

Mt Atkinson & Tarneit Plains
Infrastructure Contributions
Plan



Part B Submission

Amendment C201 to the Melton Planning Scheme

June 2019

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INTRODUCTION

1. This Part B submission is made on behalf of the Victorian Planning Authority (VPA) to the Planning Panel for Amendment C201 to the Melton Planning Scheme (the Amendment). The VPA is the Planning Authority for the Amendment.
2. The Part A (Part 1) submission was distributed on 1 March 2019 in accordance with Panel Directions on 19 December 2018. The Part A (Part 2) submission was distributed on 21 June 2019 in accordance with Panel Directions on 30 May 2019, and included a response to directions of the Panel dated 19 December 2018.
3. The Amendment has been prepared and updated in accordance with the *Planning and Environment Act 1987* (the Act), including the *Planning and Environment Amendment (Public Land Contribution) Act 2018* (PLC Amendment) and the *Ministerial Direction on the Preparation and Content of Infrastructure Contribution Plans* (the Ministerial Direction).
4. As exhibited, the Amendment proposes to implement the final Mt Atkinson & Tarneit Plains Infrastructure Contributions Plan (ICP), to allow funding of infrastructure identified in the Mt Atkinson & Tarneit Plains Precinct Structure Plan (PSP).
5. This Part B submission includes, as directed by the Panel in its Directions dated 19 December 2018:
 - a. *Any information the VPA has in relation to the correction of the supposed error in the Ministerial Direction relating to the removal of an indoor sports facility from the list of public land allowable items, including timing of when the error might be corrected;*
 - b. *Any progress the VPA has made in resolving the issues raised in submissions, and any further changes that may be required to the ICP and Amendment documentation as a result, including an indication of whether any such changes could impact on other landowners;*
 - c. *VPA's response to the various unresolved issues raised in submissions;*
 - d. *VPA's response to evidence tabled;*
 - e. *Any further changes the VPA proposes to make to the Amendments in response to expert evidence or submissions; and*
 - f. *VPA's final position on the Amendments.*
6. In response to the Panel directions referenced in section 5(a) above, the VPA noted in Section 4.1.3 of the Part A (Part 2) that there is an erroneous omission of 'indoor sports facility' from the list of allowable public purpose items at Table 7 of the Ministerial Direction. This omission was identified during the panel process for the Plumpton Kororoit ICP. The exhibited and recommended changes to the Mt Atkinson & Tarneit Plains ICP include public purpose land for an indoor sports facility (CI-01) as an allowable item. If the omission in the Ministerial Direction is not corrected by the time of adoption and submission to the Minister, the Mt Atkinson & Tarneit Plains ICP proposes to include the same clause as the VPA-adopted Plumpton-Kororoit ICP, as guided by Recommendation 2 of the Melton Planning Scheme Amendment C195 Panel Report (p. 3):

The Minister has exempted the Mt Atkinson & Tarneit Plains Infrastructure Contributions Plan from complying with Table 7 of Annexure 1 in respect of the land required for project CI-01 (Indoor Recreation Facility (Mt Atkinson Town Centre)). This exemption has been granted on the basis the 'land for indoor sports facilities was unintentionally excluded from the Ministerial Direction when it was revised as a result of the commencement of the Planning and Environment Amendment (Public Land Contributions) Act 2018.
7. The VPA has been informed by DELWP that the error in the Ministerial Direction will be corrected the next time there is an update to the document.
8. This clause appears in the June 2019 ICP, at page 22 under the "Public Purpose Land Provision" section consistent with the Plumpton-Kororoit ICP.
9. This Part B submission is arranged under the following headings:

- a. Overview of Part A (Part 2) Submission;
- b. Update on issues resolved and additional associated changes;
- c. VPA's response to unresolved issues raised in submissions;
- d. VPA's response to evidence tabled;
- e. Further changes proposed to the Amendment; and
- f. VPA's final position on the Amendment as identified in the Recommended Changes (June) ICP.

