

# Metropolitan Greenfield Growth Area ICPs

## Benchmark Costings Consultation Session



**Ben Hawkins**

Victorian Planning Authority

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*Your partner in planning great places for a growing Victoria*

# ICP System

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- Intention of the ICP system:
  - Contribution towards specified allowable items to provide basic and essential local infrastructure
  - Based on pre-set standard levy rates for different development settings: residential, employment land
  - Standardised approach that removes the need to calculate and justify standard levies
  - Allows for the application of supplementary levies to fund transport construction only
  - Caps the community and recreation levy and a supplementary levy cannot apply
  - Provides a more certain and consistent approach
  - Reduce the risk of escalating infrastructure charges
  - Simpler and faster approach to preparing levies



## New ICP System under the Amended Public Land Contribution Act 2017

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### New streamlined system

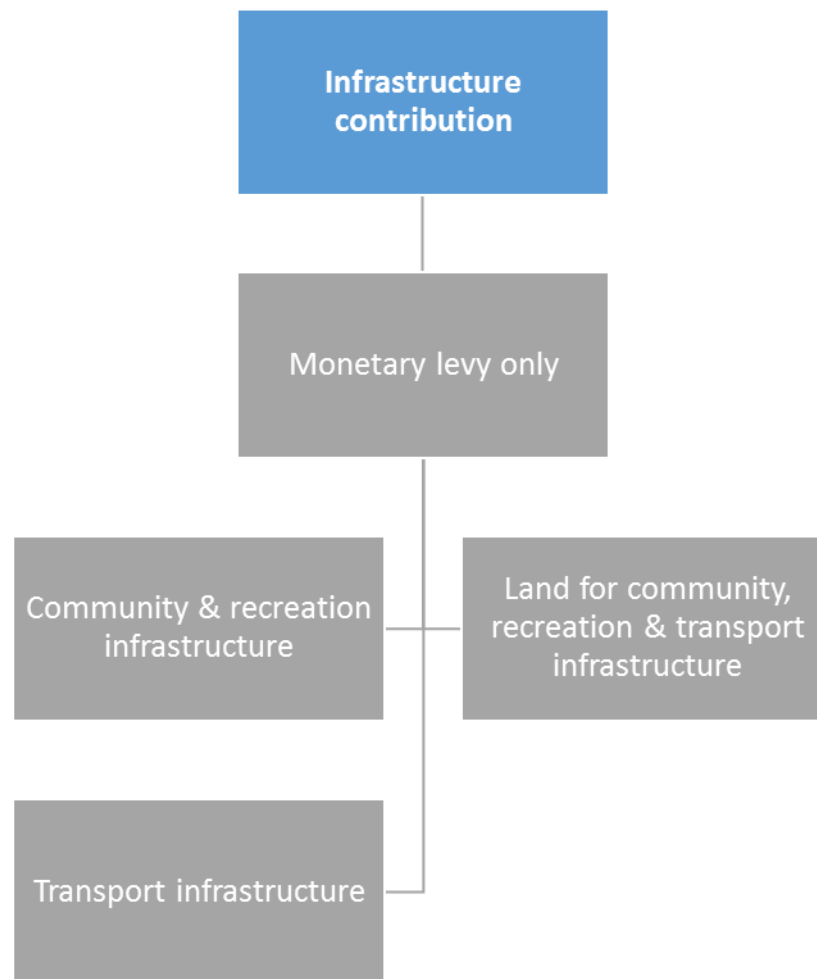
- Key change: land is now a direct land contribution rather than a monetary contribution
- Streamlined approach to providing public land contributions
- Effective 2 July 2018
- Ensures provision of public land is equalised over the entire ICP area
- Has resulted in supplementary levies being required more regularly



