

City of Yarra Amendment C238 Panel Hearing

Expert Evidence Statement, Chris De Silva, Director Mesh Planning



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Client	Harwood Andrews
Project	City of Yarra Amendment C238 Panel Hearing
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1 Expert's Statement

1.1 Name and Address

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

1.2 Qualifications and Experience

I hold a Bachelor of Applied Science (Planning)(Honours) from RMIT University. I have worked as a strategic planner, principally in the field of metropolitan and regional growth area planning for approximately 28 years.

A CV is included at Appendix 1.

1.3 Area of Expertise

I have a broad range of experience in strategic planning and development matters (including preparation of numerous precinct structure plans and development contributions plans).

I started my career in a planning consultancy and thereafter was employed by the City of Whittlesea over an extended period (approximately 20 years). At the City of Whittlesea, I occupied various positions including Manager Strategic Planning and Director Planning and Development. After leaving Council I occupied a specialist strategic planning role in a privately-owned development company for a year.

I established Mesh in 2009 and have since occupied the position of Director and owner of the company. Mesh acts for a combination of public and private sector clients on a broad range of metropolitan and regional and growth area projects, infill redevelopment projects, urban design of all scales and infrastructure funding frameworks including preparation and implementation of development contributions plans and infrastructure contributions plans.

I was a member of the Standard Development Contributions Advisory Committee (SDCAC) that was appointed by the then Minister for Planning. Since being a member of the SDCAC I have provided on-going advice and support to Government to implement the Infrastructure Contributions Plan system and I have been involved in preparation of a number of development contributions plans. I have also been responsible for provision of advice to Local Government to assist with formulation of municipal development contributions plans.

1.4 Other Contributors

This evidence statement has been prepared by Chris De Silva with some assistance from Jo Fisher (Principal Urban Planner, Mesh).

1.5 Instructions for scope of work

I have been engaged by Harwood Andrews and requested to:

- Review and consider a brief of documents.
- Consider and respond to the submissions made to the Amendment.

- Consider the Panel Directions and respond (where relevant to my expertise) to the Panel's list of questions set out at direction 12(c).
- Prepare an expert witness statement having regard to the above matters.
- Attend an expert witness conclave as required by the Panel Directions at direction 7.
- Attend the hearing to give evidence.

1.6 *Completion of tests or experiments upon which the expert has relied on*

No additional tests or experiments have been completed.

1.7 *Declaration*

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



Chris De Silva
Director

2 Summary of Opinion

2.1 Introduction

I was initially commissioned by the City of Yarra to undertake a peer review of the exhibited Amendment (see *Attachment 2*). The key finding of the peer review was that the exhibited DCP is generally consistent with the DCP framework and precedent set by recently approved municipal DCPs including the Darebin DCP, Moreland DCP and Brimbank DCP.

Whilst no substantive issues were identified during my review of the exhibited documents, I made some specific recommendations that were intended to ensure that the DCP is in accordance with the Act, the Ministers Direction and the DCP Guidelines and/or to improve the transparency of the documents.

This evidence statement incorporates the findings of the peer review and provides further commentary regarding the DCP framework and responds to matters that have been raised in submissions.

In preparing this evidence statement I have also had regard to two additional documents (see *Attachments 3&4*):

- Yarra Amendment C238: Development Contributions Plan - Response to Mesh Peer Review Recommendations prepared by Alix Hrelja, Principal Hill PDA dated 14 February 2019;
- Yarra Amendment C238: Development Contributions Plan - Information Requested by Planning Panel prepared by Harwood Andrews Lawyers by and on behalf of the Council and in consultation with Mr Hrelja, dated 15 February 2019.

2.2 Summary Position

I support adoption of a municipal DCP approach in the City of Yarra for the following reasons:

- The DCP Guidelines (the Guidelines) specifically anticipate adoption of a municipal approach;
- The distinction between existing population and projected population to the end of the DCP period establishes a simple but robust basis to establish the overall share of usage and cost apportionment (92,610 persons in 2016 to 122,022 persons by 2031 - an increase of **29,413 persons** or **31.76%** increase - an average growth rate of **1.98% pa**);
- Growth is projected to occur generally throughout the City however there is infrastructure planning relevance in adoption of the existing suburbs or groups thereof as both analysis areas and charge areas;
- The nature of infill development and redevelopment is that it will result in cumulative demand and shared usage of a broad range of infrastructure types;
- The Guidelines specifically identify that the types of projects in a DCP can include:
 - A new item of infrastructure;

- An upgrade in the standard of provision of an existing infrastructure item;
 - An extension to an existing facility, or
 - The total replacement of an infrastructure item after it has reached the end of its economic life.
- Part 3B of the Planning and Environment Act does not limit adoption of a municipal approach;
- It is possible and appropriate to define infrastructure as being either development infrastructure and/or community infrastructure as defined within the Act and the Ministerial Direction;
- The three background papers and the various strategies and policies offer a robust basis to identify infrastructure projects (need and nexus) and apportionment between existing and future residents;
- The Guidelines specifically refer to use of Council capital works programs as a source of identification of infrastructure projects along with other strategies and policies;
- Council is adopting a binding responsibility to fund and deliver the majority of the cost of the projects that have been included in the exhibited DCP (total cost \$177,171,308 – cost attributed to new development \$55,809,932 = \$121,361,336 liability to Council – see summary of costs table in exhibited schedule 1 to the Development Contributions Plan Overlay;
- The total cost that has been attributed to new development (\$55,809,932) and the proportion of cost attributed to new development (31.50%) accords with the projected increase in population of 29,413 persons or 31.76% increase.

2.3 Specific Recommendations

Notwithstanding my support for adoption of a municipal DCP approach in the City of Yarra, I am of the opinion that the exhibited DCP and associated statutory provisions could be improved by having regard to the following recommendations (for ease of reference for the Panel where recommendations have been made in relation to changes or additions to the exhibited DCP tables examples of application of the recommendations have been prepared – *see Attachment 5*):

1. Removal of the flat 5% external apportionment allowance.
2. Additional explanation be added to Section 3 of exhibited DCP to clearly define what the term 'renew' means and clarify that the footpath projects are not associated with maintenance.
3. It is recommended that Figures 2 – 12 be updated to distinguish between the DCP project categories.
4. It is recommended that the DCP be updated to include an explanation as to how the equivalence ratios for footpaths, drainage and planning costs were calculated.
5. It is recommended that Section 5 of the DCP include a table setting out the total demand units by land use type for each charge area.

6. It is recommended that Table 4 be expanded to provide the breakdown of charges by infrastructure category. It is also recommended that the Summary of Costs table included in the DCPO Schedule is included to illustrate the proportion of cost that is attributed to new development.
7. It is recommended that Table 5 could be improved with the addition of a column detailing the standard of construction being funded.
8. The calculation of charges method adopted in the exhibited DCP is robust, however in light of the proposed retail, commercial and industrial proposed charges which are very modest, it may be appropriate to consider applying a standard charge for each land use type for ease of implementation.
9. The recent Banyule DCP Panel Report (August, 2018) included the following Panel Recommendation (page 23) that the 'DCP Exemptions' should include "Construction of and upgrades to existing servicing infrastructure" to ensure that the various service providers are not charged a DCP levy. I support this recommendation and recommend that the exhibited DCP and DCPO Schedule be updated to include this additional exemption and that the exemptions listed in Section 8 of the exhibited DCP are consistent with those included in the DCPO Schedule.
10. It is recommended that the specific indices set out in Table 3 of this statement be utilised for indexation purposes.
11. Given that the DCP projects are in part based on Council's 10 year Capital Works Plan which are prioritised to inform the Council Plan which operates for a four year period it may be more appropriate to review the DCP every four years to align it with preparation of the Council Plan.
12. It is recommended that transitional arrangements be specified to avoid confusion.
Transitional arrangements could specify exclusion of planning permits where a permit was issued prior to approval of the DCP and submission of amended plans where the planning permit was issued prior to approval of the DCP.
13. It is recommended that the classification of Project GO12 – North Carlton Children's Centre be changed to development infrastructure.
14. Project 307 refers to preparation and implementation of the DCP - the project description could be improved by removing reference to 'implementation'.

3 Summary of the Amendment

The Amendment has been prepared by the City of Yarra and proposes to make the following changes to the Yarra Planning Scheme to implement a municipality wide DCP:

- Inserts a new clause 45.06 (Development Contributions Plan Overlay) (DCPO) and a new Schedule 1 to Clause 45.06 (Yarra Development Contributions Plan 2017) (DCPO1).
- Amends the Schedule to Clause 72.03 to include new Scheme maps.
- Amends the Schedule to Clause 72.04 to incorporate the Yarra Development Contributions Plan 207(DCP) into the Scheme.

The key components of the draft DCP are:

- It applies to all land within the municipality of the City of Yarra.
- It seeks to introduce both a Development Infrastructure Levy (DIL) and Community Infrastructure Levy (CIL) across the 10 existing suburbs.
- New residential, retail, commercial and industrial development within the municipality will be required to pay the respective DIL and/or CIL suburb specific charges.
- It uses equivalence ratios to convert the different land use types into a common demand unit, which is one dwelling.
- It is set to operate for 18 years between the years 2018 and 2036.

3.1 *Infrastructure projects to be funded*

The draft DCP proposes to fund 777 projects, these projects are categorised as roads, paths, drainage, community infrastructure or plan preparation costs.

The total value of the draft DCP projects is \$177.2M, however the DCP will only collect \$55.8M over the life of the DCP.

Based on the summary of costs included in the draft DCP Overlay, \$24.4M of the total \$55.8M will be collected via the Community Infrastructure Levy (CIL), therefore the balance of funds (56% of the total contribution collected) will be collected via the Development Infrastructure Levy (DIL).

Contributions towards community facilities (funded via CIL) and paths (funded via DIL) make up 84% of the total funds collected.

A copy of the Summary of Costs table included in the exhibited DCP Overlay Schedule is provided below – see Table 1.

Open space projects have not been included as these are funded via separate mechanisms such as Clause 52.01 and the Subdivision Act.

Formulation of the DCP has been supported by preparation of three background papers:

- **Demographics** – identifying the type and location of population changes in Yarra;
- **DCP projects** – identifying the projects suitable for inclusion in the DCP and the process for identifying the projects; and

- **DCP charge areas** – outlining the basis for selecting the charge areas.

The DCP proposes to introduce the mechanism to charge development contributions for a combination of community infrastructure and development infrastructure within the following development classes or land use types (via use of equivalence ratios where the common demand unit is one dwelling):

- Residential Dwellings;
- Retail Floorspace (sqm);
- Commercial Floorspace (sqm);
- Industrial Floorspace (sqm).

The exhibited schedule to the Development Contributions Overlay contains the following the summary of costs as set out in the table below.

Table 1 Summary of Costs

Facility Type and Code	Total Cost	Time of Provision	Actual Cost Contribution Attributed to New Development	Proportion of Cost Attributed to New Development
Community Facility CFCI	\$72,963,969	2016-2036	\$24,426,587	33.48%
Community Facility CFDI	\$825,000	2016-2036	\$246,299	29.85%
Path PADI	\$72,600,362	2016-2036	\$22,454,018	30.93%
Road RDDI	\$16,349,427	2016-2036	\$4,640,648	28.38%
Drainage RDDI	\$14,352,825	2016-2036	\$4,017,998	27.99%
Development Contributions Plan DCPP	\$79,725	2016-2036	\$24,382	30.58%
Total	\$177,171,308		\$55,809,932	31.50%

The summary of costs is proposed to be apportioned across 10 charge areas and expressed as levies payable by:

- **Residential development** (per dwelling) – development and community infrastructure.
- **Retail development** (per sqm of floorspace) – development infrastructure only.
- **Commercial development** (per sqm of floorspace) – development infrastructure only.
- **Industrial development** (per sqm of floorspace) – development infrastructure only.

3.2 Calculation of DCP charges

The draft DCP proposes to apportion the cost of each DCP project to the total demand units within its catchment area to the end of the DCP timeframe, the year 2036. Therefore, the cost of each DCP item is attributed to both existing and proposed development within the estimated analysis area of the project.

The exhibited DCP adopts analysis areas (often referred to as catchment areas) and charging areas which align with the existing suburb boundaries. As a result, the draft DCP area is divided into 10 charge areas. The Community Facility projects (funded via CIL) are deemed to service sub-regions of the municipality as the project catchments often extend beyond a single charge area. Whilst the majority of the DIL projects service a single charge area, some projects are identified to service multiple charge areas.

A flat 5% allowance has been made for external apportionment and has been applied to every project.

The total number of existing and proposed demand units within each charge area has been calculated using: -

- Victoria in Future 2016 projections and Yarra City Council's dwelling projections provided by Forecast ID to 2036, for residential land uses; and
- City of Yarra's rate database for 2016 for retail, commercial and industrial land uses.