OVERVIEW OF PART A (PART 2) SUBMISSION

10. VPA's Part A (Part 2) Submission included the following:
 - a. Background on the preparation of the Amendment including the transition to the new ICP system;
 - b. The chronology of the Amendment;
 - c. An overview of the Recommended Changes (April and May) 2019 to the ICP;
 - d. A summary of issues raised in submissions and VPA's response; and
 - e. Identification of proposed changes to the amendment documentation post-exhibition in response to submissions received during the extensive consultation process and finalisation of the *Benchmark Infrastructure Costings Report* (Benchmark Costings), as well as the points of agreement contained within the conclave statement signed on 14 June 2019.
11. The Part A (Part 2) submission provided that two submissions remain partially unresolved with the following matters to be discussed during the panel process:
 - a. Discrepancies between benchmark costs and 'actual' costs of delivering infrastructure; and
 - b. Shortfall in ICP monies collected as a result of capped standard levy rate for Community and Recreation construction projects.

UPDATE ON ADDITIONAL RESOLVED ISSUES & CHANGES

12. Since circulation of the Part A (Part 2) submission, a second "post-conclave" statement was circulated on 27 June 2019. The *'Post' Conclave Statement* was signed by experts representing the VPA (Stephen Howe of Cardno), Submitter 1 (Anthony Grodzki of Urban Design & Management) and Melton City Council (Sian McKenna of WT Partnership).
13. The statement provides an agreed schedule of costs for all discussed infrastructure items. These are set out in Table 1.

Table 1 – Summary of agreed conclave costs

INFRASTRUCTURE ITEM/ CATEGORY	STATEMENT REFERENCE	OUTCOME OF EXPERT WITNESS CONCLAVE
Points of Agreement as per signed statement dated 14 June, 2019		
Road infrastructure items RD-01 to RD-12	1.1 (a)	Agreed on Recommended Changes (May) ICP rates on the proviso that the corrected road lengths be used by the VPA
Intersection infrastructure items IT-01 to IT-05, IT-07, IT-08, IT-13 to IT-15	1.1 (b)	Agreed on the Recommended Changes (May) ICP cost estimates.
Bridge infrastructure item BR-03	1.1 (b)	Agreed on the Recommended Changes (May) ICP cost estimates.
Points of agreement as per signed 'Post' Conclave Statement dated 26 June, 2019		
Bridge infrastructure item BR-02	1.2(a)	Agreed on revised cost of \$7,186,000
CU-01	1.2(b)	Agreed on revised cost of \$1,180,000
Intersection infrastructure item of IT-16	1.2(c)	Agreed on revised cost of \$5,329,000 (from Recommended Changes (May) ICP cost estimate of \$5,539,000)
Intersection infrastructure item IT-09	1.2(d)	Agreed on updated cost of \$3,411,000 (from the \$4,041,453 of the Recommended Changes (May) ICP cost estimate)
Intersection infrastructure item IT-06	1.2(e) and f)	Agreed on an updated concept plan (CG151009-TR-DG-2806 dated 13.02.2017) and updated cost of \$4,161,000 (from the Recommended Changes cost of \$4,059,000)
Intersection infrastructure items IT-10, IT-11, IT-12	1.2 (g)	Agreed on the Recommended Changes (May) ICP cost estimates

FURTHER CHANGES REQUIRED

14. The Recommended Changes (June) ICP has been updated to include the post-conclave agreed cost estimates. These updates increased the supplementary levy amount.
15. There are also other updates that have been included in the Recommended Changes (June) ICP being corrections to tapers and reallocation of infrastructure items under the supplementary levy. These will be discussed further in the following sections.

IMPACT ON OTHER LANDOWNERS

16. The changes outlined above result in the supplementary levy increasing from the exhibited amount of \$2,797 to current (June) amount of \$18,514 per net developable hectare. The June amount is also an increase to the \$15,940 per net developable hectare amount identified in the Recommended Changes (May) ICP.
17. The VPA considers that non-submitting landowners have been updated appropriately on the progression of the Amendment and the associated updates to the supplementary levy amount, including through two further notification periods following the initial formal exhibition during August and September 2018.
18. The latest increase in supplementary levy is largely due to the experts' recommendations in the post-conclave statement and particularly in relation to BR-02, which increased in cost by \$2,002,000 from the cost estimate identified in the Recommended Changes (May) ICP. The additional cost for the taper corrections are listed under the standard levy.
19. The gazetted supplementary levy amount is not viewed as a substantial change from the amount identified in the last notification to landowners in May.