# New ICP System under the Amended Public Land Contribution Act 2017

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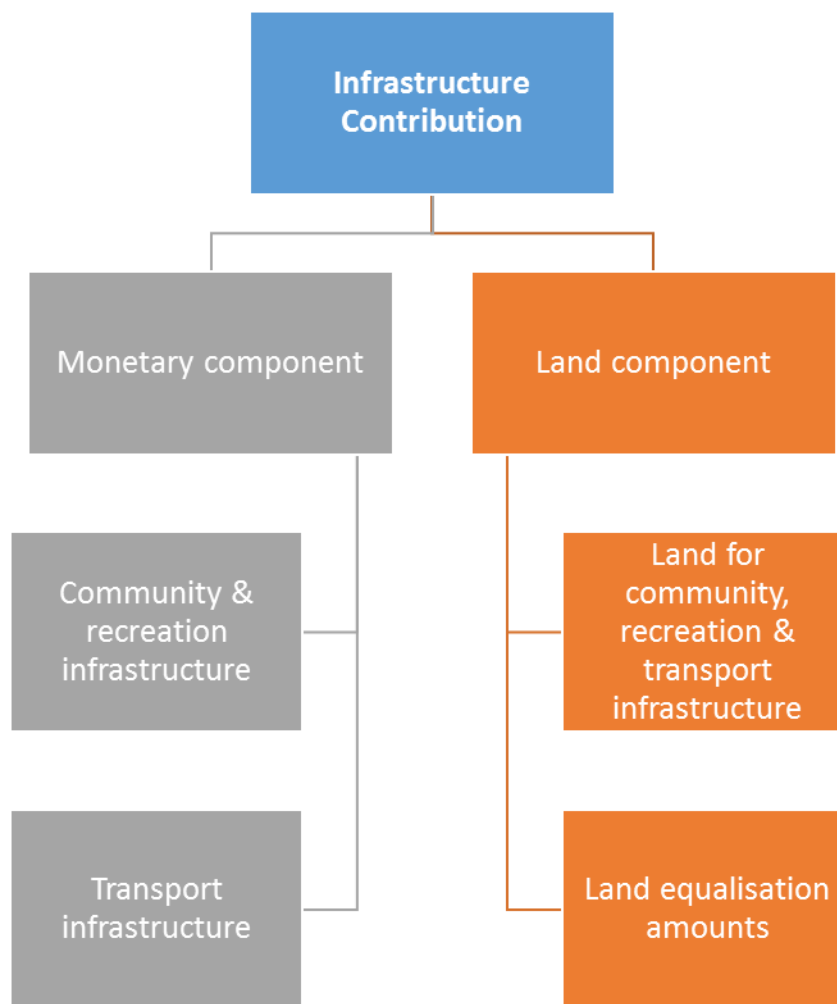
## Previous Land Model



# New ICP System under the Amended Public Land Contribution Act 2017

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## Current Land Model



## Application of Benchmark Costs

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- With a greater proportion of supplementary levies occurring under the new land contribution model, streamlining of construction costs is required to ensure efficiency





## Application of Benchmark Costs

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- Standard cost estimates prepared for a range of basic and essential local infrastructure generally provided in Precinct Structure Plans and funded through Infrastructure Contributions Plans
- They have been prepared based on template designs for this basic and essential infrastructure

## Application of Benchmark Costs

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- The benchmark costs:
  - Use baseline cost data from a range of common construction projects to determine with a sufficient level of confidence the probability of a project's costs being met
  - Establish standard cost sheets and designs for standard transport and community and recreation ICP items
  - Establish a contingency to ensure that site specific constraints can be accounted for
  - Will be applied to appropriate projects to determine the costs to be used in the levy calculation



