Flemington Hill and Epsom Road Advisory Committee

Expert Evidence Statement – Social Impact Assessment

Matt Ainsaar, Managing Director, Urban Enterprise Pty Ltd

VRC

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1. QUALIFICATIONS

1. My name is Matt Ainsaar and I am the Managing Director and founder of Urban Enterprise Pty Ltd, located at 389 St Georges Road, Fitzroy North.

2. Urban Enterprise is a firm of urban planners, land economists and tourism planners based in Melbourne. The firm has more than 25 years experience providing consultancy services to all levels of Government and a wide range of private sector organisations in Victoria and in other States of Australia.

3. I am a qualified planner and land economist with more than 35 years experience.

4. I and Urban Enterprise have expertise in the preparation of Development Contributions Plans for Councils as well as negotiating development contributions arrangements with Councils on behalf of developers. I have also had experience in providing advice regarding appropriate open space contributions for a range of development situations. I regularly appear as an expert witness at Planning Panel, Advisory Committee and VCAT hearings in respect of development contributions and open space contributions.

5. My educational qualifications and memberships of professional associations include:
   • Bachelor of Town and Regional Planning, University of Melbourne
   • Graduate Diploma of Property, RMIT University
   • Member, Planning Institute of Australia
   • Fellow, Australian Property Institute (Certified Practising Professional)
   • Member, Victorian Planning and Environmental Law Association.
2. ENGAGEMENT

6. I was instructed by MinterEllison on behalf of the Victoria Racing Club (VRC) to prepare an expert evidence statement to present at the Advisory Committee hearing in relation to the proposed development at Flemington Hill and Epsom Road (Flemington Life Project).

7. My instructions were to prepare evidence which summarises the Peer Review report I prepared in respect of the Social Impact Assessment, undertaken by Urbis, including commentary on public open space, development contributions and affordable housing, and to respond to submissions dealing with these matters.

8. I have reviewed the amendment documentation and other relevant documents and policies. Documentation reviewed includes:
   - Flemington Life Planning Report, Exhibition Version, January 2016, Urbis;
   - Flemington Hill and Epsom Road Advisory Committee Stage 1 Report, 17 December 2015;
   - Flemington Life Social Impact Assessment, Updated Report, November 2015, Urbis;
   - Impacts of the Proposed Flemington Life Development on Community Facilities in Moonee Valley, report dated January 2016, MVCC;
   - Response to Flemington Hill and Epsom Road Advisory Committee Report: Social Impact Assessment, Open Space and Affordable Housing, February 2016, Urbis;
   - Cost estimates for infrastructure works prepared by WT Partnership, 18 February 2016;
   - Correspondence from GTA Consultants dated 19 February 2016, regarding transport infrastructure cost apportionment;
   - Correspondence from the MVCC dated 5 February 2016, regarding development contributions;
   - Report to the Future Melbourne (Planning) Committee, MCC, 16 February 2016;
   - Submissions made in response to the proposal.

9. A copy of the relevant information that is required to accord with the Planning Panels Victoria - Expert Evidence is attached at Appendix A to this report.

10. This Statement of Evidence should be read in conjunction with my Peer Review report dated 23 February 2016 and I adopt that report as part of my evidence.
3. **Context**

**The Proposed Project**

11. The Flemington Life project comprises:

   - a proposed development of land at 550 Epsom Road, Flemington (Epsom) for medium to high density residential use and ancillary commercial and retail use;
   
   - a proposed development of land at Leonard Crescent, Flemington, (Flemington Green) abutting Fisher Parade and the Flemington Racecourse railway line, for medium to high density residential use, with complementary commercial, retail and community facilities.

12. An Indicative Development Concept (IDC) has been prepared for both sites. The IDCs provide an understanding of a hypothetical development that could be permitted under the proposed controls. The total estimated dwelling yield based on these IDCs is 1,134, with an estimated 398 dwellings at Epsom Road and 736 dwellings at Flemington Green. My Peer Review report in respect of development contributions is based on this level of development.