RESPONSE TO SITE SPECIFIC OUTSTANDING ISSUES BY SUBMITTER

Submitter 1: Mount Atkinson Holdings

Issue 1: Discrepancies between benchmark costs and 'actual' costs of delivering infrastructure

20. Mount Atkinson Holdings submitted that there are disparities in the final ICP between the benchmark costs and actual costs of delivery which may result in a shortfall of credits when infrastructure is delivered in the future by developers. It was submitted that costs should reflect up-to-date construction costs and designs should accurately reflect the scope of works. If this cannot be achieved, it is suggested that the benchmark costs be regarded as high-level estimates only, and that detailed designs and associated costs will need to be prepared to inform actual costs funded under the ICP.

VPA Response

21. VPA's response is that the purpose of the Benchmark Costings report is to inform cost estimates based on concept plans for budgeting purposes. The costs are not based on detailed design. The application of the P90 rates in the Benchmark Costings report is to provide a 90% certainty that the cost estimates will not be exceeded.
22. Preparation of detailed costs may be required to inform the value of work-in-kind works for infrastructure items delivered by the developers. This will be subject to negotiation between the developer and the collecting agency and/or development agency nominated in the ICP for that particular infrastructure item.

Issue 2: Supplementary Item Cost Estimates for projects CU-01 and BR-03

23. Mount Atkinson Holdings submitted that CU-01 does not contain a plan which accords with the estimated cost breakdown, and that the cost for 'stripping of topsoil' is extremely high and adopts an incorrect rate. Similarly, the cost of BR-03 is considered high and the submitter questioned how this sum was determined.

VPA Response

24. The estimated costs of BR-03 and CU-01 were revised and agreed by the experts called by submitters to the Panel. The VPA submits that the costs of projects BR-03 and CU-01 are reasonable and appropriate.

Submitter 2: Melton City Council

Issue 1: ICP legislation and implementation cap on community and recreation levy

25. Melton City Council submitted that there is a serious shortfall (approximately 40%) on the amount to be collected through the capped community and recreation levy compared to what has been identified for delivery. Council requests that DELWP work with the VPA and growth area Councils to review the cost of delivering essential community infrastructure.

VPA Response

26. The total cost of the community and recreation infrastructure construction items in the Recommended Changes (June) ICP is higher than the funds to be collected by the capped levy rate.
27. The discrepancy is the result of capping as per the Ministerial Direction.
28. In his letter dated 30 March 2019, the Minister for Planning wrote to the CEOs of Melton, Whittlesea and Mitchell Shire Councils that the Victorian Government has no plan to amend the standard levy for community and recreation infrastructure, nor grant an exemption for the Mt Atkinson & Tarneit Plains and Donnybrook-Woodstock ICP to comply with the Ministerial Direction.

29. Melton City Council made similar submissions regarding the shortfall in the levy to the panel considering Melton Planning Scheme Amendment C195, regarding the Plumpton & Kororoit ICP. At pages 31-32:

9.3 Community and recreation levy

(i) The issue

Council submitted that there is a shortfall in the funds that can be collected from the standard community and recreation construction levy.

(ii) Submissions

In its submission to the Hearing, Council submitted that the new ICP system appears to have changed the level of contribution to community infrastructure compared to the old DCP system.

Council noted in its submission:

The community and recreation projects in the Plumpton and Kororoit ICP area will cost \$133,961,408.66 to deliver, and Council will collect \$98,176,088 from the Community and Recreation Construction levy to fund these projects, which results in a shortfall of \$35,785,400.66. The levy will collect 73.3% of the money required to construct essential community and recreation infrastructure. This percentage is less than what is currently collected for community and recreation infrastructure in approved DCP's in the City of Melton.

Council submitted that the contribution should be closer to 90 per cent.

Council acknowledged that the shortfall cannot be made up from supplementary levies or by any other mechanism in the current ICP system.

In response, the VPA acknowledged the financial burden on Council from the deficit, but noted that the levy is capped, and it is therefore outside the scope of the Amendment to alter the levy amount. It noted that ICPs are intended to provide a contribution to infrastructure and are not designed to fully fund all infrastructure. It submitted that there is no ability to change the levies specified in the Ministerial Direction, and that it is not appropriate for the Panel to comment on the matter.

