



CONFIDENTIAL MEETING OF THE PORT PHILLIP CITY COUNCIL

AGENDA

16 FEBRUARY 2022



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Confidential Meeting of the Port Phillip City Council

Wednesday, 16 February 2022

Section 66 of the Local Government Act 2020, provides that a Council may resolve to close a meeting to members of the public if:

- (a) the meeting is to consider confidential information; or*
- (b) security reasons; or*
- (c) it is necessary to do so to enable the meeting to proceed in an orderly manner.*

Confidential information means the following information—

- (a) Council business information;*
- (b) security information;*
- (c) land use planning information;*
- (d) law enforcement information;*
- (e) legal privileged information;*
- (f) personal information;*
- (g) private commercial information;*
- (h) confidential meeting information;*
- (i) internal arbitration information;*
- (j) Councillor Conduct Panel confidential information;*
- (k) information prescribed by the regulations to be confidential information;*
- (l) information that was confidential information for the purposes of section 77 of the Local Government Act 1989.*

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CITY COUNCIL
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17. CONFIDENTIAL MATTERS

The information contained in the following Council reports is considered to be Confidential Information in accordance with Section 3 of the Local Government Act 2020.

Report No	Report Title	Confidential reasons
17.1	Substation Proposal	(c) land use planning information, being information that if prematurely released is likely to encourage speculation in land values.
17.2	Fishermans Bend - Funding Strategy	(g(ii)) private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.



17.1 DANKS STREET SUBSTATION PROPOSAL

EXECUTIVE MEMBER: KYLIE BENNETTS, GENERAL MANAGER, CITY GROWTH AND DEVELOPMENT

PREPARED BY: MAI LUU, SENIOR URBAN DESIGNER

BRIAN TEE, EXECUTIVE MANAGER CITY PLANNING AND SUSTAINABILITY

1. PURPOSE

- 1.1 To seek in-principle support that the land at the intersection of Danks Street/ Victoria Avenue, Albert Park is the preferred location for a new tram traction substation in Albert Park, which will undergo design development and further investigation by the Department of Transport (DoT).
- 1.2 To authorise Council Officers to continue working with DoT to progress design, consultation and land tenure processes.

2. EXECUTIVE SUMMARY

- 2.1 The Victorian Government through DoT is responsible for the delivery and operation of Melbourne's Public Transport Network. DoT's tram network improvement projects include new substations to increase the capacity of the network and particularly the role out of E-Class trams.
- 2.2 There have been ongoing discussions between DoT and Council for several years regarding the need for new and upgraded substations. Council's desired approach of a design led process and whole of government approach, based on a series of design principles, has been given verbal in-principle agreement by DoT.
- 2.3 Of the three sites DoT have identified as being appropriate for new tram substations in the municipality, DoT have advised that they are ready to progress one at the intersection of Danks Street/ Victoria Avenue, Albert Park (shown in **Attachment 1**). This land is currently classed as a municipal road under the authority of the City of Port Phillip.
- 2.4 Over the past year, DoT have been investigating the site and liaising with Council Officers. They are now seeking Council's in-principle support to the land being the preferred location for a new tram traction substation in Albert Park, which will undergo design development and further investigation by them. If this in-principle support is received, DoT will then progress design, consultation and land tenure processes working with Council Officers as necessary.
- 2.5 Importantly, this is not Council giving formal approval for the development and use of this land as a substation. This will occur at later stages of the project, through statutory processes associated with providing DoT land tenure rights. Any formal approval will be subject to design development outcomes, community consultation outcomes, statutory processes and DoT's formal agreement to contribute to the Bio-links project (or equivalent community outcome).



3. RECOMMENDATION

That Council:

- 3.1 Provides in-principle support to the land at the intersection of Danks Street/ Victoria Avenue, Albert Park (shown in **Attachment 1**) being the preferred location for a new tram traction substation in Albert Park, which will undergo design development and further investigation by the Department of Transport (DoT).
- 3.2 Authorises Council Officers to continue working with DoT to progress design, consultation and land tenure processes.
- 3.3 Notes that granting formal approval for the development and use of this land as a substation will occur through statutory processes associated with providing DoT land tenure rights and will be subject to design development outcomes, community consultation outcomes, statutory processes and DoT's formal agreement to contribute to the Bio-links project (or equivalent community outcome).

4. KEY POINTS/ISSUES

- 4.1 The Victorian Government through DoT is responsible for the delivery and operation of Melbourne's Public Transport Network. DoT's tram network improvement projects include extensions to the tram network, tram stop upgrades to comply with accessibility legislation, track renewal and maintenance and power upgrade requirements which all require new tram substation structures to be built all throughout Melbourne.
- 4.2 As part of this program of improvement, DoT are replacing all B-class trams with E-class trams. These provide improved passenger comfort with DDA accessibility, dedicated spaces for passengers with mobility aids or prams, audio and visual information, air conditioning and improved safety features.
- 4.3 E-class trams require more power, so new infrastructure is required to be built to allow these trams to operate efficiently on the network. The tram substations provide the ability to spread the load to avoid significant delays and disruption to the entire network, as well as build power resilience in the overall system and avoid tram failures.
- 4.4 DoT use a four stage process to find suitable sites for new tram substations: power modelling, land type hierarchy, site assessment and acquisition method selection. Securing suitable sites in consultation with relevant parties and stakeholders is then done prior to undertaking community consultation.
- 4.5 In 2020, DoT identified that 30 new tram substations were required across Melbourne to support the tram and track upgrades.

DoT discussions with Council

- 4.6 There have been ongoing discussions between DoT and Council for several years regarding the need for new and upgraded substations.
- 4.7 In July 2020, the City of Port Phillip Mayor sent a letter to the Minister of Roads highlighting the importance of a design led process, as well as a whole of government approach. It also contained a set of design principles to be followed with the delivery of all tram substations. DoT have given verbal in-principle agreement to these approaches.



- 4.8 Of the three sites DoT have identified as being appropriate to accommodate new tram substations in CoPP (Domain Precinct – location to be finalised, Danks St/Victoria Ave – Albert Park (shown in **Attachment 1**) and Graham St Bridge – Port Melbourne), the Danks St/ Victoria Avenue site is preferred by DoT to be progressed first. This land is currently classed as a municipal road under the authority of the City of Port Phillip.
- 4.9 In February 2021, DoT have progressed investigations of this site, liaising with Council Officers, into:
1. Legal land/title status to inform the statutory processes that could be used to give DoT rights to use and develop a substation; and
 2. Financial or in-kind contributions that could be made to Council to deliver community benefits.
- 4.10 In respect of item 1, DoT obtained legal advice at the request of Council to establish the status of the land and potential statutory processes that could be used to manage the land tenure.
- 4.11 In respect of item 2, Council officers identified the opportunity to integrate the substation with the Biolink corridor and have DoT make contributions to complete it. The Danks St/Victoria Avenue intersection in Albert Park is the location of the well-loved, community driven Biolink corridor. The project was initiated in 2019 and has expanded urban biodiversity and connectivity, giving native birds and insects opportunities to shelter and feed, and giving humans a closer connection with nature in the City of Port Phillip. There are stages of the Biolink corridor project that are yet to be delivered due to lack of funding availability. Background information about the Biolink corridor is contained in **Attachment 2**

DoT's request for Council's in-principle support

- 4.12 DoT have now requested that Council provide in-principle agreement to continue to work with DoT to progress the project, to enable them to move forward with the design concept and consultation strategy before progressing to community consultation and public announcements. DoT have advised that they will take a design and context led approach to this site, with a focus on integrating it with the remainder of the Biolink Corridor project.
- 4.13 Specifically, DoT are seeking the following in-principle agreement between them and Council:

That the site:

- *is the preferred location for the Substation*
- *meets the spatial requirements for constructing the required Substation; and*
- *will be, subject to all relevant approvals, the subject of continued design development with such design development to be discussed with, and approved, by Council.*

That no works on the Site will be progressed until:

- *the proposed land tenure of the Site has been agreed to the satisfaction of both parties in accordance with the advice of the VGSO;*
- *this in-principal agreement has been signed and exchanged; and*



- *site access arrangements have been confirmed.*

4.14 Once Council's in-principle support is provided, DoT will engage technical consultants (geotechnical, engineering, design, arboreal and traffic) to develop concept designs in preparation for community consultation. Concurrently, the land tenure arrangements will continue to be worked through. DoT's intention to support the remainder of Council's Bio-Links project will also be formally documented as part of this process.