**The Amendment**

13. A planning scheme amendment is proposed to rezone the land to Comprehensive Development Zone, with a Schedule to the Zone outlining requirements relating to use and development, generally in accordance with the Comprehensive Development Plans (CDP).

14. An amendment to the Schedules to Clause 52.01 of the Moonee Valley and Melbourne Planning Schemes is also proposed to:

   - Provide for a 5% cash contribution in respect of 550 Epsom Road;
   
   - Provide for the vesting to the Moonee Valley City Council, of land designated as Public Open Space in the Comprehensive Development Plan for Flemington Green.

**The Advisory Committee Stage 1 Report**

15. The Advisory Committee made the following recommendations, amongst others, in its Stage 1 report:

   - Recommendation 6 - “Provide the following information in support of the proposal to the Committee by close of business on 23 February 2016:

     a. Reconcile how the public open space contribution will be allocated and implemented.
     
     b. Define the extent of development contributions required for the Project in consultation with the Cities of Melbourne and Moonee Valley, and determine the planning mechanism for this to be implemented.

     - Recommendation 7 - “Provide the following information in support of the project to the Committee by close of business on 23 February 2016:
a. Work with the Cities of Melbourne and Moonee Valley to develop a proposal to identify reasonable affordable housing opportunities, and the planning mechanisms (or options) to implement such opportunity.

b. An independent peer review report on social impact assessment, including commentary on public open space, development contributions and affordable housing.

4. SOCIAL IMPACT ASSESSMENT

INTRODUCTION

17. In this section I provide details of my Peer Review of the social impact assessment for the proposed Flemington Life project in regards to public open space contributions, development contributions and affordable housing.

PUBLIC OPEN SPACE CONTRIBUTIONS

18. Public open space contributions for both sites are proposed to be made pursuant to Clause 52.01 of the Melbourne and Moonee Valley Planning Schemes.

19. In my opinion, the proposed use of Clause 52.01 of the planning scheme in order to set a public open space contribution for the developments is appropriate. Amending the Schedule to Clause 52.01 provides a sound statutory basis for collecting the open space contribution. I point out that contributions made under Clause 52.01 are designed to cater for both land for open space and improvements to open space.

20. An amendment to the Schedules to Clause 52.01 of the Moonee Valley Planning Scheme is proposed to:

"Provide for a nil contribution provided that “the land designated as Public Open Space in the Flemington Comprehensive Development Plan is vested in Moonee Valley City Council.”

21. An amendment to the Schedules to Clause 52.01 of the Melbourne Planning Scheme is proposed to:

"Provide for a 5% cash contribution in respect of 550 Epsom Road;
Provide for a nil contribution in respect of the “the land designated as Public Open Space in the Flemington Comprehensive Development Plan is vested in Moonee Valley City Council.”

22. Amendment C209 to the Melbourne Planning Scheme was gazetted on 18 February 2016, making the following changes to the Planning Scheme:

a. Introduce a new local policy into the Planning Scheme at Clause 22.26, titled ‘Public Open Space Contributions’, which identifies the location in which public open space land contributions are preferred over cash contributions, application requirements, the criteria against which the appropriateness of land for open space is to be assessed, and information regarding the early consideration of land contributions; and

b. Introduce a new schedule to Clause 52.01 of the Planning Scheme, specifying the requirement for a public open space contribution of 5% or 7.06% of land to be subdivided (or a cash equivalent), depending on the area in which the subdivision is located.

23. Both the Flemington Green and Epsom sites are located within Area B, in which a 5% public open space contribution applies.

24. Both sites are also located in precincts “where land contribution is preferred”.


25. The Moonee Valley City Council introduced a new schedule to Clause 52.01 through Amendment C98, approved in June 2012. The schedule requires subdivisions of greater than 10 lots to provide 5% of the land value (where a contribution is made in cash), and at least 5% of the land area where the contribution is to be made in land.