(iii) Discussion and conclusion

The Panel notes Council's concerns but agrees with the commentary by both Council and the VPA that it is outside the scope of the Amendment to address any shortfall.

Council's analysis of the shortfall observes that the Community and Recreation Construction levy will collect 73.3 per cent of funds required in this instance. The Panel makes the following observations about Council's analysis:

- *The analysis is only taken over one ICP and may not be reflective over all ICPs.*
- *Any comparison of the level of funding of ICPs should consider the overall level of funding over all infrastructure types and land. The Panel observes that the level of funding for transport and land projects is much closer to fully funded, and if this is taken into account the overall level of funding of ICP projects would likely be similar to, or higher than, the old DCP regime.*

Any broader consideration of whether levy rates ought to be reviewed should, in the Panel's view, consider these factors over an appropriate period of time.

The Panel agrees with the VPA's comments that ICPs are, in any case, intended to be a contribution, and not a mechanism for fully funding infrastructure. This is supported by the wording of clause 19.03-1S in the Planning Scheme which says:

Prepare development contributions plans and infrastructure contributions plans, under the Planning and Environment Act 1987, to manage contributions towards infrastructure. (Panel emphasis)

30. The VPA submits it is outside the scope of this amendment to address any discrepancy between the funds to be collected and the cost of delivering the community and recreation infrastructure required.

Issue 2: Inappropriate use of benchmark costs for bespoke infrastructure

31. Council submitted that bespoke cost estimates should be applied to bespoke projects (namely IT-01 to IT-16, BR-02, BR-03 and CU01) and that Council's cost estimates should be applied.

VPA Response

32. Bespoke cost estimates have been applied to intersections IT-01 to IT-16, BR-02, BR-03 and CU-01.
33. The estimated costs of IT-01 to IT-16, BR-02, BR-03 and CU-01 were agreed through the signed post-conclave statement (refer to Table 1).

Issue 3: Bridge and culvert projects to be included as supplementary items

34. Council submitted that Council's cost estimate for bridge and culvert projects BR-01, BR-02, BR-03 and CU-01 should be applied and that these four projects could be included as supplementary items due to the total construction cost of all transport projects exceeding the standard levy transport monetary levy rate.

VPA Response

35. VPA agrees to list BR-01, BR-02, BR-03 and CU-01 as supplementary levy items. This change accords with the supplementary levy item criteria at Clause 17 of the Ministerial Direction.
36. The cost estimate for BR-01 was settled through the gazetted Plumpton-Kororoit ICP. The cost estimates for BR-02, BR-03 and CU-01 were agreed through the signed post-conclave statement.

RESPONSE TO EVIDENCE TABLED

Urban Design and Management Evidence

37. Evidence from Mr. Anthony Grodzki from Urban Design and Management has been tabled in relation to Submission 4. The evidence provides an independent cost estimate for infrastructure item IT-01 only and recommends that the Cardno April 2019 cost be adopted.
38. The signed post-conclave statement agreed on cost for IT-01. The VPA recommends adoption of this position.

WT Partnership Evidence

39. Evidence from Mrs. Sian McKenna from WT Partnership has been tabled in relation to Submission 2.
40. The evidence provides independent cost estimates for the infrastructure items: RD-01 to RD-12 (inclusive), IT-01 to IT-16 (inclusive), BR-02, BR-03 and CU-01. The WT Partnership estimate of costs for these projects exceeded the cost estimates prepared by Cardno, on behalf of the VPA, by \$5.3M or 4.7%.
41. The signed post-conclave statement agreed costs for IT-01 to IT-16, BR-02, BR-03 and CU-01 (refer to Table 1). The VPA agrees with this position.