4.15 DoT have acknowledged that the final agreement will be subject to:

- *The formal approval of Council (including compliance with any statutory procedures, including but not limited to community consultation and a resolution of Council, if required); and*
- *DoT's intention to support the remainder of Council's Bio-Links project will also be formally documented as part of this process.*

5. CONSULTATION AND STAKEHOLDERS

5.1 A collaborative approach between DoT and Council for engaging with the community has been beneficial in previous projects. DoT will lead the consultation process and the extent of Council's involvement will be refined through the development of the consultation strategy and be dependent on the scale of the project, anticipated impact and community interest.

5.2 Should Council provide in-principle support to DoT, DoT will prepare a consultation strategy which will be presented to Council. The consultation strategy will then form the basis of a formal consultation process with the community in mid-2022, based on the concept design plans. The outcomes of the consultation will be reported to Council prior to any decision being made by Council to transfer the land to DoT.

5.3 Groups consulted with will include, but not necessarily be limited to, the Biolink corridor community group and adjoining residents.

5.4 Additionally, there may be further formal notice requirements as part of the statutory land tenure processes.

6. LEGAL AND RISK IMPLICATIONS

6.1 The statutory requirements and processes associated with providing DoT land tenure rights over the land (be it through leasing or transferring of ownership) are likely to be complex and may include formal notice and other steps. DoT will be responsible for managing these processes, including preparing formal agreements and documents. These statutory processes may be different to mechanisms that have been used for other similar projects. Council will seek independent legal advice and review on these matters, as necessary.

6.2 Risks will need to be managed with regular meetings with project working groups between the organisations.

6.3 Should Council decide not to provide this in-principle support, DoT have indicated that they may walk away from discussions with Council (and the negotiated contributions to Biolink corridor) and use other Ministerial powers to progress a substation in Albert Park. This would impact Council's ability to influence the outcomes and secure community benefits in the form of contributions to the Biolink corridor.



- 6.4 With these types of projects, there is a risk that they will not receive full community support. Consultation is an important part of this process in assisting to manage this risk.

7. FINANCIAL IMPACT

- 7.1 The design, consultation, construction and ongoing maintenance of the substation would be funded by DoT.
- 7.2 The delivery of the substation provides the opportunity for DoT to make a financial or in-kind contribution to the Biolink project, enabling Council to facilitate the completion of the community driven Biolink corridor.
- 7.3 Officer time associated with working with DoT to progress design, consultation and land tenure processes will be managed by existing FTE within the Design and Property teams.
- 7.4 In the event that independent legal advice is required in respect of the land tenure processes, the costs associated with obtaining this would be covered by BAU budget.

8. ENVIRONMENTAL IMPACT

- 8.1 There would be an overall positive environmental impact from this development, by supporting the capacity of the public transport network and through DoT's contributions to the Biolink project
- 8.2 There is an existing mature *Eucalyptus botryoides* tree on the site which will require an arborist inspection and report. Any impacts on the tree would be considered through the design phase. In the event it needs to be removed, there would be an opportunity to require replacement planting/s as deemed appropriate.
- 8.3 There may be community concern about potential health and safety impacts from the substation to adjoining landowners. This will need to be addressed through the communication strategy. Any substation would be required to comply with relevant Australian health and safety standards.

9. COMMUNITY IMPACT

- 9.1 Overall the tram network upgrades would have a positive community impact by increasing the capacity of the public transport network to support their current and future needs.
- 9.2 The opportunity to improve and expand the Biolink corridor would have a positive community impact. The Biolink corridor already has a high level of community investment. For instance, the local school, families and individuals use the space daily and are involved in monitoring and watching the biodiversity and there is significant community interest to support community planting day events, more environmental interpretation and other environmental programs.
- 9.3 In the past, the construction of similar transport infrastructure has at times had a perceived negative impact on the surrounding community. In part this has been due to the lack of design input and/ or adequate budget to deliver a high quality design outcome. In this case, there may be negative perception of the siting and scale of the substation, and concerns about impacts on the Biolink corridor. The design process and community consultation are important parts of this project to manage the potential real and/ or perceived negative impacts. The outcomes of the design process and community consultation will be presented to Council, prior to



Council being asked to consider granting formal approval for the development and use of this land as a substation

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 **Liveable:** A City that is a great place to live, where our community has access to high quality public spaces, development and growth are well-managed, and it is safer and easy to connect and travel within.
- 10.2 **Sustainable:** A City that has a sustainable future, where our environmentally aware and active community benefits from living in a bayside city that is greener, cooler, cleaner and climate resilient.
- 10.3 **Move, Connect, Live;** The Move, Connect, Live Integrated Transport Strategy 2018-2028 outlines Council's commitment to supporting a well-connected transportation future for our City, including supporting public transport choices that make it easy to move and connect. It includes a commitment to partnering with DOT to deliver reliable, accessible and more frequent public transport. Outcomes 3, 24 and 25 of Move, Connect, Live are: Partner with the Victorian Government and public transport providers to increase the reliability and frequency of both tram and bus services & Outcome 25: Partner with PTV and Yarra Trams to deliver a pipeline of integrated movement and place tram projects.
- 10.4 **Greening Port Phillip:** Objective: Enhancing wildlife habitat, strengthening wildlife corridors and increasing biodiversity within the context of Port Phillip's highly urbanised environment. GPP Policy 2.9: Habitat and Biodiversity: The City of Port Phillip recognises the role of the urban forest in supporting biodiversity by providing habitat for native flora and fauna.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 February 2022: Council provides in-principle support to DoT.
- 11.1.2 March 2022: DoT engage technical consultants to explore existing constraints and produce design concepts for the substation. DoT also engage the landscape architecture consultants who delivered the Biolink Corridor detailed design package to explore how the two projects can be integrated to deliver a quality and contextual design response.
- 11.1.3 Mid-2022: Design concepts and consultation strategy presented to Council prior to community consultation.
- 11.1.4 Late-2022: Community consultation held, based on design concepts.
- 11.1.5 Late 2022: Outcomes of community consultation reported to Council.
- 11.1.6 Throughout 2022: Concurrently with the above actions, DoT and Council Officers continue working through formal statutory processes associated with providing DoT land tenure rights. Report/s will be presented to Council in respect of the statutory land tenure process when formal approval/s are required.

11.2 COMMUNICATION



11.2.1 As outlined at sections 5 and 11 above, DoT will develop a communication strategy which will be presented to Council and will guide community consultation

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

1. The site location
2. Biolink Corridor background

Attachment 1

The site: Danks St & Victoria Ave



Danks St / Victoria Ave - approximate location of proposed substation.