26. Clause 22.02 of the Moonee Valley Planning Scheme identifies areas within the municipality where a land contribution is preferred. The suburb of Ascot Vale (including the Flemington Green site) is identified as an area where a public open space land contribution “may be sought as identified in the Open Space Strategy”.

27. Clause 22.02 states that:

“Land contributions for public open space will generally be preferred over cash contributions for the purposes of Clause 52.01 of the scheme within the areas identified in Map 1. Land will be requested and accepted at Council’s discretion, in accordance with the open space land requirements identified in the Moonee Valley Open Space Strategy. In all other areas of the municipality, a cash contribution equal to the amount specified in Clause 52.01 is preferred, at Council’s discretion.”

EPSON SITE

28. I consider the proposed 5% cash contribution to the City of Melbourne for the Epsom site to be appropriate for the following reasons:

- A 5% cash contribution accords with the recently amended Schedule to Clause 52.01 of the Melbourne Planning Scheme (through Amendment C209).
- The provision of a 5% cash contribution will assist the City of Melbourne to implement its Open Space Strategy (2012), upon which Amendment C209 was based, including the implementation of the Newmarket Reserve Master Plan.
- Given the relatively constrained area of the Epsom site, it is considered that setting aside 5% of the land area would not be practical, or appropriate from a location point of view.

FLEMINGTON GREEN

29. The Comprehensive Development Plan for Flemington Green (FG) identifies a large public open space area of approximately 1,400 square metres, to create a central ‘village green’. The ‘village green’ open space equates to 5% of the FG site area.

30. A large area of publicly accessible space (VRC Forecourt) is also proposed adjacent to the VRC’s Hill Gate to provide an open area adjacent to the podium buildings. In my opinion, this area does not count towards the public open space contribution for the development, but will still play a role as open space which will be accessible to the residents of the development and others.

31. The Flemington Life Planning Report, January 2016, notes that “Flemington Green (FG) sits adjacent to the Maribyrnong River Valley. The riverside precinct provides a range of formal and informal open space and recreation facilities approximately 400 to 600 metres to the south west of FG.”
32. The Advisory Committee’s Stage 1 report identifies the Village Square and the VRC Forecourt as vital elements of a very high density mixed use precinct and, due to the commercial facilities in the area, are likely to attract residents from outside the precinct as well as residents of the proposed buildings. They are thus seen as important contributions to the amenity of the local and wider areas.

33. I consider that the Village Green public open space land meets the requirement for open space contributions for the site, provided the land is vested in the Moonee Valley City Council.

34. The City of Melbourne in its submission argues that as a potential urban renewal area, the open space contribution for the Flemington Green site must be 7.06%. This should be provided as land.

35. I do not agree with this assessment. It is contrary to the City of Melbourne’s own planning scheme provisions. It seeks to categorise the Flemington Life project as an urban renewal area similar to the Arden/Macaulay precinct where the 7.06% public open space contribution applies. Amendment C209 proposed two rates for public open space contributions, namely 8% (subsequently reduced to 7.06%) for urban renewal areas and 5% elsewhere. The major urban renewal area is the Arden/Macaulay precinct, which is an existing large scale industrial area that is expected to transition to predominately residential use. There is very little existing open space in this precinct which was a key reason for setting a higher contribution rate. As such, I do not consider the Flemington Life sites can be compared with the Arden/Macaulay precinct and hence a 5% public open space contribution is appropriate.

36. The City of Moonee Valley’s submission argues that the proponents should be required to contribute an appropriate amount of open space per capita expected on the site. If this is not provided, cash in lieu contributions could be used to construct infrastructure, allow for access to the Racecourse and or provide to connections to open space resources in the Maribyrnong River vicinity.

37. I point out that public open space contributions are typically measured as a percentage of site area, not per capita and in this case, the proposed land contribution of 5% accords with the requirements of the planning scheme.

