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Victorian Planning Authority
C/- Lilydale Quarry Project
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Melbourne VIC 3000

Lodged online via: engage.vic.gov.au/lilydale-quarry

To whom it may concern,

AMENDMENT C193 TO THE YARRA RANGES PLANNING SCHEME: HBI LILYDALE PTY LTD SUBMISSION

Amendment C193yrar is a truly historic amendment that will unlock the comprehensive development of the former Lilydale Quarry. Its timely approval will deliver significant economic, environmental, and social benefits for Lilydale and Melbourne's Eastern Region.

The development of Lilydale Quarry is a vital project for Melbourne, supporting over \$1.4 billion of investment in one of the largest and most ambitious urban renewal projects to be advanced on a single landholding in recent history. Designed as a 20-minute city, the development will set new benchmarks in community placemaking and sustainable neighbourhood design.

Amendment C193yrar is the culmination of almost five years of engagement and collaboration between the Proponent, Yarra Ranges Shire Council, the VPA, the local community, and a range of government agencies, to set a compelling vision and development framework for urban transformation of the former Lilydale Quarry.

The proposed development of the land is supported by over \$100 million of community benefits, which are funded entirely by the project. This includes the delivery of transport infrastructure, community and recreation facilities, major drainage assets and the provision of affordable housing. Alongside the C193yrar process, the Proponent is working with Council to draft a range of legal agreements that will lock in the infrastructure required to service the development of the site, providing certainty to Council and the community.

Apart from the land area allocated for the Proposed Government Specialist School, the Proponent fully supports proposed Amendment C193yrar. Before its approval, the Proponent requests that the VPA amends the CDP to change the Proposed Government Specialist School land allocation back to 1.4 hectares. The CDP should also, regardless of the land size adopted, specify what use and development is appropriate for the land if Government determines not to proceed with a Government Specialist School.

The Proponent and its project team remains committed to working with the VPA, Council and State agencies to resolve any outstanding submissions resulting from this community consultation process.

1. Introduction

Urbis Pty Ltd acts on behalf of HBI Lilydale Pty Ltd and is pleased to make a submission on Amendment C193 to the Yarra Ranges Planning Scheme (C193yran), for review and consideration by the Victorian Planning Authority (VPA). The land affected by Amendment C193yran was purchased from the previous quarry operator (Sibelco) in mid-2017 by HBI Lilydale Pty Ltd, a joint venture between Intrapac Property, Brencorp Properties, and Bayport. The joint venture is herein referred to as the Proponent.

This is a seminal project for Melbourne, supporting over \$1.4 billion of investment in one of the largest and most ambitious urban renewal projects to be advanced on a single landholding in recent history.

The former Lilydale Quarry is poised to become a true transit oriented urban community, with a new train station at its core and a residential precinct that supports some 3,200 dwellings (including dedicated affordable housing), as well as local cultural and community facilities and rejuvenated heritage assets. Designed as a 20-minute city, the development aims to set new benchmarks in community placemaking and sustainable neighbourhood design.

The project has been recognised in the Victorian Government's *Plan Melbourne 2017-2050* as a major urban renewal precinct that is of strategic importance to the State. Amendment C193yran is the first step in realising this policy ambition and providing the single largest boost to housing supply that the Eastern Region of Melbourne has seen in decades.

2. Prior consultation

Amendment C193yran is the culmination of almost five years of engagement and collaboration between the Proponent, Yarra Ranges Shire Council, the VPA, the local community, and a range of government agencies, to set a compelling vision and development framework for urban transformation of the former Lilydale Quarry. Throughout the preparation of the proposed development and Amendment, the following agencies have participated in stakeholder engagement sessions:

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| ▪ Department of Environment, Land, Water and Planning (both Water and Planning division representatives) | ▪ Environment Protection Authority Victoria |
| ▪ Department of Transport (VicRoads and Transport for Victoria) | ▪ Melbourne Water |
| ▪ Department of Jobs, Precincts and Regions – Earth Resources Regulation | ▪ Yarra Valley Water |
| ▪ Department of Education and Training | ▪ VicTrack |
| | ▪ Level Crossing Removal Project |
| | ▪ Aboriginal Victoria |
| | ▪ Heritage Victoria |

The views of the above organisations, as facilitated through the extensive workshop and meeting process undertaken between 2018 and 2020, have informed and shaped the development of the background studies and the Amendment. It is noted that through this process, Council and agencies have had multiple opportunities during the preparation of the C193yran documentation to provide feedback on areas of concern and propose alternate solutions. Where feedback has been provided, the Proponent and its project team has worked diligently to address concerns raised and provide justification when authority proposals were not accepted in part or full.