## Limitations of Benchmark Costs

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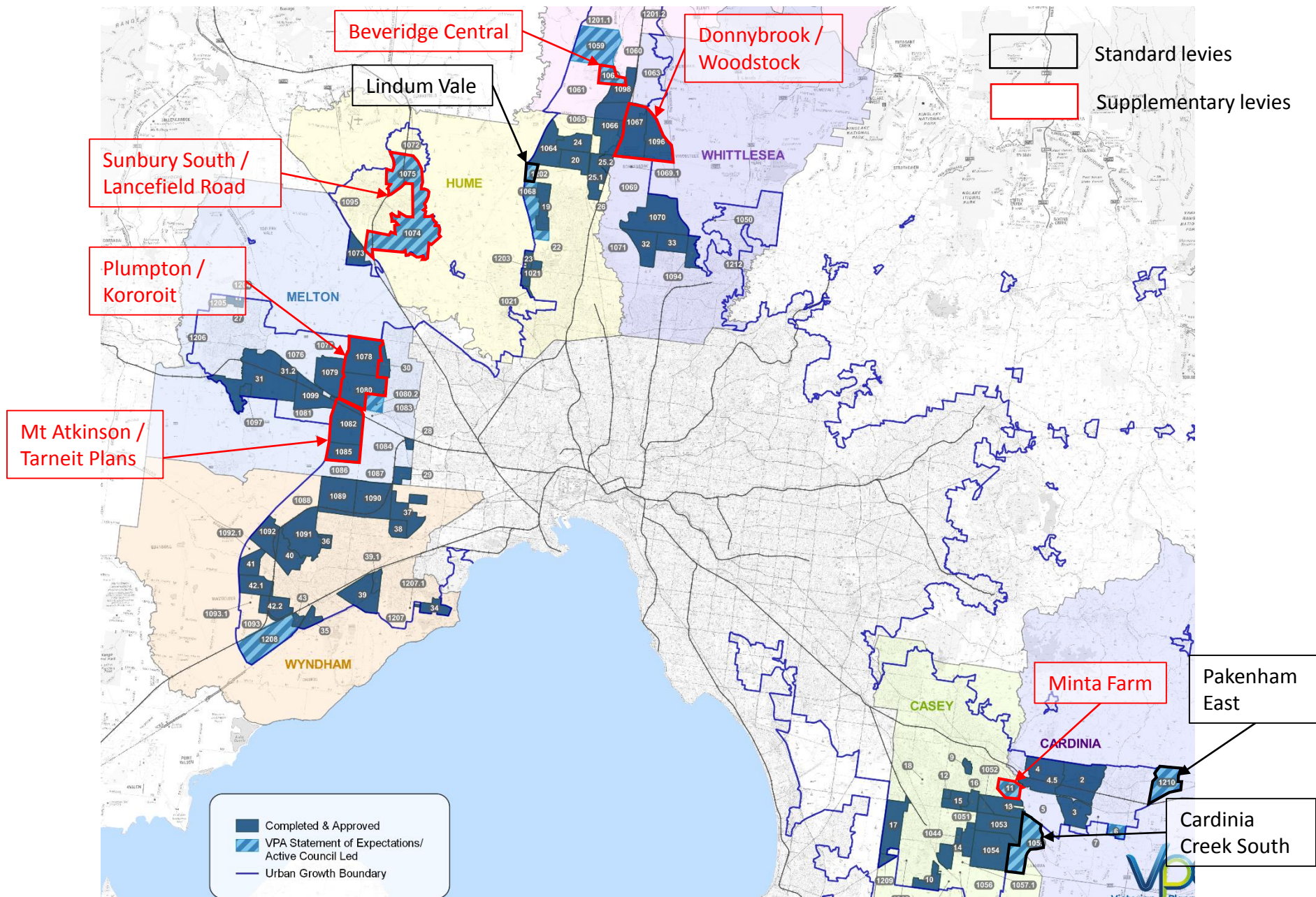
- Limitations:
  - Sufficient baseline data may not be available for all projects, and these may require bespoke design and cost estimates (for example bridges with a variety of spans)
  - Further design may be required for the purposes of WIK agreements, although the benchmarks will provide a sufficient baseline