The exhibited DCP charges have been calculated by adding up the individual DCP project charges attributed to each charge area. Given the DCP demand units include both existing and projected growth, the proportion of cost attributed to new development is only 31.5% which Council will collect via the DCP.

A summary of the proposed contributions is set out in section 3.0 of Schedule 1 to the Development Contributions Plan Overlay (as exhibited) (*see Attachment 6*).

4 Development Contributions Framework

4.1 *Planning and Environment Act 1987*

The development contributions framework is contained within Part 3B of the Planning and Environment Act 1987.

Importantly the Act, at s46J defines what a plan (DCP) can provide for including either or both of the following:

- (a) *Imposition of a **development infrastructure levy**;*
- (b) *The imposition of a **community infrastructure levy** –*

in relation to the development of land in the area to which the plan applies.

The Act also specifies, at s46K the Contents of a plan (see *Appendix 2*) and sets out in part (1) (a) – (g) what a development contributions plan **must** specify and/or contain. S46K part (2) goes on to specify what a DCP **may** do including exempting certain land or land use types from payment of a levy; and provide for different rates or amounts of levy to be payable by different types of development of land or different parts of the area.

Part 3B of the Act contains definitions at s46H including:

- Approved development contributions plan;
- Collecting agency;
- Development agency;
- Dwelling; and
- Plan preparation costs.

4.2 *Ministerial Direction on the Preparation and Content of Development Contributions Plans*

The Ministerial Direction on the *Preparation and Content of Development Contributions Plans* provides specific direction to Planning Authorities in relation to the preparation and content of a development contributions plan.

Part A of the Ministerial Direction dated 11 October 2016, specifies what may be funded from a development infrastructure levy as follows:

5. The following works, services or facilities may be funded from a development infrastructure levy:

a) Acquisition of land for:

- *roads*
- *public transport corridors*
- *drainage*

- *public open space, and*
- *community facilities, including, but not limited to, those listed under clause 5(f).*

b) Construction of roads, including the construction of bicycle and foot paths, and traffic management and control devices.

c) Construction of public transport infrastructure, including fixed rail infrastructure, railway stations, bus stops and tram stops.

d) Basic improvements to open space, including earthworks, landscaping, fencing, seating and playground equipment.

e) Drainage works.

f) Buildings and works for or associated with the construction of:

- *a maternal and child health care centre*
- *a child care centre*
- *a kindergarten, or*
- *any centre which provides these facilities in combination.*

4.3 *Development Contributions Guidelines – dated 16 June 2003 – as amended March 2007*

The Development Contributions Guidelines are described as a 'guide for the appropriate and practical application of the development contributions system. Further, the guidelines are intended to:

- Provide Councils, developers and infrastructure agencies with a clear explanation of the development contributions system
- Offer practical advice to Councils wishing to prepare and implement a DCP for the purpose of levying development contributions
- Cover development contributions for a range of land and infrastructure types, and
- Provide a context for the legislative provisions in the Planning and Environment Act 1987.

Amongst the information that is provided in the Guidelines, there is a summary of the principles of a DCP. The key principles are set out below:

- DCPs must have a strategic basis
- Justification of infrastructure projects
- Nexus between new development and the need for new infrastructure
- DCPs must have a reasonable time horizon
- Infrastructure costs must be apportioned on the basis of projected 'share' of usage
- A commitment to provide the infrastructure

- Accountability
- Transparency
- DCP must be in the Planning Scheme.

The guidelines also provide useful explanation and guidance in relation to the following matters that are relevant to the current Amendment (but not limited to):

- Use of Demand Units and Equivalence Ratios;
- Definition of Main Catchment Area;
- External Usage;
- Calculation of levy per demand unit;
- Charge Areas; and
- Preparing a DCP.

5 City of Yarra Development Context

Background Paper No.1 contains information in relation to the demographic profile of the City. For the purposes of this statement the key points in summary are set out below:

- Based on VIF 2016, the population of the City of Yarra is predicted to grow from 92,610 in 2016 to 122,022 by 2031 (an increase of **29,413 persons** or **31.76%** - an average growth rate of **1.98% pa**);
- The current population is currently heavily biased toward young adults with just over 40% of the population in the 25 to 39 age groups;
- The bias toward young adults will continue into the future however the 65 to 79 age group will experience the highest proportional growth from 2011 to 2036;
- There are a diverse range of household types within the City (both now and into the future);
- Income levels are variable but by comparison to Greater Melbourne, there is a larger proportion of high-income households (those earning \$2,500 per week or more) and a lower proportion of low income households (those earning less than \$650 per week);
- Yarra's household structure is markedly different from that of Melbourne where the proportion of couples with children is significantly higher in Melbourne than in Yarra and lone person and group households are lower in Melbourne than in Yarra;
- Yarra has a diverse range of overseas born residents;
- The total number of dwellings constructed in Yarra is not predicted to fall below 700 per annum;
- Forecast dwellings and development mapping – percentage change between 2011 and 2016 shows a variable pattern of change across the Yarra suburbs in both household numbers and population;
- Small area population change analysis shows a variable pattern of change including some distinctive clustering of population growth in some suburbs including Abbotsford and Collingwood;
- As summarised in Background Paper number 1 the key findings and implications for infrastructure provision are:
 - The rate of population growth in Yarra over the next 10-15 years will exceed Metropolitan Melbourne and the State of Victoria;
 - A substantial proportion of the growth will be in the 25 to 34 and 65 to 74 year age groups and will be mostly lone person or childless couple households;
 - Yarra's lower occupancy rates will mean a greater number of dwellings will be need to accommodate the predicted population growth;
 - Average household incomes are higher in Yarra than the Metropolitan Area and the State of Victoria which is a trend that is expected to continue over the next 10-15 years;

- The growth in the young adult and over 60's populations will place differing demands on Yarra's infrastructure and service delivery;
 - The facilities needed by each age group are diverse and often not compatible;
 - The Diversity in Yarra's population from a birth place, language and socio-economic status will place additional demands on the municipality to accommodate this growing and diverse population;
 - Managing growth is not simply a matter of approving new developments in the best location. It also means the provision of transport and access by a variety of means, open space and recreation facilities and community and cultural facilities to meet the needs of the existing and growing communities.
- In addition to the predicted changes in population and household types, it is also relevant to note in terms of land uses that retail and commercial development are predicted to increase whilst industrial land use is predicted to decline.

6 City of Yarra Infrastructure Context

Background paper number 2 contains information in relation to infrastructure planning and funding and the relationship between Yarra's Long Term Financial Strategy (LTFS) and the capital works program. For the purposes of this statement the key points in summary are set out below:

- Projects included in the Capital Works Program (CWP) have been through a process of bidding, assessment and review before being considered for the program;
- The summary of the 10 year CWP includes renewal, upgrade and new projects and total cost of works for the 10 year period is \$41,955,000;
- The renewal of assets includes improvements that bring existing assets to today's equivalent capacity or performance capability. For example replacement of a kitchen to today's standard. Upgrade of an asset is intended to increase the asset capacity;
- **New, renewal and upgrade projects** are identified through the Council Plan, policies, master plans, asset management plans and identified service needs. **Renewal projects** principally will be derived from adopted asset management plans whilst **new and upgrade projects** will be sourced from adopted Council strategies/policies or master plans;
- Adopted Council strategies/policies or master plans have generally been through a process of community consultation before being formally adopted by Council. The asset management plans, strategies and policies that guide the CWP include a comprehensive list of documents (see pages 3 and 4 of Background Paper No.2);
- Given that resources available to implement the CWP are limited, the City of Yarra has developed a capital works program policy (see Attachment 2 to Background Document No.2) to ensure there is a consistent approach to the initiation, evaluation, prioritisation and delivery of capital works projects;
- The policy also ensures that all projects are consistent with the intent of the Council Plan and Council policies and strategies and only those projects with the highest ranking are recommended for inclusion in the CWP – the policy also provides a useful mechanism for identifying projects suitable for inclusion into a Development Contributions Plan;
- The project initiation and evaluation processes have defined requirements and responsibilities;
- Reference is made to the Development Contribution Plan Guidelines (2007) with regard to the types of infrastructure that may be included (development and community infrastructure definitions), what may be funded, need and nexus and the following statement with respect to the role of a DCP:
 - *Planning ahead is part of a council's strategic planning and service delivery responsibility. In greenfield areas, provision of new infrastructure to keep pace with urban development will be a priority. In established areas, upgrading the existing infrastructure may be necessary because of the redevelopment of existing sites, changing community expectations, changing standards of provision or the need to replace an existing infrastructure that has reached the end of its economic life.*

- In that context, the Guidelines state that the broad types of projects included in a DCP include:
 - New item of infrastructure
 - An upgrade in the standard of provision of an existing infrastructure item
 - An extension to an existing facility, or
 - The total replacement of an infrastructure item after it has reached the end of its economic life.
- Nexus and apportionment must be demonstrated in accordance with the guidelines;
 - The costs that may be included in the calculation of levies includes:
 - Capital costs;
 - Costs of financing the infrastructure projects;
 - The design costs;
 - The costs of preparing and approving the DCP.
- To be included within a DCP each of the capital works projects in the LTFP need to be assessed in terms of need, apportionment, Equity and Nexus;
- Attachment 3 to Background Paper No. 2 list all of the projects that have been included in the 10 year capital works program and defines the following for each project:
 - Project number;
 - Asset ID;
 - Project Category;
 - Project Name;
 - Reference Document;
 - Delivery Horizon;
 - Estimated Cost;
 - Location;
 - Project Type;
 - Main Catchment Area.

7 City of Yarra Charge Areas

Background paper number 3 contains information in relation to charge areas. For the purposes of this statement the key points in summary are set out below:

- The City of Yarra includes the suburbs of Abbotsford, Alphington (part), Burnley, Carlton North (part), Clifton Hill, Collingwood, Cremorne, Fairfield (part), Fitzroy, Fitzroy North, Princes Hill and Richmond;
- The Guidelines reference definition of charge areas and whilst specific guidance is not provided there is reference to an expectation that infrastructure:
 - *Must serve a neighbourhood or larger area;*
 - *Must be used by a broad cross section of the community, and*
 - *Will in most cases serve a wider catchment than an individual development.*
- There are three definitions of note in a DCP:
 - **DCP Area** - this is the total area covered by a DCP Overlay in the Planning Scheme;
 - **Analysis Area** – this area is used to define infrastructure project catchments in a DCP, separately for each project;
 - **Charge Area** – this is an area for which a unique DCP charge is set in the Planning Scheme.
- Options for Analysis areas that were considered include 10 well established suburbs, large districts such as north, central and south, applying the DCPO to some areas and not others and finally using more than 10 areas;
- The selection of appropriate charge areas is guided by the principles of a DCP that are outlined in the Guidelines. These principles include the following:
 - DCPs must have a strategic basis;
 - Justification of infrastructure projects;
 - Nexus between new development and the need for new infrastructure;
 - DCPS must have a reasonable time horizon;
 - Infrastructure costs must be apportioned on the basis of projected 'share of useage';
 - A commitment to provide the infrastructure;
 - Accountability;
 - Transparency;
 - DCP must be in the planning scheme.
- The plan of footpath and road projects includes a number of projects that collectively operate as a transport network;
- The Community Infrastructure Plan (CIP) provides additional information in relation to the type and general location of residential growth;

- The CIP provides neighbourhood information for Yarra's ten suburbs that informs community infrastructure planning – information is provided in relation to current and future demographics, transport and access as well as areas that are a focus for change;
- Use of the 10 existing suburbs as both Analysis Areas and Charge Areas is supported however it is noted that some infrastructure projects may serve more than one suburb.

8 City of Yarra Policy Framework

The State and Local policy and strategy context is relevant to preparation of a municipal DCP in the City of Yarra. A summary of the most relevant references are provided below.

Plan Melbourne Refresh places considerable emphasis on 'in board' housing intensification to balance the extent of outward growth. An underlying strategy that is associated with this policy position is making better use of existing infrastructure and accommodating growth where people want to live. The City of Yarra is a highly desirable location that will attract future residents and investment in infrastructure is necessary to accommodate these residents.

Clauses 11 and 19 of the Planning Scheme recognise the general importance of housing growth in locations such as the City of Yarra and the need for infrastructure to be provided in a efficient, equitable, accessible and timely way. Clause 19 also specifically states that Planning Authorities should consider the use of development and infrastructure contributions in the funding of infrastructure.

Clause 21 of the Yarra Planning Scheme recognises that the City offers a range of opportunities for inner City living with a growing population. Clause 21.08 recognises the importance of the 10 neighbourhoods.

