

Report to the Future Melbourne (Planning) Committee

Agenda item 6.9

Melbourne Planning Scheme Amendment C208 Development Contributions Plan

6 May 2014

Presenter: David Mayes, Manager Strategic Planning

Purpose and background

1. The purpose of this report is to present the outcomes of the exhibition of *Melbourne Planning Scheme Amendment C208 Development Contributions Plan (Amendment)*, proposed revisions to the Amendment and to recommend the Committee request the Minister for Planning appoint a panel to consider the Amendment and the submissions.
2. At its 4 June 2013 meeting the Future Melbourne Committee resolved to seek authorisation from the Minister for Planning to prepare and exhibit Melbourne Planning Scheme Amendment C208 which proposes to apply the Development Contributions Plan Overlay (DCPO) to the urban renewal areas.
3. The Minister for Planning granted authorisation on 5 August 2013. However following authorisation the panel considering Amendment C190 Arden-Macaulay decided to defer that panel hearing until the alignment of the proposed East West Link road was decided by the Victorian Government. As the Arden-Macaulay component of Amendment C208 was dependant on Amendment C190, this component was removed from the Amendment C208 before it was placed on exhibition. It will be reviewed and exhibited as a separate amendment at a later date.
4. The infrastructure funded through the Development Contributions Plan will benefit existing and new residents and workers in the two urban renewal areas. It is anticipated that funds raised will contribute up to 18.46 per cent in Southbank and 10.61 per cent in City North of the total cost of the infrastructure in the DCPO.
5. The Amendment (excluding the Arden-Macaulay component) was placed on public exhibition from 31 October to 16 December 2013. Fifteen submissions were received. A summary of all submissions is at Attachment 2. A response to the issues raised in submissions is at Attachment 3.

Key issues

6. The main issues raised by submissions include that the DCPO is an unreasonable impost on development, that it is not justified in areas where extensive infrastructure already exists, that the calculation of the amount of the contribution rates and apportionment of contributions is inappropriate and that there is a lack of strategic justification.
7. After considering all of the issues raised in the submissions the only recommended change to the Amendment is to improve the definition of 'Net Lettable Area'. This has been included in the Amendment documentation.

Recommendation from management

8. That the Future Melbourne Committee resolves to:
 - 8.1 note management's assessment of the submissions as set out in Attachments 2 and 3
 - 8.2 request the Minister for Planning appoint an Independent Panel to consider the submissions to the Melbourne Planning Scheme Amendment C208
 - 8.3 note that the form of the Amendment to be presented to the Independent Panel will be in accordance with Attachment 4.

Attachments:

1. Supporting Attachment
2. Summary of submissions
3. Response to submissions
4. Explanatory Report

Supporting Attachment

Legal

1. Division 1 and part 3 of the *Planning and Environment Act 1987* (Act) deal with planning scheme amendments, setting out provisions for the exhibition and notification of the proposed planning scheme amendment and consideration of submissions. Section 23(1) of the Act provides that:

After considering a submission which requests a change to the amendment, the planning authority must:

- (a) change the amendment in the manner requested; or*
- (b) refer the submission to a panel appointed under Part 8; or*
- (c) abandon the amendment or part of the amendment.*

The recommendation made in the report is consistent with the Act.

Finance

2. The costs associated with the recommendation to progress to an Independent Panel is estimated to be \$60,000 and has been provided for in the draft Strategic Planning 2014-15 operating budget.
3. The total cost of the proposed infrastructure for the two areas is \$110.3 million (Net Present Value). The money collected via the DCP is expected to contribute \$16.1 million (NPV) which is 14.60 per cent of the total cost of the proposed infrastructure. The remaining cost will be met by Council.

Conflict of interest

4. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Stakeholder consultation

5. The Amendment was exhibited in accordance with the Act. The Amendment was placed on exhibition between 31 October 2013 and 16 December 2013. Public Notices were placed in the Melbourne Leader (28 October 2013), the Melbourne Times, the Age Business and the Financial Review (30 October 2013) and Government Gazette (31 October 2013).
6. The Amendment and supporting information was available at the City of Melbourne Planning counter in Council House 2 and on the City of Melbourne and Department of Transport, Planning and Community Infrastructure websites.
7. Notice of the Amendment was sent to owners of land directly affected as well as a range of stakeholders, authorities, industry associations or organisations, resident associations and to the prescribed Ministers.
8. All submissions received in response to the exhibition of the Amendment will be provided to the Panel. Submitters will also have the opportunity to address the panel.

Relation to Council policy

9. The Amendment is consistent with the City North Structure Plan 2012 and the Southbank Structure Plan 2010.

Environmental sustainability

10. The Amendment will help the construction of new and upgraded infrastructure that will improve the environmental sustainability of each of the urban renewal areas.

Planning Scheme Amendment C208 - Development Contributions
Plan

Summary of Submission Received from Exhibition

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Submitter	1. CEL Australia
Subject Land	Carlton Brewery Site
Key Issue/s	<ul style="list-style-type: none"> • Subject site is subject to its own specific planning controls which make considerable improvements to the public realm • Works in kind
Summary	<ol style="list-style-type: none"> 1. CEL Australia Pty Ltd owns land within the Carlton Brewery site, located within the Comprehensive Development Zone. 2. CEL own and seek to develop a parcel of land on the south western corner of the CUB site which has frontages to Victoria Street and Bouverie Street and an approximate site area of 2,900sqm. 3. CEL purchased the site in late 2012 and the lodgement of a planning application for the development of this site is imminent. 4. Submission is based on the development site which is subject to its own specific planning controls which have envisaged high density development on this site for a number of years. 5. The specific planning controls require developments to make considerable improvements to the public realm already and the incorporated document does not identify specific Development Contributions for this site. 6. The proposed Schedule 3 to the Development Contributions Overlay does not allow for significant public realm improvements to be taken into account as lieu of cash contributions. 7. The CUB site has been earmarked for higher density development and a considerable body of work and planning has been undertaken to ensure this outcome is achieved. The outcome of this work is the Comprehensive Development Plan (Incorporated Document) and Carlton Brewery Masterplan October 2007 (Reference Document). 8. Melbourne City Council, Heritage Victoria and DTPLI have been involved with the masterplanning and specific planning controls for this site. These controls place a considerable emphasis on improvements to the public realm and all development is encouraged to make a contribution to the public realm as part of any development proposal on this site. 9. No specific development contributions are required to be paid under the current Incorporated documents or site specific controls.
Management Response	<ol style="list-style-type: none"> 1. These issues were raised by other submitters. See Attachment 3 for management response to key issues raised by submissions.

Recommended Change/s No changes recommended

Submitter	2. Diabetes Australia, Victoria
Subject Land	570 Elizabeth Street, Melbourne & 206 Queensberry Street, Carlton
Key Issue/s	<ul style="list-style-type: none"> • Generally supportive of the amendment intention. • Seeking clarification on the detail of how developers would contribute and the financial implications.
Summary	<ol style="list-style-type: none"> 1. Diabetes Australia, Victoria supports the need to plan for and resource appropriately the provision of amenities for the use of residents and businesses. 2. Would like to see more physical activity encouraged through an extension of pedestrian and bicycle networks, complementing the potential addition of two new metro stations within the City North precinct. 3. Documentation is not clear about exactly how developers and others would contribute towards the cost of any new infrastructure in the City North precinct and what the likely financial implications would be for residents and businesses.
Management Response	<ol style="list-style-type: none"> 1. Noted 2. The detail and strategic basis for the amendment is included in the City North and Southbank Development Contributions Plan September 2013 report. This report will be incorporated into the Melbourne Planning Scheme.
Recommended Change/s	No changes recommended

Submitter	3. VicRoads
Subject Land	Various arterial roads including City Road
Key Issue/s	<ul style="list-style-type: none"> • Role of key roads as declared arterial roads, in particular City Road. • City Road Masterplan 2014 Project and Consultant Brief • Includes a list of declared arterial roads that are identified in the DCP which may downgrade traffic capacity of the network.
Summary	<ol style="list-style-type: none"> 1. VicRoads has provided comments throughout 2011 & 2012, in particular providing comments on both the City North and Southbank Structure Plans noting they include a number of high level aspirational proposals and make many road network assumptions which are dependent upon the delivery of state infrastructure and significant mode shifts. 2. VicRoads supports the City of Melbourne’s efforts to transform the local road network to accord with councils desire to create streets and that are designed as places, not just as thoroughfares to encourage social interactions and to create distinct and inviting spaces that people choose to be in, however VicRoads has a state declared arterial road network which has competing demands. 3. VicRoads has highlighted the role of City Road as a strategic arterial road, and the need to retain the existing capacity and function for motor vehicles and as an alternative route related to the Burnley Tunnel. This function is recognised through the designation of City Road as a traffic route in the adopted Network Operating Plan. 4. In 2010 the Planning Panel recognised the significant upgrade aspirations sought by the City of Melbourne for City Road would be unlikely to be delivered. It recommended Council focus on landscape enhancements to soften the pedestrian realm and identify alternative bypass routes for cyclists. 5. VicRoads have provided comments on the draft “City Road Masterplan 2014 Project and Consultant Brief” including recognition of the 2010 Planning Panel comments and the adopted Network Operating Plan. 6. VicRoads has not received a response to suggested modifications and seeks a copy of the City Road Masterplan 2014 Project and Consultant Brief” that was subsequently issues by the City of Melbourne. 7. There are a number of VicRoads declared arterial roads that are identified in the DCP and which may downgrade traffic capacity of the network. These include: <ul style="list-style-type: none"> • \$41.7 million for Elizabeth Street (Bwtwenn Haymarket and A’Beckett Street) • \$36.6 million for City Road (between StKilda Road and West Gate Freeway) • \$28.2 million for Sturt Street (between Kings Way and City Road)

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- \$24.9 million for Peel Street (Between Haymarket and A'Beckett Street)
 - \$14.9 million for Victoria Street (between Swanston Street and Capel Street)
 - \$13.5 million for Clarendon Street (between City Road and Yarra River)
 - \$11 million for Normanby Road (between West gate Freeway and Clarendon Street)
 - \$11 million for Westgate Freeway undercroft
 - Intersection and traffic signals
8. These roads are all declared VicRoads arterial roads and VicRoads has a responsibility under the Road Management Act to manage the use of roads to “minimise any adverse effect on the safe and efficient operation of the road” and to “manage traffic on roads in a manner that enhances the safe and efficient operation of roads”
9. VicRoads requires more detail for the City of Melbourne on the proposed treatments to the above arterial roads. The detailed Cost Opinion Report together with the new Incorporated Document does not provide sufficient information to enable a proper consideration of the impacts.

Management Response

1. The City of Melbourne acknowledges the role of key roads as declared arterial roads such as City Road, Southbank in the overall function of the road network.
2. In developing this Amendment, the City of Melbourne has worked closely with VicRoads to ensure any proposed works to roads which are included in the list of declared arterial roads do not compromise the functionality or purpose of the road. The scope of works proposed is intended to improve pedestrian amenity. The proposed works are improvements to the footpath environs and not within the roadway itself. The City of Melbourne will continue to liaise and work with VicRoads and understands any changes proposed will need the approval of VicRoads.
3. The City Road Masterplan 2014 Project and Consultant Brief is a long term project which is consistent with the intent of Amendment C208. VicRoads have been involved and will continue to be involved in the process of developing that Masterplan.

Recommended Change/s No changes recommended

Submitter	4. Central Equity
Subject Land	Various land parcels in the Southbank precincts
Key Issue/s	<ul style="list-style-type: none"> • Imposition of a further cost on development in addition to other charges and taxes. • Nexus
Summary	<ol style="list-style-type: none"> 1. Central Equity questions the need to impose a further cost on development in the specified areas when considering the authority's charges already associated with achieving a development approval and taking a project through to completion. 2. Charges include State Land Tax and Council rates annually, contributions payable to City West Water for sewer connection and water supply, contributions payable to Melbourne Water for land in flood prone areas, open space contributions. 3. Currently most large scale developments already include upgrade works in the public realm funded by the developer under Council specifications. These works typically include replacing asphalt footpaths with sawn bluestone paving, new street trees and installation of bicycle racks. 4. There is no clear provision in the amendment which would require the contribution to be spent in close proximity to the project from which it is collected. 5. Immediately after individual apartment titles are issued by the Titles Office, council begins to levy municipal rates. For a period of time many of the apartments and car parking lots are still in the hands of the developer awaiting settlement. These extra rates are included in an increased cost base. 6. Following the settlement of sale contracts in a completed apartment or commercial building, the Council immediately begins charging municipal rates based on the Net Annual Value of the lot. 7. Charging a new levy will not only add to the cost base of a development, but the method in which it is proposed will create a distortion in the cost base depending on the size, value and pricing within a development.
Management Response	<ol style="list-style-type: none"> 1. These issues were raised by other submitters. See Attachment 3 for management response to key issues raised by submissions.
Recommended Change/s	No changes recommended

Submitter	5. South East Water
Subject Land	N/A
Key Issue/s	No objection to the amendment.
Summary	<ol style="list-style-type: none">1. No objection to amendment.2. Owners of land must enter into an agreement with South East Water fir the provision of sewerage and potable water supply and fulfil all requirements to its satisfaction.
Management Response	<ol style="list-style-type: none">1. Noted
Recommended Change/s	No changes recommended

Submitter	6. Mirvac
Subject Land	Various land parcels in Southbank including 1, 2, 4 and 6 Riverside Quay, Southbank
Key Issue/s	Provision for works in kind 'double up' in public realm costs
Summary	<ol style="list-style-type: none"> 1. Mirvac Australia Limited own a significant area of land on Southbank which fall within the 'north' DCP Charging area. 2. Mirvac supports the principle to apply development contributions to the future upgrading of the overall Southbank area, however there needs to be more discretion within the Planning Scheme to take into account works in-kind where appropriate. 3. Currently in the process of putting together a planning application to construct an office development above the existing car park building located at 2 Riverside Quay. It is proposed to significantly improve the public space area which is currently a large paved area 4. The proposed Schedule 2 of the Development Contributions Overlay does not allow for project related significant public realm improvements to be taken into account in lieu of cash contributions. 5. Given the significant works to the public realm (outside the title boundary) proposed by the development at 2 Riverside Quay, there will be a significant 'double up' in the public realm costs if the DCP is applied as currently drafted. 6. Submitter believes that an individual merit based approach would be more appropriate whereby an individual proposal be assessed having regard to the type of development and the provision of public realm improvements being provided as part of the individual development. 7. Submitter does not support the proposed contribution payment system in its current form and believes individual cases need to be taken into account, particularly those which are providing already contributing to significant portion of the development cost to public realm improvements.
Management Response	1. These issues were raised by other submitters. See Attachment 3 for management response to key issues raised by submissions.
Recommended Change/s	No changes recommended

Submitter	7. Urban Enterprise
Subject Land	84-90 Queensbridge Street Southbank
Key Issue/s	<ul style="list-style-type: none"> • Lack of strategic justification • Cost Apportionment • Nexus • Infrastructure categories • Non residential demand units • Development projections • Works in kind • Document review • Active permit applications
Summary	<ol style="list-style-type: none"> 1. Urban Enterprise is acting on behalf of D&L Harris Investments Pty Ltd and Shriar Nominees Pty Ltd. 2. A number of issues have been identified which should be addressed to ensure the DCP provides an equitable and appropriate mechanism for delivering infrastructure in the Southbank area. <p><i>Lack of strategic justification</i></p> <ol style="list-style-type: none"> 3. The DCP lacks detail regarding the scope and location of infrastructure items to be funded. This is a serious issue which restricts meaningful analysis of the appropriateness of the DCP in its current form, eg 'local streetscape and drainage upgrades' are not further specified beyond the general charge area within which they are to be delivered. This makes analysis of the appropriateness of the scope, cost, location and apportionment of these items difficult and in most cases impossible. 4. The DCP provides no detail relating to the strategic justification of infrastructure items to be funded beyond a brief reference to the AECOM report. 5. It is unclear how the local streetscape and drainage upgrade items have been translated into the relevant DCPs. For example in Southbank the AECOM report estimates that local streetscape and drainage upgrades required will cost at least \$290m, however the DCP proposes to collect approximately \$30m for these projects. 6. It has not been demonstrated in the DCP or supporting AECOM report that the infrastructure to be funded through the DCP is required to support the projected development, it also not clear which items or which components of items costed in the AECOM report are to be delivered through the DCP. 7. The DCP should be amended to accord with the DCP Guidelines by providing greater detail regarding each individual project to be funded including the

location of the item, the proposed scope of works, the cost estimate for each component of the scope of works and the strategic justification for the item.

Cost Apportionment

8. It is considered that 50% of the cost of any items located on the boundary of the DCP area should be externally apportioned (eg Dorcas Street), and the cost of any items which are on the boundary between two charge areas should be equally apportioned to those two charge areas to ensure an equitable approach to cost apportionment.

Nexus

9. DCPs are required to demonstrate a nexus between the development that will be charged a levy and the infrastructure to be funded.
10. It is considered that development in the Southbank North Charge Area will not derive any substantial benefit from the streetscape improvements to Sturt Street, despite the cost of this item being apportioned to the North Charge Area. This is a major infrastructure item and it is submitted that the nexus between the item and the North Charge Area has not been demonstrated.

Infrastructure Categories

11. The 'public realm' category includes all road upgrades, road drainage upgrades, streetscape improvements and intersection upgrades and signalisation. The infrastructure items relating to roads, intersections and drainage upgrades are not appropriately categorised as public realm works.
12. The DCP should more clearly and appropriately delineate between road, drainage and streetscape infrastructure and express levies and costs accordingly.

Non Residential Demand Units

13. The DCP proposes to collect levies for non-residential floorspace on the basis of Net Lettable Area (NLA). NLA is not defined in the DCP and it is not clear whether development contributions would be payable for floorspace dedicated to ancillary uses such as circulation/access, lifts, service areas and storage areas.
14. Clear definition of Net Lettable Area should be included in the DCP, including clarification of whether levies will apply to car parking and other ancillary areas.

Development Projections

15. The total number of dwellings projected to be constructed in Southbank according to the DCP (2016 and 2029) is 3,914, however it is considered that development projections may exceed this estimate.
16. Underestimating the amount of future development and therefore the number of demand units in the DCP area has the effect of underestimating the funds that will be collected throughout the DCP timeframe.

Works in kind

17. It is considered that the DCP should include more detail regarding the arrangements for works in-kind under the DCP, including the types of times which would be accepted by Council as works in-kind and a description of the method by which credits for works delivered in kind would be provided.

Document Review

18. The DCP does not specify a period within which the document is to be reviewed. The DCP should specify a review period of no more than 5 years.

Active Permit Applications

19. The DCP will come into effect whilst a number of permit applications are active. It is noted that development contributions cannot be collected for permitted development, and that contributions cannot be collected retrospectively. Confirmation is sought that if a planning permit is issued for a development prior to gazettal of the DCP contributions are not payable in respect of that development.

Management Response

1. These issues were raised by other submitters. See Attachment 3 for management response to key issues raised by submissions.
2. In relation to the definition of 'Net Lettable Area', in order to clarify this matter the amendment documentation, specifically Schedule 2 & 3 to the Development Contributions Plan Overlay will be amended to include this definition.