3. Benefits of Amendment C193yrar

In the Coronavirus (COVID-19) pandemic context, the project will deliver unparalleled economic stimulus for the Eastern Region. Scheduled to commence in 2021 (subject to approvals), Precinct 1 of the project will deliver 700 new dwellings into the Lilydale housing market, with an economic investment exceeding \$350 million.

In the longer term, the project will deliver significant economic stimulus for Victoria as a whole. 3,200 dwellings will be delivered by 2035, housing over 8,000 residents, in addition to significant retail and commercial floorspace. With a total construction cost of \$1.4 billion, the project will generate large numbers of construction related jobs over its 15-20 year delivery timeframe. Construction of the proposed development will generate \$590 million (Net Present Value (NPV)) value added to the State economy and support an average of 402 full-time equivalent (FTE) direct and indirect jobs per annum over the construction period. Once fully developed it is estimated that the land will support over 1,000 jobs. These direct jobs are estimated to induce a further 500 indirect jobs within Victoria as a result of flow-on effects. There will be an estimated \$718 million (NPV) added to the Victorian economy from the daily operation and management of facilities in the development over the next 40 years. A snapshot of economic benefits prepared by Urbis provides further detail¹.

The proposed development of the land is supported by an array of community benefits, funded entirely by the project, that will flow to the existing and future Lilydale community:

- The potential provision of a train station at the core of a new urban precinct, which will support a vibrant transit-oriented neighbourhood activity centre that is co-located with community and residential uses.
- A contribution of social and affordable housing that responds to specific local housing need, equivalent to 5% of the total housing provision on the site.
- Filling and remediation of the former quarry pit (in excess. \$100 million in works), removing a substantial environment blight and 'hole' in the fabric of Lilydale and improving connectivity to regional assets, such as Lilydale Lake and Box Hill Institute.
- A minimum of 10% unencumbered open space across the site and the provision of a Council led District Scale Reserve for sport and recreation activities (the total open space provision for the site is more than double the amount currently required by the Yarra Ranges Planning Scheme).
- Rejuvenation and adaptive re-use of Victorian Heritage Register buildings associated with the former quarry operation.
- The development of new homes and the town centre will deliver best practice sustainability outcomes, certified by an independent third-party rating system (e.g. Green Star Communities Framework or a suitable equivalent).
- Delivery of community facilities to support the social sustainability of the new residential community (including maternal child health facilities and childcare) and a potential Government Specialist School on site.
- Delivery of a continuous shared trail along the rail corridor to connect the site into the region.

¹ Lilydale Quarry Economic Benefits Snapshot, Urbis, June 2020

- A suite of infrastructure improvements, including significant road upgrades, as well as cycling/walking connections and major drainage works.

The project delivers approximately \$90 million of direct-funded community contributions – well in excess of rates provided in greenfield sites of equivalent size – and over \$100 million of total community benefit once the provision of social and affordable housing is considered. These project benefits are further detailed in the Urbis Planning Report² and associated C193yran background documents.

4. Revisions sought to Amendment C193yran

Urbis, on behalf of the Proponent, prepared the Comprehensive Development Plan (CDP) for consultation. The VPA, Council and DELWP reviewed the CDP and sought a variety of changes in the lead up to community consultation. While many changes sought by Council and Government agencies were accepted by the Proponent, there was one significant matter that we raise in this submission for the VPA's further consideration.

Land area allocation for Proposed Government Specialist School stated within the CDP

As part of the C193yran preparation process, the VPA distributed draft PSA documentation to various state government departments and agencies. The VPA invited comment on these draft documents in an effort to refine the PSA suite before the community consultation process.

In its 29 September 2020 letter to the VPA, the Department of Education and Training (DET) requested that a 'Proposed Government Specialist School' be identified within the site. DET stated that:

Following a review of demand, the Department requests that the site is identified as a 'Proposed Government Specialist School' rather than more generically as an education site. Using this terminology will reduce raising expectations about mainstream government school provision.