9 Municipal DCP Approach

Before commenting on specific matters in relation to the exhibited material and/or matters that have been raised in submissions or questions that have been raised by the Panel, I am of the opinion that it is important to set out an overall position with regard to adoption of a municipal DCP approach.

I support adoption of a municipal approach in the City of Yarra for the following reasons:

- The DCP Guidelines (the Guidelines) specifically anticipate adoption of a municipal approach;
- The distinction between existing population and projected population to the end of the DCP period establishes a simple but robust basis to establish the overall share of usage and cost apportionment (92,610 persons in 2016 to 122,022 persons by 2031 - an increase of **29,413 persons** or **31.76%** increase - an average growth rate of **1.98% pa**);
- Growth is projected to occur generally throughout the City however there is infrastructure planning relevance in adoption of the existing suburbs or groups thereof as both analysis areas and charge areas;
- The nature of infill development and redevelopment is that it will result in cumulative demand and shared usage of a broad range of infrastructure types;
- The Guidelines specifically identify that the types of projects in a DCP can include:
 - New item of infrastructure
 - An upgrade in the standard of provision of an existing infrastructure item
 - An extension to an existing facility, or
 - The total replacement of an infrastructure item after it has reached the end of its economic life.
- Part 3B of the Planning and Environment Act does not limit adoption of a municipal approach;
- It is possible and appropriate to define infrastructure as being either development infrastructure and/or community infrastructure as defined within the Act and/or the Ministerial Direction;
- The three background papers and the various strategies and policies offer a robust basis to identify infrastructure projects (need and nexus) and apportionment between existing and future residents;
- The Guidelines specifically refer to use of Council capital works programs as a source of identification of infrastructure projects;
- Council is adopting a binding responsibility to fund and deliver the majority of the cost of the projects that have been included in the exhibited DCP (total cost \$177,171,308 – cost attributed to new development \$55,809,932 = \$121,361,336 liability to Council – see summary of costs table in exhibited schedule 1 to the Development Contributions Plan Overlay;

- The total cost that has been attributed to new development (\$55,809,932) and the proportion of cost attributed to new development (31.50%) accords with the projected increase in population of 29,413 persons or 31.76% increase.

10 Assessment of the Exhibited Amendment

10.1 Introduction

In preparing my peer review I focused on the strategic justification for the charge areas, demand units, projects to be funded, basis for external apportionment, overall transparency of the calculations and ease and consistency of implementation. In preparing this statement I have included the content of the peer review (as set out in sections 10.2 – 10.9 following) except with some specific changes.

In summary, as per the peer review, I am of the opinion that the exhibited DCP is generally consistent with the broader DCP statutory framework and the precedent set by recently approved municipal DCPs including the Darebin DCP, Moreland DCP and Brimbank DCP. Whilst no substantive issues were identified in conducting my review of the exhibited documents, I am of the opinion that the exhibited DCP and the associated documents would benefit from additional clarification and explanation to improve the transparency of the documents.

My specific recommendations are set out following and in response to lodged submissions in the next section of this statement.

10.2 Strategic Justification

Section 5 of the exhibited DCP outlines the projected development by land use type i.e. residential, retail, commercial and industrial uses, however, I am of the opinion that Section 5 would benefit from inclusion of additional explanatory information.

It is recommended that Table 1 be expanded and additional text is added to this section to specify the expected change in land use and how this relates to the proportion of demand generated by new development for the DCP projects. An example of potential changes is outlined in Table 2 below.

The updated Table 1 would show that across the 10 suburbs it is projected that the municipality will grow by an additional 22,862 dwellings, identify the additional population, and calculate that new development between 2018-2036 equates to 35.6% of the total projected 2036 dwellings (prior to adjustment for any external demand).

Table 2: Proposed modifications to exhibited DCP Table 1 – Development Conditions and Projections

Charge Area No.	Area Name	2016 Dwellings	2036 Dwellings	Change in Dwellings	New Dwellings as a % of total 2036 Dwellings	Change in Population
Area 01	Carlton North – Princes Hill	4,096	4,859	763	15.7%	To be inserted

10.3 Identification of Projects

The draft DCP adopts a very similar approach to project identification to the gazetted Moreland DCP, Brimbank DCP and draft Banyule DCP, which all use the respective Council Capital Works Program as the basis for determining the DCP project list. Following a review of the proposed

projects I am satisfied that the general nature of the projects included in the DCP is appropriate and consistent with the DCP guidelines and precedent set by similar recently prepared municipal DCPs.

Notwithstanding, there are a number of projects may warrant further consideration: -

- Project 307 refers to preparation and implementation of the DCP - the project description could be improved by removing reference to 'implementation'.
- Project GO12 – North Carlton Children's Centre. The project name notes that this includes the possible expansion of the existing childcare places. Any buildings and works for or associated with a child care centre are defined as development infrastructure. Therefore the classification of this item may need to be changed accordingly.

The exhibited DCP currently includes several hundred projects relating to footpath works, the vast majority of these are identified as renewal projects in Table 5. To avoid any doubt it is recommended that additional explanation be added to Section 3 of exhibited DCP to clearly define what the term 'renew' means and clarify that these projects are not associated with maintenance and that whilst many of these projects directly serve a localised catchment i.e. laneways etc that these projects are distributed across the municipality and therefore collectively these items serve a broader catchment.

The mapping of the DCP projects currently does not distinguish between the categories of projects i.e. there is no graphical distinction between transport, drainage or community infrastructure projects. It is recommended that Figures 2 – 12 be updated to distinguish between the DCP project categories.

10.4 *Charge Areas*

The draft DCP uses the existing 10 suburbs as the basis for the DCP charge areas. This approach is supported and the explanation provided in Section 6 and Background Paper No. 3 is informative.

10.5 *Equivalence Ratios*

Section 5 of the draft DCP sets out the need to establish a common demand unit given the presence of multiple land use types. Table 2 clearly identifies the equivalence ratios applied. It is evident that the equivalence ratios applied to road projects is based on the ratios provided in the DCP Guidelines (2007), however the method and calculations used to determine the equivalence ratios for path, drainage and planning costs is not specified. It is recommended that the DCP be updated to include an explanation as to how these equivalence ratios were calculated.

10.6 *Demand Units*

Table 2 clearly sets out the equivalence ratios applied however there is no table in this section which clearly sets out the total demand units by land use type by charge area, it simply refers the reader to Appendix 2 and Table 5 which sets out the total demand units for each project. For transparency and to assist with the regular reviews of the DCP, it is recommended that Section 5 of the DCP include a table setting out the total demand units by land use type for each charge area.

10.7 *External Apportionment*

The exhibited DCP currently attributes 5% of every project cost to external demand. This is an allowance for usage of the proposed DCP infrastructure projects by residents located “outside the catchment area and from beyond the time horizon of the DCP” (page 10).

Whilst it is considered reasonable that there will be some usage of the infrastructure items from residents located outside the charge areas, application of the flat 5% external apportionment doesn’t appear to be supported by any analysis of demand. In light of this and the fact that 5% is a nominal allowance it is recommended that the flat 5% external demand is removed. By comparison, it is noted that the approved Moreland DCP includes similar DCP projects to those proposed in the draft DCP, however it does not include any nominal allowance for external demand.

10.8 *Calculation of Charges*

Whilst Table 5 provides the basic information, it is recommended that Table 4 be expanded to provide the breakdown of charges by infrastructure category. It is also recommended that the Summary of Costs table included in the DCPO Schedule is included to illustrate the proportion of cost that is attributed to new development.

Table 5 could be improved with the addition of a column detailing the standard of construction being funded.

The calculation of charges method adopted in the exhibited DCP is robust, however in light of the proposed retail, commercial and industrial proposed charges which are very modest, it may be appropriate to consider applying a standard charge for each land use type for ease of implementation.

10.9 *Administration and Implementation*

Exemptions

The recent Banyule DCP Panel Report (August, 2018) included the following Panel Recommendation (page 23) that the ‘DCP Exemptions’ should include “Construction of and upgrades to existing servicing infrastructure” to ensure that the various service providers are not charged a DCP levy. I support this recommendation and recommend that the exhibited DCP and DCPO Schedule be updated to include this additional exemption and that the exemptions listed in Section 8 of the exhibited DCP are consistent with those included in the DCPO Schedule.

Indexation

The draft DCP proposes to index the project costs on 1 July each year applying the Consumer Price Index for Melbourne (All Groups) as published by the Australian Bureau of Statistics. Whilst DCPs use a range of indexation mechanisms, there are publicly available indices other than the Consumer Price Index that relate specifically to the construction industry, such as the Building Price Index, outlined in Table 3 below.

Table 3: Proposed Indexation Mechanisms

Infrastructure Type	Method of Indexation	Timing of Indexation
Community Infrastructure	Australian Bureau of Statistics Producer Price Indexes Non-Residential Building Construction Index, Victoria (Catalogue 6427.0, Table 17 Output of the Construction Industries) July 1	July 1
Roads, drainage and paths	Australian Bureau of Statistics Producer Price Indexes Road & Bridge Construction Index, Victoria (Catalogue 6427.0, Table 17 Output of the Construction Industries)	July 1

A general concern with respect to formulation of DCPs is the potential movement in the relationship between levies and actual construction costs which can create a funding liability. Increased project specification is a typical response to this potential risk as is regular indexation using the most specific indices that are available.

Use of the more specific indices above are recommended in order to ensure that the levies are appropriately indexed.

Review Period

The proposed 18 year lifespan of the draft DCP from the year 2018 to 2036 is supported. Section 8 (page 43) of the exhibited DCP notes that the 'DCP will be reviewed on a three-year basis to ensure the general nature of the document is reasonably consistent with estimates of future development'. This requirement is considered rather onerous, typically DCP's are reviewed every 4-5 years.

Given that the DCP projects are in part based on Council's 10 year Capital Works Plan which are prioritised to inform the Council Plan which operates for a four year period it may be more appropriate to review the DCP every four years to align it with preparation of the Council Plan.

Implementation

Whilst it is not a requirement of the DCP document to include transitional arrangements it is recommended that the Amendment include specified transitional arrangements prior to approval. Transitional arrangements could specify exclusion of planning permits where a permit was issued prior to approval of the DCP and submission of amended plans where the planning permit was issued prior to approval of the DCP.

11 Response to Submissions

The substance of the lodged submissions raise issues regarding adoption of a municipal DCP approach and a general concern that levies are proposed to be gathered for maintenance rather than delivery of new infrastructure.

Whilst I have addressed this matter in previous sections of this statement in offering support for adoption of a municipal approach (subject to some specific recommendations), I think the commentary contained within Part 8 of the Standard Development Contributions Advisory Committee Report 1 – ‘*Setting the Framework*’ 17 December 2012 is useful in terms of context.

Part 8 of the Standard Development Contributions Advisory Committee Report (SDCAC Report 1, pgs 86-90), includes the following:

The Committee received submissions from a number of councils that have in place, or have contemplated, municipal-wide DCPs aimed at collecting contributions towards infrastructure for growth. Without exception, the submissions highlighted the complexity of such schemes under the current legislation, and the very time consuming and expensive process that was required to implement and administer such schemes.

Darebin City Council is one metropolitan municipality that has a municipal wide DCP, and the Committee gained some valuable insights from that Council in the discussions about this.

There was strong universal support from councils for a simplified system of applying development levies to urban areas. In discussions with development industry groups, there was a general acceptance that such a levy in infill areas was reasonable and ‘inevitable’, particularly given the government policy of increased densification in some urban areas and the consequent pressures on various types of existing infrastructure.

The Committee tested aspects of the methodology set out below with industry and council groups and the broad approach was generally supported, subject to resolving a number of issues of detail around the implementation and administration of the scheme. (page 86, Standard Development Contributions Advisory Committee Report)

- *Collect historical data from council capital works programs on expenditure on infrastructure that falls within the list of allowable items in relevant areas;*
- *Examine the population growth in the same areas over the same period;*
- *Using this data as a guide, apportion the capital expenditure that has occurred between existing population and the new population as a result of population growth;*
- *Determine a levy that will fund this proportion proposed capital expenditure in the future; and*

- *Apply this levy to future development.*

In preparing the list of Allowable items for Urban Areas, the Committee has considered types of infrastructure likely to be needed as a result of urban infill development.

Some judgement calls have been made based on the degree of impact that infill development may have on a particular type of infrastructure. For example, larger collector road projects and public transport projects have been excluded on the basis that small scale infill development will generally be able to be absorbed within existing capacity. The Committee accepts that there may be exceptions to this, but believes that generally it will hold to be true. Local traffic management treatments, on the other hand, have been included on the basis that increasing development may create amenity or safety issues on existing residential streets. Higher density population may create a need to upgrade pedestrian and bicycle connections and therefore these have also been included.