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# Program



# VPA PSP Program: 100,000 Lots PSPs



## Greenfields – Outer Melbourne: Interim ICPs from 2 July 2018

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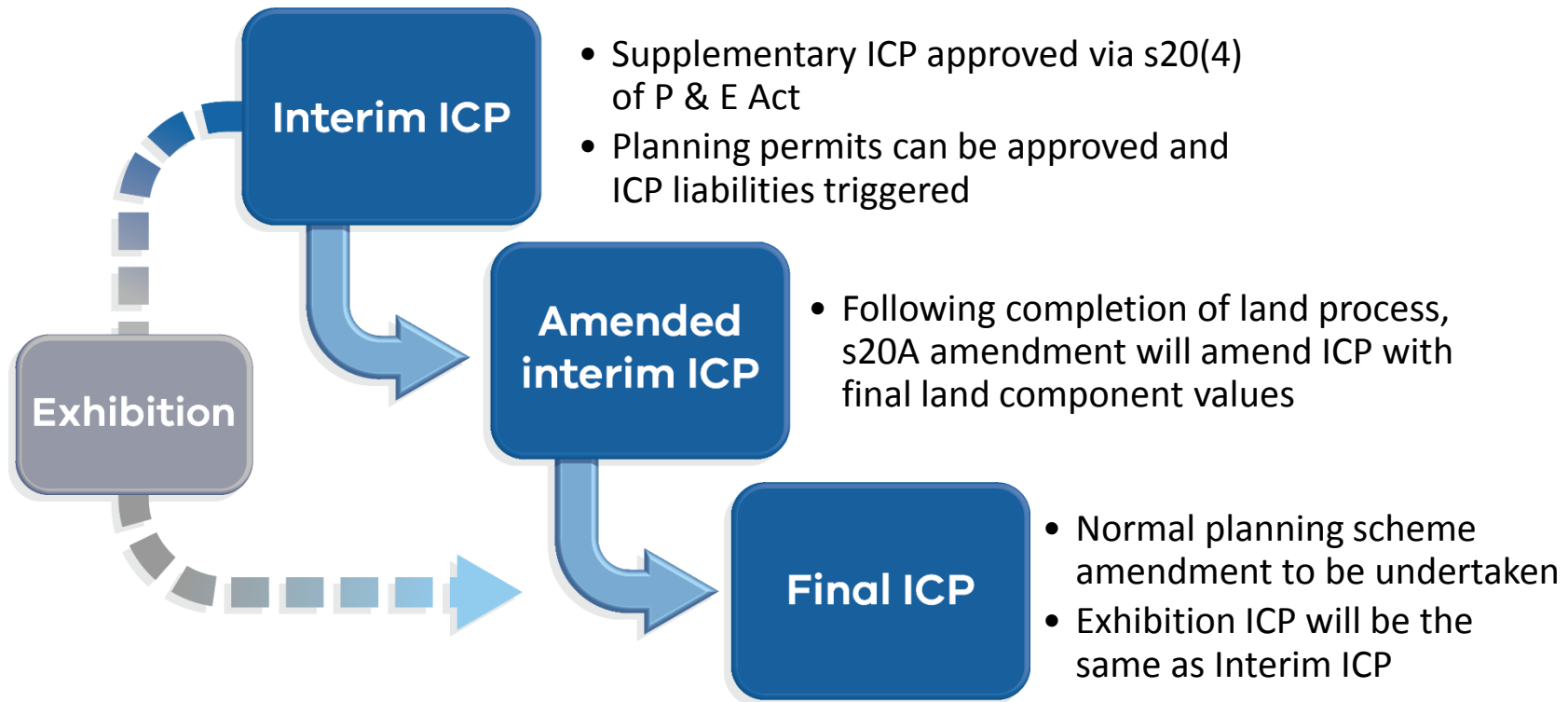
ICPs with interim standard supplementary levies to be approved under section 20(4) of the Planning and Environment Act 1987 for approved/imminent PSPs.

