



Australia's property industry
Creating for Generations

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Submission to the Victorian Planning Authority on the Craigieburn West Precinct Structure Plan

The Property Council of Australia welcomes the opportunity to provide feedback on the Craigieburn West Precinct Structure Plan (PSP), released by the Victorian Planning Authority (VPA).

The Property Council strongly supports the establishment of planning tools that enable certainty and deliver plans that support the creation of strong communities.

Any change to existing planning mechanisms must improve on the system it replaces and be implemented seamlessly. This submission provides feedback on the proposed requirements and guidelines. It suggests changes that would promote clarity of use and better outcomes for communities, planners and developers alike.

We respond to the eight objectives outlined in the Craigieburn West PSP and provide a high-level summary of the industry's position on requirements and guidelines set out throughout the consultation paper.

About the Property Council

The Property Council is the leading advocate for Australia's property industry – the economy's largest sector and employer.

In Victoria, the property industry contributes \$58.8 billion to Gross State Product (13.8 per cent), employs more than 390,000 people and supports more than 471,000 workers in related fields. It pays more than \$21 billion in total wages and salaries per year, employs one in four of the state's workers either directly or indirectly, and accounts for 59 per cent or \$17.9 billion of Victoria's tax revenue. Approximately 27.9 per cent of wages and salaries paid to Victorian workers are generated by the property sector.

PROSPERITY | JOBS | STRONG COMMUNITIES

The Victorian membership has more than 500 members. They are architects, urban designers, town planners, builders, investors and developers. These members conceive of, invest in, design, build and manage the places that matter most – our homes, retirement living communities, shopping centres, office buildings, education, research and health precincts, tourism and hospitality venues.

This submission is informed by many of the Property Council's key member representatives and expert committee members.

Objectives outlined in the Craigieburn West PSP

1. Housing, subdivision & built form: To facilitate housing diversity and choice within Craigieburn West, including densities that support access to local services, jobs and sustainable transport options.

The Property Council is a strong advocate for flexible density requirements. To achieve true housing diversity, housing options that cater to a range of market needs must be permitted. Flexible planning is crucial to ensuring this can take place.

On the stated guideline to include up to 10 per cent affordable housing, the Property Council notes that the assumptions underpinning the perceived capacity of the private sector to support contributions to affordable housing have been prepared in a pre-COVID environment. Affordable housing modelling does not reflect the current state of the market.

With the market subject to significant challenges, the implementation of a larger number of variant affordable housing strategies led at a council level, and based on outdated assumptions, will likely have the unintended consequence of discouraging investment into the residential market leading to fewer, not more, affordable dwellings.

The Property Council opposes the use of mandatory inclusionary zoning targets. The State Government should instead incentivise the provision of affordable housing through mechanisms such as:

- Land tax relief for affordable dwellings
- Fast track planning approval for developments which feature an affordable housing element, which minimises any holding costs
- Flexibility in design standards, including permitted height, in exchange for affordable housing

2. Transport & movement: To facilitate 20-minute neighbourhoods by providing a transport network that integrates with the adjoining established areas and supports active and public transport options, movement of goods and connections to jobs within Craigieburn West and the surrounding areas.

The Property Council supports the objectives outlined in Plan Melbourne and the 20-minute neighbourhood strategies. Transport options that enable people to move within the new neighbourhood are important to the success and liveability of the area.

While the Department of Transport is yet to confirm that the North-South connector will be a designated bus route, a flexible approach adopted in the Craigieburn West PSP that allows for future adaptation is important. The Property Council agrees that the street must be bus capable.

- 3. Public realm, open space & heritage: To provide a framework for a high amenity and integrated urban environment within Craigieburn West that encourages a sense of place and community, as well as responds to the existing natural, cultural and built form features.*

The Property Council supports flexibility for open spaces of varied sizes. Some of the most liveable recent estates rely less on traditional 'boxy' open spaces. Innovative open spaces that are accessible are more heavily utilised. It is important that where land has been provided to innovative open spaces, it is credited against open space requirements.

It is also important the Craigieburn West PSP remains flexible to enable open space adaptations at the planning permit stage, so that site-specific attributes or constraints can be managed.

On the issue of heritage sites, any obligations that already exists under the *Aboriginal Heritage Act* and should not be replicated as it is unnecessary and will add confusion to the planning process.

- 4. Water, utilities & safety: To facilitate safe, resilient and water sensitive urban environments in Craigieburn West that respond to climate change, bushfire management and final drainage outcomes including the protection of the Greenvale Reservoir Drinking Water Catchment.*

Property Council members have identified that Melbourne Water's changes to their requirements has added significant cost to the Craigieburn West PSP. Additions to Melbourne Water's drainage scheme created extra work for developers, added infrastructure costs that were not originally accounted for and had an impact on net developable area. All the aforementioned changes are ultimately costs that will be absorbed by the consumer. thereby impacting housing affordability.

The situation described above is experienced frequently by Property Council members and was mentioned in a recent submission from Property Council on the PSP 2.0 Guidelines. There is a greater need for better coordination between authorities. Clear expectations on what work must be completed by the relevant authorities in a given timeframe must be stated, so developers understand what is required of them and can cost the measures accordingly.