The types of projects on the Allowable List are generally smaller scale, local level works.

Land contributions have not been included on the assumption that increasing capacity of these infrastructure items can generally be achieved on existing publicly owned land. Again, the Committee realises that there may be exceptions to this, but makes the judgement that the levy can be kept simpler by excluding land acquisition.

I acknowledge that the commentary relates to a recommended aspect of the Standard Development Contributions Framework that has not been adopted by Government, however I think the reference to 'inevitability' of municipal charges within the context of policy support for infill development is highly relevant.

I also consider that the broad description of the process that could be adopted in formulating a municipal approach and the general description of the type of projects that could be funded is relevant background for the Panel (however the Act, the Ministerial Direction and the Guidelines take precedence).

With regard to the other matters that have been raised in the lodged submissions, other than noting the supporting submissions, I support the responses that are contained within the Council response to submissions save for one matter.

References to affordability may benefit from some further explanatory context. In my experience developers will make reference to affordability from two perspectives – firstly whether proposed charges affect the ability to gain finance and deliver a project and secondly the affordability impacts of such costs being passed on to the purchaser. Other than to note the comments that are included in the Council officer response to submissions table, it is relevant for the Panel to be aware of the charges that are proposed in other municipal DCPs as set out in the table following.

Table 4: Comparison of Municipal Charges by Development Type

Municipal DCP	Status	Date of Charges	Development Type	Charge unit	Number of charge areas	DIL charge rate range	CIL charge rate range
Moreland DCP	Gazetted	2015	Residential	Dwelling	12	\$118 - \$1,282	\$323 - \$1,150
			Commercial	per m2		\$4.01 - \$2.39	
			Industrial	per m2		\$0.84 - \$8.37	
Brimbank DCP	Gazetted	2016	Residential	Dwelling	19	\$92 - \$522	\$714 - \$1,092
			Retail	per m2		\$1.84 - \$6.17	
			Commercial	per m2		\$1.84 - \$8.11	
Banyule DCP	Post Panel Hearing	2017	Industrial	per m2	24	\$0.19 - \$0.80	
			Residential	Dwelling		\$116 - \$1,292	\$294 - \$1,150
			Retail	per m2		\$2.26 - \$21.19	
Yarra DCP	Exhibited	2018	Commercial	per m2	10	\$0.78 - \$5.65	
			Industrial	per m2		\$0.53 - \$6.43	
			Residential	Dwelling		\$496 - \$2,682	\$970 - \$1,109
			Retail	per m2		\$3.42 - \$40.87	
			Commercial	per m2		\$2.41 - \$41.03	
			Industrial	per m2		\$1.15 - \$11.16	

The proposed charges in the current Amendment are comparable to other municipal DCPs and I note that they are relatively modest by comparison to greenfield locations where local DCP or ICP charges and the Growth Area Infrastructure Charges typically apply. The charges are also modest by comparison to large scale strategic development sites where substantially higher charges apply or are being contemplated.

Specifically with regard to transitional arrangements, I am generally sympathetic to the view that positive guidance can be provided in relation to transitional arrangements to avoid unnecessary confusion. In this instance, and having regard to the Panel discussion and recommendations in relation to City of Banyule Amendment C115, however I am satisfied that transitional arrangements are not required.

Finally, I note that submissions relating to exemptions for social housing are proposed to be addressed via changes to the DCP and submissions in relation to Cremorne may be addressed via subsequent separate processes.

12 Conclusion and Summary Recommendations

I was initially commissioned by the City of Yarra to undertake a peer review of the exhibited Amendment (*see Attachment 2*). The key finding of the peer review was that the exhibited DCP is generally consistent with the DCP framework and precedent set by recently approved municipal DCPs including the Darebin DCP, Moreland DCP and Brimbank DCP.

Whilst no substantive issues were identified during my review of the exhibited documents, I made some specific recommendations that were intended to ensure that the DCP is in accordance with the Act, the Ministers Direction and the DCP Guidelines and/or to improve the transparency of the documents.

This evidence statement incorporates the findings of the peer review (with some changes) and provides further commentary regarding the DCP framework and responds to matters that have been raised in submissions.

In preparing this evidence statement I have also had regard to two additional documents:

- Yarra Amendment C238: Development Contributions Plan - Response to Mesh Peer Review Recommendations prepared by Alix Hrelja, Principal Hill PDA dated 14 February 2019;
- Yarra Amendment C238: Development Contributions Plan - Information Requested by Planning Panel prepared by Harwood Andrews Lawyers by and on behalf of the Council and in consultation with Mr Hrelja, dated 15 February 2019.

12.1 Summary Position

I support adoption of a municipal DCP approach in the City of Yarra for the following reasons:

- The DCP Guidelines (the Guidelines) specifically anticipate adoption of a municipal approach;
- The distinction between existing population and projected population to the end of the DCP period establishes a simple but robust basis to establish the overall share of usage and cost apportionment (92,610 persons in 2016 to 122,022 persons by 2031 - an increase of **29,413 persons** or **31.76%** increase - an average growth rate of **1.98% pa**);
- Growth is projected to occur generally throughout the City however there is infrastructure planning relevance in adoption of the existing suburbs or groups thereof as both analysis areas and charge areas;
- The nature of infill development and redevelopment is that it will result in cumulative demand and shared usage of a broad range of infrastructure types;
- The Guidelines specifically identify that the types of projects in a DCP can include:
 - A new item of infrastructure;
 - An upgrade in the standard of provision of an existing infrastructure item;
 - An extension to an existing facility, or
 - The total replacement of an infrastructure item after it has reached the end of its economic life.

- Part 3B of the Planning and Environment Act does not limit adoption of a municipal approach;
- It is possible and appropriate to define infrastructure as being either development infrastructure and/or community infrastructure as defined within the Act and the Ministerial Direction;
- The three background papers and the various strategies and policies offer a robust basis to identify infrastructure projects (need and nexus) and apportionment between existing and future residents;
- The Guidelines specifically refer to use of Council capital works programs as a source of identification of infrastructure projects along with other strategies and policies;
- Council is adopting a binding responsibility to fund and deliver the majority of the cost of the projects that have been included in the exhibited DCP (total cost \$177,171,308 – cost attributed to new development \$55,809,932 = \$121,361,336 liability to Council – see summary of costs table in exhibited schedule 1 to the Development Contributions Plan Overlay;
- The total cost that has been attributed to new development (\$55,809,932) and the proportion of cost attributed to new development (31.50%) accords with the projected increase in population of 29,413 persons or 31.76% increase.

12.2 Specific Recommendations

Notwithstanding my support for adoption of a municipal DCP approach in the City of Yarra, I am of the opinion that the exhibited DCP and associated statutory provisions could be improved by having regard to the following recommendations (for ease of reference for the Panel where recommendations have been made in relation to changes or additions to the exhibited DCP tables examples of application of the recommendations have been prepared – *see Attachment 5*):

1. Removal of the flat 5% external apportionment allowance.
2. Additional explanation be added to Section 3 of exhibited DCP to clearly define what the term 'renew' means and clarify that the footpath projects are not associated with maintenance.
3. It is recommended that Figures 2 – 12 be updated to distinguish between the DCP project categories.
4. It is recommended that the DCP be updated to include an explanation as to how the equivalence ratios for footpaths, drainage and planning costs were calculated.
5. It is recommended that Section 5 of the DCP include a table setting out the total demand units by land use type for each charge area.
6. It is recommended that Table 4 be expanded to provide the breakdown of charges by infrastructure category. It is also recommended that the Summary of Costs table included in the DCPO Schedule is included to illustrate the proportion of cost that is attributed to new development.

7. It is recommended that Table 5 could be improved with the addition of a column detailing the standard of construction being funded.
8. The calculation of charges method adopted in the exhibited DCP is robust, however in light of the proposed retail, commercial and industrial proposed charges which are very modest, it may be appropriate to consider applying a standard charge for each land use type for ease of implementation.
9. The recent Banyule DCP Panel Report (August, 2018) included the following Panel Recommendation (page 23) that the 'DCP Exemptions' should include "Construction of and upgrades to existing servicing infrastructure" to ensure that the various service providers are not charged a DCP levy. I support this recommendation and recommend that the exhibited DCP and DCPO Schedule be updated to include this additional exemption and that the exemptions listed in Section 8 of the exhibited DCP are consistent with those included in the DCPO Schedule.
10. It is recommended that the specific indices set out in Table 3 of this statement be utilised for indexation purposes.
11. Given that the DCP projects are in part based on Council's 10 year Capital Works Plan which are prioritised to inform the Council Plan which operates for a four year period it may be more appropriate to review the DCP every four years to align it with preparation of the Council Plan.
12. It is recommended that the classification of Project GO12 – North Carlton Children's Centre be changed to development infrastructure.
13. Project 307 refers to preparation and implementation of the DCP - the project description could be improved by removing reference to 'implementation'.

Appendix 1

CV

CHRIS DE SILVA

DIRECTOR

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



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

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

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

EDUCATION

- + Bachelor of Applied Science (Planning)
RMIT University

EMPLOYMENT

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

KEY PROJECTS

Chris has been the mastermind behind the following key projects:

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

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Appendix 2

YARRA DEVELOPMENT CONTRIBUTIONS PLAN 2017

PEER REVIEW



YARRA DEVELOPMENT CONTRIBUTIONS PLAN 2017

PEER REVIEW

Client	Yarra City Council
Project	Yarra DCP (2017) Peer Review
	Version 1.0
Last Edited	01/11/2018
Last Edited By	Jo Fisher
Date Issued	01/11/2018

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1 INTRODUCTION

Mesh Urban Planning & Design (Mesh) was engaged by the City of Yarra to complete a Peer Review of the Yarra Development Contributions Plan 2017, Draft Report, prepared by HillPDA dated 30 July 2018 (draft DCP).

This review focuses on the strategic justification for the charge areas, demand units, projects to be funded, basis for external apportionment, overall transparency of the calculations, ease of implementation and identification of any matters that pose a significant financial risk to Council.

The draft DCP has been reviewed along with: -

- > Yarra DCP Background Paper No.1 – Demographics
- > Yarra DCP Background Paper No.2 – DCP Projects
- > Yarra DCP Background Paper No.3 – DCP Charge Areas
- > Draft DCP Overlay Schedule

Mesh has reviewed these documents to ensure they align with the statutory framework for development contributions, in particular the Planning and Environment Act 1987, the DCP Guidelines (2007), the Ministerial Direction on the Preparation and Content of Development Contributions Plans (2016) and recent Planning Panel recommendations.

This report provides a brief overview of the draft DCP before focusing on the key findings and recommendations.

2 OVERVIEW OF THE YARRA DEVELOPMENT CONTRIBUTIONS PLAN 2017

2.1 INTRODUCTION

Yarra City Council placed the Yarra DCP (2017) on public exhibition between the 23 August and 21 September 2018. The key components of the draft DCP include: -

- > It applies to all land within the municipality of the City of Yarra.
- > It seeks to introduce both a Development Infrastructure Levy (DIL) and Community Infrastructure Levy (CIL) across the 10 existing suburbs.
- > New residential, retail, commercial and industrial development within the municipality will be required to pay the respective DIL and/or CIL suburb specific charges.
- > It uses equivalence ratios to convert the different land use types into a common demand unit, which is one dwelling.
- > It is set to operate for 18 years between the years 2018 and 2036.

2.2 DCP INFRASTRUCTURE PROJECTS TO BE FUNDED

The draft DCP proposes to fund 777 projects, these projects are categorised as roads, paths, drainage, community infrastructure or plan preparation costs.

The total value of the draft DCP projects is \$177.2M, however the DCP will only collect \$55.8M over the life of the DCP. Based on the summary of costs included in the draft DCP Overlay, \$24.4M of the total \$55.8M will be collected via the Community Infrastructure Levy (CIL), therefore the balance of funds (56% of the total contribution collected) will be collected via the Development Infrastructure Levy (DIL). Contributions towards

community facilities (funded via CIL) and paths (funded via DIL) make up 84% of the total funds collected. A copy of the Summary of Costs table included in the draft DCP Overlay Schedule is provided below.

Open space projects have not been included as these are funded via separate mechanisms such as Clause 52.01 and the Subdivision Act.