Site looking south east



Site looking north west



Site looking south west

Biolink Corridor project background



In 2019 volunteer ornithologists (bird watchers) mapped potential biolink corridors to link fragmented bird populations through the City of Port Phillip. The Danks St median extends through Albert Park and Port Melbourne for 1.3km within the median.

In response, the Council began the Danks St Biolink Corridor project from Mills St to Esplanade East - with community involved with design feedback and plant selection to support local bird species.

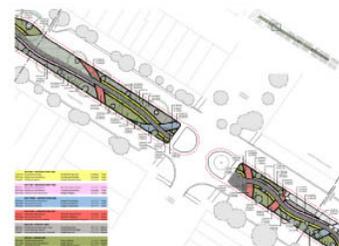
Staged delivery has transformed the lawn median of Danks Street replaced with native plants and organic mulch. Bird baths and nesting boxes support bird populations and hollow logs provide ground storey habitat.

So-far the transformation of Danks St includes:

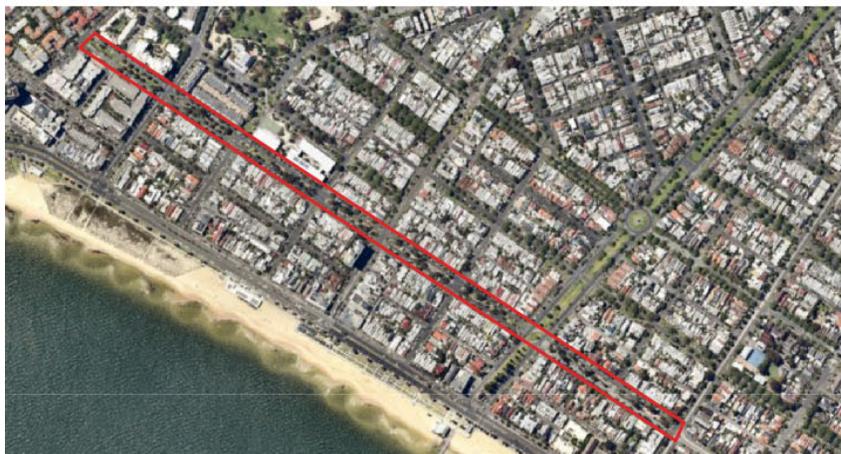
- 172 native trees from 39 different species
- 5590 new native plants
- 15 bird baths
- 32 nesting boxes made specifically for indigenous bird species
- Hollow logs for seating and nesting opportunities

The completed project will comprise 20 000 grasses and flowering shrubs in the entire Danks St median.

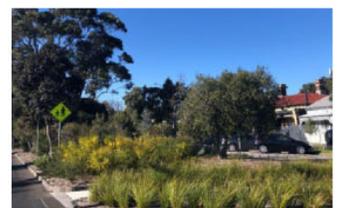
Volunteer ornithologists conduct monthly bird surveys and the Biolink now acts as an outdoor classroom for adjoining Albert Park College students who monitor the animal populations and vegetation and fill bird baths over summer.



Design drawings for the Biolink Corridor



Danks St Corridor median - 1.3km from Esplanade East to Mills St



Photos of the new Biolink corridor (three images above)



17.2 **FISHERMANS BEND - FUNDING AND FINANCING
STRATEGY (PROPOSED DEVELOPMENT CONTRIBUTIONS
PLAN)**

EXECUTIVE MEMBER: PETER SMITH, CHIEF EXECUTIVE OFFICER

**PREPARED BY: BRIAN TEE, EXECUTIVE MANAGER CITY PLANNING AND
SUSTAINABILITY**

**JOHN BARTELS, HEAD OF MAJOR TRANSPORT PROJECTS -
DOMAIN PRECINCT**

GEORGE KOMPOS, SENIOR FINANCIAL S&P ADVISOR

1. PURPOSE

1.1 The purpose of this confidential report is to:

- (a) Determine Council's position in response to the State Government's proposal to introduce a Development Contribution Plan (DCP);
- (b) Authorise legal representation at any State Government appointed Advisory Committee and allocate funding for this purpose, noting that this will be reflected in Council's next quarterly budget review; and
- (c) Authorise communication of Council's response to the proposed DCP to the State Government and, when appropriate, publicly and as a formal submission to an Advisory Committee, should one be appointed.

2. EXECUTIVE SUMMARY

2.1 The State Government has proposed an infrastructure levy by way of a Development Contributions Plan (DCP), which combines the open space levy. The DCP will be one of the primary means of levying development contributions at Fishermans Bend. The other will be the potential levy for drainage and other works that would be payable to Melbourne Water.

2.2 Over several months, Council officers have received information and modelling from the Department of Jobs, Precincts and Regions (DJPR) on funding and finance at Fishermans Bend. In December 2021, the State Cabinet adopted the DCP as the funding and finance model as a draft and authorised the release of this information to Council on a confidential basis. This report has been developed following a review of the DJPR documentation.

2.3 This report:

- reviews the DCP proposal and recommends that Council support the introduction of a DCP for Fishermans Bend as the primary means of imposing levies for the delivery of key infrastructure projects required for Fishermans Bend.
- considers the option of Council being responsible for the management of the proposed DCP and recommends that, given the risks, Council agree that the State or a State Agency be primarily responsible for collecting the levies and their expenditure in consultation with Council.
- considers opportunities for Council to advocate for the inclusion of currently unfunded local infrastructure projects in the proposed DCP. These opportunities



are limited because State Cabinet has determined the State Government position. However, Council can communicate concerns to the Minister for Precincts, provide a public submission as part of the State Government consultation process and participate any Advisory Committee announced by the State Government.

Overview:

- 2.4 The proposed DCP contains a list of “state” and “local” infrastructure projects. Some local infrastructure projects, (which normally CoPP would be responsible for providing) are either fully funded, partially funded or not funded at all. The projects that are partially or not funded creates a ‘gap’ or future obligation if the infrastructure is to be provided to community.
- 2.5 In 2019, the total costs of State and local infrastructure across the four Fishermans Bend Precincts (excluding the Employment Precinct, tram / train rolling stock, stations and rail infrastructure) was estimated at circa \$4.52b over 30 years.
- 2.6 Of the \$4.52b, an estimated \$1.42b is the cost of local infrastructure for CoPP Precincts (That is funding for the provision of Council roads and drains, local and neighbourhood open spaces, JL Murphy Reserve, arts, cultural and sporting community hubs).
- 2.7 Approximately \$1.91b (in \$2021) of the \$4.52b total infrastructure bill is proposed to be funded by the DCP and related mechanisms. Of that \$1.91b approximately \$820m is allocated to local infrastructure in CoPP precincts.
- 2.8 In the first 10 years of the proposed DCP, DJPR have recommended use of DCP funding of \$270m for land acquisition for open space projects (but not embellishment) and \$330m for road infrastructure (including land acquisition).

Unfunded local infrastructure

- 2.9 The unfunded local infrastructure for CoPP Precincts is estimated at circa \$550m over 30 years. This is a high-level estimate that will be refined as additional information becomes available.
- 2.10 Council is allocating 5% of rates generated in Fishermans Bend between 2020-2050 for Capital Assets providing \$48m - \$77m over the next 30 years. Accordingly, the current estimated funding gap for local (CoPP) infrastructure is between \$480m to \$500m over 30 years if Council’s 5% rates allocation is subtracted.
- 2.11 Council has historically invested at higher levels (than 5%) to fund projects including JL Murphy, Northport Oval and Kirrip Park and facilities within South Melbourne Primary school (Courts, Childcare, and Maternal Child Health). Any Council funding over 5% will be considered against other municipal wide priorities and funding availability.

