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Dear Tony

Mitchell C106 – Beveridge North West Precinct Structure Plan

Tract has been engaged by Conundrum Holdings Pty Ltd (**Conundrum**) who as you know, has entered into a lease agreement with the land owner of 175 Northern Highway, and is the owner of the Statutorily Endorsed Work Plan WA1473 to facilitate the extraction of rock resources at the land.

On behalf of Conundrum, we congratulate you and the VPA on the Exhibition of the Mitchell Planning Scheme Amendment C106 – Beveridge North West Precinct Structure Plan.

We take this opportunity to provide submission on some key matters of interest to Conundrum and its extractive industry supply capabilities.

We confirm that we would be pleased to meet with you to discuss these matters further at your convenience.

#### 1. Rock Resource Supply

The need for rock resources has become critical to the economy of Victoria which as you will appreciate is now under its "Big Build" with the recent Joint Ministerial Statement Extractive Resources identifying that Melbourne needs to deliver 1.6M new homes between now and 2050 as well as an infrastructure project pipeline in excess of \$40B.

The proposed quarry at 175 Northern Highway has long been identified for rock resources and is a key alternative supply anticipated by the 2016 Price Waterhouse Cooper report to the State Government:

***'To avoid the realisation of supply constraints flowing from resource exhaustion, and therefore the flow-on negative impacts this will have on infrastructure development (including residential and commercial construction) and potential upward pricing pressures, it will be necessary to protect or develop new resource deposits in the regions identified in Figure 2 above (i.e Mitchell).***

***If quarry developments in the above identified areas of critical supply (e.g Mitchell) are not supported, this could lead to the potential supply shortfalls being realised. In turn this will have flow on effects to the industries that rely heavily on these resources including building construction (residential and non-residential) and engineering construction (transport, energy, and utilities).'***

Its importance is also reflected in the background material released with the Planning Scheme Amendment by Coffey 2017 which is captured in the following extract:

***WA1473 represents a strategic long term resource that is well placed to serve the northern development corridor for many years into the future. The quarry will also be able to supply the***

*northern half of the Greater Melbourne region as this lies within 50 km of the quarry, a reasonable estimate of the maximum transport distance for the products the quarry will produce.*

*There are significant proposals for residential and commercial development in the northern corridor within the next 10 years. The long time frames for Work Authority approvals currently experienced in Victoria, would suggest, in this time frame, that WA1473 is critical to serving these developments.*

*In the list of significant suppliers to the northern development region all but the proponent are large vertically integrated suppliers. The proponent remains the only independent supplier, (that is independent of cement suppliers). This may be a significant factor in supporting local and associated business developments and reducing costs of building.'*

Having regard to this, Conundrum is extremely concerned that the Precinct Structure Plan does not adequately protect nor support the resource recovery given that there is at least 5x current suppliers who will not hold a market presence in the northern corridor within the next 10 years due to diminishing resources. This is logical given that all quarries are temporary uses.

There is no publicly available information on total volume and material quality required to provide all of the public infrastructure assets required (road, rail, water, buildings etc) although it is clear that we are facing a growing supply issue with recent reports that key infrastructure projects such as the Monash Freeway Upgrade are experiencing cost blow outs of \$370M due to labour and resource shortages.

The North Central Quarry can significantly assist the State's project pipeline by delivering 12M tonnes of high-quality basalt suitable for crushed rock above Class 3 and aggregate products, with a further 5M tonnes as suitable for commercial applications.

## 2. Comments of the Planning Scheme Amendment

- Precinct Structure Plan
  - Plan 2 - Precinct Features Plan identifies the land as "proposed quarry WA1473". Respectfully, this should be amended to reflect that the WA1473 has been Statutorily Endorsed by the State Government of Victoria. We suggest that the reference be amended as "future quarry under Statutorily Endorsed WA1473".
  - Plan 3 – Future Urban Structure Plan has had no regard to the Precinct Features which should inform the Future Urban Structure. It is hard to imagine how the FUS and indeed the rest of the Precinct Structure Plan could have been drafted with such an oversight. The FUS should be amended to reflect the Work Authority and future quarry including the EPA recommended buffer distances of 500m from the Work Authority boundary. Land within the 500m buffer should be identified for future residential and open space purposes following extraction of the earth resources under WA1473 with a corresponding reference "construction restrictions apply".
  - Balance PSP – the balance of the document should be reviewed to provide reference to the updated FUS including the land budget to identify that any open space provided post rehabilitation of the quarry should be credited open space.
- Landscape and visual assessment – this is an important report that recognises how the quarry interfaces could be managed during the life of the quarrying. It should be used to better inform the PSP and FUS.

It is noted that 1,000's of trees have been planted around the western boundary of the quarry on the adjoining property immediately west which will assist in managing the interface during the quarry life.

- Economic Assessment – the report specifically states that it has been prepared assuming no quarry. To inform the PSP, it is suggested that you request additional advice from the authors on the impact of the quarry on the economic and retail assessment, it is presumed that the use will not affect the retail spending as the land proposed to be used for a quarry has a longer land use potential for urban residential development following quarry use.
- Traffic report – the findings and recommendations of the traffic report appear reasonable except that it anticipates that 75% of the land use will be delivered by 2031.