Table 1: Summary of Costs

Facility Type and Code	Total Cost	Time of Provision	Actual Cost Contribution Attributed to New Development	Proportion of Cost Attributed to New Development
Community Facility CFCI	\$72,963,969	2016-2036	\$24,426,587	33.48%
Community Facility CFDI	\$825,000	2016-2036	\$246,299	29.85%
Path PADI	\$72,600,362	2016-2036	\$22,454,018	30.93%
Road RDDI	\$16,349,427	2016-2036	\$4,640,648	28.38%
Drainage RDDI	\$14,352,825	2016-2036	\$4,017,998	27.99%
Development Contributions Plan DCPD	\$79,725	2016-2036	\$24,382	30.58%
Total	\$177,171,308		\$55,809,932	31.50%

Source: Draft DCP Overlay Schedule, Amendment C238, City of Yarra Planning Scheme

2.3 CALCULATION OF DCP CHARGES

The draft DCP proposes to apportion the cost of each DCP project to the total demand units within its catchment area to the end of the DCP timeframe, the year 2036. Therefore the cost of each DCP item is attributed to both existing and proposed development within the estimated analysis area of the project.

The draft DCP adopts analysis areas (often referred to as catchment areas) and charging areas which align with the existing suburb boundaries. As a result the draft DCP area is divided into 10 charge areas. The Community Facility projects (funded via CIL) are deemed to service sub-regions of the municipality as the project catchments often extend beyond a single charge area. Whilst the majority of the DIL projects service a single charge area, some projects are identified to service multiple charge areas. A flat 5% allowance has been made for external apportionment and has been applied to every project.

The total number of existing and proposed demand units within each charge area has been calculated using: -

- > Victorian in Future 2016 projections and Yarra City Council's dwelling projections provided by Forecast ID to 2036, for residential land uses; and
- > City of Yarra's rate database for 2016 for retail, commercial and industrial land uses.

The draft DCP charges have been calculated by adding up the individual DCP project charges attributed to each charge area. Given the DCP demand units include both existing and projected growth, the proportion of cost attributed to new development is only 31.5% which Council will collect via the draft DCP.

2.4 PROPOSED DCP CHARGES

The draft DCP seeks to introduce suburb specific DIL charges for residential, retail, commercial and industrial land uses and CIL charges for residential development. A copy of the proposed draft DCP charges is set out in Table 2 below.

Table 2: DCP Charges (30 June 2017 \$)

Residential Dwellings

AREA		LEVIES PAYABLE BY RESIDENTIAL DEVELOPMENT		
Charge Area Number and Name		Development Infrastructure	Community Infrastructure	All Infrastructure
		Per Dwelling	Per Dwelling	Per Dwelling
Area 01	Carlton North - Princes Hill	\$1,303.43	\$970.94	\$2,274.37
Area 02	Fitzroy North	\$1,697.82	\$970.94	\$2,668.76
Area 03	Clifton Hill	\$2,682.79	\$970.94	\$3,653.73
Area 04	Fairfield - Alphington	\$202.35	\$970.94	\$1,173.29
Area 05	Fitzroy	\$1,221.98	\$1,109.16	\$2,331.15
Area 06	Collingwood	\$786.44	\$1,109.16	\$1,895.61
Area 07	Abbotsford	\$882.33	\$1,109.16	\$1,991.50
Area 08	North Richmond	\$496.24	\$1,087.92	\$1,584.17
Area 09	Central Richmond	\$679.37	\$1,087.92	\$1,767.29
Area 10	Cremorne and Burnley - Richmond South	\$525.52	\$1,150.00	\$1,675.52

Retail Floorspace (sqm)

AREA		LEVIES PAYABLE BY RETAIL DEVELOPMENT		
Charge Area Number and Name		Development Infrastructure	Community Infrastructure	All Infrastructure
		Per Square Metre (SQM) of Floorspace	Per Square Metre (SQM) of Floorspace	Per Square Metre (SQM) of Floorspace
Area 01	Carlton North - Princes Hill	\$30.30	-	\$30.30
Area 02	Fitzroy North	\$25.56	-	\$25.56
Area 03	Clifton Hill	\$40.87	-	\$40.87
Area 04	Fairfield - Alphington	\$3.42	-	\$3.42
Area 05	Fitzroy	\$17.61	-	\$17.61
Area 06	Collingwood	\$14.78	-	\$14.78
Area 07	Abbotsford	\$15.00	-	\$15.00
Area 08	North Richmond	\$8.08	-	\$8.08
Area 09	Central Richmond	\$13.39	-	\$13.39
Area 10	Cremorne and Burnley - Richmond South	\$12.10	-	\$12.10

Commercial Floorspace (sqm)

AREA		LEVIES PAYABLE BY COMMERCIAL DEVELOPMENT		
Charge Area Number and Name		Development Infrastructure	Community Infrastructure	All Infrastructure
		Per Square Metre (SQM) of Floorspace	Per Square Metre (SQM) of Floorspace	Per Square Metre (SQM) of Floorspace
Area 01	Carlton North - Princes Hill	\$20.65	-	\$20.65
Area 02	Fitzroy North	\$28.17	-	\$28.17
Area 03	Clifton Hill	\$41.03	-	\$41.03
Area 04	Fairfield - Alphington	\$2.41	-	\$2.41
Area 05	Fitzroy	\$21.34	-	\$21.34
Area 06	Collingwood	\$12.56	-	\$12.56
Area 07	Abbotsford	\$15.77	-	\$15.77
Area 08	North Richmond	\$9.15	-	\$9.15
Area 09	Central Richmond	\$11.97	-	\$11.97
Area 10	Cremorne and Burnley - Richmond South	\$8.38	-	\$8.38

Industrial Floorspace (sqm)

AREA		LEVIES PAYABLE BY INDUSTRIAL DEVELOPMENT		
Charge Area Number and Name		Development Infrastructure	Community Infrastructure	All Infrastructure
		Per Square Metre (SQM) of Floorspace	Per Square Metre (SQM) of Floorspace	Per Square Metre (SQM) of Floorspace
Area 01	Carlton North - Princes Hill	\$7.42	-	\$7.42
Area 02	Fitzroy North	\$6.17	-	\$6.17
Area 03	Clifton Hill	\$11.16	-	\$11.16
Area 04	Fairfield - Alphington	\$1.15	-	\$1.15
Area 05	Fitzroy	\$3.47	-	\$3.47
Area 06	Collingwood	\$3.58	-	\$3.58
Area 07	Abbotsford	\$3.15	-	\$3.15
Area 08	North Richmond	\$1.60	-	\$1.60
Area 09	Central Richmond	\$2.83	-	\$2.83
Area 10	Cremorne and Burnley - Richmond South	\$2.93	-	\$2.93

Source: Yarra Development Contributions Plan 2017, draft report, HillPDA

3 KEY FINDINGS

3.1 INTRODUCTION

This review has focused on the strategic justification for the charge areas, demand units, projects to be funded, basis for external apportionment, overall transparency of the calculations, ease of implementation and identification of any matters that pose a significant financial risk to Council. In summary, the draft DCP is generally consistent with the broader DCP statutory framework, and the precedent set by recently approved municipal DCPs including the Darebin DCP, Moreland DCP and Brimbank DCP. Whilst no substantive issues were identified in this review, the draft DCP would benefit from additional clarification and explanation to improve the transparency of the document.

3.2 STRATEGIC JUSTIFICATION

Section 5 of the draft DCP outlines the projected development by land use type i.e. residential, retail, commercial and industrial uses, however, it would benefit from the inclusion of additional explanatory information.

It is recommended that Table 1 be expanded and additional text is added to this section to specify the expected change in land uses and how this relates to the proportion of demand generated by new development for the DCP projects. An example of potential changes is outlined in Table 3 below.

The updated Table 1 would show that across the 10 suburbs it is projected that the municipality will grow by an additional 22,862 dwellings, identify the additional population forecast (as it is the residents rather than dwellings that generate demand for the infrastructure projects), and calculate that new development between 2018-2036 equates to 35.6% of the total projected 2036 dwellings (prior to adjustment for any external demand).

Table 3: Proposed modifications to draft DCP Table 1 – Development Conditions and Projections

CHARGE AREA NO.	AREA NAME	2016 DWELLINGS	2036 DWELLINGS	CHANGE IN DWELLINGS	NEW DWELLINGS AS A % OF TOTAL 2036 DWELLINGS	CHANGE IN POPULATION
Area 01	Carlton North – Princes Hill	4,096	4,859	763	15.7%	[council to insert]
etc						

3.3 IDENTIFICATION OF PROJECTS

The draft DCP adopts a very similar approach to project identification to the gazetted Moreland DCP, Brimbank DCP and draft Banyule DCP, which all use the respective Council Capital Works Program as the basis for determining the DCP project list. Following a high level review of the proposed projects Mesh is satisfied that the general nature of the projects included in the DCP is appropriate and consistent with the DCP guidelines and precedent set by similar recently prepared municipal DCPs.

Notwithstanding, there are a number of projects that could be challenged: -

- > Several projects valued around or under \$10,000. The Moreland Panel Report notes that projects valued less than \$10,000 were not included in the DCP as these projects were mostly related to maintenance. In light of this it is recommended these projects be reviewed to ensure they are not related to maintenance.
- > Project 307 refers to preparation and implementation of the DCP. The implementation component of this description could be viewed as a recurrent component.
- > Project 1225 – renewing street litter bins and cigarette bins. Table 5 notes there is no reference document and therefore no mention of this project is a broader strategy or policy. Given the lack of strategic justification the inclusion of this item is questionable.
- > Project GO12 – North Carlton Children’s Centre. The project name notes that this includes the possible expansion of the existing childcare places. Any buildings and works for or associated with a child care centre are defined as development infrastructure. Therefore the classification of this item may need to be changed accordingly.

The draft DCP currently includes several hundred projects relating to footpath works, the vast majority of these are identified as renewal projects in Table 5. To avoid any doubt it is recommended that additional explanation be added to Section 3 of draft DCP to clearly define what the term ‘renew’ means and clarify that these projects are not associated with maintenance and that whilst many of these projects directly serve a localised catchment i.e. laneways etc that these projects are distributed across the municipality and therefore collectively these items serve the broader catchment.

The mapping of the DCP projects currently doesn’t distinguish between the categories of projects i.e. there is no graphical distinction between transport, drainage or community infrastructure projects. It is recommended that Figures 2 – 12 be updated to distinguish between the DCP project categories.

3.4 CHARGE AREA CATCHMENTS

The draft DCP uses the existing 10 suburbs as the basis for the DCP charge areas. This approach is supported and the explanation provided in Section 6 and Background Paper No. 3 is informative.

3.5 EQUIVALENCE RATIOS

Section 5 of the draft DCP sets out the need to establish a common demand unit given the presence of multiple land use types. Table 2 clearly identifies the equivalence ratios applied. It is evident that the equivalence ratios applied to road projects is based on the ratios provided in the DCP Guidelines (2007), however the method and calculations used to determine the equivalence ratios for path, drainage and planning costs is not specified. It is recommended that the DCP be updated to include an explanation as to how these equivalence ratios were calculated.

3.6 DEMAND UNITS

Table 2 clearly sets out the equivalence ratios applied however there is no table in this section which clearly sets out the total demand units by land use type by charge area, it simply refers the reader to Appendix 2 and Table 5 which sets out the total demand units for each project. For transparency and to assist with the regular reviews of the DCP, it is recommended that Section 5 of the DCP include a table setting out the total demand units by land use type for each charge area.

3.7 EXTERNAL APPORTIONMENT

The draft DCP currently attributes 5% of every project cost to external demand. This is an allowance for usage of the proposed DCP infrastructure projects by residents located “outside the catchment area and from beyond the time horizon of the DCP” (page 10).

Whilst it is considered reasonable that there will some usage of the infrastructure items from residents located outside the charge areas, the application of the flat 5% external apportionment doesn’t appear to be supported by any analysis of demand. In light of this and the fact that 5% is a nominal allowance it is recommended that the flat 5% external demand is removed. By comparison, it is noted that the approved Moreland DCP includes similar DCP projects to those proposed in the draft DCP, however it does not include any nominal allowance for external demand.

3.8 CALCULATION OF CHARGES

Whilst Table 5 provides the basic information, it is recommended that Table 4 be expanded to provide the breakdown of charges by infrastructure category. It is also recommended that the Summary of Costs table included in the draft DCPO Schedule is included to illustrate the proportion of cost that is attributed to new development.

Table 5 could be improved with a column detailing the standard of construction being funded.

The calculation of charges method adopted in the draft DCP is robust, however in light of the proposed retail, commercial and industrial proposed charges which are very modest, Council may wish to consider applying a standard charge for each land use type for ease of implementation.

3.9 ADMINISTRATION & IMPLEMENTATION

3.9.1 EXEMPTIONS

The recent Banyule DCP Panel Report (August, 2018) included the following Panel Recommendation (page 23) that the 'DCP Exemptions' should include "*Construction of and upgrades to existing servicing infrastructure*" to ensure that the various service providers are not charged a DCP levy. Mesh supports this recommendation and recommends that the draft DCP and DCPO Schedule be updated to include this additional exemption and that the exemptions listed in Section 8 of the draft DCP are consistent with those included in the DCPO Schedule.