It is noted that DET has not yet determined if an education facility is even required on the site, whatever the scope of the facility might be. This uncertainty is consistent with DET's position when engaged by the project team during the PSA preparation period that took place during 2018-2020. The DET letter notes that 'through the precinct planning process, more detail will be developed'. This future planning process (i.e. consideration of provision closer to the time of delivery) will presumably provide DET with clarity on whether an education facility is required and if so, what role it should play.

In recognition of this potential future provision requirement, the draft CDP originally allocated 1.4 hectares of land within Precinct 4 (Urban Core) for a future 'education centre', in proximity to the Heritage Village Precinct Reserve within Precinct 2 and adjacent Box Hill Institute (BHI) land to the east of the Lilydale Quarry land.

However, in its September letter DET requested that the land allocation be increased from the 1.4 hectares originally identified in the CDP to 1.9 hectares, noting that this is the land size that will accommodate the needs of a Government Specialist School, and is consistent with the advice provided recently to the VPA on other projects.

Unfortunately, when pressed on how a 1.9 hectare land area was determined to meet the needs of a Government Specialist School, DET did not provide additional information to justify its position. DET

² Former Lilydale Quarry Planning Scheme Amendment: Planning Report, Urbis, October 2020

was also unable to provide detail on the make-up of a 'Government Specialist School' (e.g. its scope, its standard floor area, its open space requirements, and car parking requirements).

To our knowledge, DET also did not provide further detail on how the 1.9 hectare land area was consistent with advice it recently provided to the VPA on other projects. It is therefore difficult to understand DET's justification for this expanded land area.

Based on this engagement with DET, it is disappointing that the land area allocation for the proposed Government Specialist School has been increased without strategic justification.

The project team has previously provided justification for a 1.4 hectare land allocation as summarised in the following paragraphs.

The proposed Lilydale Quarry CDP allocated 1.4 hectares of land in the Land Budget for an education facility, co-located with the proposed regional-scale active open space and the BHI Lilydale Lakeside Campus. This was the result of an extensive masterplanning process led by award winning urban design practice RobertsDay and supported by contemporary community facilities advice.

A proposed school site of this size is smaller than the standard Victorian model of 3.5 hectares for a primary school and 8 hectares for a secondary school site. However, it is argued that a new primary school (or a new campus) will not require the full 'greenfield' land area of 3.5 hectares as this is not an appropriate metric to apply in an established area, where a new facility has the opportunity to leverage existing and proximate surrounding facilities (including those to be delivered within the Lilydale Quarry site).

It is noted that the land area of 1.4 hectares compares favourably to the surrounding primary school network:

- Lilydale Primary School (approx. 1.1 ha)
- Lilydale West Primary School (approx. 2.4 ha)
- St Patricks Primary School – Catholic (approx. 0.7 ha).

As well as the dedicated 1.4 hectares of land, the proposed Government Specialist School's position will ensure a future facility benefits from the following:

- Adjacency to the planned Heritage Village Precinct Reserve:
 - This 6.7 hectare District Sport Reserve will include a competition standard oval (soccer, cricket or Australian Rules Football), a junior sports oval, basketball/netball courts, and associated facilities.
 - The proposed dual-oval reserve with outdoor courts exceeds the demand for active recreation generated by the proposed development, which means there is capacity for broader community use.
 - Shared use of this open space and facilities by future students during school hours (a non-peak period) is a good utilisation of public space and provides potential cost savings for both DET and Council (e.g. shared costs of upkeep and maintenance).
- Adjacency to BHI Lilydale Lakeside Campus:
 - Opportunity to repurpose BHI facilities for Education Centre student use.

- Opportunity for DET to utilise BHI land to expand the proposed Education Centre footprint, taking advantage of land already in state ownership.
- Proximity to Lillydale Lake open space and parklands via the North-South Connector Road, which is to be delivered through the Lilydale Quarry development. It is an approximately 500 metre walk to this lakeside regional open space network.

It is also noted that future school building techniques may also reduce the amount of land required for built form. Vertical school models with shared community facilities are becoming more common in Melbourne's inner ring suburbs, including the following Government schools:

- The first primary school (P-6, 525 students) in the Fisherman's Bend urban renewal area is six storeys and includes a rooftop early learning centre, maternal and child health centre, multi-purpose community rooms and indoor and outdoor multipurpose sports courts, outdoor study and recreation spaces on balconies. The size of the school site is 5,000 sqm (close to one quarter of the size of the Education Centre land currently proposed).
- The new Richmond High Secondary College (7-12, 650 students) is a vertical school, split between a sports campus and a four-storey academic campus. The school has shared community facilities including an indoor gym, four netball courts, a canteen and multi-purpose room.
- Prahran High School, a four storey, 650 student vertical school, opened in Term 1 2019. The new school benefits from proximity to an existing educational precinct that includes Melbourne Polytechnic and the National Institute of Circus Arts.

