek an alternative outcome for the draft Melbourne Water Development Services Scheme (DSS) that identifies land required for drainage in the Precinct that cannot be developed.

The planned extension of Casey Fields Boulevard from Linsell Boulevard in the south to Thompsons Road in the north is integral to the successful development of the Precinct. Council officers submit an alternative DSS must maximise the employment land available for development adjoining the planned extension of Casey Fields Boulevard to secure the construction of this road and other internal local streets and promote good urban design outcomes.

Council officers are advocating for optimised drainage strategy outcomes which locate drainage assets within land in the Urban Floodway Zone as much as practicable, to maximise the employment land available for development in the Precinct.

Should the current draft DSS proceed and development does not occur on the planned extension of Casey Fields Boulevard, there are associated financial implications for Council. Infrastructure contributions will not be collected, meaning ICP projects will be underfunded. This situation may cause significant delays to the development of the Precinct at large, and traffic congestion in the absence of the delivery of the ICP intersection projects located on the boundary arterial roads.

3. Victorian Desalination Project

The planned Casey Fields Boulevard extension will cross the Victorian Desalination Project underground powerline. Council officers have not sighted agreement from Department of Energy, Environment and Climate Action (DEECA) for the construction of the planned Casey Fields Boulevard extension over the underground powerline. Council officers submit that DEECA must provide approval for the planned Casey Fields Boulevard extension to cross the underground powerline to provide confidence this road can be delivered.

4. *For noting: Significant financial shortfall for local sports reserve*

The *Cranbourne East Precinct Structure Plan Development Contributions Plan* (2010) identified two (2) land projects for active playing fields adjoining the Cranbourne East precinct. Council subsequently acquired these two land projects. The construction of the active playing fields was to be funded by the future Contributions Plan that applied to these two land projects.

The Croskell (Employment) PSP now applies to those two land projects; however, only residential development in the Precinct can fund the construction of these active playing fields which the draft ICP describes as a “local sports reserve”. The MICLUP adjusted the land use intentions for the Precinct to a predominantly employment precinct. Consequently, the proportion of residential land located in Precinct available for development to fund the construction of the local sports reserve has significantly reduced.

The local sports reserve will cost approximately \$21M in 2024 dollars. The draft ICP will collect approximately \$3.6M for the construction of the local sports reserve, leaving Council with a funding shortfall of approximately \$17.4M. Council will need to cover this shortfall with a combination of external grant funding and rates revenue. Council’s use of rates revenue impacts Council’s ability to fund other priority projects, including asset renewal, and the timely delivery of the project.

Recommendation

The VPA will likely publicly exhibit the planning scheme amendment during the forthcoming caretaker period.

Council officers seek the endorsement of key positions on the PSP and ICP to inform a future submission on the planning scheme amendment to be made by the Manager Growth and Investment under delegated authority.

Further, Council officers seek Council’s resolution for the Manager Growth and Investment to make submissions on any other item arising from a review of the planning scheme amendment that is of material concern to Council and not detailed in this report.

Community Engagement

Community engagement will occur at the public exhibition of the planning scheme amendment.

Sustainability and Climate Resilience

The PSP will contribute to the achievement of Strategic Objective 3 of the Council Plan and Objective 3 of the *City of Casey Environment Strategy 2021-25*.

Financial Implications

The VPA will fund the cost of the planning scheme amendment.

The Growth and Investment Department operational budget will fund Council’s representation at the future SAC hearing.

Conclusion

The planning scheme amendment provides a unique opportunity to contribute to the realisation of our Council Plan strategic objective to grow Casey’s current and emerging sectors and the attendant strategy to support the creation of new jobs for our residents.

Council officers seek the endorsement of key positions on the PSP and ICP focussed on realising the above Council Plan strategic objective, to inform a future submission on the planning scheme amendment.

Attachments

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