3.9.2 INDEXATION

The draft DCP proposes to index the project costs on 1 July each year applying the Consumer Price Index for Melbourne (All Groups) as published by the Australian Bureau of Statistics. Whilst DCPs use a range of indexation mechanisms, there are publically available indices other than the Consumer Price Index that relate specifically to the construction industry, such as the Building Price Index, outlined in Table 4 below. Whilst it is generally agreed that the Building Price Index should more accurately reflect the changes in the construction costs, Mesh is conscious of the application of the different Building Price Indices is more complex and time consuming compared with applying Consumer Price Index to all charge rates.

Council officers need to consider whether the benefit of applying more specific indices outweighs the ease of administration of the DCP and indexing of rates using the simpler Consumer Price Index.

Table 4: Proposed Indexation Mechanisms

INFRASTRUCTURE TYPE	METHOD OF INDEXATION	TIMING OF INDEXATION
Community Infrastructure	Australian Bureau of Statistics Producer Price Indexes Non-Residential Building Construction Index, Victoria (Catalogue 6427.0, Table 17 Output of the Construction Industries)	July 1
Roads, drainage and paths	Australian Bureau of Statistics Producer Price Indexes Road & Bridge Construction Index, Victoria (Catalogue 6427.0, Table 17 Output of the Construction Industries)	July 1

3.9.3 REVIEW PERIOD

The proposed 18 year lifespan of the draft DCP from the year 2018 to 2036 is supported. Section 8 (page 43) of the draft DCP notes that the '*DCP will be reviewed on a three-year basis to ensure the general nature of the document is reasonably consistent with estimates of future development*'. This requirement is considered rather onerous, typically DCP's are reviewed every 4-5 years.

Given that the DCP projects are based off Council's 10 year Capital Works Plan which are prioritised to inform the Council Plan which operates for a four year period it may be more appropriate to review the DCP every four years to align it with preparation of the Council Plan preparation.

3.9.4 IMPLEMENTATION

Given the DCP projects are sourced from the City of Yarra's 10 year Capital Works Plan the DCP is essentially supplementing Council's revenue stream for the DCP projects to the amount of 31.5% of the combined total project cost. Whilst the overall \$55.8M of funds collected via the draft DCP is modest compared with greenfield growth area DCPs it will certainly assist the City of Yarra to offset some of the infrastructure and service delivery directly.

Whilst it is not a requirement of the DCP document to include transitional arrangements it is recommended that the City of Yarra prepare a notice that clearly sets out the transitional arrangements, if applicable, to be applied.

4 RECOMMENDATIONS

In light of the key findings outlined above, the following recommendations have been prepared for consideration by Council officers.

- > It is recommended that the Table 1 be expanded and additional text is added to this section to specify the expected change in land uses and how this relates to the proportion of demand generated by new development for the DCP projects.
- > It is recommended that Figures 2 – 12 be updated to graphically distinguish between the categories of DCP projects.
- > Review the proposed projects in light of the findings discussed in Section 3.3 above.
- > It is recommended that the DCP be updated to include an explanation as to how these equivalence ratios were calculated.
- > For transparency and to assist with the regular reviews of the DCP, it is recommended that Section 5 of the draft DCP include a table setting out the total demand units by land use type for each charge area.
- > That the nominal 5% external demand be removed.
- > Table 4 is expanded to provide the breakdown of charges by infrastructure category and that the Summary of Costs table included in the draft DCPO Schedule is included in the draft DCP.
- > Table 5 could be improved with a column detailing the standard of construction being funded
- > That the exemptions listed in Section 8 of the draft DCP match those listed in the DCPO Schedule and that the following additional exemption '*construction of and upgrades to existing servicing infrastructure*' be added to both documents.
- > Consideration be given as to whether the benefit of applying more specific indices (such as the Building Price Index) outweighs the ease of administration of the DCP and indexing of rates using the simpler Consumer Price Index.
- > That the review period be adjusted to 4 yearly to ensure it is aligned with the Council Plan.
- > That the City of Yarra prepare a notice that clearly sets out the transitional arrangements, if applicable, to be applied.

Appendix 3

Yarra Amendment C238: Development Contributions Plan

Response to Mesh Peer Review Recommendations

Introduction

On 17 December 2018 I was provided a copy of the peer review of the Yarra Development Contributions Plan conducted by Mesh Consultants (dated 1 November 2018). Part 4 of the peer review outlines a number of recommendations in respect of the DCP. This memorandum responds to those recommendations.

Mesh: It is recommended that the Table 1 be expanded and additional text is added to this section to specify the expected change in land uses and how this relates to the proportion of demand generated by new development for the DCP projects.

The DCP calculates levies on the basis of total development (demand units) at the end of the DCP planning horizon, which is the year 2036. The total development figure is the primary demand-side data point in the DCP.

The calculation of total demand units that apply to each of the 777 projects is shown in Appendix 2 of the DCP on a project-by-project basis. I recommended that these figures are not repeated in the body of the DCP report because it would duplicate information already provided and add length and complexity to the DCP report.

I agree, however, that additional columns can be added to the summary of development data as shown in Table 1 in the DCP Report to show aggregate and percentage change by development type and area.

The change figure is relevant to Council in so far as it represents the expected collection rate from the DCP, because the DCP would collect funds from non-exempt new (future) development but not from existing development. Existing development represents a funding gap for Council. The development change data is of most relevance for Council financial planning.

Mesh: It is recommended that Figures 2 – 12 be updated to graphically distinguish between the categories of DCP projects.

I agree that this formatting change would make the DCP report easier to read and interpret.

Mesh: Review the proposed projects in light of the findings discussed in Section 3.3 above.

Definition of Capital Works

In my opinion projects listed in the DCP Report are capital works and eligible for DCP inclusion. The projects are consistent with definitions and classifications of infrastructure shown in the Ministerial Directions, DCP Guidelines and DCP practice. Refer to the definition of projects listed in the Ministerial Directions and Stage 5 of the DCP Guidelines.

Example DCPs that utilise similar project lists include the Darebin municipal DCP, Baw Baw municipal DCP, Moreland municipal DCP and Brimbank municipal DCP, amongst others.

Low Value Projects

The DCP Guidelines do not provide a threshold cost to define capital works that can and cannot be included in a DCP. The Guidelines simply state that capital projects can be included. A threshold sum of money does not define a capital project versus an operational or maintenance project.

The DCP includes 21 projects that are valued at less than \$11,000, with a total value of \$162,250. If these projects are removed from the DCP, the impact on the levies would be very minor (probably less than 1%).

DCP Preparation Cost

The DCP Guidelines (page 59) state that the following costs can be included in a DCP:

- *“preparation costs of the DCP document, including the costs associated with structure planning for new urban development in a greenfield location*
- *costs associated with processing the amendment*
- *consultant fees incurred in preparing the DCP document”*

Street Bins

Installation of bins is a capital expenditure. This form of asset is required for basic health and safety. In my opinion, such investments do not require a stand-alone strategy to be supported in a DCP. The nomination of the works in a Council-adopted Capital Works Plan is sufficient justification for the inclusion of projects of this type in my opinion.

Project G012

It has been confirmed to me that this project is to renew some of the existing facilities at this site and to upgrade and redevelop the site to accommodate an expansion of additional childcare spaces. On this basis, this project should be reclassified to the Development Infrastructure Levy.

Footpath works

See response below.

Mesh: The draft DCP currently includes several hundred projects relating to footpath works, the vast majority of these are identified as renewal projects in Table 5. To avoid any doubt it is recommended that additional explanation be added to Section 3 of draft DCP to clearly define what the term 'renew' means and clarify that these projects are not associated with maintenance and that whilst many of these projects directly serve a localised catchment i.e. laneways etc that these projects are distributed across the municipality and therefore collectively these items serve the broader catchment.

Pages 55 to 59 of the DCP Guidelines provide information on the types of works that can be included in a DCP. This includes construction and landscaping of footpaths whether this be a new footpath, upgrading an existing footpath or replacing a footpath.

The footpath works in the Yarra DCP focus on replacing sections of footpath that have reached the end of their useful life and upgrading footpaths to meet current accessibility and safety standards (ie. DDA compliance).

Most established area DCPs I am familiar with also include such footpath works.

Mesh: It is recommended that the DCP be updated to include an explanation as to how these equivalence ratios were calculated.

Additional information on the source of equivalence ratios can be included in the DCP.

Mesh: For transparency and to assist with the regular reviews of the DCP, it is recommended that Section 5 of the draft DCP include a table setting out the total demand units by land use type for each charge area.

As noted above, the calculation of total demand units that apply to each of the 777 projects is shown in Appendix 2 of the DCP Report on a project-by-project basis.

Nevertheless, a new table that summarises total demand units by each of the 10 DCP Areas can be added to the end of Section 5 of the DCP report.

In my opinion, this additional information will not significantly assist with regular reviews of the DCP because the primary monitoring tool on the demand side will be development units as shown in Table 1.

Mesh: That the nominal 5% external demand be removed.

In my opinion the 5% external demand should be retained.

The DCP Guidelines state that consideration should be given to external demand in DCP preparation.¹ External demand has two forms:

- The use of a project (or demand) generated from development beyond the nominated DCP project catchment; and
- The use of a project by development that may be constructed beyond the timeframe of the DCP, in this case 2036.

A figure of 5% has been adopted for the purposes of the Yarra DCP. This figure was reviewed by Council officers and deemed reasonable for the nature of infrastructure and development in Yarra. The application of a 5% external demand allowance is consistent with the practice adopted in recent DCPs such as:

- The gazetted Brimbank municipal DCP;
- The gazetted Sunshine Town Centre DCP; and
- The proposed Banyule municipal DCP (recommended for adoption by a Planning Panel).

I note that the gazetted Moreland DCP makes no allowance for external demand at all.

Mesh: Table 4 is expanded to provide the breakdown of charges by infrastructure category and that the Summary of Costs table included in the draft DCPO Schedule is included in the draft DCP.

An expanded Table 4 can be provided and shown as an appendix. Given the size of such a table, I do not recommend this being shown in the body of the report.

The Summary of Costs table that is shown in the Planning Scheme Overlay can and should be included in the DCP report.

Mesh: Table 5 could be improved with a column detailing the standard of construction being funded.

Information held by the City of Yarra regarding the standard of construction for projects can be summarised and included in the DCP.

The standard of construction is provided in the following documents: Council's Road Asset Management Plan 2017, Buildings Asset Management Plan 2013, Open Space Asset Management Plan 2005 and YCC Asset Management Policy 2017. Standards are also referenced in the relevant strategy (e.g. the bike strategy and toilet strategy).

In my view, summary information should be shown in the DCP report because a balance needs to be struck between providing reasonable information within the DCP report without overloading the document with too much information and complexity.

¹ See, for instance, at page 29.

Mesh: That the exemptions listed in Section 8 of the draft DCP match those listed in the DCPO Schedule and that the following additional exemption ‘construction of and upgrades to existing servicing infrastructure’ be added to both documents.

I agree that the exemption provisions in the DCP Report and Planning Scheme Overlay should be consistent and should include the additional exemption ‘construction of and upgrades to existing servicing infrastructure’.

Mesh: Consideration be given as to whether the benefit of applying more specific indices (such as the Building Price Index) outweighs the ease of administration of the DCP and indexing of rates using the simpler Consumer Price Index.

In my opinion, in the Yarra DCP context, the CPI method is appropriate given that it will be easier to administer and is less prone to volatility in annual outcomes compared to some other indices.

In operation, the CPI index is applied to the final levy table as shown in the DCP report and Planning Scheme Overlay.

I think that the CPI is easier to access and generally understood by most people.

That said, I recognise that alternative indices could be adopted in the DCP. These could include the Road and Bridge Construction Index Victoria (ABS) and / or the Non Residential Building Index Construction Victoria (ABS).

These more specific indices are in theory more specific to the construction items within the DCP compared to the CPI index.

However, the main downside of specific indices is that annual updating becomes more complicated, as it would require separating project levies into the index categories, undertaking multiple index updates, and then summing up the adjusted charges.

Furthermore, in recent years, the non-CPI indices have been more volatile than CPI. Given that the purpose of the index is to generally keep pace with value or money over the life of a DCP, the concept of adjusting DCP charges down is questionable. In the year 2015-2016 for example, the various indices reported the following results:

- Consumer Price Index (Melbourne) (ABS) + 1.5%
- Road and Bridge Construction Victoria (ABS) -5.2%
- Non Residential Building Construction Victoria (ABS) -1.3%

Mesh: That the review period be adjusted to 4 yearly to ensure it is aligned with the Council Plan.

In my opinion the frequency of a DCP review cycle should be of Council’s choosing as long as it is reasonable. Either a three or four year cycle is reasonable in my opinion.