Development Contributions Plan Funded Infrastructure:

- 2.12 While the list of infrastructure projects across Fishermans Bend (CoPP and City of Melbourne) to be funded by the DCP is estimated to cost \$1.91b, total DCP revenue is estimated at \$1.7b or about \$0.21b short of the required funding. This cost of \$1.91b (\$2021) will increase over the 30-year delivery timeframe creating a risk of further underfunding associated with the DCP. DJPR have indicated that any shortfall will be the responsibility of the State Government.

Limitations:



- 2.13 The details in this report are caveated by the following:
- 2.13.1 Key reports, complete data and assumptions have not been shared by the State Government;
 - 2.13.2 Infrastructure cost estimates for land acquisition and construction costs are unverified.

Next Steps

- 2.14 It is anticipated that the State Government will make a decision on whether to proceed with an Advisory Committee process shortly. The Committee would explore issues related to the proposed DCP and make recommendations to the State Government. Should the State Government proceed with an Advisory Committee, Council can participate in the process to advocate for additional local infrastructure projects to be funded through the DCP to close the local infrastructure funding shortfall. This will require legal representation and expert evidence.
- 2.15 If the State Government proceeds with an Advisory Committee, the Committee public consultation process on the DCP is likely to commence within weeks of the decision and Committee hearings to consider submissions including any Council submissions are likely to occur in mid-2022. The Advisory Committee report including any recommendations will be provided to the State Government so the State Government can respond prior to going into caretaker mode for the November State Government election.

3. RECOMMENDATION

That Council:

- 3.1 Supports the introduction of a Development Contributions Plan for the Fishermans Bend precincts as the primary means of imposing levies for the delivery of key infrastructure projects required for Fishermans Bend.
- 3.2 Supports the State or an appropriate State authority or agency being the Development Agency and Collecting Agency under the proposed Development Contributions Plan for the delivery of infrastructure projects and for the Department of Jobs, Precincts and Regions to have these twin responsibilities in the interim.
- 3.3 Notes its concerns that the draft Development Contributions Plan for Fishermans Bend either fails to include local infrastructure projects that should be included or provides insufficient funding for certain local infrastructure projects.
- 3.4 Advocates, including through the Advisory Committee process, for a reprioritising of infrastructure projects to be funded through the Development Contributions Plan to reduce the gap of unfunded local infrastructure in the City of Port Phillip, with the details of those projects to be finally settled by the CEO.
- 3.5 Supports in principle, the integration of the Open Space Contribution currently collected under clause 53.01 of the Port Phillip Planning Scheme by Council, into a single developer contribution collected under the Development Contributions Plan by the proposed Collecting Agency. This is subject to a formal governance and reporting arrangement between the State Government and Council (and to the extent necessary the City of Melbourne) for jointly agreeing the delivery prioritisation and the scope of infrastructure projects from funds raised by the combined levy. The formal arrangement is to include a timeline for the return of the Open Space Contribution to Council.



- 3.6 Allocates \$300,000 to fund the retention of expert and legal advisors to advise and inform Council's submission and to provide representation at the Advisory Committee.
- 3.7 Authorises the CEO and his delegate to instruct Council's legal advisors to represent Council's position as per recommendations 3.1, 3.2, 3.3, 3.4 and 3.5, and to seek to resolve matters detailed in this Report, to respond to matters raised at the Advisory Committee hearing and to otherwise represent the best interests of Council.
- 3.8 Authorises the Mayor to write to the Minister for Precincts, thanking him for the opportunity to be engaged in the development of a DCP, advising him of Council's position as per recommendations 3.1, 3.2, 3.3, 3.4 and 3.5, and further detailed in section 4 of this report.
- 3.9 Notes there may be further refinement in Council's position prior to the Advisory Committee hearings, as further information is provided by the State Government, with any significant changes to Council's position being brought to Council for authorisation.
- 3.10 Notes the State Government will lead the community and market engagement on the Development Contributions Plan and that Council Officers will ensure community members that wish to participate are advised of these opportunities offered by the State Government.

4. KEY POINTS/ISSUES

Background

- 4.1 The Fishermans Bend Framework (the Framework), approved by the State Government in 2018, is the overarching long term strategic plan for the development of Fishermans Bend to 2050. The Framework designates five linked precincts (Montague, Lorimer, Sandridge, Wirraway and the Employment Precinct) and provides for the preparation of a Precinct Plan for the four Capital City Zoned precincts (not including the Employment Precinct). Council previously endorsed a response to State Government's draft Precinct Plan for the Montague Precinct.
- 4.2 In December 2021, the State Government endorsed an approach to infrastructure funding across the Lorimer (City of Melbourne), Montague, Sandridge and Wirraway Precincts (City of Port Phillip) in Fishermans Bend through the proposed use of a Development Contribution Plan (DCP).
- 4.3 The proposed DCP has funding for over 100 state and local infrastructure projects having an estimated cost of \$1.9 billion.
- 4.4 A DCP identifies who is primarily responsible for the collection of levies (Collecting Agency) and delivery of projects (Development Agency). The Development Agency carries the risks associated with underfunding.
- 4.5 Alongside the DCP, Melbourne Water may consider an Urban Renewal Cost Recovery Scheme (URCRS), formerly known as a Drainage Services Scheme, to fund Melbourne Water's critical flooding and drainage infrastructure incorporating levy banks, a pump station and main drain upgrades. Details of the potential URCRS have yet to be provided to Council.
- 4.6 Interim governance arrangements for infrastructure funding are proposed to support the implementation of the DCP, with formal arrangements not proposed before 2023.
- 4.7 Public consultation on the DCP is scheduled to commence within weeks of a State Government decision on an Advisory Committee and public hearings are anticipated in



mid-2022. The Advisory Committee report is expected to be considered by the State Government prior to going into caretaker mode for the November 2022 State Government election.

- 4.8 Councillors were briefed on funding and finance in September 2021. A further briefing, including a presentation by DJPR, was provided in January 2022.

Additional information requested from DJPR

- 4.9 This report is based on information provided by the State Government. Council is yet to receive the following requested documents and key information which would enable a complete analysis of the proposed DCP:

- A detailed forecast of infrastructure contributions by developers by precinct / Local Government Area.
- Explanation of variances between DCP listed construction costs and independent peer review of costings prepared by WT Partnership in April 2021.
- Details of Melbourne Water's anticipated Urban Renewal Cost Recovery Scheme.
- Draft planning controls to implement the DCP.
- Valuation advice as to land acquisition costs

- 4.10 Although this paper is drafted cognisant of the above outstanding information, Council may need to amend its position on receipt of the above information.

Implementation and Governance

- 4.11 Council is yet to receive the draft planning controls to implement the DCP. This includes the Planning Scheme Amendment (PSA) in the Melbourne and Port Phillip Planning Schemes including:

- Development Contributions Plan Overlay (to replace Infrastructure Contributions Plan Overlay)
- Capital City Zone changes to give effect to Open Space Uplift
- Local policy updates

- 4.12 Rezoning land or identifying it for future open space could trigger compensation requirements under Public Acquisition Overlay provisions of the Planning and Environment Act 1987 (PEA). It is uncertain if the DJPR proposal will mitigate these costs.

- 4.13 Interim implementation arrangements will align Ministerial portfolio responsibilities with the powers available to the Minister for Business Precincts and the DJPR Secretary under the Project Development and Construction Management Act 1994 and PEA. Under the proposed DCP it is currently anticipated that:

- The Minister for Business Precincts acts as the 'collecting agency'; and
- The Secretary of DJPR acts as the 'development agency' unless Council and DJPR agree that Council will be the developer for specific projects.