Recommended Change/s

1. Schedule 2 & 3 to the Development Contributions Overlay will be amended at sub clause 3.0 *Summary of Contributions* to include a definition of Net Lettable Area.
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Submitter	8. Public Transport Victoria
Subject Land	Various locations in Southbank and City North
Key Issue/s	<ul style="list-style-type: none"> The DCP should be amended to include construction of tram stops within Southbank and City North
Summary	<ol style="list-style-type: none"> In May 2003, a Ministerial Direction relating to the preparation and content of development contributions plans was issued permitting planning authorities to collect funds, via a Development Infrastructure levy, for a variety of infrastructure including 'construction of public transport infrastructure, railway stations, bus stops and tram stops'. The amendment should include construction of tram stop upgrades within Southbank and City North as there is a clear need for the tram stop upgrades and a strong nexus with the ongoing development within the precincts. This is consistent with the infrastructure funding principles in the DCP. PTV has identified two tram stops that are planned for upgrade in the City North precinct and six tram stop upgrades planned within the Southbank precinct. The Tram stop upgrades within the City North precinct total a cost of \$2,520,000 and within the Southbank precinct \$10,080,000.
Management Response	<ol style="list-style-type: none"> Noted. The City North and Southbank Development Contributions Plan September 2013 does not include the construction of tram stop upgrades. Any review of the DCP will endeavour to include the construction of tram stop upgrades in the future.
Recommended Change/s	No changes recommended

Submitter	9. Peter R Hirst
Subject Land	Owners 333 Queensberry Street North Melbourne
Key Issue/s	<ul style="list-style-type: none"> • Major redevelopment sites already developed • Discourages 'sustainable' & small format development • Questions the location of community facility & benefit • Design will be influenced by financial means – contrary to good planning
Summary	<ol style="list-style-type: none"> 1. The dollar quantum is not reasonable and the works resulting from such contribution plan benefit a broader base than those within the area over which the amendment applies. 2. Untimely, does not pick up on major redevelopment sites which have already been developed. 3. Discourages redevelopment at a time when energy conservation development close to facilities and existing infrastructure is necessary for betterment of our environment. 4. Based on the number of residential units, it discourages small format and mixed housing types. 5. Much of the infrastructure upgrades have been undertaken over the last 5 years and hence already paid for. 6. Location of new community facility not nominated and if beyond 400m from the submitters property the benefit of this facility would be questionable. 7. Sites are not conducive to 'family' housing, therefore the benefit of a community hub would be questionable. 8. Contrary to good planning in that will influence design by financial means contradictory to best land use modelling.
Management Response	<ol style="list-style-type: none"> 1. These issues were raised by other submitters. See Attachment 3 for management response to key issues raised by submissions.
Recommended Change/s	No changes recommended

Submitter	10. ERM
Subject Land	199-205 Peel Street, North Melbourne
Key Issue/s	<ul style="list-style-type: none"> • Timing of payments • Contribution amount excessive.
Summary	<ol style="list-style-type: none"> 1. ERM acts on behalf of Piccolo Developments Pty Ltd who own the subject land. 2. Recognise the benefits of implementing the Community Infrastructure Levy will serve the growth of resident, worker and visitor populations in the Southbank and City North areas, however the submitter considers the payment should be required at occupancy certificate stage, not prior to issuing of a Building Permit. Projects that receive a building permit will not necessarily be constructed and if they are constructed they may be subject to changes that could influence the rate of contribution required. 3. Clause 5.0 of the proposed Schedule 3 to the Development Contributions Plan Overlay and Section 7.1 of the City North and Southbank Development Contributions Plans' document be amended accordingly. 4. Submitter also considers the contribution amount to be excessive and requests that a reduction be considered.
Management Response	1. These issues were raised by other submitters. See Attachment 3 for management response to key issues raised by submissions.
Recommended Change/s	No changes recommended

Submitter	11. Southbank Residents Group Inc
Subject Land	N/A
Key Issue/s	<ul style="list-style-type: none"> • Supports amendment. • Requests that Council still commit to the infrastructure should it not come as forecasted.
Summary	<ol style="list-style-type: none"> 1. Southbank Residents Group would like to formally thank the City of Melbourne for their community consultation and subsequent opportunity to make a submission to the amendment. 2. Southbank Residents Group supports this amendment and would like to congratulate Council for their creative business acumen to ensure developers contribute to the infrastructure costs associated with a growing suburb owing to their ongoing developments. 3. Question whether the future development modelling, as determined by Council will actually come to fruition to the extent anticipated. Southbank Residents Group requests that should the development not come as forecasted that Council will still commit to the infrastructure investment as detailed by Council.
Management Response	1. Noted.
Recommended Change/s	No changes recommended

Submitter	12. Property Council of Australia
Subject Land	N/A
Key Issue/s	<ul style="list-style-type: none"> • Subject areas already have extensive existing infrastructure. • Works in kind • Timeframe of DCP • List of projects • Nexus
Summary	<ol style="list-style-type: none"> 1. The Property Council of Australia supports the efforts of the City of Melbourne to improve and expand infrastructure and services in key areas of the city and recognise that both the City North and Southbank precincts will accommodate a large proportion of future housing and employment growth, the success of which will depend on the areas having adequate infrastructure. 2. City North and Southbank already have extensive existing infrastructure and the submitter considers developments in these areas should not be subject to a standard levy of any type. 3. In established areas s.62 of the Planning and Environment Act already provides adequate scope for individual development sites to make contributions towards off site and on site infrastructure. 4. Submitter considers that there has been inadequate consideration of a works-in-kind mechanism and that there is a n absence of justification for the inclusion of certain infrastructure items. Concern is also expressed regarding the time frame over which the DCPs will apply the mechanism whereby unspent moneys collected as DCPs are distributed or returned to the developer. <p><i>List of Projects</i></p> <ol style="list-style-type: none"> 1. The Property Council has long been concerned that the cumulative effect of new fees and charges are undermining Victoria’s long term development and jousting affordability advantages. The impacts of increases in the cost of development are borne by homebuyers. 2. The report by SGS Economics contains the proposed infrastructure projects list, many which are public realm or drainage upgrade works. In a submission to the Standard Development Contributions Review (Nov 2012), the Property Council stated that the drainage charge should be excluded from the established parts of Melbourne. Southbank and City North precincts are both considered established areas. 3. Major drainage issues are picked up through Melbourne Water charges in the established suburbs of Melbourne. Council should fund drainage improvements in established areas for smaller catchment areas through

ongoing rates and charges, not through a standard drainage charge.

Recommendation 1

Drainage improvements should not be included in the list of projects to be funded by development contributions.

Local charges for local infrastructure

4. There must be a clear nexus between the collection of DCP funds and the funds spent by Council. Recommend that a mechanism is implemented whereby the DCP funds collected from the developer(s) that are not spent on the allocated infrastructure within a reasonable timeframe are reimbursed to the developer(s). There must be an equal onus on Council to deliver infrastructure in a timely manner once the funds have been collected.
5. The unwillingness of the City of Melbourne to consider a clear and fair works-in-kind structure and mechanism is unacceptable. Developers have a vested interest in ensuring that the public realm around their projects is of high amenity and that there is adequate infrastructure and service provision, many will seek to deliver streetscape upgrades or similar improvements as part of their works. This should be welcomed by the City of Melbourne as it achieves the aim of improving community infrastructure and should be recognised as discharging some or all of the development's obligations under any DCP regime.

Recommendation 2

Implement a clear and transparent mechanism whereby the DCP funds collected from the developer(s) that are not spent on the allocated infrastructure within a reasonable timeframe are reimbursed to the developer(s).

Recommendation 3

Implement a clear and transparent works in kind regime for the delivery of infrastructure in lieu of cash payments of development contributions.

Project timeframes

6. Submitter is concerned the 'Ending year' for the infrastructure projects is too long. There is no provision made for funds collected but not spent by the anticipated ending year.
7. It would not be appropriate or equitable to expect present day development to pay for the provision of infrastructure that not only benefits existing surrounding users, but also those, but not guaranteed, to exist in excess of a decade in the future.

Recommendation 4

Establish a mechanism whereby funds collected but not expended by the anticipated ending year of a project be returned to the developer(s).

Management Response	1. These issues were raised by other submitters. See attachment 3 for management response to issues raised by submissions.
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Recommended Change/s	No changes recommended
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Submitter	13. John Cicero, Best Hooper Solicitors
Subject Land	Vacant site bounded by Kavanagh, Power and Balston Streets, the Westgate Freeway and the Citylink Operations Maintenance Building, Southbank.
Key Issue/s	<ul style="list-style-type: none"> • Any levy should be fair and reasonable. • Nexus. • Detail of proposed project list.
Summary	<ol style="list-style-type: none"> 1. Acting on behalf of Dynasty Falls Pty Ltd (a member of the Banco Group of Companies) 2. Submitters client owns a significant site in Southbank and does not oppose, in principal a Development Contributions Scheme for the Southbank area, it is concerned to ensure that any development levy is fair and reasonable and has the appropriate nexus to the works that are proposed to be funded by the development levies raised. 3. Relying in part on the advice from Urban Enterprise, the works that are proposed to be funded by the development levy are not clearly articulated, and therefore, the submitter cannot be satisfied at this stage that the Development Contributions Plan is fair and reasonable and has the appropriate nexus that will result in a tangible benefit to its substantial holding.
Management Response	1. These issues were raised by other submitters. See attachment 3 for management response to issues raised by submissions.
Recommended Change/s	No changes recommended

Submitter	14. The University of Melbourne
Subject Land	Various
Key Issue/s	<ul style="list-style-type: none"> • Works in-kind • Lack of strategic justification • Definition of Net Lettable Area • Review period for DCP should be no more than 5 years & 15 year DCP timeframe for Southbank has been underestimated.
Summary	<ol style="list-style-type: none"> 1. The University of Melbourne supports in principle the concept that developers who reap financial benefits from catering for expected growth, the University seeks to understand better from the City of Melbourne how the University's unique role as a community organisation playing a key role in the development of both the Knowledge and Arts Precincts will be taken in to account when the Amendment is finalised. 2. The University seeks to have recognised the role that University funded public space plays in benefitting existing and new residents and workers in the City North and Southbank areas noting the recent history of collaboration and proposed co-development of areas such as University Square and Dodds Street. 3. The DCP should include more detail regarding the types of items accepted as works in-kind and a description of the method by which credits for works delivered in kind would be provided. 4. There is limited strategic justification for infrastructure items included in the DCP and should be amended to provide greater detail regarding each individual project to be funded. 5. 50% of the cost of items located on the boundary of the DCP areas should be externally apportioned. 6. The relationship between development in the areas north of Queensberry Street and streetscape improvements to Victoria Street is questioned. 7. The DCP should delineate between road, drainage and streetscape infrastructure and express levies and costs accordingly. 8. A clear definition of Net Lettable Area should be included in the DCP. 9. The DCP should specify a review period of no more than 5 years. 10. It is considered that the number of demand units in the Southbank area over the 15 year DCP timeframe may have been underestimated and should be reviewed. 11. The University also seeks confirmation that there would be an offset applicable from any conditions that place obligations on permits involving contributions of a similar nature.

Management Response	1. These issues were raised by other submitters. See attachment 3 for management response to issues raised by submissions.
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Recommended Change/s	No changes recommended
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Submitter	15. Urbis
Subject Land	38 Power Street, Southbank
Key Issue/s	<ul style="list-style-type: none"> • Lack of detail with the projects & cost. • Nexus. • Unclear with the extent of works and allocation of costs between existing, new development and users. • Demand for drainage infrastructure is questioned.
Summary	<ol style="list-style-type: none"> 1. Acting on behalf of GL Investments Pty Ltd who have just completed the purchase of the property at 38 Power Street Southbank with the intention of developing the site for a hotel and residential apartments. 2. The submitter raises a number of concerns with the proposed DCP, these include: 3. It is not readily apparent what the proposed public realm improvements are and how they seek to respond to the current and ongoing development of the Southbank precinct. 4. It is not apparent how the costs of the public realm improvements are allocated between the existing development and population of Southbank with the yet to be commenced development and new population. 5. What is the direct nexus between the proposed public realm improvements and the development of sites such as 38 Power Street actually is. 6. The SGS report makes reference to the fact that employees spend 'substantial time out in the public domain' and concludes that the correct measure is to equate employees with residents on a like for like basis. In the case for Southbank, 1.79 employees will generate the same demand for the public realm improvements and drainage as a household, yet most employees are likely to spend only a small part of their working day outside their workplaces. 7. Difficult to understand the extent of the works involved and the allocation of share of costs between existing development, new development and external users. The two largest public realm projects involve City Road and Sturt Street, both of which are major thoroughfares serving a broader network, it is not clear what weighting if any has been applied to the works. 8. The actual demand for drainage is principally a measure of covered surface area not the number of employees or residents, the usefulness and accuracy of using this measure to derive a 'demand' for infrastructure works is questioned. 9. The extent of drainage works required to accommodate new and additional development is also unclear given that the Southbank precinct is virtually fully surfaced and the likelihood of additional drainage demand being generated by the development of sites is likely to be very small or negligible

Management Response	1. These issues were raised by other submitters. See attachment 3 for management response to issues raised by submissions.
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Recommended Change/s	No changes recommended
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List of Submitters

#	Contact	Address	Acting on behalf/Affected property
1	Nghia Pham Development Manager CEL Australia	Level 9, 420 St Kilda Road MELBOURNE VIC 3004	Carlton Brewery Site
2	Craig Bennett Chief Executive Officer Diabetes Australia, Victoria	570 Elizabeth Street MELBOURNE VIC 3000	570 Elizabeth Street, Melbourne & 206 Queensberry Street, Carlton
3	Nicholas Fisher Director, Transport and Planning VicRoads	Metropolitan North West Region 499 Ballarat Road SUNSHINE VIC 3020	Various arterial roads including City Road, Southbank
4	John Bourke Director Central Equity	32 Power Street SOUTHBANK VIC 3006	Various land parcels in the Southbank precincts
5	Darren Woodward Team Leader land Development South East Water Corporation	Locked Bag 1 MOORABBIN VIC 2189	
6	Mark van Miltenburg Senior Development Manager Mirvac	Level 5, Q3, 6 Riverside Quay SOUTHBANK VIC 3001	Various land parcels in Southbank including 1, 2, 4 and 6 Riverside Quay, Southbank
7	Matt Ainsaar Managing Director Urban Enterprise	389 St Georges Road NORTH FITZROY VIC 3068	84-90 Queensbridge Street Southbank
8	Ray Kinnear Director, Network Planning Public Transport Victoria	PO Box 4724 MELBOURNE VIC 3001	Various locations in Southbank and City North
9	Peter R Hirst	333 Queensberry Street NORTH MELBOURNE VIC 3051	333 Queensberry Street NORTH MELBOURNE VIC 3051
10	Michael Guy Planner, Impact Assessment and Planning ERM	Level 3, Tower 3 World Trade Centre 18-38 Siddeley Street DOCKLANDS VIC 3005	Piccolo Developments Pty Ltd 199-205 Peel Street, North Melbourne
11	Tony Penna President Southbank Residents Group Inc	PO Box 1195 SOUTH MELBOURNE VIC 3205	
12	Jennifer Cunich Executive Director Property Council of Australia	Level 7, 136 Exhibition Street MELBOURNE VIC 3000	

#	Contact	Address	Acting on behalf/Affected property
13	John Cicero Principal Best Hooper Solicitors	563 Little Lonsdale Street MELBOURNE VIC 3000	Dynasty Falls Pty Ltd (a member of the Banco Group of Companies) Vacant site bounded by Kavanagh, Power and Balston Streets, the Westgate Freeway and the Citylink Operations Maintenance Building, Southbank.
14	Chris White Executive Director Property and Campus Services The University of Melbourne	Level 1 625-631 Swanston Street CARLTON VIC 3053	
15	Michael Barlow Director Urbis	Level 12, 120 Collins Street MELBOURNE VIC 3000	GL Investments Pty Ltd 38 Power Street, Southbank

MELBOURNE PLANNING SCHEME AMENDMENT C208 – DEVELOPMENT CONTRIBUTIONS
PLAN

MANAGEMENT RESPONSE TO THE ISSUES RAISED IN SUBMISSION

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1. The proposed cost impost on development is unreasonable

Submitters on this issue

- 1: CEL Australia – Carlton Brewery Site
- 4: Central Equity
- 6: Mirvac
- 7: Urban Enterprise
- 9: Peter R Hirst
- 10: ERM
- 12: Property Council of Australia
- 13: John Cicero Best Hooper Solicitors
- 15: Urbis

Summary of issues

These submitters were concerned about increases cost to the developer from a Development Contributions Plan Overlay (DCPO) in the urban renewal areas of City North and Southbank. The submitters cited the potential for a 'double up' in public realm costs where individual development proposals already include improving the public realm around the subject sites as part of a planning permit application or 173 Agreement, contribution amounts being excessive, the apportionment of the costs being unfair and whether further infrastructure in these areas is actually needed.

Management Response

The Planning and Environment Act 1987 sets out the framework for establishing development contributions as a means of (part) paying for infrastructure to support urban development. In addition to this, Clause 19 of the State Planning Policy Framework identifies DCPs as the preferred planning tool to recover infrastructure costs. The use of the DCPO is further supported through the State Government Guidelines and Ministerial Direction.

The proposed City North and Southbank DCPOs are based on a comprehensive and rigorous identification of the public infrastructure needed in these areas to meet the needs of its future workers and residents. The projects identified in the DCPO have been designed and costed to take account of the future needs and good infrastructure design and construction practice standards.

Under the DCPO the funds will be collected from local charge areas and can only be expended back in the same area. In this respect the benefits of the public infrastructure will flow back to the future residents, workers and landowners in each local area.

The Development Contributions Plan system is based on the 'beneficiary pays' principle layered over other mechanisms for paying for infrastructure including rates. It is anticipated that development

costs will increase with the introduction of a DCP however any increase should not be viewed in isolation and must be measured against the need, nexus and fair apportionment tests.

This mechanism is one type of financial or in-kind contributions that may be reasonably sought from a development proponent. As well as the pre-notified user charges under a DCP, a responsible authority can reasonably require a proponent to mitigate immediate adverse impacts of their proposal through permit conditions or Section 173 Agreements. If a developer has entered into a Section 173 Agreement it does not, in and of itself, provide a basis for exemption from DCP charge obligations.

The proposed City North and Southbank DCPO provides the City of Melbourne with a mechanism to facilitate its delivery public infrastructure for these urban renewal areas. The funds derived from the DCPOs in these areas will contribute approximately 15 per cent to the cost of the infrastructure with the remaining 85 per cent to be funded from the City of Melbourne’s general revenue. This is a relatively small proportion of the overall cost of the new infrastructure coming from the contribution.

High levels of growth are expected to occur in both the Southbank and City North areas. The need for further infrastructure has been identified in the Southbank and City North Structure Plans. These have both gone through a rigorous planning scheme amendment process to implement their land use and built form recommendations. The increase in population will put further demand on community infrastructure and ageing or out-dated physical infrastructure.

DCPO’s are commonly applied in ‘greenfield’ areas where large areas earmarked for development are essentially a ‘blank canvas’ and do not have the relatively developed existing urban infrastructure of areas such as City North and Southbank. The Development Contribution Plan rates have therefore been discounted to take account of the existing infrastructure and development in these areas.

The purpose of a DCP is to ensure that the cost of providing new infrastructure is shared fairly between new development and the wider community. The new infrastructure provides benefits to new and existing residents. This requires that costs be apportioned according to projected share of usage of the required infrastructure. The timely delivery of needed public infrastructure can reduce living costs.

The DCP guidelines make clear that it is not permissible to require a proponent to pay for the same item of infrastructure twice, through different mechanisms (double dipping).

The cost apportionments built into the DCPs take into account the proportion of usage by parties outside the charge area. In most cases this is relatively small proportion, as the primary users of the infrastructure will be local workers and residents. The rates have also been discounted for existing and populations beyond the timeframe of the DCP.