FURTHER CHANGES PROPOSED TO THE AMENDMENT

Intersection Tapers

42. Following conclusion of the conclave the VPA discovered through a final internal review that a correction to the post-conclave agreed cost estimates for intersections IT-05 to IT-15 was required to include additional costs associated with tapers. The taper is the section of road between the intersection and mid-block, where the divided road of the intersection tapers to an undivided road at the mid-block.
43. VPA instructed Cardno to quantify the area of taper missing from the respective projects and to prepare cost estimates and a design.
44. In the post-conclave agreed cost estimates, the tapers were calculated as a mid-block road (that is \$4,375 per metre). However, tapers have a relatively higher cost than a mid-block road section as they comprise a gradually widening area of pavement along their extent. The net additional estimated cost (from the cost of a mid-block road) of including the tapers is \$146,394 per leg.
45. The VPA advised the Panel and parties of this correction on 27 June 2019. The additional cost of the tapers has been included in the Recommended Changes (June) document, in addition to the post-conclave intersection cost estimates.
46. The total additional costs of the tapers for IT-05 to IT-15 are included in the standard levy as, in the VPA's view, they do not meet the criteria at Clause 17 of the Ministerial Direction for a supplementary levy allowable item. Clause 17 identifies that arterial road intersections can be supplementary levy allowable items where they are additional in number to the typical 800 metre spacing within the standard 1.6 kilometre arterial road grid network. The arterial road intersections within the Mt Atkinson & Tarneit Plains PSP are generally spaced on a 1.6 kilometre grid and for this reason, are considered to be standard items.

Supplementary Item Criteria

47. In section 6.5 of Part A (Part 2) Submission the VPA completed an assessment of the supplementary levy items against Clause 17 of the Ministerial Direction.
48. The assessment identified all three bridge projects BR-01, BR-02 and BR-03 along with culvert project CU-01 as supplementary items and attributed 100% of these construction costs to the supplementary levy.

49. The assessment also identified intersection project IT-04 as a supplementary item given it requires specific and substantial allowances for “high pressure gas protection slab”. In the May 2019 recommended changes, 68.3% of IT-04 is apportioned to the supplementary levy with the balance 31.7% attributed to the standard levy.
50. Upon further review of IT-04, the VPA is of the view that only those transport construction costs that are required to respond to the land’s “*particular topographical, geographical, environmental or other physical constraints or condition that significantly affect the estimated cost of allowable items*” should be listed under the supplementary levy. That is, only the cost of the “high-pressure gas line protection slab”, as well as the cost of “demolition” for the existing pavement should be listed under the supplementary levy amount rather than a proportion of the overall cost estimate (that is, 68.3%).
51. The potential for the costs associated with the high-pressure gas line protection slab to be listed as supplementary levy items were considered in the Panel Report for the Mt Atkinson & Tarneit Plains PSP.
52. The VPA recommends applying the same principles to IT-01, IT-02, IT-03, IT-14 and IT-16 by listing the “demolition” and “high-pressure gas protection slab” line items in the supplementary levy. Collectively these works allocate \$3,575,205 to the supplementary levy.
53. An update to Table 6 of the VPA’s submission is provided below. The table includes IT-01, IT-02, IT-03, IT-14 and IT-16, which were not listed under the supplementary levy in the Recommended Changes (May) ICP. This change has been made as the VPA considers it appropriate to only include the construction costs required to respond to the physical conditions of the land, that is, the line items that are “non-standard” in the supplementary levy. This is considered to be consistent with the supplementary levy criteria and consistent with the intent of a capped standard levy rate.
54. If a proportion of the overall costs of the intersection are listed in the supplementary levy, rather than just the non-standard line items, the supplementary levy would be paying for “standard” line items with standard rates. The VPA does not consider this to be consistent with the Ministerial Direction.