- 4.14 Council will seek agreement with DJPR on interim and longer term arrangements that,



- 4.14.1 Include governance and reporting arrangements to agree infrastructure delivery priorities
- 4.14.2 Enables Council to approve the design standards and specifications of infrastructure that will be managed and/or maintained by Council. This will ensure that the infrastructure meets the needs of the community and is cost effective in the long term.
- 4.14.3 On a case by case basis, allows Council to consider delivering local infrastructure where it is cost effective and Council agrees the design standards and scope and receives DCP or other funding for the project.
- 4.15 From Council's perspective this is appropriate given the significant financial risks associated with the proposed DCP and its implementation over the next circa 30 years.
- 4.16 In due course, Council will seek formal arrangements and protocols be established by DJPR for the transfer of ownership or management of completed infrastructure projects from the Development Authority to Council, however this is outside of the scope of this briefing paper.

Revenue/ Funding - \$1.7b (Developer Contributions \$1.45b plus OSU / SHU \$0.25b)

- 4.17 The State Government proposes to combine the DCP levy with the open space contributions levy (OCS) that is paid to Council. Given that a new single authority is proposed as the Collection and Development Authority for the precinct, it is reasonable to have a single developer levy for efficiency and centralisation of funding.
- 4.18 OSCs from the completion of new developments within Fishermans Bend are based on 8% of the Site Value of the property. OSCs have been received in relation to Fishermans Bend precincts since 2016. Council will continue to receive OSCs on all permits granted prior to the gazettal of the proposed DCP, which is anticipated to be in late 2022 at the earliest.
- 4.19 Council has forward funded the purchase and redevelopment of Kirrip Park in the Montague Precinct. OSCs from across Fishermans Bend has been applied to repay funding for Kirrip Park and projects at Northport Oval and JL Murphy reserve. A deficit of \$1.87m remains. Council has collected OSCs of approximately \$2,000,000 per annum for the past four financial years. An initial assessment of planning applications, approved planning permits and developments under construction, suggest that OSCs are likely to repay the deficit within 12-18 months.
- 4.20 The amount developers will pay in DCPs per dwelling is approximately \$27,500 which is about \$4,500 higher than current combined developer and OSCs contributions. DJPR believe this is the 'sweet spot' which maximises collections without inhibiting development. Council has not seen a detailed forecast of infrastructure contributions from developers by precinct / Local Government Area (LGA). In addition, Council Officers understand Melbourne Water is considering an Urban Renewal Cost Recovery Scheme (URCRS), with developers paying URCRS contributions to deliver infrastructure (levy banks, a pump station and main drain) pursuant to the Water Sensitive Cities strategy. Council Officers are yet to receive details of this scheme.
- 4.21 In addition to the DCP and URCRS, a density uplift scheme to provide additional land for open space (OSU) is proposed to generate an additional \$155m in physical open space (\$126m) and additional developer contributions (\$29m). A similar density uplift scheme to provide social housing (SHU) is estimated to generate a further \$95m for social housing.



- 4.22 DJPR have commissioned a report by Ernst & Young analysing the feasibility of these mechanisms to deliver these outcomes. This includes whether built form outcomes arising from the density uplift are consistent with the qualitative objectives of the Framework.
- 4.23 It is anticipated that South East Water, will from its own budget (\$TBC) to cover the cost of drinking and wastewater infrastructure, including a water recycling plant.

Development Contributions Plan Funded Infrastructure

- 4.24 In 2019 the state and local infrastructure required to deliver the objectives of the Framework was estimated to cost circa \$4.52b over 30 years. This excluded infrastructure in the Employment Precinct, tram / train rolling stock, stations and rail infrastructure. DJPR have prioritised the following infrastructure for funding via development contributions:
- Land for public open space, essential new roads or active transport routes nominated in the Framework
 - Active transport links to the CBD, the River and the Bay
 - Retrieval of road space, redesign of public realm and tree planting
 - Critical intersection, road redevelopment and pedestrian and cycling safety measures.
 - Place making
 - One major community infrastructure development in each precinct
 - Projects which provide essential utility underpinning future public realm development where there is no requirement or agreement for the utility provider to support those projects
 - Piloting of smart city initiative
- 4.25 There is an anticipated funding gap of \$0.21 billion (being the difference between the DCP infrastructure costs (\$1.91b) and DCP revenue (\$1.70b)) This gap, uncertainty about ongoing land valuation and construction costs associated with infrastructure delivery and the difficulty increasing DCP charges to meet changing infrastructure costs highlights the risks associated with implementing the DCP. Because of these risks this report recommends that the State Government retain the risk of being the collecting and development agency.
- 4.26 While DJPR state that the State Government will be responsible for any infrastructure funding shortfall (and not Council, the Collection or the Development Authority), there is a risk of delay in the delivery of infrastructure and unfunded infrastructure could fall to Council to fund if other funding sources do not exist.

Unfunded Infrastructure

- 4.27 An assessment of the infrastructure projects by Council Officers shows where responsibility for the delivery of infrastructure is likely to fall based on community expectations and asset ownership.



- 4.28.5 A number of roads and intersections predominantly in Montague and Sandridge are not funded through the DCP. DJPR has categorised these existing streets and laneways as requiring minor incremental upgrades to be delivered by the road manager (in this case Council).
- 4.28.6 While these assets are in reasonable condition, the integrity of the roads and footpaths will be undermined by development through the precincts. The look and feel of the streetscape will need to be improved and integrated to match the standards across the precincts and the streets will be adapted to play an important role in flood mitigation and water management to meet the water quality goals in the Framework. The cost of these works is significant (\$248m) and will be difficult for Council to fund.
- 4.28.7 Arguably these works should be included in the DCP as they are necessary to achieve targets in the Framework and, soon to be released, Water Sensitive City Strategy, in particular:
- Tree planting to deliver 50% urban forest canopy coverage in public spaces by 2050;
 - Reductions in nutrient discharges from storm water and effluent into Port Phillip Bay, including 80% reduction in Total Suspended Solids (grit etc); and
 - 80% of trips are made via sustainable transport (walking, bike riding and public transport).
- 4.28.8 The funding and finance strategy assumes that developers will deliver local infrastructure estimated at circa \$231m largely comprising roads and intersections. However, it is likely that developers will challenge requirements to contribute to these costs. This presents a material risk to the delivery of infrastructure. It is recommended that Council obtain legal advice on this aspect as part of its advocacy in relation to the proposed DCP.

Community and Recreation Building Projects (\$62m)

- 4.28.9 The Montague Art & Cultural Hub (\$12m) and stage 2 of the Sandridge Sport and Recreation Hub (estimated at \$50m) are not funded by the DCP.

Staging and integration risk with unfunded CoPP infrastructure

- 4.28.10 If Council cannot fund and deliver projects in conjunction with DCP funded projects, there could be poor outcomes. Council may have to 'patch in' works after DCP funded works, increasing the cost of delivery, causing further community disruption and, in some cases, it may not be feasible to subsequently deliver the works.