While this 'vertical' construction model may be considered unnecessary in today's greenfield areas, this approach may become more commonplace for outer areas in the coming decades and is appropriate in a location where land supply is limited.

In recognition of the justification provided above, the Proponent requests that the VPA amends the CDP to change the Proposed Government Specialist School land allocation back to 1.4 hectares. The CDP should also, regardless of the land size adopted, specify what use and development is appropriate for the land if Government determines not to proceed with a Government Specialist School. The CDP should be drafted in such a way that the CDP (and by extension the Planning Scheme) does not need to be amended in order to deliver an alternative use on the land if an education facility does not eventuate.

The Proponent and its project team would welcome the opportunity to meet with VPA and DET officers in early 2021 to resolve this matter.

5. Infrastructure contributions and other agreements

Infrastructure contributions

As noted in Section 3 of the submission, the development of Lilydale Quarry will deliver new and improved infrastructure for the local area and broader region. The Proponent has been proactive in identifying these infrastructure solutions and determining the most suitable decision-making and delivery structure.

As required by the proposed Schedule 1 to the Comprehensive Development Zone (CDZ1), the Proponent is working with Council to draft an Infrastructure Contributions Agreement made pursuant to Section 173 of the *Planning and Environment Act 1987*. The agreement will address the provision of key local infrastructure elements, including necessary road intersection upgrades, the delivery of community facilities, and active open space provision. Importantly, the agreement is proposed to alleviate the burden on public resources by ensuring that all local infrastructure projects are wholly

delivered by the Proponent. It is anticipated that substantial progress on this agreement will be made in the first quarter of 2021.

The Proponent remains committed to working with Government to help deliver state infrastructure items, such as a new train station and Government Specialist School, and this commitment is reflected within requirements of the proposed CDZ1 and the CDP.

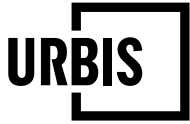
The development of Lilydale Quarry also provides an environment for Government to reconsider how long-term transport projects for the surrounding area are delivered. While we maintain that the transport infrastructure projects set out in Amendment C193yrn will cater for the traffic generated by the proposed development, the Proponent would welcome the opportunity to work with Government to leverage the proposed transport infrastructure investment in a way that helps to deliver on long-term transport objectives sooner and at less cost. For example, the value capture associated with earlier train station delivery has been clearly demonstrated³, and depending on the Government's position on bypass road delivery, there may be an opportunity to better deploy the funds allocated for the delivery of the Mooroolbark Road underpass widening.

Other agreements

The Geotechnical Framework Agreement, also made pursuant to Section 173, is close to finalisation with Council undertaking a final peer review of the technical assumptions underpinning the proposed geotechnical specification. After final revisions, it is expected that this Agreement will be ready for execution in early 2021.

The Proponent has also begun to negotiate the terms of a Voluntary Affordable Housing Agreement (VAHA) with Council, which will be based on a recent assessment of affordable housing need within the Shire of Yarra Ranges. The Proponent's affordable housing proposition has been designed to address both the most acute need of the very low- and low-income households and the broadest source of need from moderate income households, while supporting key workers in their essential role of the economy and community. This evidence-based approach to the preparation and execution of a VAHA aligns with recent direction provided by the Victorian Government (see *Specified Matters under Section 3AA(2) – Ministerial Notice*).

³ Train Station Value Analysis Report, Value Advisory, February 2020



6. Conclusion

Except for the matter raised in Section 4 of this submission, the Proponent fully supports proposed Amendment C193yran and looks forward to its approval. It is a truly historic amendment that will transform Lilydale for the better. Its timely approval will unlock significant economic, environmental, and social benefits for Lilydale and Melbourne's Eastern Region.

The Proponent and its project team remains available to work with the VPA, Council and State agencies to resolve any outstanding submissions resulting from this community consultation process.

Please contact me on 03 8663 4863 to discuss this submission further.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'E' followed by a series of loops and a long horizontal stroke.

Evan Granger
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