With the PSP anticipating an overall yield of 16,286 dwellings, this model assumes the delivery of 12,215 dwellings by 2031. This rate of settlement is not supported by:

- 2019 Victoria in Future (DELWP) which has just been released. The VIF estimates only 10,108 new dwellings by the same interval across the wider Wallan area (including Beveridge, Wallan and the wider Hume subregion); nor,
- the population futures forecast by IDCommunity which is published through the Mitchell Shire Council website which anticipates just 4,427 dwellings by 2041 (ie 10 years later than 2031) within this PSP area.

It is submitted that the real modelling indicates a much slower rate of development that would indicate that the quarry can be delivered without significant impediment to the residential settlement of the area.

- The Urban Growth Zone Schedule 4 and the Incorporated Plan Overlay Schedule 3:
  - The FUS should be updated on the schedules to reflect the changes to the FUS highlighted above.
  - Both Schedules should include a Specific Provision (similar to Clause 2.8 of 37.07-5 of the Whittlesea Planning Scheme) as follows:

**Specific Provision – Referral of applications near the Work Authority 1473**

An application to subdivide land, construct a building and/or construct or carry out works on land identified as 'construction restrictions apply' on Plan 1 of this Schedule must be referred in accordance with Section 55 of the Planning and Environment Act 1987 to the Secretary to the Department administering the Mineral Resources (Sustainable Development) Act 1990.

- Schedule to Clause 66.04 Referral of Permit Applications Under Local Provisions

Following the above changes to the Urban Growth Zone Schedule, consequential changes to the Schedule of Clause 66.04 should be applied as follows:

Clause	Kind of application	Referral Authority	Type of Referral
Clause X of Schedule 4 to Clause 37.07 (UGZ)	An application to subdivide land, or construct a building or carry out works on: <ul style="list-style-type: none"> <li>land identified as "construction restrictions apply" adjacent to the Extractive Industry Works Authority on Plan 2 of the Beveridge North West Precinct Structure Plan; or</li> <li>land within 500 metres of the Extractive Works Area boundary</li> </ul>	Secretary to the Department administering the Mineral Resources (Sustainable Development) Act 1990	Determining referral authority
Clause X of Schedule 3 of 43.03 (IPO)	An application to subdivide land, or construct a building or carry out works on: <ul style="list-style-type: none"> <li>land identified as "construction restrictions apply" adjacent to the Extractive Industry Works Authority on Plan 2 of the Beveridge North West Precinct Structure Plan; or</li> <li>land within 500 metres of the Extractive Works Area boundary</li> </ul>	Secretary to the Department administering the Mineral Resources (Sustainable Development) Act 1990	Determining referral authority

### 3. Merits discussion of the quarry use

The Minister previously advised land owners that the PSP would be Exhibited without an extractive industry investigation area in the precinct plan. In reply, Conundrum confirmed to the Minister that the previous draft did not include reference to an extractive industry investigation area.

Following the above, the Minister's office and the VPA have separately advised Conundrum that the merits of the quarry use could be explored subject to submissions to the Amendment, herewith provided.

If in the event the VPA intends to debate its ability (or the Panel's ability) to consider the quarry due to the status of the Exhibited material, we respectfully request that an alternative FUS be concurrently Exhibited showing the quarry generally as set out in this submission - so that all matters can be appropriately reviewed before the Panel.

Notwithstanding the above, we submit that there is a substantial body of material Exhibited including the Coffey Report, Landscape Assessment and a series of other background reports and information releases as well as the Plan 2 within the PSP itself that identify the proposed quarry. It was also clearly identified in the Parsons Brinkerhoff report prepared and released as part of the North Growth Corridor Plan process.

Accordingly, we believe that there is sufficient material to enable a ventilation of the quarry with you or if required, before an appointed Planning Panel.

#### 4. Planning Permit Application

In the withdrawal of the Application for Review against Council's decision to refuse PLP191/15, Conundrum advised Council in 2017, that it would advance the Planning Permit Application as part of the PSP which was at the time, highlighted for approval within 2 years.

Given the PSP has now been Exhibited, please be advised that a fresh Planning Permit Application was submitted to the Mitchell Shire Council on 04.10.2019.

As the application is not for use listed in Clause 37.07-5, it is not required to be referred to the Victorian Planning Authority and the Victorian Planning Authority is not therefore a Determining Authority.

#### 5. Reservation of rights

As above, we would be happy to meet and discuss these matters with you to resolve. Our client does however reserve their rights to make further submissions to a convened Planning Panel that may be appointed by the Minister to consider submissions, if we are unable to resolve these matters with you directly.

Our client also reserves their right to make further submissions on any matter that may be of interest to them including in response to any other submissions which may be made by any other party.

We look forward to resolving the above matters with you to ensure the ongoing prosperity of Victoria including the settlement of the PSP area.

Please do not hesitate to contact me to discuss any matter as required on 0427-201-111, or by email as below.

Kind regards,



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Director  
Tract

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CC: Mr Leo Guaraldo – Senior Assessments Officer – Earth Resources Regulation Branch – Department of Jobs, Precincts and Regions.