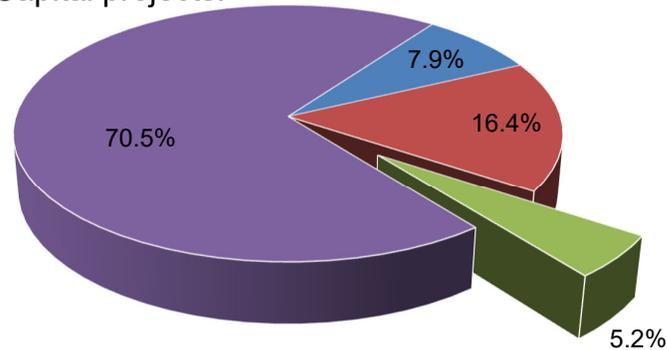
Council resources available to fund infrastructure

- 4.29 The allocation of 5% rates funding is consistent with allocations of rates for new and expanded projects in the Council plan (shown below).



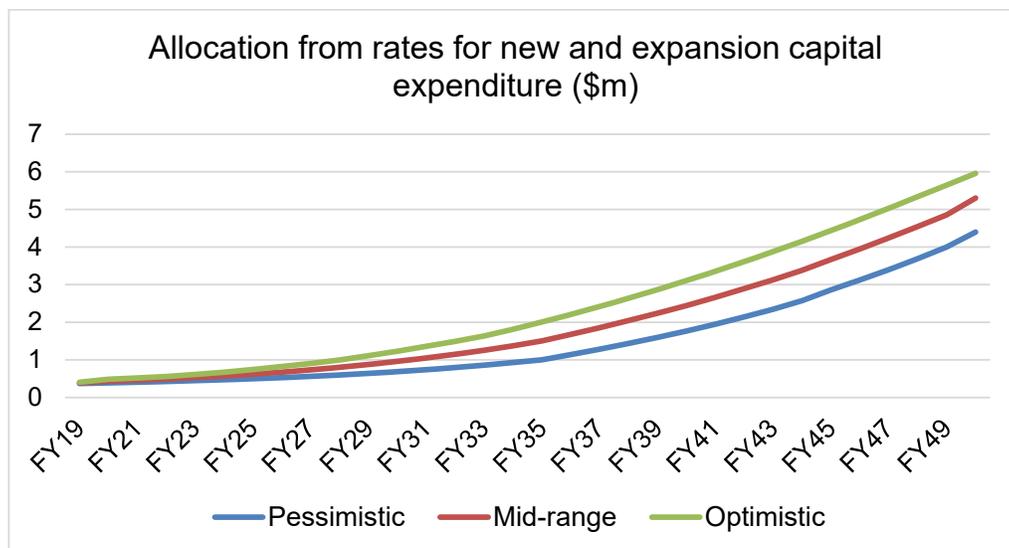
Expenditure as a % of rates (Council Plan).

In summary, 5% of Council rates are allocated to new and expanded Capital projects.



- Capital - Asset Upgrade
- Capital - Asset Renewal
- Capital - New & Expansion (after grants and contributions)
- Ongoing operations, service delivery and maintenance

- 4.30 Council modelling in 2019 indicated that, if 5% of rates generated from Fishermans Bend were invested in Capital Assets for growth (expansionary and new), between 2020- 2050 the Council contribution could be between \$48m to \$77m. (Depending on whether the level of development is pessimistic, midrange or optimistic.) This modelling, detailed below, shows that it will take some time to 'ramp up' with little funds available in the early years.
- 4.31 Even if this Council allocation was doubled the available funding of between \$96m to \$154m would be insufficient to meet the unfunded local infrastructure costs which are in the order of \$550m. Council officers recommend that rates funding be held at 5% until the State addresses Council's concerns about unfunded local infrastructure.
- 4.32 A combination of measures would be required to address the unfunded infrastructure including:
- Adding additional projects to the DCP, even though the DCP will not be sufficient to fund the additional projects, the financial obligation will transfer to the Collection/Development Authority or ultimately to the State Government.
 - Delaying the delivery of infrastructure until funds are available.
 - Council funding certain projects potentially to reduced specifications.
 - Considering alternate funding sources including value capture, fees or requests for State or Federal government funding
 - Removal of high cost infrastructure projects from the DCP that could be regarded as a state responsibility (given the significance of the precinct to the State of Victoria).



Prioritising and Sequencing of Infrastructure Delivery

4.33 DJPR has proposed the following infrastructure projects for delivery before 2032, (see diagram below):

- Salmon Street bridge works to better link the university precinct at the former GMH site to the Wirraway precinct
- Land acquisition to provide for future open space - Prohasky St playing fields, Northport Oval expansion, Precinct open space on corner of Salmon Street and Woolboard Road (Wirraway, Sandridge) and Ingles Street precinct open space (Lorimer)
- Development of the Graham Street (below Citylink) Neighbourhood Park (Lorimer)
- Land acquisition to provide for roads and road widening along the proposed tram routes (Turner Street (Lorimer) and Plummer Street)
- Key road projects - Graham Street (upgrade to Collector/ Local Street with on-street car parking), Woolboard Road (construction of new local street with linear park and recreational cycling path)
- Montague road projects - Johnson St, Montague St, Normanby Rd and Buckhurst St to establish urban structure and provide for traffic movement
- A number of aligned neighbourhood parks in the Montague precinct to provide open space to an already developing medium to high density residential area lacking existing open space.

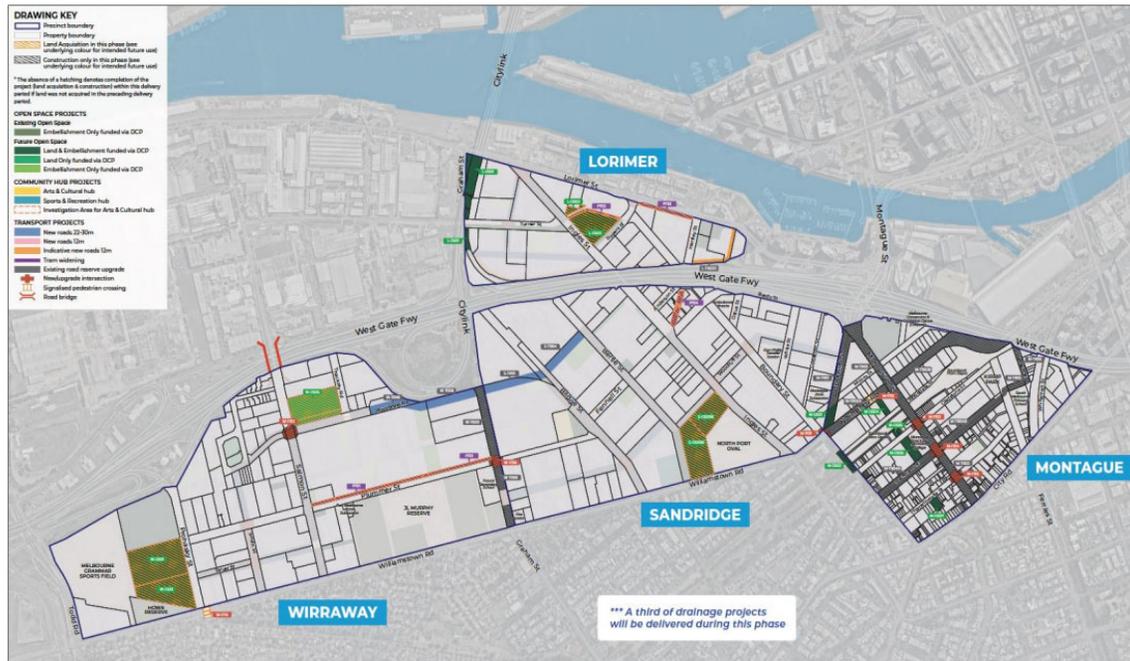
4.34 While these projects should be delivered early a number of these projects should be funded by the State given their significance of the precinct. In particular:

- The tram routes, Salmon St Bridge, Prohasky sporting fields and certain arterial roads should be funded by the State Government.
- The acquisition of the land for open space (e.g. Prohasky sporting fields, Northport Oval expansion) and its embellishment need to remain priorities in the

CONFIDENTIAL MEETING OF THE PORT PHILLIP CITY COUNCIL - 16 FEBRUARY 2022



DCP to cope with the demand for open space and recreation generated by the growing population in Fishermans Bend.