CLAUSE 17 CRITERIA	ASSESSMENT																																	
Summary of apportionment of ICP infrastructure item in supplementary levy	<table border="1"> <thead> <tr> <th>Item</th> <th>Standard</th> <th>Supplementary</th> </tr> </thead> <tbody> <tr> <td>BR-01</td> <td>-</td> <td>50% (50% external)</td> </tr> <tr> <td>BR-02</td> <td>-</td> <td>100%</td> </tr> <tr> <td>BR-03</td> <td>-</td> <td>100%</td> </tr> <tr> <td>CU-01</td> <td>-</td> <td>100%</td> </tr> <tr> <td>IT-01</td> <td>93%</td> <td>7%</td> </tr> <tr> <td>IT-02</td> <td>94%</td> <td>6%</td> </tr> <tr> <td>IT-03</td> <td>88%</td> <td>12%</td> </tr> <tr> <td>IT-04</td> <td>87%</td> <td>13%</td> </tr> <tr> <td>IT-14</td> <td>87%</td> <td>13%</td> </tr> <tr> <td>IT-16</td> <td>88%</td> <td>12%</td> </tr> </tbody> </table>	Item	Standard	Supplementary	BR-01	-	50% (50% external)	BR-02	-	100%	BR-03	-	100%	CU-01	-	100%	IT-01	93%	7%	IT-02	94%	6%	IT-03	88%	12%	IT-04	87%	13%	IT-14	87%	13%	IT-16	88%	12%
Item	Standard	Supplementary																																
BR-01	-	50% (50% external)																																
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IT-03	88%	12%																																
IT-04	87%	13%																																
IT-14	87%	13%																																
IT-16	88%	12%																																
Description of project (as per Table 4 of the Ministerial Direction)	<ul style="list-style-type: none"> BR-01 is a pedestrian and cyclist bridge required to provide access across an arterial road. BR-02 is a pedestrian and cyclist bridge required to provide access across a railway. BR-03 is a pedestrian accessway required to provide access across a railway CU-01 is a major culvert which has an internal cross-section area of at least 1.75 square metres. IT-01, IT-02, IT-03, IT-04, IT-14 and IT-16 are arterial and arterial or arterial and connector intersections for which the cost estimates contain costs that cannot be wholly funded from the standard levy because of physical conditions of the land being the gas pipeline protection slab and demolition. 																																	
17. When deciding whether to impose a supplementary levy, the planning authority must consider:																																		

<p>(a) whether the plan preparation costs, works, services or facilities can be wholly or partially funded from a standard levy, unless the applicable Annexure to this Direction specifies those supplementary levy allowable items must not be funded from a standard levy;</p>	<ul style="list-style-type: none"> BR-01, BR-02, BR-03 and CU-01 are construction items that cannot be wholly or partially funded from the standard levy IT-01, IT-02, IT-03, IT-04, IT-14 and IT-16 are partially funded from the supplementary levy for the components of the cost estimate that are required to address physical conditions of the land. The applicable Annexure 1 Metropolitan Greenfield Growth Areas does not restrict funding of these items from the standard levy.
<p>(b) whether the works, services or facilities are essential to the orderly development of the area</p>	<ul style="list-style-type: none"> BR-01 provides an essential pedestrian and cycling link over the Western Freeway and between the Plumpton and Kororoit and Mt Atkinson & Tarneit Plains PSP areas BR-02 provides an essential pedestrian and cycling bridge over the railway BR-03 is an essential level crossing upgrade required to ensure safe movements across the railway and along Hopkins Road CU-01 is required along Riding Boundary Road where that section of the arterial road network traverses Skeleton Creek to cater for the new drainage infrastructure associated with the Truganina Drainage Services Scheme. IT-01, IT-02, IT-03, IT-04, IT-14 and IT-16 are located along an arterial road and provide an essential upgrades to Hopkins Road to accommodate projected traffic volumes.
<p>(c) whether the works, services or facilities are identified in a precinct structure plan or equivalent strategic plan applying to the land;</p>	<ul style="list-style-type: none"> All the ten construction items are identified in the gazetted PSP, and BR-0-1 is also identified in the gazetted Plumpton-Kororoit PSP.
<p>(d) whether the land has particular topographical, geographical, environmental or other physical constraints or conditions that significantly affect the estimated cost of allowable items to be funded through the infrastructure contributions plan; and</p>	<ul style="list-style-type: none"> IT-01, IT-02, IT-03, IT-04, IT-14 and IT-16 include a specific line items to response to the site's physical conditions being: <ul style="list-style-type: none"> “high pressure gas protection slab and relocation of other services”. The need for these construction requirements was discussed at section 7.4 (ii) of the PSP panel report (Melton Amendment C162) in which the panel recommended to (recommendation 25, page 87): “Consider a supplementary item in the Infrastructure Contributions Plan for the additional cost of road works over the gas transmission pipeline if the additional costs are substantial.” “Demolition” line items to remove existing pavement
<p>(e) any other criteria specified in the applicable Annexure to this Direction.</p>	<p>As per Table 4 of Annexure 1:</p> <ul style="list-style-type: none"> BR-01 is required to provide access across an arterial road. BR-02 is required to provide access across a railway. BR-03 forms part of the council arterial road network (Hopkins Rod is RDZ1). CU-01 has an internal cross section of at least 1.75 square metres. IT-01, IT-02, IT-03, IT-04, IT-14 and IT-16 have "other physical conditions of the land" of a gas pipeline that requires additional construction costs as well as "demolition" of existing pavements.