Outside of the Craigieburn West PSP there is a provision for the Yuroke Creek wetland/retarding basin (YCWL-01) together with a bund to protect the Greenvale Reservoir drinking catchment (Objective 04). 110 hectares of land within the Craigieburn West PSP, as identified in the Yuroke Drainage Strategy which includes key roads, schools and open space,

cannot be developed before the required retarding basin and bund infrastructure is completed. The absence of the bund would also impede the ability to create East-West road linkages to Aitken Boulevard, the presence of which would reduce the reliance on Mickleham Road. Further, the Property Council understands that the delivery of the bund is intrinsically linked to the development of the 'investigation area' land south of the Craigieburn PSP, which forms part of the R2 PSP.

The development of this key social and physical infrastructure is essential to the successful delivery of a sustainable future community. The Property Council encourages the VPA to urgently resolve the planning status of the land affected by the Yuroke Drainage Strategy to allow the southern part of the Craigieburn West PSP to be developed.

5. Biodiversity & ecosystems: To facilitate the retention and protection of Conservation Area 29 and landscape features within Craigieburn West including scattered trees and waterways as key community assets that are integrated with the urban landscape.

A significant proportion of existing native scattered trees are proposed to be retained however there is no methodology or justification to the approach. The VPA's Biodiversity Conservation Strategy does not mandate tree retention, nor is there any formal policy from Hume City Council. Trees that are to be retained are to be credited passive open space, which is a positive outcome that the Property Council supports, however, there are still scattered trees marked for retention outside of credited passive open spaces which will affect net development area. Little regard has been given to Tree Protection Zones (TPZ) in the PSP. Trees that are protected will be more than what has been indicated within the PSP and when taken into account they will render land sterilised and undevelopable.

It is understood that the linear local park has been formed to incorporate a high number of scattered trees and tree groups, however, this has caused a problematic separation between the park and the North-South connector road alignment within Property Council members' landholdings. The proximity of the park and the North-South connector road limits the viable design outcomes available for the several residential pockets sandwiched between them. The viable design outcomes for the pockets of land between these two linear assets are constrained by Requirement R33, which mandates the retention of several scattered trees within the pockets. Combined, these two constraints serve to effectively sterilise these areas, given they will be extremely difficult, if not impossible, to develop. The Craigieburn West PSP must allow flexible site-specific solutions.

Additionally, there are 'very high' and 'high' retention trees that will not be able to be retained as they are either;

- within the Craigieburn Road Public Acquisition Overlay (PAO) area (northern boundary of Property 28 and Property 29);
- have TPZs considerably within that PAO area;
- are within the alignment of Gallantry Boulevard as shown on Plan 10; or,
- are within the embankment of an existing dam that will be altered (Southern boundary of Property 31 and depicted in LP-14).

Consequently, Requirement R33 conflicts with other important objectives of the Craigieburn West PSP and in its current form lacks the flexibility to respond to these issues. The VPA must change Requirement 33 from a Requirement to a guideline that allows flexibility.

Trees that benefit from either active or passive irrigation should also be credited toward passive open space. Designs should aim to maximise tree canopy with encouragement for passive irrigation but not dispel irrigated trees that could still be beneficial.

A flexible approach toward the retention of scattered trees should be adopted by the VPA to support urban design outcomes. Amenity value must be a primary objective of tree retention, with biodiversity outcomes a secondary benefit. Where trees are retained, developers should be credited toward their passive open space requirements.

6. *Education & community infrastructure: To identify and facilitate the delivery of adaptable and multi-purpose open spaces, community facilities, schools, and other essential community infrastructure to support development.*

This is a matter for Education Victoria, and it should come with an acquisition timeline rather than warehousing land. Where appropriate, location and design of education and community facilities should be shared use.

It would be appropriate for there to be a performance target to measure this provision.

7. *Centres, employment & economic activity: To facilitate investment in an innovative and vibrant local and regional economy within a network of highly accessible activity and employment centres that support jobs and business activity for residents in Craigieburn West and surrounding areas.*

The Property Council commends the VPA on their extensive work on the Craigieburn and Greenvale PSP and more recently for their work on PSP 2.0, particularly in recognising the importance of the availability of local employment as key to delivering a 20-minute neighbourhood principle.

8. *Precinct infrastructure delivery: To identify and guide the timely delivery and staging of key essential infrastructure required for Craigieburn West.*

Property Council members have identified that the Craigieburn West PSP Infrastructure Contribution Plan (ICP) levy amount is disproportionate to the actual required infrastructure spend. Most of the infrastructure required by the PSP within Craigieburn West already exists, meaning developers will have to pursue a refund for the ICP for funds that were not spent. The process of acquiring a refund is timely, costly and could be avoided if the VPA instead identified required infrastructure that does not already exist and require contributions from developers accordingly.

For future reference, it is unhelpful to have the PSP and ICPs run as separate processes, as this creates awkward interim arrangements while developers await the completion of ICPs.

Further comments

We look forward to continuing to support the VPA in the Craigieburn West PSP and would like to reiterate our availability to provide expert industry knowledge where it is required to support a better understanding of the nuances of the industry and industry operation.

If you require further information or clarification, please contact Alex Harvey, Policy and Research Officer, on 0400 199 609 and aharvey@propertycouncil.com.au.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Matthew Kandelaars', followed by a period.

Matthew Kandelaars
Interim Executive Director, Victoria
Property Council of Australia