CoPP Officer recommendation:

4.35 Council officers will request a formal process for agreeing infrastructure priorities where DJPR (or the development authority) partner with the City of Port Phillip and the City of Melbourne to make decisions based on available funding and developing community needs. Community should have a forum to contribute to the prioritisation discussion.

Further Consideration of Funding and Financing Principles

4.36 On 22 September Council was briefed on Funding and Financing Principles. Based on subsequent information, Officers have identified the following proposed amendments [as highlighted](#) below and will continue to advocate for the adoption of these principles.

CONFIDENTIAL MEETING OF THE PORT PHILLIP CITY COUNCIL - 16 FEBRUARY 2022



#	Issue	Recommendation
1	Should infrastructure contributions from developers be allocated to Fishermans Bend-wide infrastructure priorities OR should infrastructure contributions be spent in the precinct where they are collected OR should contributions fund projects in the LGA where they are collected?	<p>Council may support allocation of developer infrastructure contributions to infrastructure priorities across Fishermans Bend if Council is part of the deliberative process and the outcome is transparent and fair.</p> <p>While general consistency around the allocation of funding across precincts may be an important equity outcome, it may however be desirable to deliver infrastructure of precinct-wide importance earlier to support communities and stimulate and support development of Fishermans Bend.</p> <p>Detailed projected developer infrastructure contributions by LGA need to be shared with Council to ensure there is not a disproportionate allocation of contributions in either LGA.</p>
2	Should infrastructure contributions from developers be prioritised to: (1) Drainage, (2) Open Space, (3) Street network (new/upgraded streets and intersections), (4) Community and Recreation Buildings?	<p>A nuanced approach is required to identify key projects for prioritisation. Staging and interrelationships between projects will be important as is community needs.</p> <p>As a general proposition and subject to views above, Council is comfortable with the general prioritisation of projects.</p> <p>Where there is a funding shortfall to fund infrastructure, projects such as bridges, street upgrades (arterial / collector), road works to deliver tram infrastructure and open space (District /Precinct) should be excluded from the DCP and should instead be State funded.</p> <p>Larger scale Community and Recreation Buildings not included in the DCP should also be State funded as Council's role will primarily involve operating and maintaining these facilities.</p>
3	What are Council's infrastructure priorities over the next 5/10 years?	<p>There are numerous internal and external stakeholders that need to be consulted as part of determining Council's infrastructure priorities for the next 5/10 years.</p> <p>There should be a formal process for confirming infrastructure priorities where DJPR (or the development authority) partner with the Cities of Port Phillip and Melbourne to make decisions based on available funding and developing community needs. Community should have a forum to contribute to the prioritisation discussion.</p>

CONFIDENTIAL MEETING OF THE PORT PHILLIP CITY COUNCIL - 16 FEBRUARY 2022



#	Issue	Recommendation
4	Given that developer contributions will not be sufficient to fund the purchase, remediation and embellishment of open space, should the contribution prioritise the purchase of land?	<p>Specified parcels of land acquisition for (District /Precinct) open space should be funded by State Government, to ensure sufficient DCP funds are available to fund the acquisition and development of all other open space requirements across Fishermans Bend.</p> <p>Council's preference is to develop open space within the first 10 years (e.g. Prohasky sporting fields and/or Northport Oval expansion) to meet immediate and future demand for sporting fields ahead of receiving developer contributions. Funding this external to DCP, early in the development of Fishermans Bend, will address the shortfall in DCP funding and provide a catalytic project for developer activity.</p>
5	Should the current interim arrangement where infrastructure contributions from developers are split into an open space contribution (OSC) to Council and the rest going to the State for other infrastructure continue OR should they be integrated into a single levy?	<p>OSCs are not sufficient to fund all open space projects.</p> <p>The collection and distribution of a single developer contribution is easier to administer for developers, councils and State.</p> <p>Council would support a single levy if there is a formal process for confirming infrastructure priorities where DJPR (or the development authority) partner with the Cities of Port Phillip and Melbourne to make decisions based on available funding and developing community needs.</p>
6	Who should collect contributions and be responsible for the coordination and delivery of infrastructure (State Government or Council)?	<p>Council supports a single point of contribution collection and the delivery of State infrastructure by the State Government or a State Government authority.</p> <p>Council is prepared to act as delivery partner (where it is more efficient for Council to deliver rather than State / Development Authority), if projects are properly funded and Council has agreed the scope, risk sharing arrangements and quality standards of the projects.</p> <p>Should the State deliver infrastructure which will be run and maintained by Council, there must be agreement on design and material standards and future operational funding arrangements, cognisant of Council's income from Fishermans Bend.</p>



#	Issue	Recommendation
7	Should developer contributions be prioritised to deliver State, Council and/or Federal infrastructure?	<p>More than 90% of revenue from Fishermans Bend will be received by State and Federal Governments.</p> <p>State Government should fund state infrastructure (roads (arterial / collector), road works to deliver tram infrastructure and State Open space (District /Precinct parks) to mitigate the DCP funding shortfall.</p> <p>State Government should advocate that the Federal Government fund infrastructure given the strategic role Fishermans Bend plays in national trade and commerce and its strategic future role in education and innovation.</p>
8	What should Council's contribution be to the cost of delivery of infrastructure?	<p>Council's primary role is to fund the running and maintenance of Council infrastructure within existing budget constraints.</p> <p>Council commitment to infrastructure funding at Fishermans Bend is consistent with Council's 10-year Council Plan which provides that, across the municipality, 5.2% of rates will be allocated to new and expanded capital projects.</p> <p>The amount, structure and timing of those contributions will depend on the agreed prioritised projects and residual risk to Council to deliver infrastructure gaps in the proposed DCP.</p>
9	Does Council support the use of Open Space Uplift as a supplementary source of benefit to the DCP?	<p>Noting the significant cost and amount of Public Open Space required to cater for 80,000 residents in Fishermans Bend, Council supports an Open Space Uplift "OSU" mechanism, where dwelling uplift is provided in exchange for open space and additional developer contributions. Council needs to be certain that the OSU will deliver built form outcomes that are consistent with the objectives of the Fishermans Bend Framework.</p>

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Several areas of Council have been consulted in the assessment of the funding and financing proposal, including: Finance, Partnerships and Transport, Asset Management, Sustainability, Strategic Engagement, City Strategy and Design, Open Space and Recreation, City Development and Community building and Inclusion.
- 5.2 After the Councillor Report on 16 February 2022, the Minister for Precincts will be asked to consider the Council recommendations and provide the outstanding information Council seeks.
- 5.3 The State Government will lead community and market engagement on the DCP. Officers will ensure community members that wish to participate are advised of these opportunities.