A three year review cycle was nominated by Council officers during the DCP preparation process.

Mesh: That the City of Yarra prepare a notice that clearly sets out the transitional arrangements, if applicable, to be applied.

I understand that Council does not propose to introduce transitional arrangements.

Alex Hrelja

Principal, HillPDA

14 February 2019

Appendix 4

Yarra Amendment C238: Development Contributions Plan

Information Requested by Planning Panel

Introduction

On 18 December 2018 the Panel convened in respect of Amendment C238 to the Yarra Planning Scheme issued directions in respect of the conduct of the panel hearing. At paragraphs 12(c)(ii) – (xiv) of those directions, the Panel requested additional information in respect of Amendment C238. This memorandum has been prepared by and on behalf of the Council and in consultation with Mr Hrelja, the principal consultant in the preparation of the Yarra Development Contributions Plan.

Item 12(c)(ii):

Table 2 of the DCP sets out the equivalence ratios for non-residential uses. Can it be explained how these were derived including reference if relevant to other recent DCPs or DCPs in growth areas prior to the new arrangements coming into operation.

The Development Contributions Guidelines (2007) (the **Guidelines**) state that an allowance for differential demand loadings on infrastructure by different land uses should be taken into account in the preparation of a DCP.¹ The Guidelines also provide that '[a]ppropriate equivalence ratios can be determined by the council' or, alternatively, that standard equivalence ratios specified in the Guidelines can be used.²

The equivalence ratios adopted for the purposes of the Yarra DCP are shown in Table 2 of the DCP Report (reproduced below for convenience). They have been derived in part through reference to the standard equivalence ratios provided in the Guidelines and in part based on data reviewed and accepted by Council as being reasonable.

Table 2 - Equivalence Ratios

	Residential	Retail	Commercial	Industrial
	dwelling units	sqm floorspace	sqm floorspace	sqm floorspace
Community Facility CFCI	1.0	-	-	-
Community Facility CFDI	1.0	-	-	-
Path PADI	1.0	75.0	50.0	500.0
Road RDDI	1.0	19.0	121.0	67.0
Drainage DRDI	1.0	100.0	100.0	200.0
Development Contributions Plan DCP	1.0	120.0	120.0	120.0

The common demand unit selected for the DCP is one dwelling. A dwelling unit is used in most if not all DCPs prepared in respect of established-areas.

No ratios are used for community facility projects because only residential development is deemed a user of such facilities, and as such, only dwelling units are used in the cost apportionment process.

¹ Guidelines at p.43-54.

² Guidelines at p.28.

This is consistent with the direction provided by the Guidelines³ and with the practice adopted in the preparation of other established-area DCPs.⁴

All other infrastructure categories have been attributed ratios for the main land use groups.

The bases for the ratios selected are described briefly below and shown in Attachment 1.

- Paths – The ratios adopted for path use in this DCP are measured by residents in dwellings and workers in non-residential floorspace. These people are deemed to use paths in their area. The ratios are based on the average dwelling having 2.5 persons per dwelling with the non-residential ratios identifying the amount of floorspace that accommodates 2.5 workers. This approach was also adopted in respect of the Banyule DCP.
- Roads – The ratios correspond with the standard equivalence ratios specified in the Guidelines.
- Drainage – The ratios have been derived by converting the standard equivalence ratios in the Guidelines (expressed as site area ratios) into floorspace units. This approach was also adopted in respect of the Banyule DCP.
- Development Contributions Plan Preparation – The ratios have been adopted so that each square metre of floorspace in Yarra (irrespective of land use type) will share the DCP preparation cost equally. The ratios assume that the average dwelling size within Yarra is 120 square metres.

Item 12(c)(iii) & (iv):

Clearly explain how each of the broad type of development infrastructure can be justified to be included in a DCP under the Development Contributions Guidelines (Amended 2007).

How has development infrastructure been defined to clearly distinguish it from maintenance?

It is convenient to address these matters together.

At the commencement of the DCP preparation process, a long list of proposed capital works was provided by Yarra City Council's manager of assets to its consultant. This was presented in a draft Capital Works Plan. This data formed the starting point of consideration. That list had approximately 1,300 line items and was reviewed iteratively by HillPDA and by members of Council staff on approximately six occasions. The purpose of the review process was to:

- Eliminate operational and maintenance expenditure;
- Eliminate infrastructure that would not be used by development;
- Eliminate open space levy funded projects and grant funded projects;
- Eliminate projects that were the subject of alternate funding such as through the 'Victoria Grants Commission' or 'Roads to Recovery';
- Interrogate the nature of the projects;
- Where possible combine capital works into larger DCP projects (for example, road reconstructions within a single street were amalgamated into one DCP project);
- Label projects to better describe the nature of works; and
- Check and update construction costs of projects including removal of escalation in costs which was included in some project categories.

Projects were classified in groups. In the case of Development Infrastructure, the groupings are roads, paths, drains and some community facilities. Roads, paths and drains are engineering assets and are commonly understood as Development Infrastructure.

³ At p.45.

⁴ Brimbank Municipal DCP and Moreland Municipal DCP are two examples.

Some community facilities (i.e. buildings) are also classified as Development Infrastructure. These are facilities for maternal and child health care, child care, kindergarten or any centre which provides these facilities in combination.

This process of classification was guided by Mr Hrelja who had regard to:

- The *Ministerial Direction on the Preparation and Content of Development Contributions Plans and Development Contributions Guidelines*;
- The Guidelines;
- Examples of approved DCPs in similar development settings;⁵ and
- Specific assessments conducted by infrastructure category experts and asset managers regarding the definition of the projects.

This body of information provides the justification for the selection of roads, paths, drains and selected community facilities as Development Infrastructure under the DCP.

The document '*Preparing a Full Cost Apportionment DCP*' provides guidance on infrastructure project selection.⁶ Relevant extracts of that document follow.⁷

"A DCP can include one or more infrastructure projects."

...

"The outcome of this stage is a table that describes the infrastructure projects in the DCP."

...

"The types of projects in a DCP can include the following:

- *a new item of infrastructure*
- *an upgrade in the standard of provision of an existing infrastructure item*
- *an extension to an existing facility, or*
- *the total replacement of an infrastructure item after it has reached the end of its economic life."*

...

"To qualify for inclusion in a DCP, all infrastructure projects:

- *must be expected to be used by a broad cross-section of the community, and*
- *must serve a neighbourhood-sized catchment or larger area."*

...

"Examples

- *acquisition of land for roads, public transport corridors, drainage, public open space, and community facilities including (but not limited to) those listed under the last dot point in this list*
- *construction of roads, including the construction of bicycle and foot paths, and traffic management and control devices*
- *construction of public transport infrastructure, including fixed rail infrastructure, railway stations, bus stops and tram stops*

⁵ Brimbank Municipal DCP, Moreland Municipal DCP and Darebin Municipal DCP are examples.

⁶ See Stage 5 - List the infrastructure projects and the costs included in the DCP at page 55 onwards.

⁷ See pages 55 – 58.

- *basic improvements to public open space, including earthworks, landscaping, fencing, seating and playground equipment*
- *drainage works*
- *buildings and works for or associated with the construction of maternal and child health centres, child care centres, kindergartens, or any centre which provides these facilities in combination*
- *community health centres*
- *leisure and recreational facilities on public open spaces*
- *cultural and educational facilities such as libraries*
- *sporting facilities, such as tennis courts, change rooms, pavilions, grandstands and goal posts*
- *public facilities such as public toilet"*

...

"What can be included in a DCP?

- *the capital costs of providing the infrastructure projects, including land and construction costs*
- *the cost of financing the infrastructure projects, if provided early in the life of the DCP*
- *the design costs associated with the infrastructure projects"*

...

"What cannot be included in a DCP?

- *maintenance costs*
- *operational costs*
- *any other anticipated recurrent costs"*

On the strength of the infrastructure project review process undertaken for this DCP the nominated DCP projects are properly characterised as capital works and not maintenance. In all cases the projects will result in the construction of a new asset or upgraded asset which will require maintenance. The cost to maintain the constructed asset is not included in the DCP.

No threshold project cost is nominated in the DCP Guidelines. Accordingly, a capital project valued at \$5,000 or less can be included in a DCP if it is a capital project.

The general content and structure of the DCP is consistent with other approved municipal-wide DCPs in established area settings. Relevant examples include:

- Brimbank all of municipality DCP, gazetted January 2018;
- Moreland all of municipality DCP, gazetted August 2017; and
- Darebin all of municipality DCP, gazetted May 2006.

Item 12(c)(v):

Page 5 of Background paper No 2, DCP Projects, describes renewal projects as recurrently funded and not subject to funding evaluation. On what basis are these proposed to be included in the DCP. Is this statement in conflict with the statement on p5 that only capital works projects should be included in the DCP as "this ensures projects have been through a rigorous process..."

The Background Paper describes the funding process for projects of this type in the following terms (Background Paper No 2 at page 7):

“Whilst renewals are described as recurrently funded and not subject to funding evaluation of individual projects, the renewal funding sought for a given year is backed by a specific list of renewal projects based upon asset condition and agreed Asset Management Plans. The Asset Owner will be responsible for the proper scoping of these projects and on behalf of the Sponsor/Director sign off on proposed works. Capital renewal projects are therefore funded through the recurrent funding review group as part of the Annual Planning process.”

These types of projects, along with all other projects, were the subject of the iterative review process described in item 12(c)(iii) & (iv). They are properly included within the DCP on the basis that they satisfy the criteria identified above.

Item 12(c)(vi):

Can it be explained how the allocation of infrastructure project costs which are on, or cross, charge area boundaries have been handled in the DCP?

This is explained in Section 7 of the exhibited DCP. The process is as follows:

- *“List the infrastructure projects and costs included in the DCP;*
- *Identify the main catchment area for each infrastructure project;*
- *Quantify development in each main catchment area;*
- *Convert the development into common demand units to quantify the total demand for infrastructure;*
- *Calculate the infrastructure levy payable for each infrastructure project by dividing the cost of the project by the total number of demand units in the main catchment area; and*
- *Calculate the total infrastructure levies in each area by community infrastructure projects and development infrastructure projects.”*

The DCP process required apportionment of each project’s cost to a catchment area. The process adopted in this DCP was to classify projects as being substantially local, sub-regional or municipal in scope.

The classification was initially undertaken by Yarra City Council officers (portfolio experts) and then checked and reviewed by Mr Hrelja. This occurred iteratively.

Council officers provided advice as to which projects are designed to service sub-regional and municipal-wide areas and the nature of the catchments. These projects and catchments were reviewed by Mr Hrelja who was satisfied that the applicable designations are reasonable and consistent with the Guidelines and DCP practice.

The catchment identification is shown in the table in Appendix 2 of the Exhibited DCP (see eighth column of each project labeled Main Catchment Area (MCA)). All relevant development to the year 2036 in the MCA of each project is used for the purposes of the calculation of levies.

Most projects are classified as local and are allocated to their host area.

Local projects that are located on the boundary of areas were allocated on an equal basis to the relevant adjoining areas. Sub-regional and municipal projects were allocated to those service regions.

Examples follow:

- A local project within a single area: Project 1 - Bridge Redecking – classified as a local project and allocated to its host Area 7;
- A local on boundary project (that is a project shared between multiple areas): Project 2039 - Public Toilet (New Public Toilets - Nicholson Street) – classified as local on boundary and allocated equally to Areas 1 and 2;

- A sub-regional project: Project 9 - Community Facility (Upgrade Theatre Dancehouse) – classified as northern Yarra sub-regional and allocated equally to Areas 1, 2, 3 and 4 combined; and
- A municipal project: Project 292 - Bicycle Network (Capital City Trail) – classified as municipal in scope and allocated equally to all 10 areas of the municipality (that is, one catchment being the whole City).

In Mr Hrelja's view:

- The size of the areas that have been used to identify project catchments is reasonable and consistent with the Guidelines and other DCPs; and
- The method used to allocate projects to catchments is reasonable and consistent with the Guidelines and other DCPs.

The approach provides for a reasonable spatial nexus between development and infrastructure whilst avoiding too much complexity.

Item 12(c)(vii):

In Table 3 of the DCP how is a distinction made between developer provided infrastructure and infrastructure funded under the proposed DCP, particularly with respect to the categories of public space, retail car parks, public toilets, retail footpaths and road bins?

The DCP nominates projects that Council has identified as being needed in its policy framework and that Council has committed to deliver over the life of the DCP.

These projects will be delivered irrespective of whether development occurs on land immediately adjacent to the DCP projects. The DCP projects are pre-planned projects.