The contributions proposed for the two areas are:

	Residential	Non-residential	Non-residential (per m²)
City North	\$ 2040-\$3055 per dwelling	\$ 1140-\$2155 (per 81.50 m ² of commercial or retail floor space)	\$14-\$26 per m ²
Southbank	\$ 1047-\$1571 per dwelling	\$ 1047-\$1571 (per 46.15 m ² of commercial or retail floor space)	\$23-\$34 per m ²

These charges are broadly in line with development contributions levied in other ‘town centre’ environments in Melbourne. For example:

	Residential	Contributions (Non-residential)	Non-residential (per m ²)
Manningham – Doncaster Hill DCP	\$2139 per dwelling	\$855 (per 121m ² commercial; or 19m ² of retail floor space)	\$7 (per m ² commercial); \$45 (per m ² retail)
Darebin	\$42-\$3977 per dwelling	\$1-\$3941 (average per 121m ² commercial or 19m ² of retail floor space for roads and ancillary; per 360m ² commercial or 300m ² of retail for drainage)	\$0-\$32 (per m ² commercial for roads and ancillary); \$0-\$207 (per m ² retail for roads and ancillary); \$0-\$5 (per m ² commercial for drainage); \$0-\$6 (per m ² retail for drainage);
Maroondah – Ringwood District Centre DCP	NA	\$77 (per m ² of additional retail floor space); \$34 (per m ² of additional office/commercial floor space);	

Recommended change

None

2. Works in kind

Submitters on this issue:

- 1: CEL Australia – Carlton Brewery Site
- 6: Mirvac
- 7: Urban Enterprise
- 12: Property Council of Australia
- 13: John Cicero Best Hooper Solicitors
- 14: the University of Melbourne

Summary of issue

A number of submissions suggest the DCP should include more detail for works in-kind, including the types of items which would be accepted by Council as work in-kind and a description of the method by which credits for works in kind would be provided.

Management Response

At its discretion, the City of Melbourne can accept in-kind works as a contribution. This is clearly stated in 7.2 of the exhibited City North and Southbank DCPs report and is subject to the exercise of this discretion at the time of the issuing of a permit. Proposals for in-kind works will be assessed on an application by application basis take into consideration the context of the proposal including the location and timing of individual permit applications.

Through the DCP, Council will be committing the City of Melbourne to delivering the specified infrastructure over the life of the plans. If the infrastructure is not delivered within the time frame, the monies collected in respect of them must be returned to the current owners of these properties.

The provision set out in Section 7.2 of DCP report is a standard one that has been accepted in several gazetted schemes. This provision states that:

Development contributions payments are to be made in cash. The Collecting Agency (City of Melbourne), at its discretion, may consider accepting works or land in lieu of cash contributions, provided the value of the credit of the works in question does not exceed the amount provided for that project under this DCP (unless the Collecting Agency agrees).

Recommended change

None

3. Nexus between the location of the collection and the place of expenditure

Submitters on this issue:

4: Central Equity

7: Urban Enterprise

12: Property Council of Australia

13: John Cicero Best Hooper Solicitors

15: Urbis

Summary of issue

That the nexus between the location of the collection of DCP funds and the locations where the funds are spent is not strongly enough demonstrated.

Management Response

THE DCP relies on the principle that the use or development is deemed to have a nexus with an item of infrastructure if the future occupants or visitors to the site are likely to make use of the infrastructure. The charge paid by new development is calculated on the basis of its estimated share of use of the required infrastructure.

The DCP apportions what each dwelling or equivalent unit must pay towards provision of each item of infrastructure. This is the total cost of delivering the infrastructure item divided by the total number of demand units within its usage catchment.

Appendix 3 – Infrastructure Project Details of the *City North and Southbank DCPs (September 2013)* lists the projects in Tables 23 & 24. These tables specify the type of project, which quadrant contributes towards its cost, and timing.

The proposed infrastructure items in the DCP have been costed based on concept designs. The City of Melbourne has assembled these projects as a practical long term infrastructure program for these urban renewal areas. The delivery model specifies the extent of local streetscape and drainage

upgrades in each quadrant but retains flexibility on the roll-out of streetscape improvements within that quadrant.

The flexibility of the local streetscape and drainage delivery model is contained by location and project cost within each charge area to ensure that the nexus principle is protected. This means that proponents are only paying to support streetscape upgrades as costed for their charge area. Ensuring that the costs and location of the projects are directly connected to the users of the infrastructure is entirely in line with the user pays principles underpinning the DCP system.

Recommended change

None

4. Lack of strategic justification

Submitters on this issue

7: Urban Enterprise

13: John Cicero Best Hooper Solicitors

14: the University of Melbourne

Summary of issue

This concern was that the scope and location of infrastructure items lack strategic justification and detail.

Management Response

The strategic framework and justification forming the basis for the implementation of a Development Contributions Plan is well documented.

The City of Melbourne's Municipal Strategic Statement (MSS) states that there is a need to accommodate the municipality's growth over the next 30 years and that this growth will be directed to designated urban renewal areas. It provides direction about the need to promote the efficient use of existing infrastructure and to provide new infrastructure where required to accommodate the changing needs in the growth areas.

Good management of residential growth requires the provision of community infrastructure and services to support community development. MSS Clause 21.04 – 1 - Housing and Community has as a key objective: *to ensure new residential developments contribute to the social and physical infrastructure of the City.*

The Structure Plans for the urban renewal areas of City North (2012) and Southbank (2010) make specific recommendations for new community centres, public realm improvements, drainage upgrades and other public infrastructure to meet the needs of future population growth. Much of the strategic justification for the infrastructure proposed under Amendment C208 is within these structure plans. The Structure Plans also include a recommendation for a development contributions plan to be implemented as a funding source to assist in delivering this infrastructure.

The Detailed Cost Opinion Report (AECOM, 2012) identifies design standards and costings for the infrastructure projects. The specifications included in this report are reasonable in that they meet the City of Melbourne standard for quality and sustainability.

Recommended change

None

5. Infrastructure categories are inadequate

Submitters on this issue

7: Urban Enterprise

13: John Cicero Best Hooper Solicitors

Summary of issue

Submitters have suggested the DCP should more clearly and appropriately delineate between road, drainage and streetscape infrastructure and express levies and costs accordingly.

Management Response

The DCP does distinguish between drainage and streetscape infrastructure. However both items affect roads. A detailed breakdown of projects for each area is included in the *AECOM Detailed Cost Opinion Report 25 June 2012* Report. This report details the projects to be costed and designed to meet the requirements and targets set in the structure plans for each project. The detailed costing provides an understanding of the cost required to upgrade the infrastructure within the precincts to which the DCP is to apply.

The AECOM report sets out the methodology and provides a summary and breakdown of costs for each of the projects in the specified areas. This is the appropriate location for such information. It would not be logical to separate these items in a schedule to be included as part of a planning scheme, particularly when capital works of this nature are undertaken generally follow a logical sequence to ensure that works are completed in an efficient manner.

Recommended change

None

6. Non residential demand units and the definition of Net Lettable Area

Submitters on this issue

7: Urban Enterprise

13: John Cicero Best Hooper Solicitors

14: The University of Melbourne

Summary of issue

Submitters have raised concern that Net Lettable Area (NLA) on which the DCP proposes to collect levies on the basis of, is not defined and not clear as to whether development contributions would be payable for floor space dedicated to ancillary uses such as access, lifts, service areas, car parking etc.

Management Response

Net Lettable Area is be defined in the DCP in accordance with Property Council's method of measurement. Under this method, NLA covers only the net component of non-residential buildings (excludes external walls, building cores and standard service areas such as toilets, access passageways, storerooms etc). Common areas, equipment installations, private outdoor space, other outdoor space and uncovered parking are also excluded.

Recommended change

In order to clarify this matter the amendment documentation, specifically Schedule 2 & 3 to the Development Contributions Plan Overlay will be amended to include this definition

7. Development projections

Submitters on this issue

7: Urban Enterprise

13: John Cicero Best Hooper Solicitors

Summary of issue

This was a concern that the amount of future development and therefore the number of demand units in the DCP area has been under estimated. If so this would have the effect of underestimating the funds that will be collected throughout the DCP timeframe.

Management Response

The dwelling projections used for calculating infrastructure contributions are based on population forecasts developed by the City of Melbourne (City Research – ID Consulting Forecast Model 2011). The population projections are based on a ‘top-down’ approach (projections for Victoria -> projections for MSD -> projections for City of Melbourne -> projections for Southbank/City North) and are integral with City of Melbourne’s strategic framework.

These are long term projections for strategic planning purposes and are reconciled with wider official projections for Victoria and Melbourne.

Recommended change

None

8. Document review/timeframe of DCP

Submitters on this issue

7: Urban Enterprise

12: Property Council of Australia

14: the University of Melbourne

Summary of issue

A review period has not been specified. A review period of no more than 5 years has been recommended by a number of submissions.

Management Response

No review period is prescribed in the Act or in the Government’s guidelines. This is so for most other aspects of Planning Schemes. Review of DCP should occur on an as needs basis, rather than committing Council to unnecessary cost.

9. Active permit applications

Submitters on this issue

7: Urban Enterprise

Summary of issue

The concern is that if a planning permit is issued for a development prior to gazettal of the DCPO contributions are not payable in respect of that development.

Management Response

It is anticipated that the DCPO will be introduced whilst a number of permit applications are active. Development contributions cannot be collected for permitted development or retrospectively collected. The submitter is correct in stating that the provisions are not retrospective.

The regulatory process for collecting both the development and community infrastructure levy is defined through Sections 46N and 46O of the Act. The development infrastructure charge is collected through the planning permit process (through inclusion of a condition on the permit) while the community infrastructure charge is collected through the building permit process.

The development infrastructure levy is payable either prior to the issuing of a Statement of Compliance or prior to commencement of the development. The community infrastructure levy is payable prior to the issuing of a Building Permit. The legislation allows for the community infrastructure levy to be collected even in circumstances where no planning permit is required.

A development infrastructure levy is not required for development with a valid planning permit issued prior to the introduction of the DCPO into the Melbourne Planning Scheme. However, the community infrastructure levy is payable for current permits if the statement of compliance at building occupancy stage has not been issued prior to the introduction of the DCPO.

It is considered appropriate to collect the community infrastructure levy, even for development that already has a planning permit issued, as any new residents will be utilising and benefitting from the community infrastructure. Development permits do not need to be acted upon and can remain valid for a number of years. There is potential for a significant number of future dwellings and residents that will utilise and place additional demand on infrastructure. These developments should make a contribution to community infrastructure to reflect their share of usage.

Recommended change

None

10. Project list

Submitters on this issue

12: Property Council of Australia

13: John Cicero Best Hooper Solicitors

15: Urbis

Summary of issue

Submissions have raised the issue of the infrastructure project lists which include drainage upgrade works. It is argued that major drainage issues are picked up through Melbourne Water charges in established suburbs of Melbourne and Council should fund drainage improvements in established areas through ongoing rates and charges and not through a standard drainage charge.

Management Response

This Amendment addresses drainage infrastructure owned and managed by the City Of Melbourne and not that owned by Melbourne Water. As noted earlier, proponents cannot be 'double dipped' via the DCP system. All drainage works included in the DCPs in question are separate from and in addition to works delivered by Melbourne Water and paid for through rates.

New development has an impact on the drainage system which needs to cope with greater flows of water. This is therefore an appropriate item of infrastructure to include.

Recommended change

None

Planning and Environment Act 1987

MELBOURNE PLANNING SCHEME

AMENDMENT C208

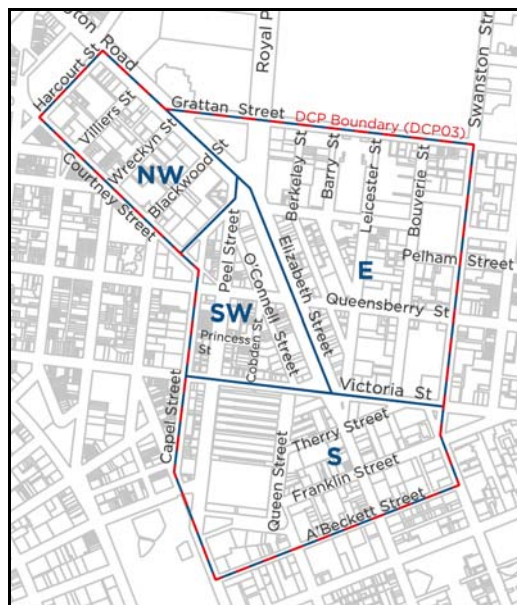
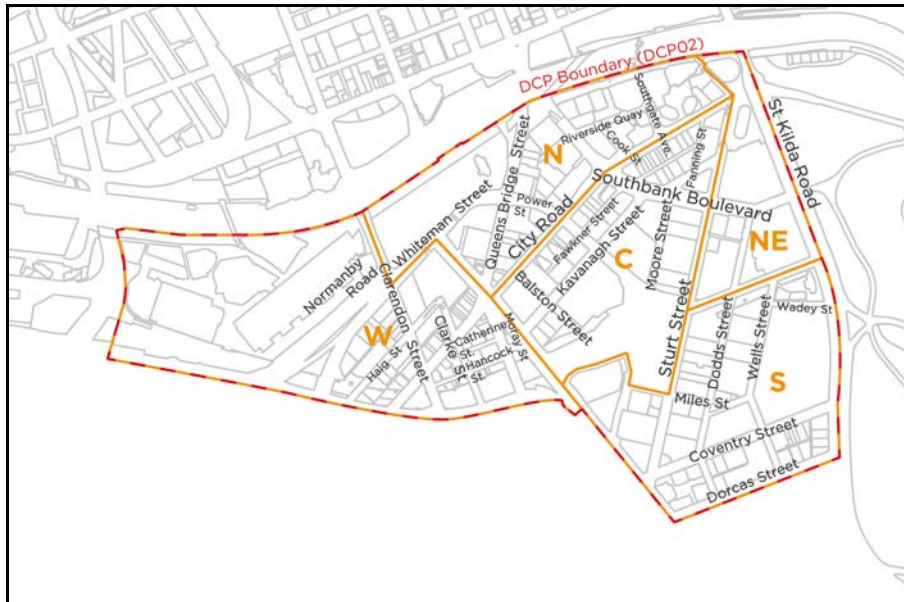
EXPLANATORY REPORT

Who is the planning authority?

This amendment has been prepared by the City of Melbourne which is the planning authority for this amendment.

Land affected by the amendment

The amendment applies to areas within the two urban renewal areas of Southbank and City North. The following maps illustrate the boundaries where the Development Contributions Plan Overlay (DCPO) will apply for each urban renewal area.



What the amendment does

The Amendment proposes to apply the Development Contributions Plan Overlay (DCPO) over the two urban renewal areas of Southbank and City North.

The Amendment will:

1. Apply the Development Contributions Plan Overlay and associated new Schedules to land commonly known as Southbank (DCPO2) and City North (DCPO3).
2. Amend the Municipal Strategic Statement by inserting an objective and strategy regarding the funding of infrastructure; or amend the Municipal Strategic Statement at Clause 21.10-1 by inserting an objective and strategy regarding the funding of infrastructure.
3. Insert a new Incorporated Document titled *City North and Southbank DCPs SGS Economics and Planning* September 2013 into the Schedule to Clause 81.01 of the Planning Scheme

Strategic assessment of the amendment

• Why is the amendment required?

The amendment implements actions from the *Southbank Structure Plan 2010*, *City North Structure Plan 2012*. The two Structure Plans were recently adopted by Council and they identify key capital works projects, including public realm, drainage and community infrastructure projects. These projects will support the anticipated population growth and land use transition. The common objective is that these two identified growth areas evolve as liveable and sustainable city precincts.

These two Structure Plan areas are the subject of current separate Planning Scheme Amendments, which seek to rezone land, introduce height controls and built form provisions to facilitate and encourage development in these urban renewal areas.

The *City North and Southbank Development Contributions Plan, September 2013* provides a formal and equitable mechanism for Council to collect development contributions towards infrastructure provision. The Development Contributions Plan provides a certain and transparent means by which Council can recover some of the costs towards the on-going provision and delivery of adequate civil and community infrastructure.

The Development Contributions Plan is set over a 15 year timeframe. The infrastructure provided through the Development Contributions Plan will benefit existing and new residents and workers in these two areas. The Development Contributions Plan will provide certainty for Council, developers and the broader community on how and to what extent new development will be levied to ensure the necessary infrastructure is delivered in a timely manner. The following types of infrastructure will be partly funded through the Development Contributions Plan:

- Streetscape upgrades – including footpath widening, new cycling infrastructure and street tree planting;
- Key public realm projects – new local centres, improvements to areas underneath the freeway in Southbank and new pedestrian/cycling bridge crossings over Moonee Ponds Creek;
- Upgrades to drainage infrastructure and Water Sensitive Urban Design (WSUD) interventions - pump stations and pipe networks;
- Delivery of new multi-purpose community centres – including land acquisition and building construction.

The DCP will not fund the delivery of open space; this is the subject of Melbourne Planning Scheme Amendment C209 – Public Open Space Contributions.

• How does the amendment implement the objectives of planning in Victoria?

By planning for the provision and funding of infrastructure, the amendment assists in implementing the following objectives of planning in Victoria as outlined in Section 4(1) of the Planning and Environment Act 1987:

- To provide for the fair, orderly, economic and sustainable use, and development of land;
 - To secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;
 - To protect public utilities and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community;
 - To facilitate development in accordance with the objectives set out in the paragraphs above;
 - To balance the present and future interests of all Victorians.
- **How does the amendment address the environmental effects and any relevant social and economic effects?**

Social and economic effects

The amendment will ensure the equitable collection and distribution of development contributions and provide for a financial contribution to community infrastructure required to service the existing and projected population. In addition to this, it will facilitate the provision of infrastructure to improve services, the amenity, appearance and safety for current and future residents and workers

Environmental effects

The amendment will have positive environmental outcomes as it will assist in the funding of new and upgrade of drainage infrastructure.

- **Does the amendment address relevant bushfire risk?**

Not applicable.

- **Does the amendment comply with the requirements of any Minister's Direction applicable to the amendment?**

The Amendment complies and is consistent with the requirements of the Ministerial Direction on the Form and Content of Planning Schemes and with the requirements of Ministerial Direction 11 on the Strategic Assessment of Planning Scheme Amendments.

The Amendment is also consistent with Ministerial Direction No.9 Metropolitan Strategy made under Section 12 of the Act. In particular the amendment will help to implement and support the following directions under Melbourne 2030:

Direction 1- A more compact city

Direction 2 – Better management of Metropolitan Growth

Direction 5 – A great place to be

Direction 6 – A fairer city

Direction 9 – Better planning decisions, careful management

The amendment is also consistent with the Ministerial Direction relating to Development Contributions Plans under Section 46M(1) of the Act.

- **How does the amendment support or implement the State Planning Policy Framework and any adopted State policy?**

The Amendment supports and is consistent with the following:

Clause 11 – Settlement

11.02 Urban growth

11.02-1 Planning for growth areas

To locate urban growth close to transport corridors and services and provide efficient and effective infrastructure to create benefits for sustainability while protecting primary production, major sources of raw materials and valued environmental areas.

11.02-3 Structure planning

To facilitate the orderly development of urban areas.

11.04-4 Central Melbourne

To strengthen Central Melbourne's capital city functions and its role as a primary business, retail, sport and entertainment hub for the State.

To support Central Melbourne's capital city functions through high scale and high density mixed residential and commercial development opportunities.

Clause 15 – Built Environment and Heritage

15.01 Urban environment

15.01-1 Urban design

To create urban environments that are safe, functional and provide good quality environments with a sense of place and cultural identity.

15.01-4 Design for safety

To improve community safety and encourage neighbourhood design that makes people feel safe.

Clause 19 – Infrastructure

19.02 Community Infrastructure

19.02-4 Distribution of social and cultural infrastructure

To provide fairer distribution of and access to of social and cultural infrastructure

19.03 Development infrastructure

19.03-1 Development contribution plans

To facilitate the timely provision of planned infrastructure to communities through the preparation and implementation of development contribution plans

19.03-2 Water supply, sewerage and drainage

To plan for the provision of water supply, sewerage and drainage services that efficiently and effectively meet State and community needs and protect the environment.

19.03-3 Stormwater

To reduce the impact of stormwater on bays and catchments.

The amendment supports and implements these policies by ensuring new development contributes to the provision of planned infrastructure and services through the preparation and implementation of development contributions plans. The policy guidelines under *Development Contributions Guidelines (version 5.9, 16 June 2003 – as amended March 2007)* have been consulted in the preparation of this amendment. The amendment is also consistent with the ongoing directions and recommendations which have been made by the current Standard Development Contributions Advisory Committee appointed in September 2012.