Participation in the Advisory Committee Process

- 5.4 The State Government is considering the appointment of an independent Advisory Committee to review the DCP (including public submissions) and make recommendations on planning scheme amendments to implement the DCP.
- 5.5 Participation at the Advisory Committee is an important opportunity for Council to minimise risks to Council, put forward Council's position and respond to any differing positions. Council will require legal representation for the duration of the Advisory Committee and will need to call expert witnesses to support its case. Representation at the Committee is recommended to comprise:
 - Retaining Maddocks Lawyers or other suitably experienced legal representative (noting Maddocks represented Council at the Fishermans Bend Framework Panel and are noted for their expertise in DCP matters).
 - Engaging infrastructure and other experts to support Council's position including, as required, in the fields of Drainage and Water Sensitive Urban Design, Civil Engineer and Quantity Surveyor (based on advice from Council's Legal Counsel).
- 5.6 The total cost of Council's representation at the Committee is in the order of \$300,000 depending on the nature of Council's submissions, the duration of any hearing, the number of experts Council retains and the need for Council to complete further analysis or planning. Funding for Council's representation will be reflected in the quarterly budget review.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The Development Contributions Plan is part of a broader funding and financing strategy intended to address the following strategic risk identified by Council, DJPR and the City of Melbourne for Fishermans Bend:
 - 6.1.1 **Funding and Finance** - Infrastructure required to support the redevelopment is inadequately funded and/or costs inappropriately apportioned between different levels of government and development, potentially leading to negative impacts on development viability, financial risks or inter-generational equity issues.
- 6.2 This report is based on information provided by the State Government. Council is yet to receive the full suite of documents and key information which would enable a complete analysis of the proposed DCP. Officer assessment and details in this report are caveated by the following:
 - 6.2.1 Key reports, complete data and assumptions have not been shared by the State Government;
 - 6.2.2 Infrastructure cost estimates for land acquisition and construction costs are unverified.
- 6.3 Although this paper is drafted cognisant of the outstanding information, Council may need to amend its position on receipt of the above information.
- 6.4 In addressing the above financial risk, other strategic risks for Council related to the Fishermans Bend renewal will also be addressed:
 - 6.4.1 **Strategic Outcomes** – Endorsed strategic outcomes are not achieved within desired timeframes, or at all due to lack of commitment to infrastructure or service provision, insufficient planning provisions or other non-planning scheme related policy levers.



- 6.4.2 **Market Confidence, Brand, Placemaking and Transition** - Growth/investment does not proceed as planned due to a lack of investment confidence, a failure to adequately fund and/or leverage catalytic investment to unlock development potential, create a sense of place, or a failure to adequately manage the transition from industrial to a mixed-use area.
- 6.4.3 **Reputation** - Governance arrangements fail to adequately manage the above three risks creating reputational risk for the Partners within the community and the private sector.

7. FINANCIAL IMPACT

- 7.1 Council is currently resourced or has approved additional staff resources to progress the DCP process through the Advisory Committee hearings.
- 7.2 Legal costs and expert advisor costs of approximately \$300,000 are needed to represent Council at the Advisory Committee hearings. Any Council decision to allocate Council budget for these costs will be reflected in Council's mid-year budget review.
- 7.3 If Council agrees to deliver infrastructure projects, additional staffing resources may be required. Unless Council agrees to contribute those resources Council will seek DCP funding to cover these costs.
- 7.4 Open Space Contributions (OSCs) from the completion of new developments within Fishermans Bend currently come to Council, based on 8% of the Site Value of the property. OSCs have been received in relation to Fishermans Bend precincts since 2016. Council will continue to receive OSCs on all permits granted prior to the gazettal of the proposed DCP (expected late 2022 at the earliest).
- 7.5 Council determined to forward fund the purchase and redevelopment of Kirrip Park in the Montague Precinct. Collection of OSCs across all Fishermans Bend precincts have been applied against the forward funding of Kirrip Park as well as projects at Northport Oval and JL Murphy reserve. Currently there is a deficit of about \$1.87m remaining in the Fishermans Bend open space reserves from this forward funding.
- 7.6 Council has collected OSCs of approximately \$2,000,000 per annum for the past four financial years and, based on an assessment of current planning applications, approved planning permits and developments under construction, OSCs are likely to repay the above deficit within 12-18 months.

8. ENVIRONMENTAL IMPACT

- 8.1 The proposed DCP provides funding for infrastructure that contributes to the eight sustainability goals of the Fishermans Bend Framework, including becoming a climate resilient, water sensitive, biodiverse, low carbon and low waste community.
- 8.2 Significant investment in infrastructure will be required to ensure that Fishermans Bend adapts to the challenges of climate change, particularly flooding and sea level rise, and to implement greening and water management infrastructure in our streets and public spaces that are necessary to create a safe and healthy community.
- 8.3 The State Government has set ambitious goals to reduce flood risks, improve water quality, minimise potable water use and increase canopy cover for Fishermans Bend to become Australia's largest Green Star community. To achieve these goals, many of Council's parks and streetscapes will be required to incorporate stormwater detention tanks, stormwater harvesting, water sensitive urban design, large canopy trees and vegetated areas, changes to levels and design of streetscapes and public spaces.



8.4 Under the proposed DCP, most of the costs for this local infrastructure would be borne by Council.

9. COMMUNITY IMPACT

9.1 The funding and financing strategy and DCP will provide the new and upgraded infrastructure to meet the needs of the future Fishermans Bend community.

9.2 The proposed DCP funds community hubs with key services to support the future Fishermans Bend community. In addition, it provides funding for the embellishment of open spaces and additional parks and reserve to provide recreation, sport and passive spaces for social interactions.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 This report is most aligned to the Liveable Port Phillip Strategic Direction within the Council Plan 2021-31, with the funding and financing strategy, including the Development Contributions Plan forming part of the initiative to *“Partner with the Victorian Government to deliver outcomes in the Fishermans Bend strategic framework”*.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

11.1.1 The following key dates have been communicated for implementation of the DCP:

- Public consultation on the DCP is scheduled to commence in early 2022.
- Public submissions arising from the consultation are expected to inform an Advisory Committee Hearing in mid-2022.
- The Advisory Committee to provide its report to the State Government so the State Government can consider its response prior to going into caretaker mode for the State Government election.
- Interim governance arrangements for infrastructure funding are proposed to be implemented to support the implementation of the DCP, with formal arrangements proposed to be implemented after 2023.

11.2 COMMUNICATION

11.2.1 The key messages on this report are:

What we like -

- Council commends the State Government for commencing public consultation on the proposed to DCP to provide funding for the delivery of infrastructure in Fishermans Bend.
- A single State Government controlled Collection / Development Authority to collect infrastructure funding and coordinate delivery of infrastructure projects.
- Any funding shortfall for the delivery of DCP projects will be the responsibility of the State Government to address.



What we want more of -

- Open space land acquisition and embellishments must be delivered within the first 10 years (e.g. Prohasky sporting fields, Northport Oval expansion) to cope with the demands of the growing Fishermans Bend community.
- The DCP framework must provide for funding in advance of developer contributions to deliver catalytic and community infrastructure necessary for promoting development and to meet the needs of the growing community.
- There needs to be a formal arrangement between the State Government and Council (and to the extent necessary the City of Melbourne) for jointly agreeing the delivery prioritisation and the scope of infrastructure projects from funds raised by the combined DCP levy. The formal arrangement is to include a timeline for the return of the Open Space Contribution to Council.

What we want to see changed –

- Infrastructure that would normally be funded by State Government, should not be funded through the DCP, as this means less funding for important local infrastructure which is beyond the means of Council to fund.
- Funding contributions should reflect Council's limited capacity to meet the cost of infrastructure with 91% of Revenue (per annum) generated in CoPP precincts going to the Commonwealth \$625m; State \$150m and CoPP \$7m.
- No State Government funding for catalyst public transport infrastructure to connect Fishermans Bend to the Melbourne CBD and broader public transport network.

12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

Nil