38. I also understand that the VRC is proposing to develop the Village Green, with soft and hard landscaping, irrigated grassed areas, trees, park furniture and playground equipment. WT Partnership estimates the cost of these works at $579,150. These improvement works are in addition to the 5% land contribution and should be considered as part of the overall development contribution for the site.

39. The proponent also proposes to develop the large area of publicly accessible space (VRC Forecourt) adjacent to the VRC’s Hill Gate with soft and hard landscaping, feature paving, grassed areas, mass planting and trees, park furniture and access ramps/stairs to the railway station. WT Partnership estimates the cost of these works at $1,996,650. Whilst these works are not part of the formal public open space contribution, my view is that they should be considered to form part of the overall development contribution given that they will:

- be able to be accessed by the public, as well as residents of FG; and
- provide a benefit to people accessing the Flemington Racecourse and the railway station.
40. The proponent is also proposing to construct the trail connections to the Maribyrnong River parklands as part of its development contribution. This proposal is therefore consistent with the submission made by the City of Moonee Valley as outlined above.

DEVELOPMENT CONTRIBUTIONS

41. In this section, I provide my assessment of Urbis’ approach to development contributions and my views on how development contributions should be delivered for the two development sites.

42. The Urbis Report refers to the Standard Development Contributions Advisory Committee rates for Strategic Development Growth Area ($4,500 or $6,000 per dwelling) or metropolitan Urban Areas ($3,000 per dwelling) as appropriate benchmarks against the value of development contributions for the two sites. I consider this to be a reasonable starting point.

43. My assessment also takes in development contributions arrangements that have been made for areas which could be considered as Strategic Development Areas (SDAs) to identify if there has been any consistency in approach in recent times. I have also separately reviewed the development contributions arrangements for the proposed development at Moonee Valley Racecourse.

44. I have analysed the development contributions for 8 case study areas that could be considered as Strategic Development Areas (SDA) due to their development setting and location. My analysis shows that:

   • Residential levies vary widely from approximately $1,200 per dwelling to $19,000 per dwelling.
   • Some case studies (City North, Southbank, Epping Central and Doncaster Hill) have similar levy values in the order of $2,000 to $3,000 per dwelling;
   • Other case studies (Pentridge, Fishermans Bend, Altona North) have significantly higher residential levies in excess of $7,000 per dwelling.

45. There appears to be some consistency by development setting, however. Two broad categories of development settings can be identified as follows:

   • Activity Centres and Infill Urban Renewal Areas; and
   • Brownfield Urban Renewal Areas and Greenfield Infill Areas.

46. Urban Renewal Areas and Activity Centres that are expected to experience infill development within existing residential and commercial areas (including Epping Central, Southbank, City North and Doncaster Hill) generally have a residential levy in the order of $2,500 - $3,000 per dwelling. This is a similar levy amount to that proposed by the SDCAC for infill development in existing urban areas ($3,000 per dwelling).

47. I note, however, that not all activity centre case studies analysed include items in all infrastructure categories. In some cases, this is likely to be a function of the existing infrastructure available within each area, and/or a result of decisions made at the time of preparation of each DCP to exclude certain items because they were not needed or to reduce the cost to developers or reduce the overall liability of Council.
48. For example, the Doncaster Hill DCP does not collect funds for any drainage items. The Southbank DCP did not propose to collect funds for drainage or the Community Infrastructure Levy, and none of these DCPs fund the acquisition of public land. If each of these DCP areas were to include an indicative levy for drainage (in the order of $300 per dwelling, based on the Epping Central and City North levies), community facilities ($620 per dwelling based on Epping Central) and a Community Infrastructure Levy of $845 per dwelling (the average of Epping Central, City North and Doncaster Hill), the total residential levies for each of these case studies would be as follows (including the CIL):

- City North, $3,385 per dwelling;
- Southbank, $2,992 per dwelling;
- Doncaster Hill, $2,954 per dwelling; and
- Epping Central, $3,546 per dwelling.

This would increase the levy to around **$3,000 to $3,500 per dwelling**.