• **How does the amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?**

In accordance with the Local Planning Policy Framework of the Melbourne Planning Scheme, the amendment implements the directions in the Municipal Strategic Statement

(MSS) and in the adopted MSS which highlights the two urban renewal areas which are the subject of this amendment as existing and proposed urban renewal areas. Melbourne Planning Scheme Amendment C208 also proposes an enhancement of policy at Clause 21.10-1 Infrastructure to reinforce the provision and delivery of physical and community infrastructure.

- **Does the amendment make proper use of the Victoria Planning Provisions?**

The amendment makes proper use of the Victoria Planning Provisions by relying on the Schedule to Clause 45.06 to introduce a Development Contributions Plan Overlay for each of the identified urban renewal areas of Council.

The amendment ensures that the *City North and Southbank Development Contributions Plan September 2013* is included as an Incorporated Document within the Melbourne Planning Scheme under the Schedule to Clause 81 of the Melbourne Planning Scheme.

- **How does the amendment address the views of any relevant agency?**

An extensive consultation process was undertaken on the *Southbank Structure Plan 2010* and the *City North Structure Plan 2012* engaging the community, agencies and stakeholders. All relevant agencies will be notified as part of the formal planning scheme amendment exhibition process.

- **Does the amendment address relevant requirements of the Transport Integration Act 2010?**

There are no applicable policy principles.

Resource and administrative costs

- **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

The introduction of the Development Contribution Plan Overlay will impact on Council's administrative costs as Council will need to set up a new accounting and auditing system to monitor the income and expenditure from the Development Contribution Plan. However, the Development Contribution Plan will also generate revenue for Council to assist in delivering essential community and development infrastructure.

Panel hearing dates

In accordance with clause 4(2) of Ministerial Direction No.15 the following panel hearing dates have been set for this amendment:

- directions hearing: **[insert directions hearing date]**
- panel hearing: **[insert panel hearing date]**

Where you may inspect this Amendment

The amendment is available for public inspection, free of charge, during office hours at the following places:

City of Melbourne

Level 3, 240 Collins Street

MELBOURNE VIC 3000

The amendment can also be inspected free of charge at the Department of Planning and Community Development website at www.dpcd.vic.gov.au/planning/publicinspection.

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21.10 INFRASTRUCTURE

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C208462

Growth and development in the municipality will require a matching provision of infrastructure. The expansion and upgrading of roads, utilities, community facilities and public open space will be required to service the growth of resident, worker and visitor populations. Key to this planning is to facilitate the efficient use of existing infrastructure, reinforce those key elements and plan for future needs and requirements.

21.10 – 1 Provision of Infrastructure

—/—/20—
C208462

Objective 1 To plan for and identify means to fund social and physical infrastructure.

Strategy 1.2 Ensure that all new development has arrangements for the provision of physical and community ~~social~~ infrastructure.

Strategy 1.3 Pursue development contributions for physical and, ~~community social~~ infrastructure..

21.10 – 1 Renewable energy and efficient water use

—/—/20—
C162

Objective 1 To develop integrated precinct utilities to reduce greenhouse gas emissions and increase resilience to climate change

Strategy 1.1 Encourage precinct wide integrated water management systems including water sourced from tri-generation power systems.

Strategy 1.2 Encourage precinct wide integrated tri-generation systems to distribute power, heating, cooling and water.

21.10 – 2 Open Space

—/—/20—
C162

Objective 1 To maintain, enhance and increase Melbourne’s public open space network and promote greening of the City.

Strategy 1.1 Support the development and implementation of Park Master plans.

Strategy 1.2 Ensure parks, gardens, waterways and open spaces remain a prominent element of the City’s structure and character.

Strategy 1.3 Ensure there is no net loss of the area of public open space and secure new public open space where opportunities arise.

Strategy 1.4 Support the maintenance and creation of a variety of public open space to meet the needs of the growing population for formal and informal outdoor recreation.

Strategy 1.5 Ensure that development in and surrounding the City’s parks and gardens does not adversely impact on the solar access, recreational, cultural heritage, environmental and aesthetic values, or amenity, of the open space.

Strategy 1.6 Protect heritage significant trees and landscapes in parks and heritage areas.

Strategy 1.7 Provide an integrated network of public open spaces in Urban Renewal areas.

Objective 2 To provide a diversity of uses in parks where consistent with Park Master plans.

- Strategy 2.1 Ensure parks are safe and accessible.
- Strategy 2.2 Protect and enhance the biodiversity and habitat value of the City's parks, gardens, open space and waterways.
- Strategy 2.3 Ensure that activities, buildings and works in the City's parks and gardens are consistent with Parks Master plans.
- Strategy 2.4 Discourage activities, buildings and works that are not specifically related to the park and its use and that lead to the alienation of the park.

21.10-3
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C162

Education facilities

Objective 1 To support education activities.

- Strategy 1.1 Support primary, secondary and tertiary education facilities, whilst protecting the amenity of Residential and Mixed Use zoned areas and the heritage values of areas with cultural heritage significance, consistent with the local amenity.
- Strategy 1.2 Support interaction and collaboration between education institutions, and business and industry by promoting their co-location compatible with the amenity of existing residential uses and areas of heritage significance.

Objective 2 To ensure a high standard of 'soft infrastructure' to support innovative activity and education.

- Strategy 2.1 Support accommodation, services and facilities which serve and attract a highly skilled labour pool.
- Strategy 2.2 Support the provision of facilities and services for students and researchers.
- Strategy 2.3 Support affordable accommodation options for students.

21.10-4

Health Facilities

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C162

Objective 1 To support medical, and research activities.

- Strategy 1.1 Support the operation of the City's hospitals and their intensive care-trauma facilities and capacity.
- Strategy 1.2 Support the clustering of hospitals and their continued operation and development in their current locations.
- Strategy 1.3 Support interaction and collaboration between medical and research institutions, and business and industry by promoting their co-location compatible with the amenity of existing residential uses and areas of heritage significance.
- Strategy 1.4 Discourage uses or development near hospitals that prejudice public safety or risk reducing the efficiency or safe delivery of acute health care, trauma and emergency services (including 24 hour emergency helicopter access).
- Strategy 1.6 Ensure that all new knowledge and innovation uses manage off site impacts such as noise, traffic generation and parking.

Objective 2 To encourage research and development uses throughout the City.

- Strategy 2.1 Encourage research and development uses throughout the municipality.
- Strategy 2.2 Encourage research and development activity clusters, including biotechnology uses, throughout the municipality.

21.10-5 Community Facilities

--/20--
C162

Objective 1 To provide facilities which meet the needs of the community

- Strategy 1.1 Provide new community facilities, where needed, in strategic re-development sites and in areas of population growth and development.
- Strategy 1.2 Integrate new community facilities or renewed community facilities with residential developments in order to provide the appropriate balance and mix of facilities.
- Strategy 1.3 Encourage co-location of complementary facilities
- Strategy 1.4 Ensure all future community facilities can accommodate multipurpose uses where appropriate and can be adapted to suit the needs of the community.

21.10-6 Cultural/Arts and Entertainment Facilities

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C162

Objective 1 To provide a diverse range of leisure, arts, cultural and entertainment facilities.

- Strategy 1.1 Discourage the concentration of sexually explicit adult entertainment, amusement parlours and gaming venues in the Central City.
- Strategy 1.2 Support quality public institutions, including art galleries, libraries and museums, throughout the municipality, where consistent with the local amenity.
- Strategy 1.3 Support entertainment, music and cultural attractions in Business and Mixed Use Zones, where consistent with the local amenity.

Objective 2 Enhance the City as Victoria's pre-eminent cultural and entertainment location.

- Strategy 2.1 Support and encourage the growth of a vibrant cultural environment in the Hoddle Grid, Southbank and Docklands, by supporting entertainment uses, music and the arts.
- Strategy 2.2 Support the City's major sports facilities and parks in recognition of their national significance.
- Strategy 2.3 Promote the Docklands waterfront as a tourism and leisure destination of State significance.

21.10-7 Communications infrastructure

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C162

Objective 1 To ensure that Melbourne has the infrastructure and capacity to meet anticipated information, communication and technology (ICT) needs.

- Strategy 1.1 Encourage the incorporation of information, technology and communication infrastructure in new developments.
- Strategy 1.2 Encourage co-location of communications infrastructure.

Objective 2 To minimise the visual impact of communications infrastructure and other utilities infrastructure.

- Strategy 2.1 Ensure that the presence and visibility of communications infrastructure and utilities in heritage areas or upon parkland does not unreasonably impact on the heritage place or precinct, or on parkland values.

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C208

SCHEDULE 2 TO THE DEVELOPMENT CONTRIBUTIONS PLAN OVERLAY

Shown on the planning scheme map as **DCPO2**.

SOUTHBANK DEVELOPMENT CONTRIBUTIONS PLAN

1.0 Area covered by this development contributions plan

--/20--
C208

This development contributions plan applies to the area shown in Figure 1.

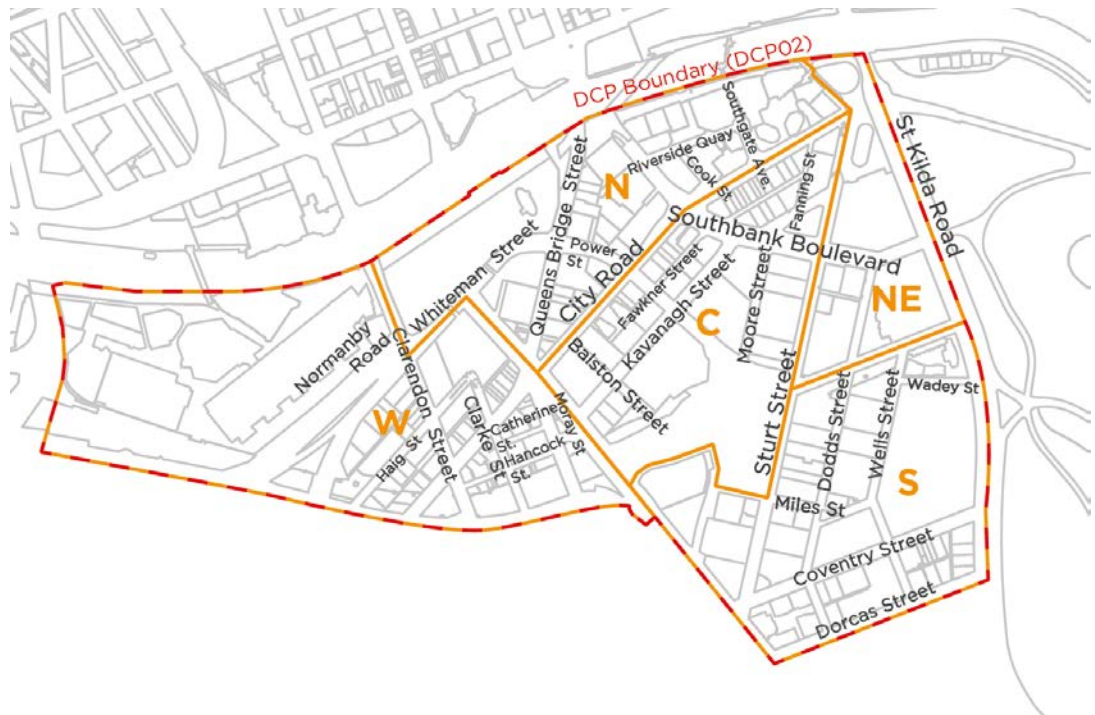


FIGURE 1 – DCP BOUNDARY AND CHARGE AREAS

2.0 Summary of costs

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C208

A summary of all costs and incomes is shown in Table 1 below. A values are presented in present values as at *May 2013* (using a 6% discount rate).

TABLE 1 – SUMMARY OF DCP COSTS

Facility	Total cost \$	Time of provision	Actual cost contribution attributable to development \$	Proportion of cost attributable to development %
<i>CI Community Infrastructure</i>	\$0.00	2015/16-2029/30	\$0.00	0%
<i>DI Public Realm</i>	\$56,089,317	2015/16-2029/30	\$10,354,672	18.46%
<i>DI Drainage</i>	\$0.00	2015/16-2029/30	\$0.00	0%
TOTAL	\$56,089,317	2015/16-2029/30	\$10,354,672	18.46%

3.0 Summary of contributions

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C208

The development contributions that apply to each charge area, as identified in Figure 1, are shown in Table 2 Development Contributions for Residential Development and Table 3 Development Contributions per 100sqm of Non-Residential Development (*expressed as per 100 square metres of Net Lettable Area – NLA Net Lettable Area defined as only the net component of non-residential buildings (excludes external walls, building cores and standard service areas such as toilets, access passageways, storerooms etc). Common areas, equipment installations, private outdoor space, other outdoor space and uncovered parking are also excluded.*)

TABLE 2 – DEVELOPMENT CONTRIBUTIONS FOR RESIDENTIAL DEVELOPMENT

Residential				
Area	CI Community Facility	DI Public Realm	DI Drainage	Total Charge
	Per dwelling	Per dwelling	Per dwelling	Per dwelling
West	\$0.00	\$1,570.70	\$0.00	\$1,570.70
Central	\$0.00	\$1,197.35	\$0.00	\$1,197.35
North	\$0.00	\$1,047.39	\$0.00	\$1,047.39
North East	\$0.00	\$1,060.76	\$0.00	\$1,060.76
South	\$0.00	\$1,471.67	\$0.00	\$1,471.67

TABLE 3 – DEVELOPMENT CONTRIBUTIONS PER 100SQM OF NON-RESIDENTIAL DEVELOPMENT

Non-Residential				
Area	CI Community Facility	DI Public Realm	DI Drainage	Total Charge
	Per 100 sqm Floorspace	Per 100 sqm Floorspace	Per 100 sqm Floorspace	Per 100 sqm Floorspace
West	\$0.00	\$3,403.46	\$0.00	\$3,403.46
Central	\$0.00	\$2,594.47	\$0.00	\$2,594.47
North	\$0.00	\$2,269.54	\$0.00	\$2,269.54
North East	\$0.00	\$2,298.50	\$0.00	\$2,298.50
South	\$0.00	\$3,188.88	\$0.00	\$3,188.88

4.0 Land or development excluded from development contributions plan

--/20--
C208

Exemptions from the requirement to pay any development contribution apply in the following circumstances:

- A non-government school as defined in Part 3 of the Ministerial Direction on Development Contributions Plans of 25 January 2012;
- A development that comprises:
 - Renovations or alterations to an existing dwelling;
 - Demolition of a dwelling followed by construction of a replacement dwelling on the same land. The exemption applies to a single dwelling but not to a second or subsequent dwellings on the same land;
 - Outbuildings normal to an existing dwelling and fences;
 - Reinstatement of a building which has been unintentionally damaged or destroyed provided that for a building other than a dwelling, the exemption relates only to the extent that the floor area of the new building is not greater than the damaged or destroyed building.

Note: This schedule sets out a summary of the costs and contributions prescribed in the development contributions plan. Refer to the incorporated City North and Southbank Development Contribution Plan September 2013 for full details.

--/20--
C208

SCHEDULE 3 TO THE DEVELOPMENT CONTRIBUTIONS PLAN OVERLAY

Shown on the planning scheme map as **DCPO3**.

CITY NORTH DEVELOPMENT CONTRIBUTIONS PLAN

1.0

Area covered by this development contributions plan

--/20--
C208

This development contributions plan applies to the area shown in Figure 1.

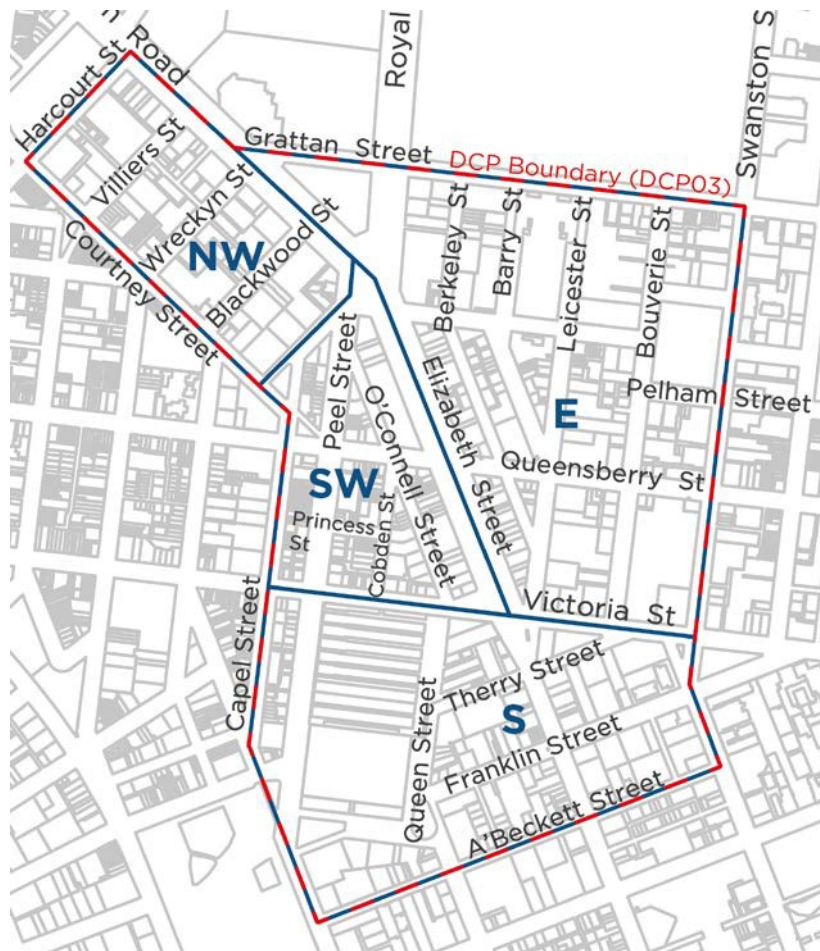


FIGURE 1 – DCP BOUNDARY AND CHARGING AREAS

2.0

Summary of costs

--/20--
C--

A summary of total costs and incomes is shown in Table 1 below. All values are presented in present values as at *May 2013* (using a 6% discount rate).

TABLE 1 – SUMMARY OF DCP COSTS

Facility	Total cost \$	Time of provision	Actual cost contribution attributable to development \$	Proportion of cost attributable to development %
<i>CI Community Infrastructure</i>	\$17,643,965	2015/16-2029/30	\$2,087,184	11.82%
<i>DI Public Realm</i>	\$31,112,762	2015/16-2029/30	\$3,110,684	9.99%
<i>DI Drainage</i>	\$5,480,071	2015/16-2029/30	\$558,995	10.20%
TOTAL	\$54,236,798	2015/16-2029/30	\$5,756,862	10.61%

3.0 Summary of contributions

--/20--
C208

The development contributions that apply to each charge area, as identified in Figure 1, are shown in Table 2 Development Contributions for Residential Development and Table 3 Development Contributions per 100sqm of Non-Residential *Development (expressed as per 100 square metres of Net Lettable Area – NLA Net Lettable Area defined as only the net component of non-residential buildings (excludes external walls, building cores and standard service areas such as toilets, access passageways, storerooms etc). Common areas, equipment installations, private outdoor space, other outdoor space and uncovered parking are also excluded.)*

TABLE 2 – DEVELOPMENT CONTRIBUTIONS FOR RESIDENTIAL DEVELOPMENT

Area	Residential			Total Charge
	CI Community Facility	DI Public Realm	DI Drainage	
	Per dwelling	Per dwelling	Per dwelling	Per dwelling
North West	\$900.00	\$1,667.79	\$216.99	\$2,784.79
South West	\$900.00	\$1,938.46	\$216.99	\$3,055.45
East	\$900.00	\$1,481.20	\$219.99	\$2,598.19
South	\$900.00	\$922.73	\$216.99	\$2,039.72

TABLE 3 – DEVELOPMENT CONTRIBUTIONS PER 100SQM OF NON-RESIDENTIAL DEVELOPMENT

Non - Residential				
Area	CI Community Facility	DI Public Realm	DI Drainage	Total Charge
	Per 100 sqm Floorspace	Per 100 sqm Floorspace	Per 100 sqm Floorspace	Per 100 sqm Floorspace
North West	\$0.00	\$2,046.37	\$266.25	\$2,312.62
South West	\$0.00	\$2,378.47	\$266.25	\$2,644.72
East	\$0.00	\$1,817.42	\$266.25	\$2,083.67
South	\$0.00	\$1,132.19	\$266.25	\$1,398.43

4.0 Land or development excluded from development contributions plan

--/20--
C--

Exemptions from the requirement to pay any development contribution apply in the following circumstances:

- A non-government school as defined in Part 3 of the Ministerial Direction on Development Contributions Plans of 25 January 2012;
- A development that comprises:
 - Renovations or alterations to an existing dwelling;
 - Demolition of a dwelling followed by construction of a replacement dwelling on the same land. The exemption applies to a single dwelling but not to a second or subsequent dwellings on the same land;
 - Outbuildings normal to an existing dwelling and fences;
 - Reinstatement of a building which has been unintentionally damaged or destroyed provided that for a building other than a dwelling, the exemption relates only to the extent that the floor area of the new building is not greater than the damaged or destroyed building.