The interim arrangements will:

- Replace approved ICPs (Mt Atkinson –Tarneit Plains, Donnybrook-Woodstock) that will not automatically transition to the new land contribution model
- Allow permits to be issued while the final ICP is developed
- Allow collecting agencies to collect infrastructure contributions
- Allow a mechanism for reimbursement or payment of additional contributions should they be required upon approval of final ICP.

## Supplementary ICP Amendments:

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## Standard ICP Amendments:

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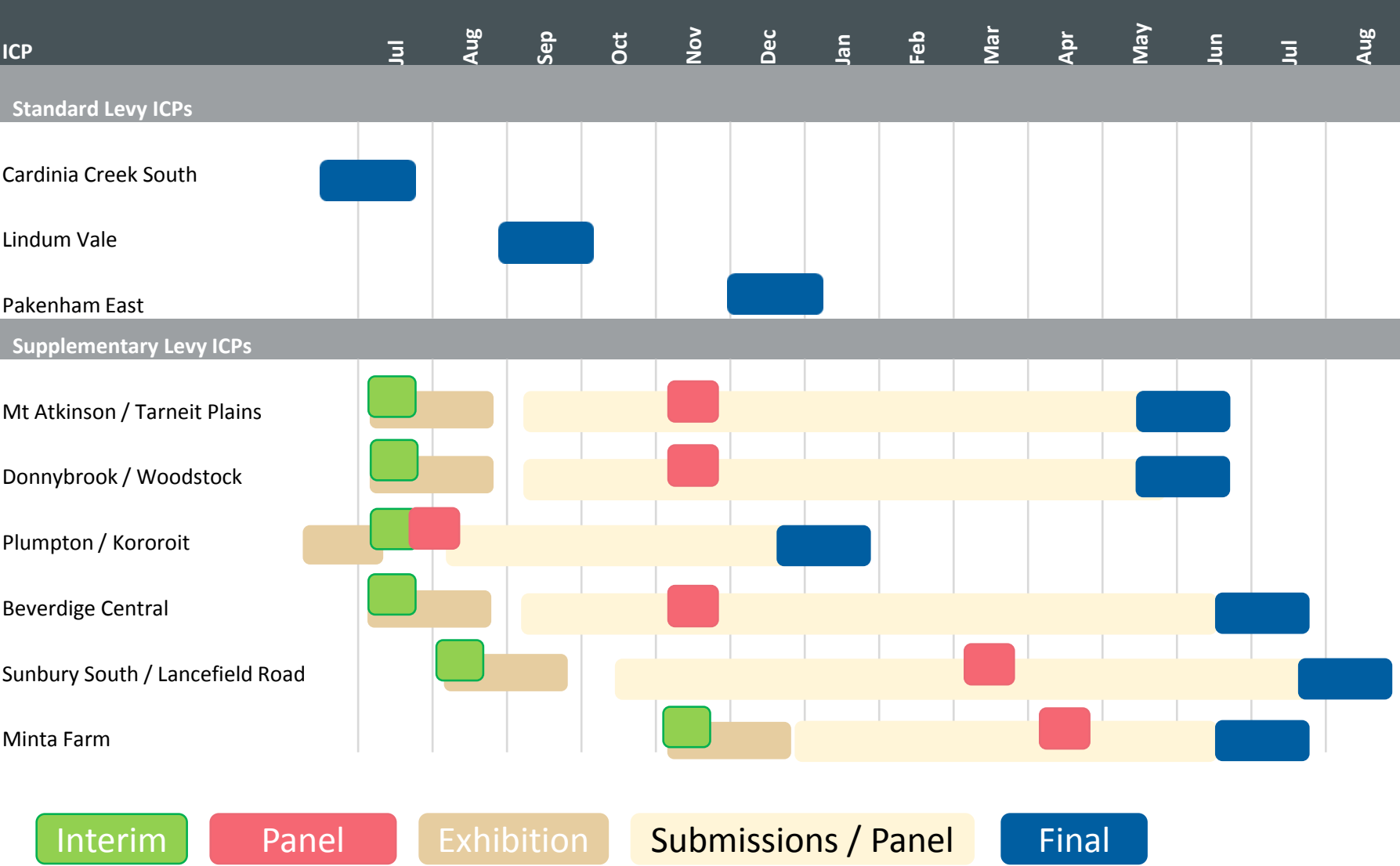
### PSP exhibition & Panel Process

