



Ms Kathy Mitchell
Chair
Fishermans Bend Planning Review Panel
1 Spring Street
Melbourne Vic 3008

To the Chair,

Fishermans Bend – Interim Development Contributions

1. The purpose of this letter is to detail the interim developer contributions collected to date and expected to be collected under existing permits and how it is intended to be spent.
2. In summary approximately \$7m is expected to be collected in development contributions from developments that have already commenced construction. To date this has been spent on the provision of public open space in the Montague Precinct.

Developer Contributions: Collections and Expenditure

3. Since 5 July 2012, all land in Fishermans Bend (other than the Employment Precinct) has been subject to the DCPO. Clause 45.06-1 of the DCPO provides that:

A permit must not be granted to subdivide land, construct a building or construct or carry out works until a development contributions plan has been incorporated into this scheme.

This does not apply to the construction of a building, the construction or carrying out of works or a subdivision specifically excluded by a schedule to this overlay.

A permit granted must:

- *Be consistent with the provisions of the relevant development contributions plan.*
- *Include any conditions required to give effect to any contributions or levies imposed, conditions or requirements set out in the relevant schedule to this overlay.* [Emphasis added.]

4. Since 24 July 2014, the relevant Schedules to the DCPO applying to the Fishermans Bend urban renewal area under the Melbourne and Port Phillip Planning Schemes, provide that a permit may be granted to subdivide land, construct a building or construct or carry out works before a precinct wide development contributions plan has been prepared to the satisfaction of the responsible authority if any of the following apply:

- *A site specific development contributions plan has been prepared by the developer to the satisfaction of the Minister for Planning;*
 - *An agreement under Section 173 of the Planning and Environment Act 1987 has been entered into with the responsible authority that makes provision for development contributions.*
 - *The permit contains a condition requiring an agreement under Section 173 of the Planning and Environment Act 1987 that makes provision for development contributions to be entered into before the commencement of development.*
5. In the absence of a precinct wide development contributions plan, all permits subsequently granted to subdivide land or construct a buildings or construct or carry out works have included a condition requiring a developer to enter into a Section 173 agreement with the Victorian Planning Authority (formerly the Metropolitan Planning Authority) to secure payment of development contributions at rates of approximately:
- a. \$15,900 per residential dwelling;
 - b. \$18,000 per 100m² of office floor area; and
 - c. \$15,000 per 100m² of retail floor area.
6. These are indexed quarterly using the 'Price index of Output of the Construction Industries (Victoria)' by the Australian Bureau of Statistics.

Current & Forecast Development Contributions

7. The following contributions have been paid or are expected to be paid:
- a. Development contributions paid to date pursuant to Section 173 Agreements: \$3,251,881
 - b. Development contributions due by 30 June 2018 pursuant to section 173 Agreements or Q1 FY18/19: \$3,718,203 (receipt date is subject to completion of the development)
 - c. Total contributions forecast to be due by Q1 FY18/19: \$6,970,084, say \$7m
 - d. Development contributions beyond Q1 FY18/19 have not been forecast .

Expenditure using development contributions

8. The development contributions secured have been committed to repay part of the cost of the Montague Park land purchase.

State government expenditure

9. The State government has provided budget funding to cover other works in the precinct including: tram stop upgrades, streetscape improvements, Montague Park improvements, new traffic signals on City Road. The government has also provided funding for the South Melbourne (Ferrars Street) primary school and also in relation to:
- a. the provision of the Holden site
 - b. for additional bus services and tram capacity upgrades

Yours faithfully

For Fishermans Bend Taskforce

A handwritten signature in black ink, consisting of a series of loops and a final flourish.

For Fishermans Bend Taskforce

14 / 3 / 2018