5.0 Community Infrastructure Levy

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C--

Payment of the Community Infrastructure Levy is to be made in accordance with the *City North and Southbank Development Contribution Plan September 2013* prior to the issue of a Building Permit under the Building Act 1993 and the relevant Building Regulations or at any other time which is set out in an agreement with the Collecting Agency. If no building permit is required, the Community Infrastructure Levy must be paid prior to the commencement of Building Works or at any other time which is set out in an agreement with the Collecting Agency.

Note: This schedule sets out a summary of the costs and contributions prescribed in the development contributions plan. Refer to the incorporated City North and Southbank Development Contribution Plan September 2013 for full details.

23/05/2013
C20814

SCHEDULE TO CLAUSE 61.03

Maps comprising part of this scheme:

- 1, 1HO, 1SBO.
- 2, 2CLPO, 2DDOPT3, 2HO, 2SBO, 2ESO.
- 3, 3HO, 3LSIO, 3PAO.
- 4, 4CLPO, 4DDOPT1, 4DDOPT3, 4DPO, 4EAO, 4HO, 4IPO, 4LSIO, 4PAO, 4SBO, 4ESO.
- 5, 5DDOPT1, 5DDOPT3, 5HO, 5PAO, 5RXO, 5SBO, 5DPO, 5ESO, 5DCPO.
- 6, 6ESO, 6LSIO.
- 7, 7CLPO, 7DDOPT1, 7DDOPT3, 7DPO, 7ESO, 7HO, 7LSIO, 7PAO, 7SBO, 7DCPO, 7PO.
- 8, 8CLPO, 8DDO1, 8DDO2&14, 8DDO3, 8DDO4, 8DDO5, 8DDO6, 8DDOPT1, 8DDOPT2, 8DDOPT3, 8DDOPT7, 8DDOPT8, 8DPO, 8EAO, 8HO, 8HO1, 8HO2, 8IPO, 8LSIO, 8PAO, 8RXO, 8SBO, 8ESO, 8DCPO.
- 9, 9CLPO, 9DDOPT1, 9HO, 9LSIO, 9PAO, 9SBO, 9ESO.
- 10, 10ESO.
- 11, 11DDOPT1, 11DDOPT2, 11DDOPT3, 11DDOPT7, 11EAO, 11HO, 11LSIO, 11RXO, 11ESO, 11DCPO.

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C208

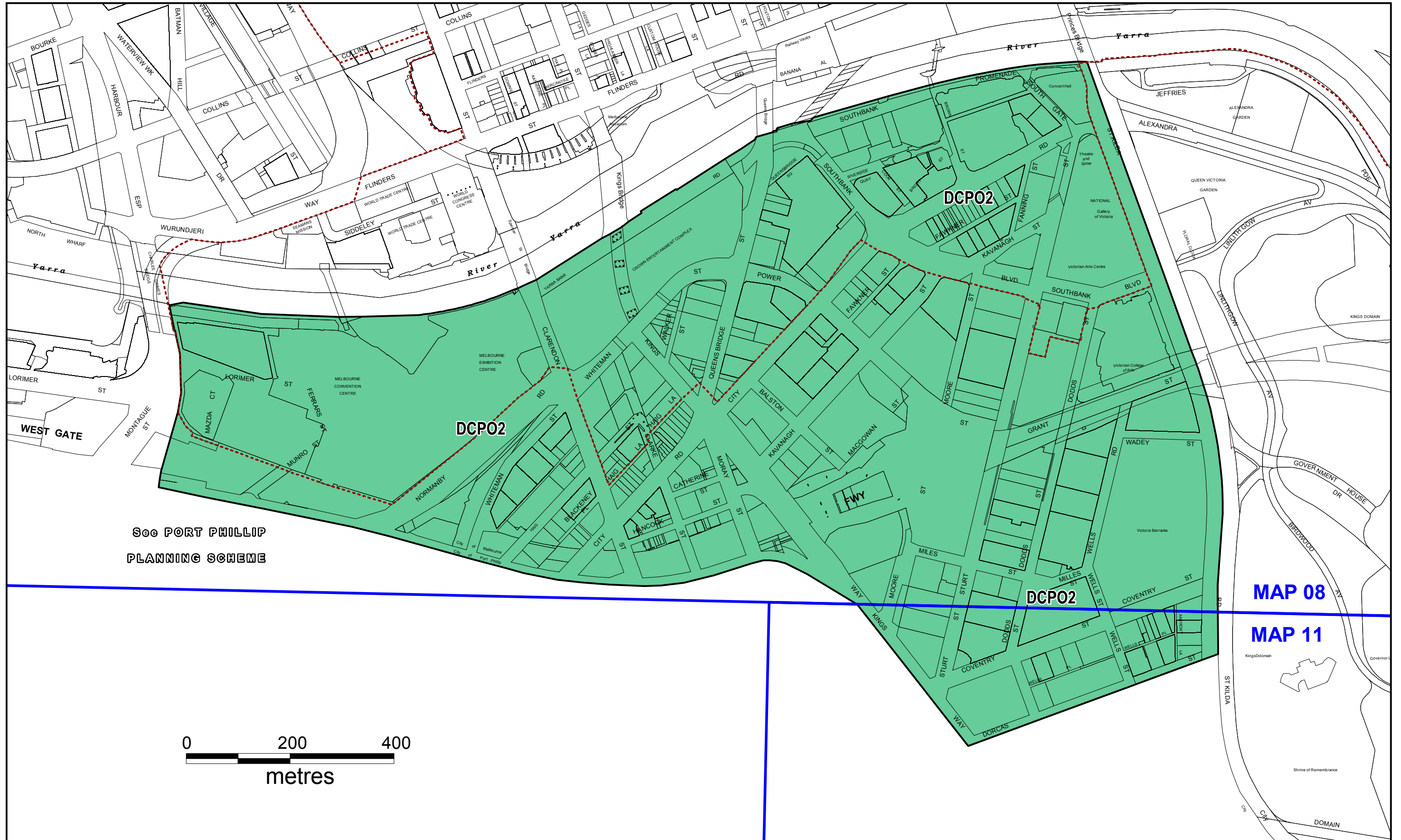
SCHEDULE TO CLAUSE 81.01

Name of document	Introduced by:
346-376 Queen Street, 334-346 LaTrobe Street and 142-171 A'Beckett Street Open Lot Car Park, Melbourne	NPS1
80 Collins Street Melbourne Development, June 2011	C182
Advertising Signs - Mercedes-Benz, 135-149 KingsWay, Southbank	C103
Australia 108, 70 Southbank Blv, Southbank, March 2013	C194
Big Day Out Music Festival, January 2006	C112
Building Envelope Plan – Replacement Plan No.1, DDO 20 Area 45	NPS1
Carlton Brewery Comprehensive Development Plan October 2007	C126
Charles Grimes Bridge Underpass, December 2011	C191
<u>City North and Southbank DCP September 2013</u>	<u>C208</u>
Cliveden Hill Private Hospital, 29 Simpson Street, East Melbourne, July 1999	C6
Crown Casino Third Hotel, September 2007	C136
David Jones Melbourne City Store Redevelopment, May 2008	C139
Dynon Port Rail Link Project	C113
Emporium Melbourne Development, July 2009	C148
Federation Arch and Sports and Entertainment Precinct Signs, April 2002	C66
Flinders Gate car park, Melbourne, July 1999	C6
Former Fishmarket Site, Flinders Street Melbourne, September 2002	C68
Former Herald and Weekly Times building, 46-74 Flinders Street, Melbourne, August 2002	C69
Former Olympic Swimming Stadium, Collingwood Football Club signage, April 2004	C91
Former Queen Victoria Hospital Site - Open Lot Car Park, Melbourne	NPS1
Former Southern Cross Hotel site, Melbourne, March 2002	C64
Former Victoria Brewery site, East Melbourne – 'Tribeca' Redevelopment October 2003	C86
Freshwater Place, Southbank, August 2001 (Amended 2012)	C193
Hamer Hall Redevelopment July 2010	C166
Heritage Places Inventory July 2008	C134
High wall signs - 766 Elizabeth Street, Carlton	NPS1
Hilton on the Park Complex Redevelopment, December 2004	C101
Hobsons Road Precinct Incorporated Plan, March 2008	C124
Hotham Estate	C134
Incorporated Plan Overlay No. 1 – 236-254 St Kilda Road	NPS1
Judy Lazarus Transition Centre, March 2005	C102
M1 Redevelopment Project, October 2006	C120
Major Promotion Signs, December 2008	C147
Melbourne and Metropolitan Board of Works, Shrine Vista Details and St Kilda Road Preservation of Shrine Vista (Plans)	NPS1

Name of document	Introduced by:
Melbourne Aquarium Signs, July 2001	C11
Melbourne Central redevelopment, March 2002	C62
Melbourne City Link Project – Advertising Sign Locations, November 2003	VC20
Melbourne Convention Centre Development, Southbank and North Wharf redevelopment, Docklands, April 2006	C116
Melbourne Girls Grammar – Merton Hall Campus Master Plan, June 2002	C22
Melbourne Grammar School Master Plan - Volume One, Senior School South Yarra Campus, Issue Date 14 October 2003.	C90
Melbourne Park Redevelopment February 2010	C159
Melbourne Recital Hall and MTC Theatre project , August 2005	C111
Mirvac, Residential Towers, 236-254 St. Kilda Road, Southbank	NPS1
Moonee Ponds Creek Concept Plan	C134
Myer Melbourne Bourke Street store redevelopment, Melbourne, October 2007	C137
North Melbourne Recreation Reserve Signage, 2012	C172
North West Corner of Mark and Melrose Street, North Melbourne	C134
Port Capacity Project, Webb Dock Precinct, October 2012	C204
Promotional Panel sign, Crown Allotment 21D, Power Street, Southbank, July 1999	C6
Rectangular Pitch Stadium Project: Olympic Park and Gosch's Paddock, Melbourne, August 2007	C130
Regional Rail Link Project Section 1 Incorporated Document, January 2013	C213
Rialto South Tower Communications Facility Melbourne, November 2002	C57
Royal Melbourne Showgrounds Redevelopment Master Plan – December 2004	C100
Royal Melbourne Showgrounds Redevelopment Project – December 2004	C100
Scots Church Site Redevelopment, Melbourne, August 2007	C129
Shadow Controls, 555 Collins Street, Melbourne, February 2013	C216
Simplot Australia head office, Kensington, October 2001	C52
Sky sign - 42 Clarendon Street, South Melbourne	NPS1
Spencer Street Station redevelopment, August 2007	C130
Sports and Entertainment Precinct, Melbourne, August 2007	C130
State Coronial Services Centre Redevelopment Project, August 2007.	C130
State Netball and Hockey Centre, Brens Drive Royal Park, Parkville, May 2000	C26
The Alfred Hospital Helipad Flight Path Protection Areas Plan, Vertical View, reference No. AOS/00/015, dated 7-9-2001 and The Alfred Hospital Helipad Flight Path Protection Areas Plan, Profile View, reference No. AOS/00/016, dated 7-9-2001	C18
The Games Village Project, Parkville, September 2006	C115
The New Royal Children's Hospital Project, Parkville, October 2007	C128

Name of document	Introduced by:
Tram Route 109 Disability Discrimination Act compliant Platform Tram Stops, August 2007	C130
University of Melbourne Bio 21 Project Parkville, November 2001	C53
University of Melbourne, University Square Campus, Carlton, November 1999	C17
Visy Park Signage, 2012	C172
Yarra Park Master Plan Implementation September 2010	C158
Young and Jackson's Hotel, Promotional Panel Sky sign, Melbourne, July 1999	C6

MELBOURNE PLANNING SCHEME - LOCAL PROVISION



See PORT PHILLIP
PLANNING SCHEME

MAP 08

MAP 11

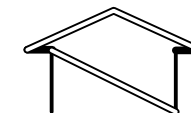
LEGEND

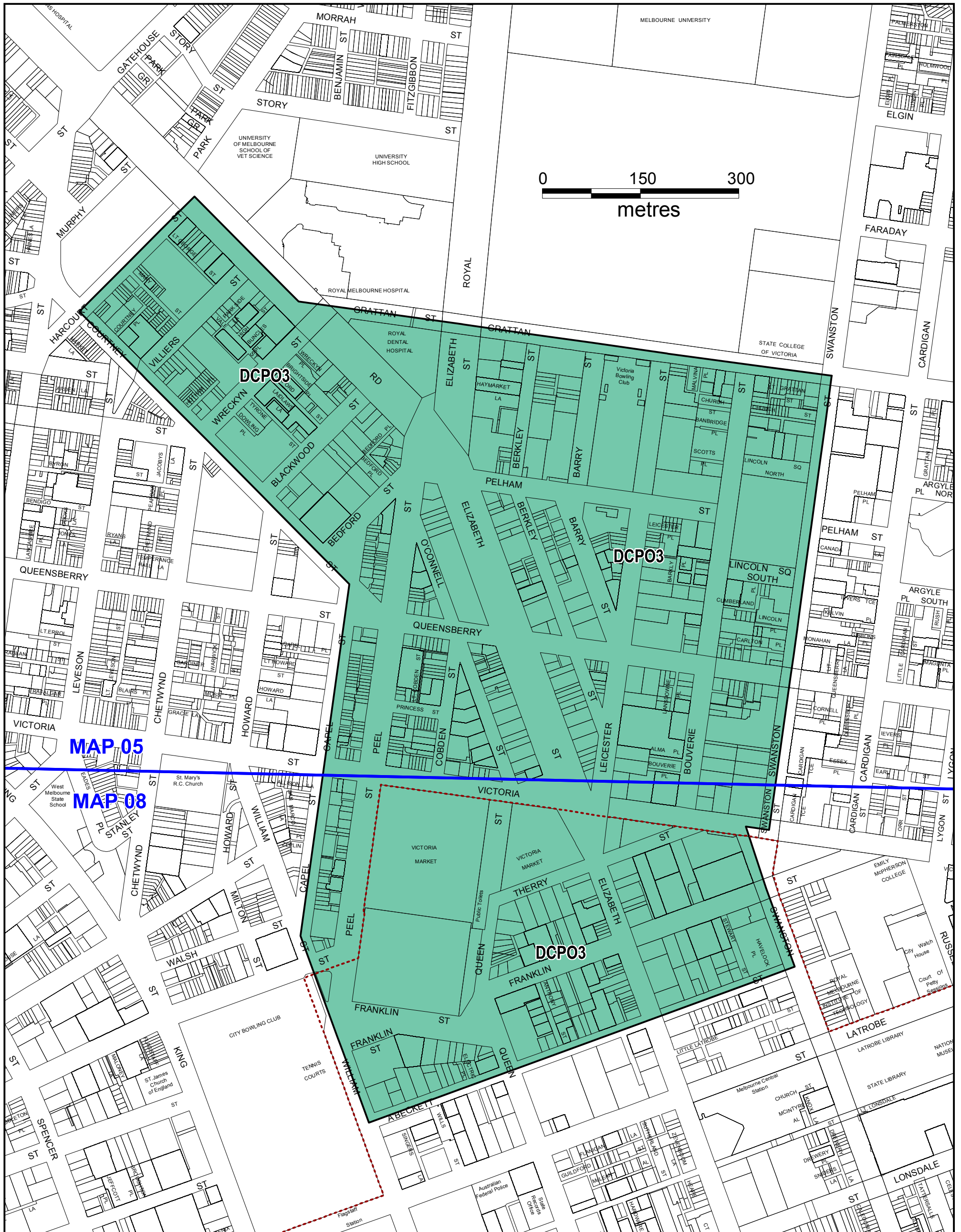
DCPO2 DEVELOPMENT CONTRIBUTIONS PLAN OVERLAY
- SCHEDULE 2

Part of Planning Scheme Map 8DCPO & 11DCPO

AMENDMENT C208

| Amendments Co-ordination Team |
| Planning & Building Systems |
| Planning, Building & Heritage |



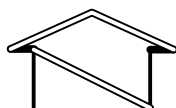


LEGEND

DCP03 DEVELOPMENT CONTRIBUTIONS PLAN OVERLAY
 - SCHEDULE 3

Part of Planning Scheme Map 5DCPO & 8DCPO

AMENDMENT C208



Planning and Environment Act 1987

MELBOURNE PLANNING SCHEME

AMENDMENT C208

INSTRUCTION SHEET

The planning authority for this amendment is the **Melbourne City Council**.

The **Melbourne** Planning Scheme is amended as follows:

Planning Scheme Maps

The Planning Scheme Maps are amended by a total of two attached map sheets.

Overlay Maps

1. Insert new Planning Scheme Map No **5DCPO, 8DCPO and 11DCPO** in the form of the attached maps marked "**Melbourne** Planning Scheme, Amendment C208".

Planning Scheme Ordinance

The Planning Scheme Ordinance is amended as follows:

2. In Local Planning Policy Framework – replace Clause 21.10 with a new Clause 21.10 in the form of the attached document.
3. In Overlays – following Clause **45.06**, insert a new Schedule **2** in the form of the attached document.
4. In Overlays – following Clause **45.06**, insert a new Schedule **3** in the form of the attached document.
5. In General Provisions – Clause 61.03, replace the schedule with a new Schedule in the form of the attached document.
6. In Incorporated Documents – Clause 81.01, replace the Schedule with a new Schedule in the form of the attached document.

End of document

City North and Southbank DCPs

The City of Melbourne
September 2013



This report has been prepared for The City of Melbourne. SGS Economics and Planning has taken all due care in the preparation of this report. However, SGS and its associated consultants are not liable to any person or entity for any damage or loss that has occurred, or may occur, in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to herein.

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1 INTRODUCTION

SGS Economics and Planning Pty Ltd (SGS) was commissioned by the City of Melbourne to assist with the preparation of Developer Contribution Plans (DCPs) for the City's two urban renewal areas known as City North and Southbank.

1.1 Background

As the heart of the broader metropolis and as Victoria's global gateway, central Melbourne plays a significant role in the urban structure and functioning of the whole city. Critical to central Melbourne's success is its ability to adapt and change over time, accommodating and stimulating diverse economic and population growth. The strategic sites of City North and Southbank present the city with the opportunity to grow and evolve. Substantial change is anticipated for both areas.

The City North precinct directly abuts Melbourne's CBD and is surrounded by world class education, health and research institutions. The City North Structure Plan sees this area as a natural extension of the CBD. It puts in place provisions to facilitate and encourage urban renewal that builds on the existing strengths of the area. With zoning changes and improvements in infrastructure, City North is anticipated to fulfil its latent potential as a dense, downtown locale, leading to a significant increase in residents and employment.

Southbank has undergone considerable change since its conversion from industrial and warehousing functions in the 1980s. Over this time there has been major urban rejuvenation, initially on the banks of the Yarra River, but increasingly southwards, with high rise residential and commercial developments now dominating the suburb. The suburb is also home to several significant major activity areas including the Arts Precinct, Melbourne Convention and Exhibition Centre, Crown Casino and South Wharf. These activity areas are oriented towards the Yarra River. The majority of Southbank located beyond the river interface is recognised as lacking a defined 'heart' that could serve as a focal point for community facilities and commercial activity. Furthermore, some existing local streets have low amenity and cater more for through traffic than the circulation of people throughout the suburb. The Southbank Structure Plan (2010) aims to improve the quality of the Southbank public realm and create a high quality living environment able to support considerable residential and commercial growth into the future.