- PSP via precinct infrastructure plan (PIP) provides strategic justification for items included in the ICP
- Through PSP exhibition and Panel the PIP can be challenged and tested

### PSP approval & ICP approval

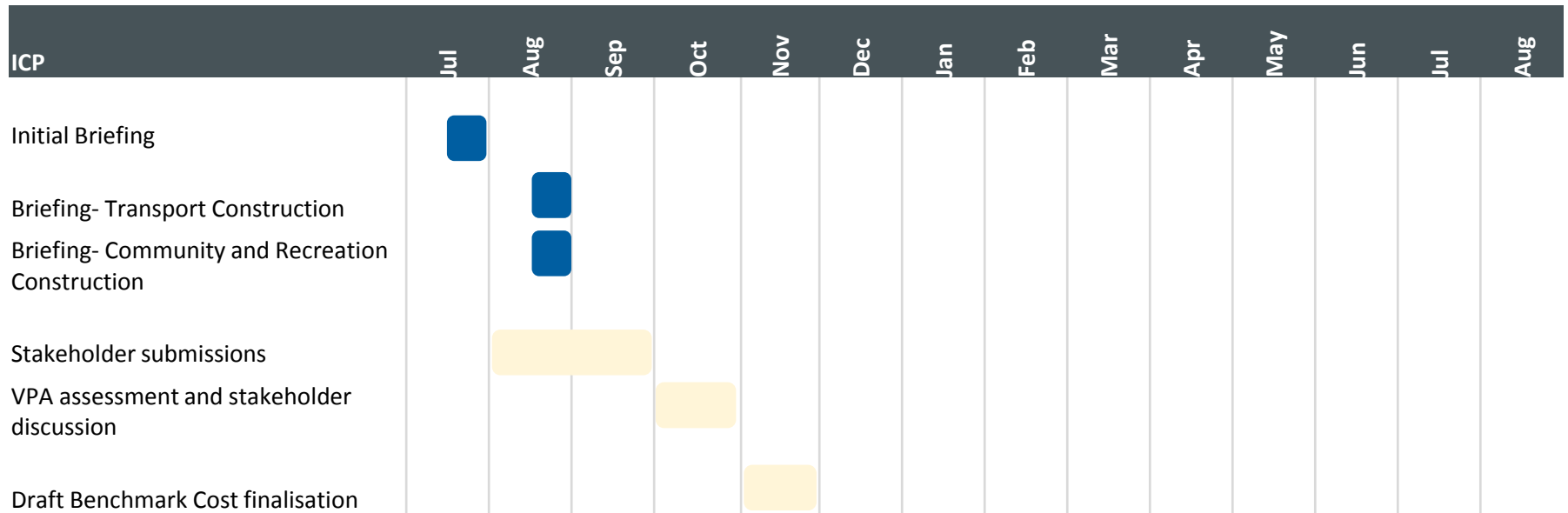
- Directly after the approval of the PSP, the ICP to be approved by the Minister for Planning under s20A of the P & E Act

# Supplementary ICP Amendment Program





# Supplementary Benchmark cost consultation program



Workshops

Submissions and discussions

## Key dates:

- Week commencing 27 August for transport and community and recreation construction workshops
- Finalisation of draft benchmarks: November 2018
- Panel recommendations for first 3 ICPs utilising benchmark costs due December 2018- January 2019- Panel recommendation will inform final benchmark costs

# Questions



## Further Information: Contact

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