In addition to these projects, developers will be required to deliver infrastructure that is properly required pursuant to permit conditions and section 173 agreements. Site-specific works of this type include on-site works and possibly off-site works, the need for which is directly attributable to the proposed development, and may include streetscape, drainage and road works in some cases.

In some cases, there may be an option to enable development proponents to deliver DCP projects in lieu of making DCP contributions via monetary payments. This is likely to be a good option where there is overlap between DCP works and site-specific works.

Item 12(c)(viii):

Page 25 of the DCP refers to costs in today's dollars presumably 2017 dollars. Is it proposed to updated these costings and charges prior to approval, and if so how and when?

All projects in the DCP are costed in 2017 dollars. It is proposed to update these costings immediately prior to the submission of the DCP to the Council for adoption and forwarding the Amendment to the Minister.

This process would allow consideration and implementation of any recommendations made by the Panel which may impact on the costings and indexation components of the DCP.

Item 12(c)(ix):

On page 37 of the DCP it is proposed to make an allowance of 5% for external usage. What is the basis of this figure?

The DCP Guidelines state that consideration should be given to external demand in DCP preparation.⁸ External demand has two forms:

- The use of a project (or demand) generated from development beyond the nominated DCP project catchment; and
- The use of a project by development that may be constructed beyond the timeframe of the DCP, in this case 2036.

A figure of 5% has been adopted for the purposes of the Yarra DCP. This figure is based on the practice adopted in some other established area DCPs.

The peer review report prepared by Mesh Consultants recommends that no allowance is made in respect of external usage. This approach is consistent with the Moreland DCP.

The Council recognises that the question of external demand warrants further consideration and will explore this issue in evidence throughout the Panel hearing.

Item 12(c)(x):

On p39 of the DCP it is proposed to index the proposed infrastructure costings using CPI. Why was this index chosen and were others considered?

On the advice of Mr Hrelja, the CPI method was adopted on the basis that it would be easier to administer and less prone to volatility in annual outcomes.

The peer review report prepared by Mesh Consultants recommends that more specialized indices be adopted.

The Council recognizes that the question of the appropriate indexation method warrants further consideration and will explore this issue in evidence throughout the Panel hearing.

Item 12(c)(xi):

Page 23 refers to 777 projects but Appendix 2 in the DCP goes up to in excess of 2000 projects. Is this apparent discrepancy entirely explained by the discontinuous numbering in the list in the Appendix?

The 777 DCP projects are those that made the cut from an initial list of approximately 1,300 projects that was established at the commencement of the DCP preparation process. Each project was assigned a reference number for the purposes of the DCP. That number was retained throughout the DCP preparation process. The numbering is not sequential.

The iterative project review process implemented for the Yarra DCP was described in response to items 12(c)(iii) and (iv) above.

It is important to recognise that the DCP project list is specific to the DCP and is different to other lists quoted in other documents.

⁸ See, for instance, at page 29.

Item 12(c)(xii):

Page 42 of the DCP refers to an average funding gap of 68.5% presumably, 5 % to external usage and 63.5% to existing usage (residents, retail etc). Can a working spreadsheet be provided so the Panel can gain a better understanding of how these numbers play out charge area by charge area?

The funding gap is derived from external demand plus existing development within each project's catchment area.

The 68.5% funding gap is the average funding gap for all 777 projects listed in the DCP.

Each project has an individual collection rate and funding gap based on its location and catchment area.

A spreadsheet showing the estimated collection rate for each project individually is attached separately.

Item 12(c)(xiii):

There is a discrepancy between the project cost in at least some of the project costs in Attachment 3 to Background Paper No. 2 and the DCP. What is the explanation for this?

The Background Report and DCP project were prepared by separate entities in separate processes.

To the extent that there are differences in specific project costs between the two documents, this is most likely attributable to:

- The amalgamation of certain projects into a single project description for the purposes of the DCP;
- The de-escalation in project costs for the purposes of the DCP (that is, the expression of project costs in the DCP in current day terms); and
- The more specific costing of certain projects for the purposes of the DCP.

Item 12(c)(xiv):

How does Council propose to deal with applicants who are currently at the various stages of the planning process?

Council does not propose to adopt transitional arrangements in respect of the DCP.

This approach is consistent with that adopted in the Moreland, Brimbank and Banyule DCPs.

15 February 2019

HARWOOD ANDREWS
on behalf of Yarra City Council

Attachment 1 – Equivalence Ratios

The following sources of information were used for the equivalence ratios shown in this DCP.

Common Demand Unit

- The common demand unit selected for the DCP is one dwelling. A dwelling unit is used in most if not all DCPs prepared in respect of established-areas.

Community Facilities

- No ratios are used for community facility projects because only residential development is deemed a user of such facilities, and as such, only dwelling units are used in the cost apportionment process. This is consistent with the direction provided by the DCP Guidelines (2007, p45).

Paths

- The ratios adopted for path use in this DCP is measured by residents in dwellings and workers in non-residential floorspace. These people are deemed to user paths in their area. The adopted ratios are as follows.
 - One dwelling has on average 2.5 residents
 - Retail: 30 sqm of floorspace per one retail worker; therefore 75 sqm of retail floorspace achieves 2.5 workers
 - Office: 20 sqm of floorspace per one office worker; therefore 50 sqm of office floorspace achieves 2.5 workers
 - Industry: 200 sqm of floorspace per one industrial worker; therefore 500 sqm of industrial floorspace achieves 2.5 workers

Roads

- The ratios adopted for road use in this DCP correspond with the standard equivalence ratios specified in the DCP Guidelines (2007, p45):
 - Residential 1 dwelling
 - Retail premises 19 sqm floorspace
 - Office / service industry 121 sqm floorspace
 - Industry (other than service industry) 67 sqm floorspace

Drainage

- The ratios adopted for drainage use in this DCP is based on the standard equivalence ratios specified in the DCP Guidelines (2007, p45) for site area, with an additional conversion used to express the ratios in terms of floorspace:
 - Residential 1 dwelling
 - Retail premises 300 sqm of site area in DCP Guidelines; it is assumed that the average floorspace ratio is 35% and therefore floorspace is 105 sqm: rounded to 100 sqm
 - Office premises – assumes the same built form and drainage characteristics as retail in this DCP
 - Industry (other than service industry) 540 sqm of site area in DCP Guidelines; it is assumed that the average floorspace ratio for an industrial site is 35% and therefore floorspace is 189 sqm: rounded to 200 sqm

Development Contributions Plan Preparation

The ratios for planning are based on each square metre of floorspace (irrespective of land use type) sharing DCP preparation cost equally. The ratios assume that the average dwelling size within Yarra is 120 sqm.

Appendix 5



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URBAN PLANNING & DESIGN

L I V A B L E U R B A N C O M M U N I T I E S

YARRA DEVELOPMENT CONTRIBUTIONS PLAN (2017) Draft Report

In Summary a DCP should include an appropriate level of information regarding the basis of the calculations for the following reasons: -

1. **Transparency** – a DCP is a public document that requires contributions to be satisfied therefore it should include an appropriate level of information that clearly shows the basis for the calculations i.e. it should clearly justify the demand and assumptions applied.
2. **Review** – it is vital to ensure that all required information and assumptions is included in the DCP so that the Planning Authority is able to review the document in accordance with DCP administration provisions.

YARRA DEVELOPMENT CONTRIBUTIONS PLAN (2017) Draft Report

1.STRATEGIC JUSTIFICATION

Section 5 of the draft DCP outlines the projected development by land use type i.e. residential, retail, commercial and industrial uses, however, it would benefit from the inclusion of additional explanatory information.

It is recommended that Table 1 be expanded and additional text is added to this section to specify the expected change in land uses and how this relates to the proportion of demand generated by new development for the DCP projects. An example of potential changes is outlined in Table 3 below.

The updated Table 1 would show that across the 10 suburbs it is projected that the municipality will grow by an additional 22,862 dwellings, identify the additional population forecast (as it is the residents rather than dwellings that generate demand for the infrastructure projects), and calculate that new development between 2018-2036 equates to 35.6% of the total projected 2036 dwellings (prior to adjustment for any external demand).

Table 3: Proposed modifications to draft DCP Table 1 – Development Conditions and Projections

CHARGE AREA NO.	AREA NAME	2016 DWELLINGS	2036 DWELLINGS	CHANGE IN DWELLINGS	NEW DWELLINGS AS A % OF TOTAL 2036 DWELLINGS	CHANGE IN POPULATION
Area 01	Carlton North – Princes Hill	4,096	4,859	763	15.7%	[council to insert]
etc						

Table 1 currently applies to residential dwellings, retail floorspace, commercial floorspace and industrial floorspace and it is intended that all four components of Table 1 are updated and expanded.

YARRA DEVELOPMENT CONTRIBUTIONS PLAN (2017) Draft Report

The DCP would benefit with the inclusion of a summary of the total new demand anticipated by land use type such as the example below.

CHARGE AREA NO.	PROPOSED ADDITIONAL DWELLINGS (2016-2036)	PROPOSED ADDITIONAL RETAIL FLOORSPACE M2 (2016-2036)	PROPOSED ADDITIONAL COMMERCIAL FLOORSPACE M2 (2016-2036)	PROPOSED ADDITIONAL INDUSTRIAL FLOORSPACE M2 (2016-2036)
Area 01				
etc				

YARRA DEVELOPMENT CONTRIBUTIONS PLAN (2017) Draft Report

An Example of such as table is included in the Joseph’s Road Development Contributions Plan – August 2018, which was prepared by the Victorian Planning Authority and placed on public exhibition last year.

Table 1 Development Projections to 2033

Parcel #	ADDRESS	SITE AREA (m2 Approx.)	DWELLINGS (Propd)	COMMERCIAL (m2 Propd)	RETAIL (m2 Propd)
Planning Permits					
1	1 Warde Street	2,149	350	-	929
2	10 Moreland Street	1,248	198	-	425
3	2 Neilson Place	6,303	513	3,418	620
4	2 Hopkins Street	9,393	723	197	644
5	4 Hopkins Street (2-6 Hallenstein Street)	12,866	927	2,819	2,734
6	18-24 Hopkins Street	9,459	966	-	4,583
7	7 Wightman Street	710	57	383	192
	SUB-TOTAL	42,128	3,734	6,817	10,127

YARRA DEVELOPMENT CONTRIBUTIONS PLAN (2017) Draft Report

The DCP is currently missing a table which clearly sets out the total demand units by land use type by charge area. It is recommended that this table is included in Appendix 1 which sets out the method for determining the development projections

CHARGE AREA NO.	TOTAL ADDITIONAL DEMAND UNITS			
	PROPOSED ADDITIONAL DWELLINGS (2016-2036)	PROPOSED ADDITIONAL RETAIL FLOORSPACE M2 (2016-2036)	PROPOSED ADDITIONAL COMMERCIAL FLOORSPACE M2 (2016-2036)	PROPOSED ADDITIONAL INDUSTRIAL FLOORSPACE M2 (2016-2036)
Area 01				
etc				

Section 7 of the report only provides the charges per charge area it does not provide a summary of the total contributions collected by infrastructure category – as per the summary table below which is included in the DCPO schedule.

Facility Type and Code	Total Cost	Time of Provision	Actual Cost Contribution Attributed to New Development	Proportion of Cost Attributed to New Development
Community Facility CFCI	\$72,963,969	2016-2036	\$24,426,587	33.48%
Community Facility CFDI	\$825,000	2016-2036	\$246,299	29.85%
Path PADI	\$72,600,362	2016-2036	\$22,454,018	30.93%
Road RDDI	\$16,349,427	2016-2036	\$4,640,648	28.38%
Drainage RDDI	\$14,352,825	2016-2036	\$4,017,998	27.99%
Development Contributions Plan DCPP	\$79,725	2016-2036	\$24,382	30.58%
Total	\$177,171,308		\$55,809,932	31.50%

YARRA DEVELOPMENT CONTRIBUTIONS PLAN (2017) Draft Report

Section 7 of the report only provides the charges per charge area it does not provide a summary of the total contributions collected by infrastructure category nor does it provide a summary of contributions by infrastructure category collected by charge area

CHARGE AREA NO.	TOTAL COST OF CONTRIBUTION ATTRIBUTED TO EACH CHARGE AREA BY INFRASTRUCTURE CATEGORY (INSERT \$ YEAR)					
	COMMUNITY FACILITY CFCI (CIL INFRASTRUCTURE)	COMMUNITY FACILITY CFDI (DIL INFRASTRUCTURE)	PATH PADI (DIL INFRASTRUCTURE)	ROAD RDDI (DIL INFRASTRUCTURE)	DRAINAGE DRDI (DIL INFRASTRUCTURE)	DEVELOPMENT CONTRIBUTIONS PLAN DCPP (DIL INFRASTRUCTURE)
Area 01						
etc						



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