To accommodate and stimulate this growth, new infrastructure will be required, including community, public realm and drainage facilities. The cost of providing this infrastructure will be significant.

The City of Melbourne has resolved that new development in these two areas should meet a share of the capital cost of scheduled infrastructure, in accordance with State Government policy on development contributions. This Development Contributions Plan (DCP) has been prepared on that basis.

1.2 Purpose

This Development Contributions Plan (DCP):

- lists infrastructure items the City of Melbourne expects to provide over time to service the DCP areas of City North and Southbank
- calculates development contribution charges for all development types, based on anticipated share of usage

- explains and justifies all information inputs and the method of calculating charges.

This DCP forms part of the City of Melbourne Planning Scheme and must be read in conjunction with it.

The location of the two DCP areas within the City of Melbourne are illustrated in Figure 1.

FIGURE 1. DEVELOPMENT CONTRIBUTIONS PLAN (DCP) AREAS



Source: SGS Economics and Planning, 2013

1.3 Information inputs and justification

The task of documenting this DCP was shared between staff of the City of Melbourne and SGS as per the following:

- Infrastructure funding policy and procedural matters – City of Melbourne
- Strategic base for the DCP – City of Melbourne
- Development stock take and projections – City of Melbourne and SGS
- Infrastructure project information and justification – City of Melbourne
- Cost apportionment method and calculations – SGS.

1.4 Report structure

This report comprises the following sections:

- Section 2 – Infrastructure funding principles and policy
- Section 3 – Strategic base for the DCP
- Section 4 – Charging areas and development scenario
- Section 5 – Infrastructure projects
- Section 6 – Development contribution charging rates
- Section 7 – Procedural matters.

Detailed information inputs and calculations are presented in the appendices as follows:

- Appendix 1 – Development projections
- Appendix 2 – Demand equivalence ratios
- Appendix 3 – Infrastructure project details
- Appendix 4 – Infrastructure project calculations.

2 INFRASTRUCTURE FUNDING PRINCIPLES AND POLICY

2.1 Infrastructure funding principles

As development in the two growth area precincts progresses, each developer will be required to build on-site infrastructure to service the development to specifications approved by the City of Melbourne. In addition to on-site works, certain off-site or shared works will be required to service the area including a series of road, public realm and community facility projects.

This DCP ensures that the cost of providing new infrastructure is shared between developers and the wider community on a fair and reasonable basis. Fairness requires that costs be apportioned according to share of usage of the required infrastructure.

The cost apportionment methodology adopted in this DCP relies on the nexus principle. A use or development is deemed to have a nexus with an infrastructure item if the occupants of, or visitors to, the site in question are likely to make use of the infrastructure in question.

Costs are apportioned according to projected share of infrastructure usage. Since development contributions are levied 'upfront', a true measure of infrastructure usage by individual sites / users (called demand units) is not possible. Hence costs must be shared in accordance with *projected* share of usage, using best estimates.

This DCP calculates what each dwelling or equivalent demand unit (in this case each 100m² of non-residential floorspace) must pay towards provision of the nominated infrastructure projects. This is the total cost of delivering the project divided by the total demand units within its usage catchment (generally referred to as its Main Catchment Area (MCA)). Where necessary, an allowance for external usage of the project (i.e. usage arising from outside the MCA) is factored into the calculation to ensure users are charged fairly.

This DCP is used to charge new development for part of its share of the required infrastructure expenditure. Existing development is not charged through this funding tool unless and until it becomes subject to a development application by way of works requiring planning and/or building approval. The proportion of infrastructure costs attributable to existing development is to be funded by means other than development contributions levied under this DCP.

2.2 Infrastructure funding policy

New development in the listed urban renewal precincts is required to meet part of its share of the total cost of delivering the required infrastructure works – as measured by its projected share of usage – through development contributions collected under this DCP.

The balance of the capital cost of the works will be funded from alternative sources, including council rates and, where applicable, Federal and State government funding.

3 STRATEGIC BASE FOR THE DCP

The strategic base for the DCP is provided by the City of Melbourne Planning Scheme, the respective Structure Plans and a range of strategies, policies, reports and internal Council documents that address planning and infrastructure development in the areas in question. A summary of the key reference documents is provided below.

3.1 Planning framework

The primary reference documents are:

- Melbourne Planning Scheme (incorporating the Municipal Strategic Statement and Local Planning Policy Framework) – Planning Scheme Amendment C162 (MSS);
- City North Structure Plan – Planning Scheme Amendment C196; and
- Southbank Structure Plan – Planning Scheme Amendment C171.

A number of studies have informed the planning framework applying to the City North and Southbank precincts, these include:

- Future Melbourne Community Plan, City of Melbourne, 2008.

City of Melbourne Municipal Strategic Statement

The City of Melbourne Municipal Strategic Statement (MSS – Clause 21) provides a vision for Melbourne as well as objectives, strategies and policies for managing land use change and development. The MSS highlights that the City of Melbourne is the premier location for Victoria’s flagship economic and cultural activities.

The City of Melbourne has experienced considerable residential population growth since 2001. The current statutorily endorsed metropolitan Strategy, Melbourne 2030, identifies that this trend will continue. The MSS outlines managing residential growth is a key issue for the City of Melbourne. This requires the provision of community infrastructure and services to support community development.

Clause 21.04-1 of the MSS (*Housing and Community*) states that a key objective is *to ensure new residential developments contribute to the social and physical infrastructure of the City.*

Planning Scheme Amendment C162 introduces a new MSS into the Melbourne Planning Scheme. The MSS designates various areas in the city that will undergo urban renewal. The MSS integrates future land development with transport and mobility infrastructure. The key directions in the new Municipal Strategic Statement are:

- planning for long-term growth in identified areas;
- a well-connected and accessible city;
- new developments to complement public places and spaces;
- creating an 'eco-city'; and
- supporting a vibrant diverse and complementary mix of uses.

Local Planning Policies

The City of Melbourne Local Planning Policies (Clause 22) guide the planning and management of land use in the City. Policies cover matters to do with infrastructure, residential growth and management, and construction and management of laneways in the CBD area.

City North Structure Plan

The City North Structure Plan provides a long term vision and strategy for the area to the north of Central Melbourne to become a sustainable urban renewal precinct. According to the Structure Plan, City North had a population of 12,400 persons and no community hubs in 2011. The Structure Plan is premised on an approximate population of 19,160 people and three integrated community hubs by 2031.

The City North Structure Plan proposes:

- the development of four new major civic places
- a boost to transport infrastructure including optimisation of the potential for bicycle use in the precinct.

The City North Structure Plan sets a framework for provision of community infrastructure including primary healthcare facilities, play and recreation facilities for a diverse group of residents including young people, older people and people with disabilities.

Southbank Structure Plan

The Southbank Structure Plan 2010 supercedes Southbank Structure Plan (Final Draft) 1999 and provides a renewed vision and updated development strategy for Southbank. It outlines a preferred scenario that integrates land use, built form, mobility, community infrastructure, open space and sustainable infrastructure to achieve a liveable and sustainable suburb.

According to the Southbank Structure Plan 2010, the precinct had a population of 10,500 persons in 2010. This could potentially grow to 40,500 by 2040. The Structure Plan recognises the current deficit in provision of community infrastructure such as library, childcare centre, schools, maternal health care and aged care services. It promotes the incorporation of these services into a district community hub and neighbourhood community hubs in the Southbank precinct. The Structure Plan also introduces the infrastructure projects required for the successful implementation of the visions and strategies stated in the Planning Scheme and the Southbank Structure Plan 2010.

3.2 Infrastructure planning framework

The primary infrastructure reference document for the DCP is a report prepared by AECOM in collaboration with City of Melbourne staff. It is entitled *Detailed Cost Opinion Report* (AECOM, 2012).

The AECOM (2012) report identifies design standards and costings for the suite of infrastructure projects nominated by the City of Melbourne for the successful development of the two growth areas in question.

4 CHARGE AREAS AND DEVELOPMENT SCENARIO

4.1 Charge areas

In line with the current DCP Government guidelines, contribution rates in this DCP are set for spatial units known as '*charge areas*'. A charge area is a small land area within the Main Charge Area for which a discrete development contribution rate is calculated. All development within a particular charge area will be required to pay the same contribution amount per dwelling or equivalent demand unit.

In setting the boundaries of each charge area, the key principle is that the potential for 'cross-subsidies' is kept as low as possible. A cross-subsidy occurs when development is asked to pay for infrastructure that it will rarely use, or is asked to pay above its fair share based on expected share of usage.

A DCP will often include more than one charge area to ensure that development in any one area pays for infrastructure it will make use of, and not other infrastructure. Contribution rates will often vary across different charge areas depending on the number and cost of infrastructure projects provided to service each area.

However, the avoidance of cross-subsidies ought not to be taken to extremes. Defining a charge area is not an exact science. Allowing for a reasonable margin of error when assessing usage nexus is appropriate. This is partially because of the inevitable uncertainties in projecting demand catchments and usage well into the future. Also, in some cases there may be an overriding community of interest in place which may justify a common charge across many areas.

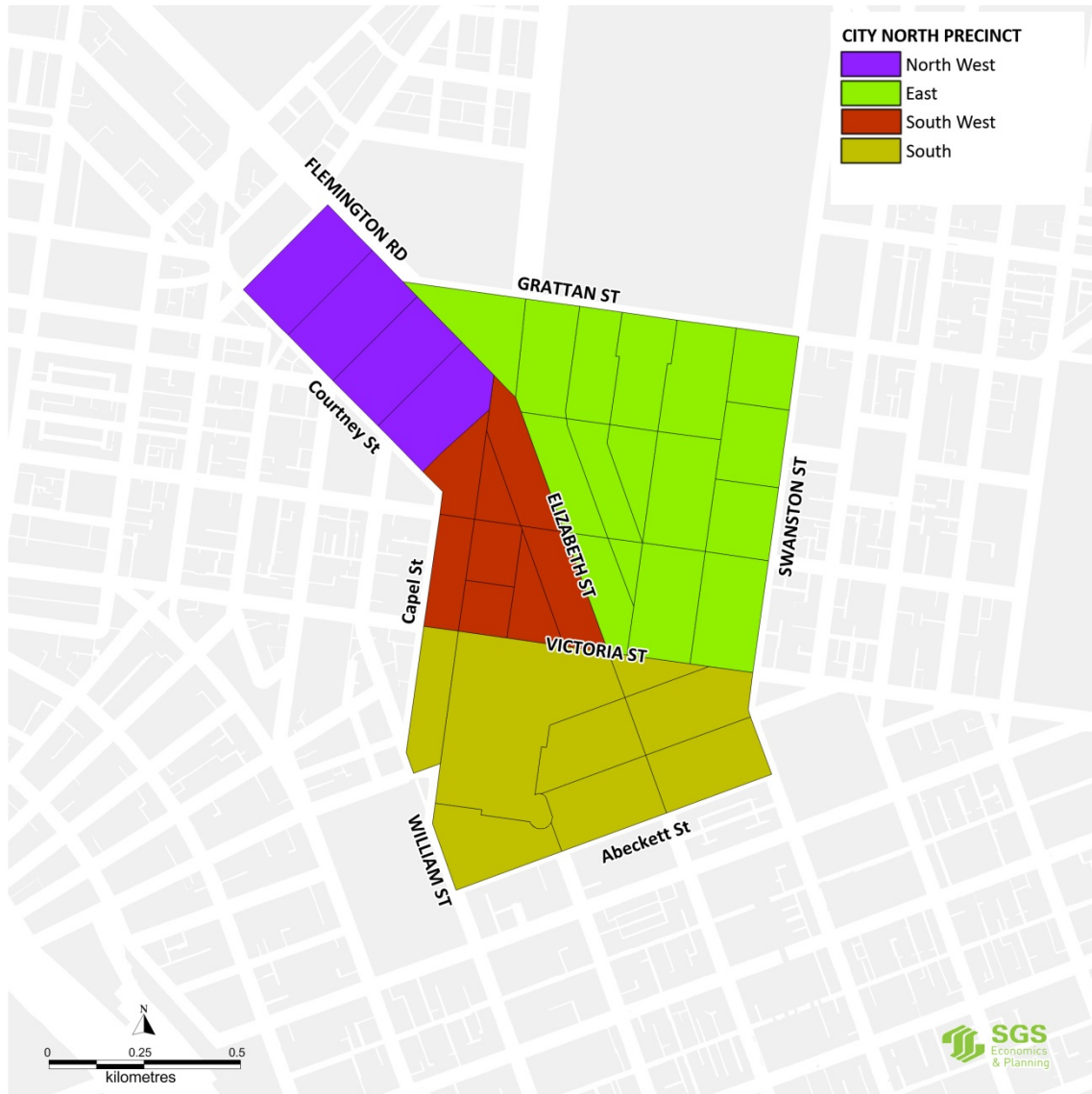
The charge areas are based on land areas that reasonably approximate to catchments for infrastructure projects that are included in this DCP. The land areas used are deemed small enough to eliminate the prospect of serious cross-subsidisation.

Some usage of the infrastructure items will be generated by development outside the DCP area. This is referred to as 'external demand', and an allowance for this has been factored into the calculation of infrastructure charges for each relevant project.

Additionally some demand for infrastructure will be generated within the DCP area but beyond the time horizon of the DCP. This is referred to as 'demand beyond the time horizon'. Demand generated within the DCP areas in the period to 2030 has been factored into the calculation of infrastructure charges for each relevant project in this DCP. It is reasonable to make only partial or conservative allowance for development which may take place between the DCP horizon year (2030) and the year when notional 'build out' is achieved in the precincts in question. This is so because the uncertainty attaching to projections rises as the forecast year extends into the future.

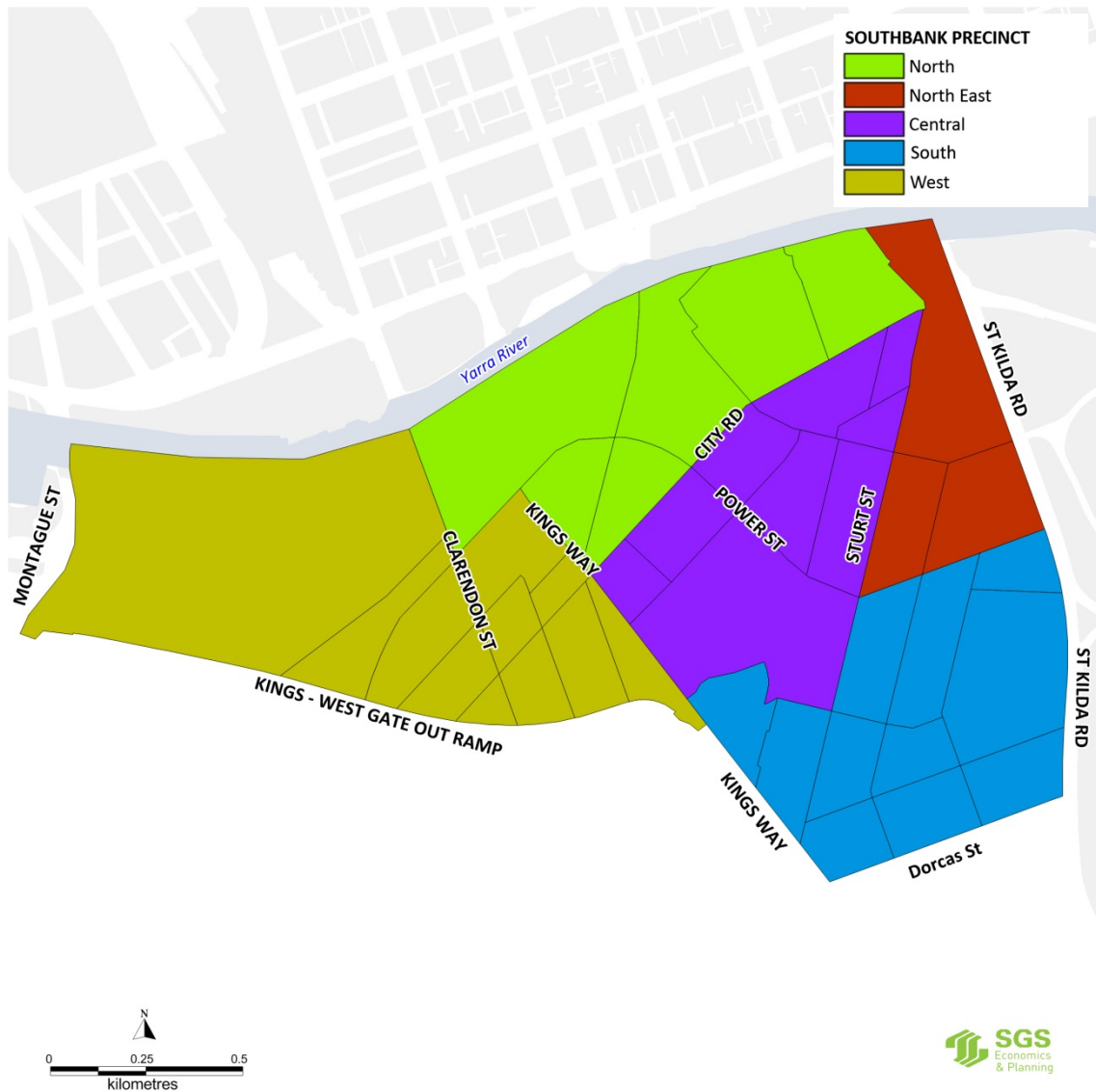
The charge areas for City North (4 charge areas) and Southbank (5 charge areas) are shown in Figure 2 and Figure 3.

FIGURE 2 CITY NORTH DEVELOPMENT CONTRIBUTIONS PLAN CHARGE AREAS



Source: SGS Economics and Planning, 2013

FIGURE 3 SOUTHBANK DEVELOPMENT CONTRIBUTIONS PLAN CHARGE AREAS



Source: SGS Economics and Planning, 2013



4.2 Development stock-take and projections

A stock-take of, and projections for, all major anticipated development in the DCP areas is summarised in the tables below. The main development forms expected in the areas in question are residential and non-residential (as defined in the Development Contribution Guidelines, non-residential uses include retail, commercial, industrial, institutional and other non-standard land uses). The stock-take provides an estimate of existing development in 2015. The development projections are calculated for the life of the DCP, a 15 year period from 2015/16 to 2029/30.

More detailed development data for each year from 2015/16 to 2029/30 is shown in Appendix 1.

The development information is provided for residential (number of dwellings) and non-residential (number of workers) development in the two DCP areas.

TABLE 1. CITY NORTH - SUMMARY OF DEVELOPMENT CONDITIONS

Development Type	Units	Existing (2015) Conditions	Future Development (2016-2029)	2029 Development Conditions
Residential	Dwellings	9,060	2,125	11,185
Non-Residential	Workers	21,796	3,103	24,900

Source: City Research - CLUE Forecast Model, 2013

TABLE 2. SOUTHBANK - SUMMARY OF DEVELOPMENT CONDITIONS

Development Type	Units	Existing (2015) Conditions	Future Development (2016-2029)	2029 Development Conditions
Residential	Dwellings	9,837	3,914	13,751
Non-Residential	Workers	45,208	15,125	60,334

Source: City Research - CLUE Forecast Model, 2013

4.3 Development and infrastructure usage nexus

The purpose of this DCP is to raise funds to help deliver the necessary infrastructure. For this DCP, infrastructure has been divided into three categories: Community Infrastructure, Public Realm, and Drainage Projects. However, not all development areas make use of each of these infrastructure categories.

Residential development is likely to make use of all infrastructure categories. However, for the purposes of this DCP, it has been assumed that non-residential development will only make use of Public Realm and Drainage Projects (subject to being in a project catchment). Non-residential developments are not deemed to be principal users of Community Infrastructure, especially as Open Space is excluded from this DCP. These are more closely related to population and housing development. The above nexus is summarised in Table 3.

