

1 July 2014

**Notice of Motion, Cr Stephen Mayne****Growth area residential development contributions****Motion**

1. That the Future Melbourne Committee requests officers prepare a report to be considered at the Future Melbourne Committee to be held on 12 August 2014, assessing:
  - 1.1 the future community infrastructure needs in the Hoddle Grid in light of record population growth
  - 1.2 whether Council should formally write to the Minister for Planning requesting that he prepare a Planning Scheme Amendment under Clause 20(4) of the *Planning and Environment Act 1987* to introduce development contributions for residential apartment development in the Hoddle Grid and the amount of any developer contribution per apartment to be requested
  - 1.3 the equivalent amounts levied in other Australian capital cities and neighbouring municipalities in metropolitan Melbourne.

**Background**

The City's urban renewal areas need new and upgraded infrastructure to support their new populations. Through Planning Scheme Amendment C208, Council is proposing to put in place a mechanism for new development to contribute to a share of the costs of this infrastructure.

Amendment C208 proposes to apply a Development Contributions Plan Overlay (DCPO) over the two urban renewal areas of Southbank and City North (the amendment was to have included Arden-Macaulay but pending a decision on the East West Link, the Arden-Macaulay component of Amendment C208 has been deferred.) The Development Contributions Plan has a 15 year timeframe and ensures a fair and consistent sharing of the cost of providing new infrastructure between developers and the wider community.

The Development Contributions Plan will help fund public infrastructure including streetscape upgrades, upgrades to drainage infrastructure, and community centre facilities. This will benefit existing and new residents and workers in these two areas. The proportion of the total cost of this infrastructure that would be met by the contribution is estimated to be 18.46% in Southbank and 10.61% in City North.

Through planning scheme Amendment C209 Public Open Space Contributions, Council is putting in place a mechanism for new development to contribute a share of the costs for new public open space creation and improvements across the municipality. This will include improved public open space provision in the Hoddle Grid area.

The Municipal Strategic Statement designates the Hoddle Grid area as a high growth area. It is currently the fastest growing area of the City with unprecedented levels of new high density residential development. This is leading to new residential populations far in excess of what Council has planned for this area. Indeed, in 2013 City of Melbourne had the fastest percentage growth (11%) in residential population of any municipal area in Australia and much of this is occurring in the Capital City Zone, which includes the Hoddle Grid.

As with other fast growing areas of the City, new infrastructure such as community facilities and streetscape upgrades will be required to support new residents. Development contributions from developers should be required to ensure a fair and consistent sharing of the cost of providing new infrastructure between developers and the wider community.

Apartment developers in capital city councils such as Brisbane and Sydney make substantial contributions to infrastructure development and this report will explain the different systems and levies currently in operation.

It is also noteworthy that the Planning Minister has introduced a levy of almost \$16,000 per apartment in Fishermans Bend. In May this year he also announced that a new Local Infrastructure Plan will commence on July 1, 2015 which will levy residential developments in identified Strategic Development Areas within the metropolitan area at the rate of \$4500 per dwelling.

**Moved:** Cr Mayne