

Transitional arrangements for metropolitan growth area infrastructure contributions

Planning Advisory Note 64

OCTOBER 2016

This advisory note sets out transitional arrangements for levying infrastructure contributions in Melbourne's Greenfield Growth Areas upon commencement of the new Infrastructure Contributions Plan (ICP) system on 27 October 2016. Transitional arrangements are required to ensure a smooth transition from the existing Development Contributions Plan (DCP) system to the new ICP system.

What transitional arrangements are available to councils and land owners?

Can a DCP continue to be used instead of an ICP?

A DCP may be used if any of the following circumstances are satisfied:

- If a DCP has been placed on public exhibition prior to the commencement of the ICP system the DCP can continue to be implemented under the DCP system.
- Any PSP exhibited prior to 30 June 2017, must be accompanied by an ICP unless the planning authority, council and majority of landowners within the PSP area agree to use a DCP instead.

Where a PSP has been exhibited with a DCP before the commencement date of the ICP system the planning authority, council and majority of landowners within the PSP area can agree to replace the DCP with an ICP.

As part of the authorisation of an amendment to exhibit a DCP during the transition period the planning authority must provide evidence that a 'majority of landowners' and council agrees to the proposal.

A DCP can only be used if council agrees.

What are the transitional arrangements for levying passive open space?

The ICP standard levy for metropolitan greenfield growth areas includes the public open space contributions previously levied through clause 52.01 or section 18 of the *Subdivision Act 1988*.

The standard levy may be reduced to allow passive public open space to continue to be levied through clause 52.01 of the planning scheme provided that the planning authority, council and a 'majority of landowners' agree.

If the planning authority, council and a 'majority of landowners' agree to levy the passive public open space contribution through clause 52.01 of the planning scheme rather than through the ICP, the reduced ICP standard levy rates in the table below will apply.

The planning authority must provide evidence of the agreement of the council and a 'majority of landowners' to the proposal to reduce the standard levy.



What constitutes a 'majority of landowners'?

The 'majority of landowners' is defined as either:

- at least 50 percent of the landowners; or
- landowners controlling over 50 percent of the land. If one party owns more than 50 percent of the land then the party with the second largest land holding must be included and agree.

Council and the planning authority will decide what constitutes a 'majority of land owners'.

In all cases, either the planning authority or the council must consult with all landowners before a decision is made to use a DCP.

How long will the transitional arrangements apply?

The transitional arrangements expire on 30 June 2017 unless extended by the Minister for Planning.

	South-East Growth Area		North & West Growth Area	
	Residential (\$ per NDHa)	Commercial and Industrial (\$ per NDHa)	Residential (\$ per NDHa)	Commercial and Industrial (\$ per NDHa)
Passive open space levy reduction	-\$37,000	-\$18,500	-\$34,000	-\$17,000
New ICP standard levy public land component	\$102,000	\$27,500	\$94,500	\$25,500
New ICP standard levy (without passive open space)	\$302,000	\$140,000	\$294,500	\$138,000

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