TABLE 3. DEVELOPMENT-INFRASTRUCTURE USAGE NEXUS

Nexus	Community Infrastructure	Public Realm	Drainage
Residential	Yes	Yes	Yes
Non-Residential	-	Yes	Yes

4.4 Equivalence ratios and total demand units

As different types of non-residential development may place different demands on Public Realm and Drainage Projects per unit of floor area, it is necessary to express all development floorspace in a common 'demand unit' before DCP calculations are made.

In a highly active urban environment such as the CBD, residential and non-residential development alike make use of streetscaping and street level amenity. While residents obviously benefit from improved amenity in the area in which they live, the employees of businesses in the area also spend substantial time out in the public domain, as do visitors to shops, cafes, and restaurants.

Furthermore, in mixed use areas, the use within a building has a degree of fluidity, and over time, may go from being non-residential to residential, then back again.

City North and Southbank will be mixed use areas to accommodate a high number of residents and jobs. In this urban environment all land users benefit from, that is, make use of, an improved public realm. As such all use types will be charged in this DCP. Where a building is used for a mix of uses, an assessment will need to be made of:

- The number of dwellings; and
- The number of non-residential demand units

in each mixed use development.

Similarly, all users rely on there being sufficient drainage infrastructure. For the purposes of this DCP, it has been assumed that residential and non-residential development generate a similar level of demand for Public Realm and Drainage Projects on the basis that there is broad comparability between these groups in terms of their occupancy of the areas in question.

To convert non-residential development into a common demand unit, one dwelling has been set as the common demand unit. Therefore, the task is to determine how many workers of non-residential development generate the same demand as a dwelling, based on the average household size of the respective areas (at 2029/30 - the time horizon in this DCP).

For City North the average persons per dwelling is 1.67 people (Table 4), therefore 1.67 workers are deemed to generate as much demand for public realm and drainage infrastructure as a dwelling.

For Southbank the average persons per dwelling is 1.79 people (Table 5), therefore 1.79 workers are deemed to generate as much demand for public realm and drainage infrastructure as a dwelling.

TABLE 4. CITY NORTH – DEFINITION OF ONE DEMAND UNIT

Ratios	Community		
	Infrastructure	Public Realm	Drainage
Residential	1 dwelling	1 dwelling	1 dwelling
Non-Residential*	-	1.67 workers	1.67 workers

*Based on the projected average persons per dwelling in City North in 2029/2030

TABLE 5. SOUTHBANK – DEFINITION OF ONE DEMAND UNIT

Ratios	Community		
	Infrastructure	Public Realm	Drainage
Residential	1 dwelling	1 dwelling	1 dwelling
Non-Residential*	-	1.79 workers	1.79 workers

*Based on the projected average persons per dwelling in Southbank in 2029/2030

Based on the above assessment, the total amount of demand generated by development types by infrastructure type is illustrated in the below tables.

City North

TABLE 6. CITY NORTH – MAXIMUM DEMAND UNITS BY PROJECT TYPE

Total Demand Units for Community Infrastructure		
Development Type	Units	2029 Development Conditions
Residential	Dwellings	11,185
	Demand Units	11,185
Total Demand Units		11,185
Total Demand Units for Public Realm		
Development Type	Units	2029 Development Conditions
Residential	Dwellings	11,185
	Demand Units	11,185
Non-Residential	Workers	24,900
	Equivalence Ratio	1.67
	Demand Units	14906
Total Demand Units		26,091
Total Demand Units for Drainage		
Development Type	Units	2029 Development Conditions
Residential	Dwellings	11,185
	Demand Units	11,185
Non-Residential	Workers	24,900
	Equivalence Ratio	1.67
	Demand Units	14,906
Total Demand Units		26,091

Southbank

TABLE 7. SOUTHBANK – MAXIMUM DEMAND UNITS BY PROJECT TYPE

Total Demand Units for Public Realm		
Development Type	Units	2029 Development Conditions
Residential	Dwellings	13,751
	Demand Units	13,751
Non-Residential	Workers	60,334
	Equivalence Ratio	1.79
	Demand Units	33,629
Total Demand Units		47,380

For the purposes of collecting developer contributions from non-residential development, a demand unit for each DCP area can be expressed in terms of square metres of floorspace (Table 8).

This has been calculated as follows:

- a) Total non-residential floorspace as at 2029/30 has been divided by total workers as at 2029/30 to determine average floorspace per worker (in square metres)
- b) A demand unit has then been multiplied by the average floorspace per worker to determine average floorspace per demand unit (equivalent demand unit).

TABLE 8. NON-RESIDENTIAL FLOORSPACE PER DEMAND UNIT

Development Area	Average persons per demand unit (2030) a)	Non-residential floorspace per worker (2030) b)	Non-residential floorspace per demand unit (2030) c)
City North	1.67	48.79	81.50
Southbank	1.79	25.72	46.15

For example, City North has 1.67 persons per dwelling (or one demand unit) at 2029/30. As workers and residents are deemed to generate the same demand for infrastructure, a demand unit equals 1.67 workers. In 2029/30, the average amount of floorspace provided per worker is projected to be 48.79 square metres. Therefore 1.67 workers amount to 81.50 square metres of floorspace (equivalent demand unit).

In Southbank non-residential densities are anticipated to be higher than in City North (1.79 workers per demand unit). The average amount of floorspace provided per worker is projected to be 25.72 square metres. As such a non-residential equivalent demand unit equals 46.15 square metres.

Further details of the method employed is documented in *Appendix 2 – Demand Equivalence Ratios*.

5 INFRASTRUCTURE PROJECTS

5.1 Works required

City North

The City of Melbourne has determined that eight individual or grouped infrastructure projects will be included in the City North DCP. Note that other infrastructure projects may be warranted in the area but at the time of the DCP preparation these were omitted from the DCP for varying reasons. More detail on infrastructure projects included in this DCP and their justification is provided in Appendix 3.

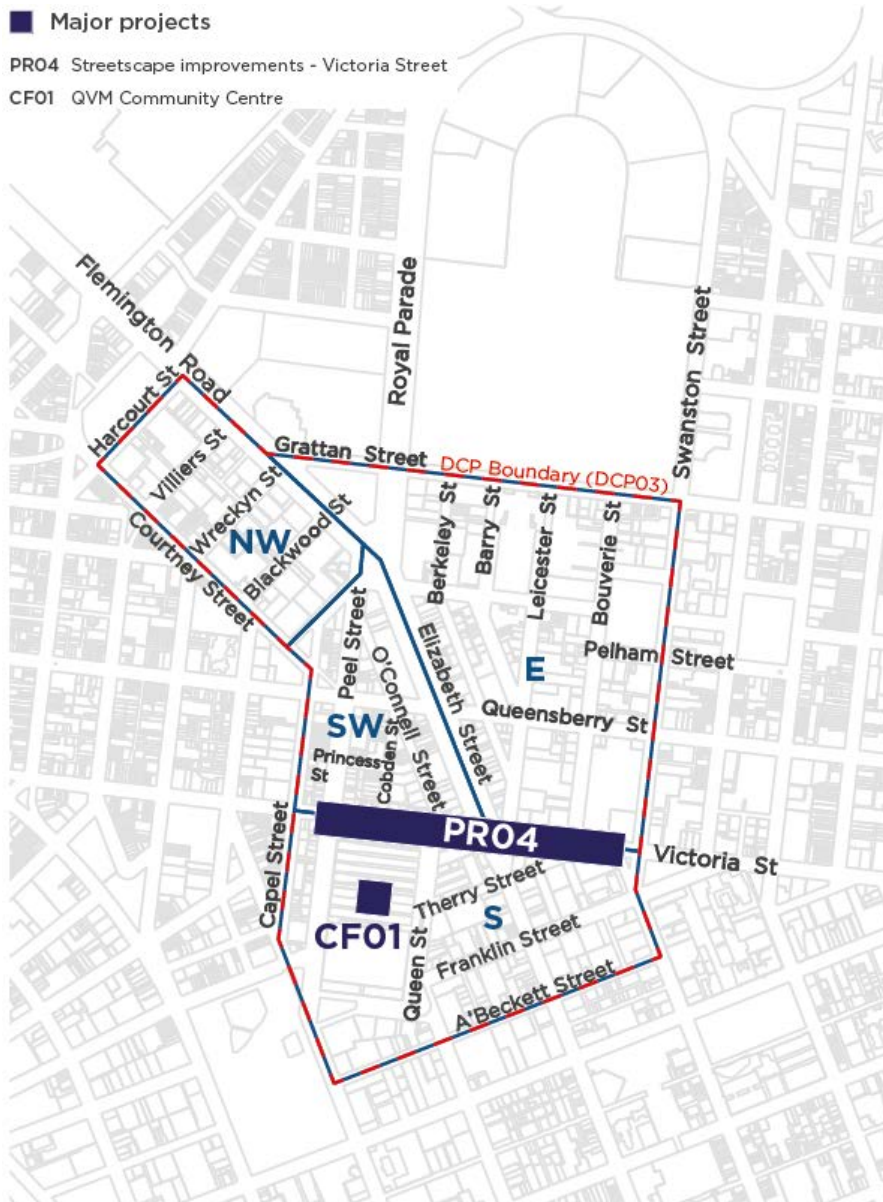
The breakdown of the DCP projects is as follows:

TABLE 9. CITY NORTH LIST OF INFRASTRUCTURE PROJECTS

Project Symbol	Project Name
PR01	North West Quadrant - Local Streetscape and drainage upgrade projects
PR02	South West Quadrant - Local Streetscape and drainage upgrade projects
PR03	East Quadrant - Local Streetscape and drainage upgrade projects
PR04	Major Project - Streetscape improvements - Victoria Street (assuming not in QVM)
PR05	Intersections upgrades and installations - only including 8, 9, 10, 11, 12, 13, 17, 23, 24, 25, 26, 27
PR06	South Quadrant – Local Streetscape and drainage upgrade projects
DR01	Major Project - Stormwater Harvesting
CF01	Major Project - QVM Community Centre

The location of these projects is shown in Figure 4.

FIGURE 4. CITY NORTH LOCATION OF PROJECTS



Southbank

The City of Melbourne has determined that 8 individual or grouped infrastructure projects will be included in the Southbank DCP. Note that other infrastructure projects may be warranted in the area but at the time of the DCP preparation these were omitted from the DCP for varying reasons. More detail on infrastructure projects included in this DCP and their justification is provided in Appendix 3.

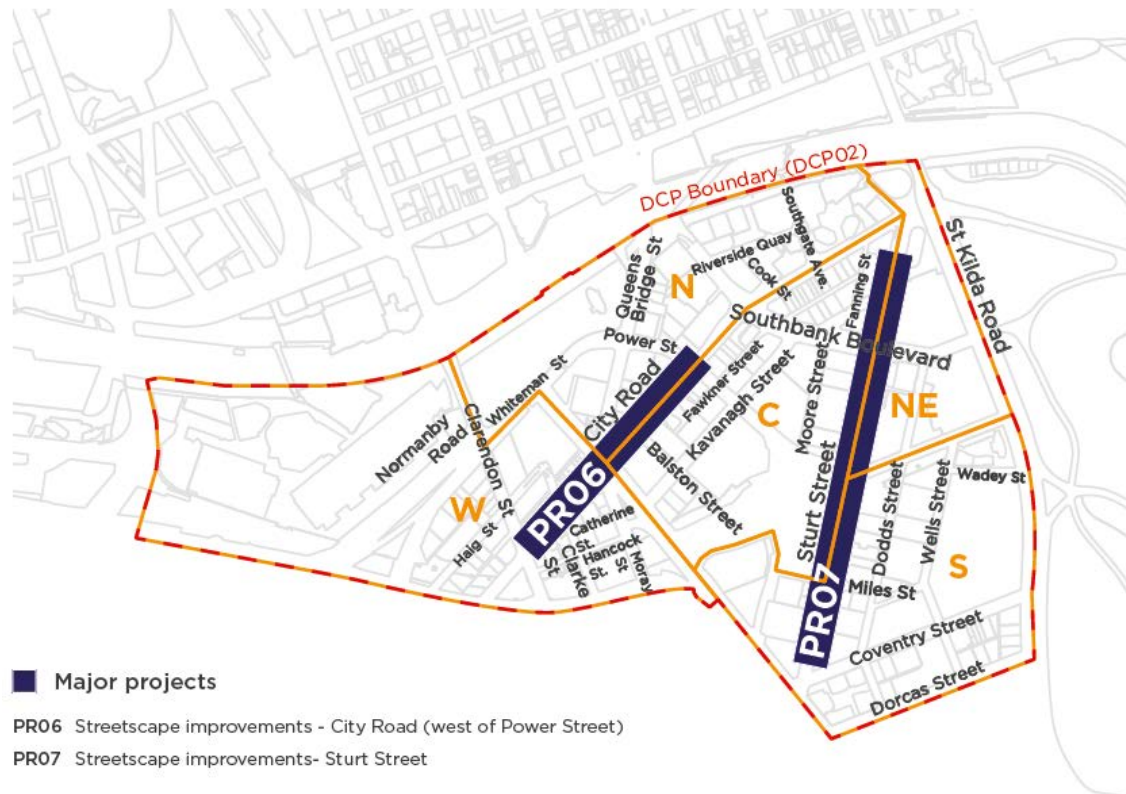
The breakdown of the DCP projects is as follows:

TABLE 10. SOUTHBANK LIST OF INFRASTRUCTURE PROJECTS

Project Symbol	Project Name
PR01	West Quadrant - Local Streetscape and drainage upgrade projects
PR02	North Quadrant - Local Streetscape and drainage upgrade projects
PR03	Central Quadrant - Local Streetscape and drainage upgrade projects
PR04	North East Quadrant - Local Streetscape and drainage upgrade projects
PR05	South Quadrant - Local Streetscape and drainage upgrade projects
PR06	Major Project - Streetscape improvements - City Road (west of Power Street) - 1/2 assumed
PR07	Major Project - Streetscape improvements - Sturt Street
PR08	Major Project - Intersections upgrades and installations - only including 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 18, 19, 21, 22, 23, 24, 25, 26, 27, 30, 33

The location of these projects is shown in Figure 5.

FIGURE 5. SOUTHBANK LOCATION OF PROJECTS



5.2 Development infrastructure and community infrastructure

The Planning & Environment Act requires that infrastructure in a DCP be classified in one of two categories: *Development Infrastructure* or *Community Infrastructure*. In accordance with the relevant Victorian State Government DCP Guidelines and Ministerial Direction, selected DCP projects are classified as Community Infrastructure in this DCP.

The distinction is made because the collection of contributions for Community Infrastructure is limited to the building permit stage and, at this time, there is a \$900 cap on Community Infrastructure contributions per demand unit. Development Infrastructure may be charged for at the planning permit stage and there is no cap on contribution amounts.

5.3 Project timing and delivery

The infrastructure projects listed in this DCP have notional delivery dates. In terms of actual project delivery dates, flexibility is required. For calculation purposes, the nominal delivery dates for the projects are as per the timings included in Appendix 3 and Appendix 4. In terms of statutory responsibilities for deployment of funds collected through development contributions under this Plan, Council is committing to deliver all projects within the horizon of the plan.

6 DEVELOPMENT CONTRIBUTION CHARGING RATES

6.1 Method of calculating charges

The cost apportionment methodology adopted in this DCP relies on the nexus principle described earlier. Costs are apportioned according to projected share of infrastructure usage.

The following method was used to calculate infrastructure charges in this DCP:

- Define and schedule the infrastructure items required to service the area, other than on-site work carried out by the developer
- For each infrastructure project, identify the main charge area
- Project the growth in demand units in each catchment area over the life of the funding plan
- Adjust the cost of each infrastructure item downwards in line with the estimated share of usage coming from outside each project's main charge area and / or outside the time frame of the DCP
- Divide the infrastructure cost by the number of demand units to arrive at a charge per demand unit
- Aggregate all charges that apply to a particular charging area to arrive at a total charge.

Appendix 4 of this DCP provides the infrastructure charge calculation sheet for each project included in the DCP. The calculation sheet shows all of the information inputs used to determine the infrastructure charge attached to each project.

6.2 Development contribution rates per demand unit

The development contributions that apply to each charge area for one demand unit are shown in Table 11 and Table 12 overleaf.

These contribution amounts are current as at May 2013. They must be adjusted annually on 1 July to allow for the rise or fall in prices by applying the following adjustment:

- i. The Collecting Agency will adjust the cost of capital works items included in the DCP at 1st July each year by applying the Building Price Index, June Quarter, Melbourne, in Rawlinsons Australian Construction Handbook; and
- ii. The Collecting Agency will adjust land values in this DCP as of 1st July each year, based on either the rise or fall of the relevant value as determined by the Victorian Valuer General's Land Monitor Index.

Rates vary according to the level of infrastructure provided for development in each of the charge areas.

TABLE 11. CITY NORTH – DEVELOPMENT CONTRIBUTION RATES FOR ONE DEMAND UNIT

Infrastructure Charge by Area One Demand Unit				
Area	CI Community Facility	DI Public Realm	DI Drainage	TOTAL
North West	\$900.00	\$1,667.79	\$216.99	\$2,784.79
South West	\$900.00	\$1,938.46	\$216.99	\$3,055.45
East	\$900.00	\$1,481.20	\$216.99	\$2,598.19
South	\$900.00	\$922.73	\$216.99	\$2,039.72

TABLE 12. SOUTHBANK – DEVELOPMENT CONTRIBUTION RATES FOR ONE DEMAND UNIT

Infrastructure Charge by Area One Demand Unit				
Area	CI Community Facility	DI Public Realm	DI Drainage	TOTAL
West	\$0.00	\$1,570.70	\$0.00	\$1,570.70
Central	\$0.00	\$1,197.35	\$0.00	\$1,197.35
North	\$0.00	\$1,047.39	\$0.00	\$1,047.39
North East	\$0.00	\$1,060.76	\$0.00	\$1,060.76
South	\$0.00	\$1,471.67	\$0.00	\$1,471.67

6.3 Development contribution rates for development types

The tables that follow show the charge for each DCP area. Charges are listed relating charge area by main development type. This is the above demand unit table converted into development types (expressed as per 100 square metres of non-residential floorspace) to assist in usability.

City North

Table 13 shows contributions for Residential Development (per dwelling), and Table 14 contributions for Non-residential Development (expressed as per 100 square metres of Net Lettable Area - NLA).

TABLE 13. DEVELOPMENT CONTRIBUTIONS PER RESIDENTIAL DWELLING

Residential				
Area	CI Community Facility	DI Public Realm	DI Drainage	Total Charge
	Per dwelling	Per dwelling	Per dwelling	Per dwelling
North West	\$900.00	\$1,667.79	\$216.99	\$2,784.79
South West	\$900.00	\$1,938.46	\$216.99	\$3,055.45
East	\$900.00	\$1,481.20	\$216.99	\$2,598.19
South	\$900.00	\$922.73	\$216.99	\$2,039.72

TABLE 14. DEVELOPMENT CONTRIBUTIONS PER DEMAND UNIT CALCULATED FOR EACH 100 SQM OF NON-RESIDENTIAL FLOORSPACE

Non-Residential				
Area	CI Community Facility	DI Public Realm	DI Drainage	Total Charge
	Per 100 sqm Floorspace	Per 100 sqm Floorspace	Per 100 sqm Floorspace	Per 100 sqm Floorspace
North West	\$0.00	\$2,046.37	\$266.25	\$2,312.62
South West	\$0.00	\$2,378.47	\$266.25	\$2,644.72
East	\$0.00	\$1,817.42	\$266.25	\$2,083.67
South	\$0.00	\$1,132.19	\$266.25	\$1,398.43

Southbank

Table 15 shows contributions for Residential Development (per dwelling), and Table 16 contributions for Non-residential Development (expressed as per 100 squares metre of Net Lettable Area - NLA).