Updated supplementary levy amount

55. The updated supplementary is \$18,514 per net developable hectare.
56. The capped standard levy amount remains at \$114,062 per net developable hectare as per the Ministerial Direction.
57. It is noted that the estimated cost per net developable hectare for the standard levy items in the Recommended Changes (June) ICP equates to \$116,675. The standard items listed within the standard levy comply with the Ministerial Direction and, in the VPA's view, do not meet the criteria for the supplementary levy. The difference in figures is not seen as a “shortfall” but rather, is consistent with the purpose of the ICP system which sets a levy to contribute towards infrastructure, and that the relevant infrastructure is costed through estimates based on concept plans.

ADDITIONAL MATTERS

Provide clarification as to the refund mechanism if funds collected under an interim ICP exceed those collected under a final ICP

58. Section 46GZD of the *Planning and Environment Act 1987* requires that any monetary component not expended during the life of a plan must either, with the consent of the Minister be spent on other works, services or facilities in the ICP area, or the money must be returned to contributing landowners in proportion to their contribution.
59. Interim ICPs are not addressed within the ICP legislation. Accordingly, the legislation does not provide guidance regarding the process where a landowner pays a greater contribution under the interim arrangement than would have been imposed under the final ICP.
60. It is the VPA's position that in this situation, the collecting agency would, in line with the requirements under Section 46GZD, be obliged to refund the monies collected from the landowner in excess of the requirement. It would be inappropriate for collecting agencies to seek Ministerial approval to use the funds for other projects within the ICP area as there would be no equity between landowners regarding contributions made towards future infrastructure for the ICP area.

Post conclave statement recommended changes

61. Appendix 1 of the 'Post' Conclave Statement makes reference to updates either being required or not required to the 'latest recommended changes' to the ICP cost estimates.
62. The Panel has sought clarification as to which document the experts were referencing as the latest recommended changes.
63. The VPA confirms that the post-conclave statement refers to the Recommended Changes (April) ICP document. However, the VPA submits that the post-conclave statement also necessarily resolved the cost estimates of the Recommended Changes (May) ICP, which differed from the April ICP in road lengths only. With regard to the road projects, Appendix A provides "...total estimates to be updated based on revised road lengths".

Confirm the RD-1 and RD-11 road measurement length is correct

64. The VPA has reviewed the length of RD-01 and RD-11 and confirms that the lengths identified in the Recommended Changes (May) summary document, being 564 metres and 632 metres respectively, are correct.
65. For RD-01, it appears that the exhibited ICP incorrectly measured the road length generally between the ultimate intersection extent and the road reservation for the Outer Metropolitan Ring Road, rather than correctly between the interim intersection extent and the PSP boundary.
66. For RD-11, it appears that the exhibited ICP incorrectly measured the road length as illustrated in diagrammatical form in Plan 2 of the ICP, that is from the ultimate extent of IT-13 to the diagrammatical representation of CU-01, rather than correctly measuring between the interim intersection extents of IT-13 and IT-14.

Transport for Victoria

67. By letter to the VPA dated 14 September 2018, Transport for Victoria (TfV) made the following submissions regarding the Amendment:

"TfV has reviewed the supporting documents related to the proposed Amendment C201 and has not objection to the proposal. TfV however wish to clarify that the State cannot guarantee to deliver the ultimate cross section for Hopkins Road for the crossing of the Western Freeway and the Ballarat

Train Line. Any development of the Hopkins Road intersection IT01 and IT01 would be expected to tie into the existing Hopkins Road”.

68. The Panel has sought clarification regarding whether this requirement of IT-01 and IT-02 to tie into the existing Hopkins Road has implications for either the design or cost of those intersection projects.
69. IT-01 and IT-02 have been designed based on the ultimate alignment of Hopkins Road. It is expected that the interim construction of Hopkins Road will be delivered by the time IT-01 and IT-02 are constructed and that no tie-ins to the existing road will be required.