TABLE 15. DEVELOPMENT CONTRIBUTIONS PER RESIDENTIAL DWELLING

Residential				
Area	CI Community Facility	DI Public Realm	DI Drainage	Total Charge
	Per dwelling	Per dwelling	Per dwelling	Per dwelling
West	\$0.00	\$1,570.70	\$0.00	\$1,570.70
Central	\$0.00	\$1,197.35	\$0.00	\$1,197.35
North	\$0.00	\$1,047.39	\$0.00	\$1,047.39
North East	\$0.00	\$1,060.76	\$0.00	\$1,060.76
South	\$0.00	\$1,471.67	\$0.00	\$1,471.67

TABLE 16. DEVELOPMENT CONTRIBUTIONS PER DEMAND UNIT CALCULATED FOR EACH 100 SQM OF NON-RESIDENTIAL FLOORSPACE

Non-Residential				
Area	CI Community Facility	DI Public Realm	DI Drainage	Total Charge
	Per 100 sqm Floorspace	Per 100 sqm Floorspace	Per 100 sqm Floorspace	Per 100 sqm Floorspace
West	\$0.00	\$3,403.46	\$0.00	\$3,403.46
Central	\$0.00	\$2,594.47	\$0.00	\$2,594.47
North	\$0.00	\$2,269.54	\$0.00	\$2,269.54
North East	\$0.00	\$2,298.50	\$0.00	\$2,298.50
South	\$0.00	\$3,188.88	\$0.00	\$3,188.88

7 PROCEDURAL MATTERS

7.1 Liability for development contributions

Should a development proposal technically fall outside of the Residential and Non-residential classifications used in this DCP, the City of Melbourne as Collecting Agency shall determine the most appropriate development charge to be used for the development. Such developments may require a case-by-case assessment of the number of demand units that they represent. This assessment will occur at the time a planning or building permit is applied for, whichever occurs first.

Payment of Development Infrastructure Levy

Payment for Development Infrastructure is payable as follows:

For subdivision of land

A Development Infrastructure Levy must be paid to the Collecting Agency within the following specified time, namely after certification of the relevant plan of subdivision but not more than 21 days prior to the issue of a Statement of Compliance is issued in respect of that plan under the Subdivision Act.

Where the subdivision is to be developed in stages the Development Infrastructure Levy for the stage to be developed only may be paid to the Collecting Agency within 21 days prior to the issue of a Statement of Compliance in respect of that stage of the plan of subdivision. This Schedule must show the amount of the development contributions payable for each stage and value of the contributions in respect of prior stages to the satisfaction of the Collecting Agency.

For development of land where no subdivision is proposed

Provided a Development Infrastructure Levy has not already been paid in respect of the land, a Development Infrastructure Levy must be paid to the Collecting Agency in accordance with the provisions of the City North and Southbank Development Contribution Plan September 2013 for each Demand Unit proposed to be developed prior to the commencement of any development. The Collecting Agency may agree to the deferral of the payment of the portion of the Development Infrastructure Levy payable to it.

Where no planning permit is required

Unless some other arrangement has been agreed to by the Collecting Agency in a section 173 agreement made under the Act, prior to the commencement of any development, a Development Infrastructure Levy calculated in accordance with the provisions of the City North and Southbank Development Contribution Plan September 2013 must be paid to the Collecting Agency.

Community Infrastructure Levy

Payment of the Community Infrastructure Levy is to be made in accordance with the City North and Southbank Development Contribution Plan September 2013 prior to the issue of a Building Permit under the Building Act 1993 and the relevant Building Regulations or at any other time which is set out in an agreement with the Collecting Agency. If no building permit is required, the Community Infrastructure Levy must be paid prior to the commencement of Building Works or at any other time which is set out in an agreement with the Collecting Agency.

Mixed Use Development

Where a building is used for a mix of uses, an assessment will need to be made of:

- The number of dwellings; and
- The number of non-residential demand units

In each mixed use development.

7.2 Method of payment

Development contributions payments are to be made in cash. The Collecting Agency (City of Melbourne), at its discretion, may consider accepting works or land in lieu of cash contributions, provided the value of the credit of the works in question does not exceed the amount provided for that project under this DCP (unless the Collecting Agency agrees).

7.3 Funds administration and accounting

Once the DCP is in the planning scheme, City of Melbourne as the Collecting Agency will be responsible for financial management of the DCP. The Collecting Agency is the public authority to whom all the levies are payable. As the Collecting Agency, City of Melbourne is responsible for the administration of this Development Contributions Plan and also its enforcement. City of Melbourne is also the Development Agency, and is responsible for the provision of the works funded.

Funds collected through development contributions will be held in a specific interest-bearing reserve account in accordance with the provisions of the *Local Government Act 1989 (Part 3b section 46Q(1)(a))*. All monies held in this account will be used solely for the provision of infrastructure as itemised in this DCP.

The City of Melbourne as Collecting Agency will provide for regular monitoring, reporting and review of the monies received and expended in accordance with this DCP through a separate set of audited financial statements.

Should the Collecting Agency or Development Agency resolve not to proceed with any of the infrastructure projects listed in this DCP, the funds collected for these items will be used for the provision of additional works, services and facilities as approved by the Minister responsible for the *Planning and Environment Act 1987*, or will be refunded to owners of land subject to these infrastructure charges.

APPENDIX 1 – DEVELOPMENT PROJECTIONS

The following tables show the development stock-take and projections for Residential and Non-residential for the charge areas of City North and Southbank.

TABLE 17. CITY NORTH - RESIDENTIAL DEVELOPMENT BY CHARGE AREA (DWELLINGS)

DCP Charge Area #	Existing Dwellings (2015)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total New	2029 Total	3034 Total	Demand Beyond DCP Time Horizon
East	2808	176	40	40	40	40	40	61	61	61	61	61	62	62	62	862	3,670	4,130	11.1%
South West	986	19	2	2	2	2	2	4	4	4	4	4	4	4	4	63	1,049	1,087	3.5%
North West	1428	19	2	2	2	2	2	4	4	4	4	4	4	4	4	59	1,487	1,524	2.4%
South	3838	251	53	53	53	53	53	78	78	78	78	78	79	79	79	1,141	4,979	5,596	11.0%
Total	9,060	465	96	96	96	96	96	146	146	146	146	146	150	150	150	2,125	11,185	12,338	9.3%

TABLE 18. CITY NORTH - WORKERS BY CHARGE AREA (TOTAL)

DCP Charge Area #	Existing Workers (2015)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total New	2029 Total	3034 Total	Demand Beyond DCP Time Horizon
East	6771	140	89	89	89	89	89	30	30	30	30	30	110	110	110	1,060	7,831	8,370	6.4%
South West	1202	19	11	11	11	11	11	4	4	4	4	4	14	14	14	136	1,339	1,409	5.0%
North West	1678	27	15	15	15	15	15	5	5	5	5	5	42	42	42	256	1,935	2,096	7.7%
South	12145	233	135	135	135	135	135	45	45	45	45	45	173	173	173	1,651	13,796	14,651	5.8%
Total	21,796	419	250	250	250	250	250	84	84	84	84	84	339	339	339	3,103	24,900	26,526	6.1%

TABLE 19. CITY NORTH – TOTAL DEMAND UNITS

DCP Charge Area #	Existing Demand Units (2015)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total New	2029 Total	3034 Total	Demand Beyond DCP Time Horizon
East	6861	260	93	93	93	93	93	78	78	78	78	78	127	127	127	1,497	8,358	9,141	8.6%
South West	1706	31	9	9	9	9	9	6	6	6	6	6	13	13	13	144	1,850	1,931	4.2%
North West	2433	35	11	11	11	11	11	7	7	7	7	7	30	30	30	212	2,645	2,779	4.8%
South	11108	391	133	133	133	133	133	105	105	105	105	105	183	183	183	2,129	13,237	14,367	7.9%
Total	22,108	716	246	246	246	246	246	196	196	196	196	196	353	353	353	3,983	26,091	28,217	7.5%

TABLE 20. SOUTHBANK - RESIDENTIAL DEVELOPMENT BY CHARGE AREA (DWELLINGS)

DCP Charge Area #	Existing Dwellings (2015)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total New	2029 Total	3034 Total	Demand Beyond DCP Time Horizon
West	2331	191	73	73	73	73	73	66	66	66	66	66	80	80	80	1,128	3,459	4,077	15.2%
Central	3569	305	130	130	130	130	130	121	121	121	121	121	143	143	143	1,992	5,561	6,630	16.1%
North	2196	77	31	31	31	31	31	23	23	23	23	23	32	32	32	445	2,641	2,887	8.5%
North East	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
South	1742	51	25	25	25	25	25	19	19	19	19	19	26	26	26	349	2,091	2,277	8.2%
Total	9,837	624	260	260	260	260	260	230	230	230	230	230	280	280	280	3,914	13,751	15,871	13.4%

TABLE 21. SOUTHBANK - WORKERS BY CHARGE AREA (TOTAL)

DCP Charge Area #	Existing Workers (2015)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total New	2029 Total	3034 Total	Demand Beyond DCP Time Horizon
West	3004	-24	258	258	258	258	258	86	86	86	86	86	345	345	345	2,732	5,736	7,029	18.4%
Central	4950	-14	215	215	215	215	215	72	72	72	72	72	94	94	94	1,701	6,651	7,172	7.3%
North	26322	-65	706	706	706	706	706	236	236	236	236	236	296	296	296	5,535	31,857	33,516	4.9%
North East	2698	-7	71	71	71	71	71	24	24	24	24	24	22	22	22	535	3,233	3,378	4.3%
South	8235	-22	563	563	563	563	563	188	188	188	188	188	297	297	297	4,622	12,857	14,382	10.6%
Total	45,208	-131	1,813	1,813	1,813	1,813	1,813	606	606	606	606	606	1,055	1,055	1,055	15,125	60,334	65,477	7.9%

TABLE 22. SOUTHBANK - TOTAL DEMAND UNITS

DCP Charge Area #	Existing Demand Units (2015)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total New	2029 Total	3034 Total	Demand Beyond DCP Time Horizon
West	4005	178	217	217	217	217	217	115	115	115	115	115	272	272	272	2,651	6,656	7,995	16.7%
Central	6328	297	250	250	250	250	250	161	161	161	161	161	196	196	196	2,940	9,268	10,627	12.8%
North	16867	41	425	425	425	425	425	155	155	155	155	155	197	197	197	3,530	20,398	21,568	5.4%
North East	1504	-4	40	40	40	40	40	13	13	13	13	13	12	12	12	298	1,802	1,883	4.3%
South	6332	39	339	339	339	339	339	124	124	124	124	124	191	191	191	2,925	9,257	10,293	10.1%
Total	35,036	551	1,270	1,270	1,270	1,270	1,270	568	568	568	568	568	868	868	868	12,345	47,380	52,367	9.5%

APPENDIX 2 – DEMAND EQUIVALENCE RATIOS

DCP Area	Residents 2030	Dwellings 2030	Average persons per dwelling
City North	18,935	11,335	1.67
Southbank	25,173	14,031	1.79
Source: City Research - CLUE Forecast Model 2013			

DCP Area	Workers 2030	Non-residential floorspace 2030	Average floorspace per worker (m2)
City North	25,239	1,231,274	48.79
Southbank	61,388	1,578,993	25.72
Source: City Research - CLUE Forecast Model 2013			
Source: SGS Economics and Planning - Employment and Floorspace Model 2012			

DCP Area	1 Demand Unit Equivalent	
	Residential (dwelling)	Non-Residential (floorspace)
City North	1	81.50
Southbank	1	46.15

Development Area	Average persons per demand unit (2030) a)	Non-residential floorspace per worker (2030) b)	Non-residential floorspace per demand unit (2030) c)
City North	1.67	48.79	81.50
Southbank	1.79	25.72	46.15

APPENDIX 3 – INFRASTRUCTURE PROJECT DETAILS

The following pages lists all infrastructure projects and provides detail on project justification and project description.

TABLE 23. CITY NORTH PROJECT LIST

Name	Symbol	IC	Estimated Cost	External Demand	Starting Year	Ending Year	Discount Beyond Time Horizon	Project Justification	Catchment
North West Quadrant - Local Streetscape and drainage upgrade projects	PR01	DI PUBLIC REALM	\$ 4,700,243	0%	2015/16	2029/30	4.82%	AECOM - Detailed Cost Opinion Report (June 2012)	North West
South West Quadrant - Local Streetscape and drainage upgrade projects	PR02	DI PUBLIC REALM	\$ 4,023,036	0%	2015/16	2029/30	4.17%	AECOM - Detailed Cost Opinion Report (June 2012)	South West
East Quadrant - Local Streetscape and drainage upgrade projects	PR03	DI PUBLIC REALM	\$ 12,661,357	0%	2015/16	2029/30	8.56%	AECOM - Detailed Cost Opinion Report (June 2012)	East
Major Project - Streetscape improvements - Victoria Street (assuming not in QVM)	PR04	DI PUBLIC REALM	\$ 9,522,080	0%	2018/19	2020/21	3.60%	AECOM - Detailed Cost Opinion Report (June 2012)	North West, South West, East, South
Intersections upgrades and installations - only including 8, 9, 10, 11, 12, 13, 17, 23, 24, 25, 26, 27	PR05	DI PUBLIC REALM	\$ 7,050,000	0%	2015/16	2029/30	7.20%	AECOM - Detailed Cost Opinion Report (June 2012)	North West, South West, East, South
South Quadrant - Local Streetscape and drainage upgrade projects	PR06	DI PUBLIC REALM	\$ 8,615,364	0%	2015/16	2029/30	5.00%	AECOM - Detailed Cost Opinion Report (June 2012)	South
Major Project - Stormwater Harvesting	DR01	DI DRAINAGE	\$ 8,000,000	0%	2020/21	2021/22	7.20%	AECOM - Detailed Cost Opinion Report (June 2012)	North West, South West, East, South
Major Project - QVM Community Centre	CF01	CI COMMUNITY INFRA	\$ 25,000,000	10%	2019/20	2021/22	5.00%	AECOM - Detailed Cost Opinion Report (June 2012)	North West, South West, East, South

TABLE 24. SOUTHBANK PROJECT LIST

Name	Symbol	IC	Estimated Cost	External Demand	Starting Year	Ending Year	Discount Beyond Time Horizon	Project Justification	Catchment
West Quadrant - Local Streetscape and drainage upgrade projects	PR01	DI PUBLIC REALM	\$ 7,699,540	0%	2015/16	2029/30	16.7%	AECOM - Detailed Cost Opinion Report (June 2012)	West
North Quadrant - Local Streetscape and drainage upgrade projects	PR02	DI PUBLIC REALM	\$ 7,170,620	0%	2015/16	2029/30	5.4%	AECOM - Detailed Cost Opinion Report (June 2012)	North
Central Quadrant - Local Streetscape and drainage upgrade projects	PR03	DI PUBLIC REALM	\$ 5,454,270	0%	2015/16	2029/30	12.8%	AECOM - Detailed Cost Opinion Report (June 2012)	Central
North East Quadrant - Local Streetscape and drainage upgrade projects	PR04	DI PUBLIC REALM	\$ 663,930	0%	2015/16	2029/30	4.3%	AECOM - Detailed Cost Opinion Report (June 2012)	North East
South Quadrant - Local Streetscape and drainage upgrade projects	PR05	DI PUBLIC REALM	\$ 9,011,650	0%	2015/16	2029/30	10.1%	AECOM - Detailed Cost Opinion Report (June 2012)	South
Major Project - Streetscape improvements - City Road (west of Power Street) - 1/2 assumed	PR06	DI PUBLIC REALM	\$ 13,559,800	0%	2015/16	2017/18	9.5%	AECOM - Detailed Cost Opinion Report (June 2012)	West, North, Central, North East, South
Major Project - Streetscape improvements - Sturt Street	PR07	DI PUBLIC REALM	\$ 21,268,000	0%	2015/16	2017/18	9.5%	AECOM - Detailed Cost Opinion Report (June 2012)	West, North, Central, North East, South
Major Project - Intersections upgrades and installations - only including 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 18, 19, 21, 22, 23, 24, 25, 26, 27, 30, 33	PR08	DI PUBLIC REALM	\$ 8,700,000	0%	2015/16	2029/30	9.5%	AECOM - Detailed Cost Opinion Report (June 2012)	West, North, Central, North East, South

APPENDIX 4 – INFRASTRUCTURE PROJECT CALCULATIONS

The following pages list all infrastructure project inputs and calculations. All assumptions are noted in the spreadsheets.

TABLE 25 CITY NORTH - CASHFLOW BY PROJECT TYPE

	Present Value	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Estimated Cash Inflow(2015\$)																
DI DRAINAGE	\$558,995	\$0	\$155,355	\$53,285	\$53,285	\$53,285	\$53,285	\$53,285	\$42,575	\$42,575	\$42,575	\$42,575	\$42,575	\$76,552	\$76,552	\$76,552
DI PUBLIC REALM	\$3,110,684	\$0	\$862,898	\$295,291	\$295,291	\$295,291	\$295,291	\$295,291	\$236,319	\$236,319	\$236,319	\$236,319	\$236,319	\$431,815	\$431,815	\$431,815
CI COMMUNITY INFRASTRUCTURE	\$2,087,184	\$0	\$702,048	\$145,001	\$145,001	\$145,001	\$145,001	\$145,001	\$220,523	\$220,523	\$220,523	\$220,523	\$220,523	\$226,564	\$226,564	\$226,564
Total Cash Inflow	\$5,756,862	\$0	\$1,720,301	\$493,578	\$493,578	\$493,578	\$493,578	\$493,578	\$499,417	\$499,417	\$499,417	\$499,417	\$499,417	\$734,932	\$734,932	\$734,932
Estimated Cash Outflow(2015\$)																
DI DRAINAGE	\$5,480,071	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DI PUBLIC REALM	\$31,112,762	\$2,470,000	\$2,470,000	\$2,470,000	\$5,644,027	\$5,644,027	\$5,644,027	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000
CI COMMUNITY INFRASTRUCTURE	\$17,643,965	\$0	\$0	\$0	\$0	\$8,333,333	\$8,333,333	\$8,333,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Outflow	\$54,236,798	\$2,470,000	\$2,470,000	\$2,470,000	\$5,644,027	\$13,977,360	\$17,977,360	\$14,803,333	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000	\$2,470,000
Net Cash Flow		-\$2,470,000	-\$749,699	-\$1,976,422	-\$5,150,449	-\$13,483,782	-\$17,483,782	-\$14,309,756	-\$1,970,583	-\$1,970,583	-\$1,970,583	-\$1,970,583	-\$1,970,583	-\$1,735,068	-\$1,735,068	-\$1,735,068
Discount Rate		6%														

TABLE 26 SOUTHBANK - CASHFLOW BY PROJECT TYPE

	Present Value	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Estimated Cash Inflow(2015\$)																
DI PUBLIC REALM	\$10,354,692	\$0	\$731,135	\$1,628,974	\$1,628,974	\$1,628,974	\$1,628,974	\$1,628,974	\$732,217	\$732,217	\$732,217	\$732,217	\$732,217	\$1,163,575	\$1,163,575	\$1,163,575
DI DRAINAGE																
Total Cash Inflow	\$10,354,692	\$0	\$731,135	\$1,628,974	\$1,628,974	\$1,628,974	\$1,628,974	\$1,628,974	\$732,217	\$732,217	\$732,217	\$732,217	\$732,217	\$1,163,575	\$1,163,575	\$1,163,575
Estimated Cash Outflow(2015\$)																
DI PUBLIC REALM	\$56,089,317	\$14,189,267	\$14,189,267	\$14,189,267	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001
DI DRAINAGE																
Total Cash Outflow	\$56,089,317	\$14,189,267	\$14,189,267	\$14,189,267	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001	\$2,580,001
Net Cash Flow		-\$14,189,267	-\$13,458,132	-\$12,560,293	-\$951,026	-\$951,026	-\$951,026	-\$951,026	-\$1,847,784	-\$1,847,784	-\$1,847,784	-\$1,847,784	-\$1,847,784	-\$1,416,426	-\$1,416,426	-\$1,416,426
Discount Rate		6%														

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