The design and cost of pedestrian crossing projects PS-01 and PS-02

70. In *Table 5 – Standard Levy Transport Construction Projects*, the Mt Atkinson & Tarneit Plains ICP identifies two pedestrian crossing projects:
 - PS-01: Construction of pedestrian signals on Mt Atkinson Road opposite the Mt Atkinson Conservation Reserve; and
 - PS-02: Construction of pedestrian signals on North-South Boulevard Connector Road north of Mt Atkinson East Community Hub.
71. Each of these projects has an estimated cost of \$276,614. These costs are an average of pedestrian signal projects that are identified in other gazetted DCP and indexed to July 2018 costs.
72. The VPA’s position is that these items do not require a design or a cost estimate and that the above costs are appropriate to inform the ICP.

Confirmation of the May notification

73. The VPA formally notified submitters and landowners within the ICP area of the Recommended Changes (May) ICP between 3 June 2019 and 17 June 2019. This notification consisted of sending letters to all landowners and documentation was uploaded to the VPA website.
74. No additional submissions were received in relation to this latest notification.

FINAL POSITION ON THE AMENDMENT

75. Concluding the conclave and response to all points raised through submissions, both during and post exhibition of Amendment C201 and the tabled expert evidence, the Amendment remains supported by VPA, subject to the following changes being made to the exhibited documents.

Changes to Planning Scheme Clauses, Schedules and Maps

76. Amend Clause 45.11 Schedule 3 to reflect recommendations made in submissions, the agreed position in the post-conclave statement, and to align with the Act including the PLC Amendment. The changes are as follows and a revised document (June 2019) has been provided.
- a. Amend Clause 3.0 to reflect the updated supplementary levy amount as informed by updates to all cost estimates for all construction projects except PS-01, PS-02 and BR-01 in response to submissions;
 - b. Amend Clause 4.0 and 5.0 to update the land contribution area calculation to accord with the Act; and
 - c. Amend Clause 6.0, 7.0 and 8.0 to update the method and timing of indexation to accord with the Act and Ministerial Direction.

Changes to the Mt Atkinson & Tarneit Plains ICP

77. Amend the Mt Atkinson & Tarneit Plains ICP document to reflect recommendations made in response to submissions, the agreed position in the post-conclave statement, to align with the Act including the PLC Amendment and to correct minor errors. A detailed list of the changes is provided in the June ICP and a summary is provided below.
78. Amend the exhibition project cost estimates for all projects excluding PS-01, PS-02 and BR-01 to reflect:
- a. The agreed position in the post-conclave statement;
 - b. The updated Benchmark Costing report (11 April 2019); and
 - c. Corrections to intersection infrastructure items IT-05 to IT-15 to include the additional costs of tapers.
79. Amend the supplementary levy to include all of the estimated cost for infrastructure items BR-01, BR-02, BR-03, CU-01 and part of the estimated costs for infrastructure items IT-01, IT-02, IT-03, IT-04, IT-14 and IT-16. Total value of the supplementary levy is \$18,514 per net developable hectare.
80. Amend the staging triggers in the ICP so that the staging of the projects in the ICP reflects that set out in the PSP.
81. Include a note that CI-01 (land for indoor recreation facility) is exempt from Ministerial Direction to accommodate an erroneous omission of indoor recreation facility as an allowable land component item.
82. Amend the ICP land component by:
- a. Updating the document to ensure consistency with the Act. This includes defining contribution land and adding in additional tables to explain how the land component is calculated;
 - b. Re-calculate the ICP land contribution percentage, all land credit amounts and land equalisation amounts; and
 - c. Delete infrastructure item RD-09 from Table 8 as it has no public land component.

CONCLUSION

83. The VPA has undertaken a thorough process to prepare and update Amendment C201, being the first amendment to incorporate an Infrastructure Contributions Plan that is informed by benchmark costs and designs as is intended under the new ICP system.
84. The ICP comprises either benchmark designs and associated benchmark cost estimates or bespoke designs and associated bespoke cost estimates. The benchmark designs and cost estimates have been applied to infrastructure items that are considered standard and apply to standard conditions. Bespoke designs have been applied to infrastructure items that are supplementary items or designs which were settled through the PSP process. The bespoke cost estimates have been applied to bespoke designs.
85. VPA respectfully seeks the Panel's support for the Amendment, subject to the recommended changes outlined in VPA's final position.
86. This completes the Part B Submission for the Planning Authority.

LIST OF APPENDICES

Appendix 1 – Key Changes Table