49. This reflects that new development within or near existing activity centres can usually utilise existing infrastructure to some extent, and therefore a full suite of new infrastructure items is not necessarily required. However it is also clear that the quality, capacity and type of existing infrastructure available is likely to vary in each case.

50. Other case studies analysed can be classified as **brownfield urban renewal areas or greenfield infill areas** that will experience significant transformational land use change, such as Fishermans Bend, Pentridge and Altona North. In these cases, significantly higher levies in the order of **$7,000 to $8,500 per dwelling** are charged (or proposed to be charged).

51. The proposed Development Contributions for the Moonee Valley Racecourse are outlined in the following Table. The Racecourse development will comprise 2,500 dwellings, more than double the size of the Flemington Life project.

<table>
<thead>
<tr>
<th>Infrastructure Type</th>
<th>Total cost (m)</th>
<th>Cost per dwelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>$2m - $2.5m</td>
<td>$800 - $1,000</td>
</tr>
<tr>
<td>Public open space land (7,000sqm)</td>
<td>$5m - $5.5m</td>
<td>$2,000 - $2,200</td>
</tr>
<tr>
<td>Public open space improvements (onsite)</td>
<td>$1m</td>
<td>$400</td>
</tr>
<tr>
<td>Public open space improvements (off-site active open space)</td>
<td>$2.5m - $3m</td>
<td>$1,000 - $1,200</td>
</tr>
<tr>
<td>Community infrastructure (Public art, and 30% of the cost of a multi-purpose community centre)</td>
<td>$2.5m - $3m</td>
<td>$1,000 - $1,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13m - $15m</strong></td>
<td><strong>$5,200 - $6,000</strong></td>
</tr>
</tbody>
</table>

Source: Advisory Committee Report, Amendment C120, p.128. Note: community infrastructure costs not stated, derived by Urban Enterprise.

52. The Advisory Committee in its report for Amendment C120 to the Moonee Valley Planning Scheme in respect of the Moonee Valley Racecourse Redevelopment, supported a total contribution of $6,000 per dwelling as “appropriate” and at the “higher end for a proposal such as this”.

53. It should be noted that the overall contribution of $5,200-$6,000 per dwelling includes the value of public open space land contributions, transport infrastructure to mitigate impacts, as well as community infrastructure.

54. The Flemington Life project proposes to make its public open space contributions through Clause 52.01 as stated previously. If the public open space land contribution for the Moonee Valley Racecourse is excluded from the Table above (in other words, if the public open space contribution for the Moonee Valley Racecourse was to be made via Clause 52.01 as is the case with Flemington Life), the total development contribution reduces to $3,200-$3,800 per dwelling.

55. The Urbis Report summarised the infrastructure works proposed for the Flemington Life project and WT Partnership has estimated the cost of those works at $12.73 million. Urbis' assessment includes 100% of the cost of all infrastructure as a potential development contribution, to arrive at the figure of $11,199 per dwelling. This approach is consistent with that taken by the Advisory Committee in Amendment C120 to the Moonee Valley Planning Scheme.

56. However, in my view, some of this infrastructure is needed for the development. This includes local roads and intersections required to provide access to the development, as well as streetscape works (nature strips, street trees, footpaths, seats, bins, lighting).

57. This infrastructure is also likely to provide benefits to the wider community and typically an apportionment of costs would be undertaken to identify the nexus. GTA Consultants have indicated that the task of apportioning costs for the transport infrastructure is complex and is not able to be achieved in the timeframes required by the Advisory Committee.

58. I do not believe that adding in the full cost of the roads and intersections as a development contribution is appropriate, but nor is it appropriate to exclude those costs altogether.

59. In my view, the infrastructure to be provided by the FL project that will clearly benefit the wider community (as well as the development itself), includes:

   • Bicycle paths and associated works to provide links between the development and the wider bicycle network;
   • Improved pedestrian connections to the local area;
   • DDA compliant bus stops;
   • The improvements to the Village Green public open space;
   • The improvements to the publicly accessible space adjacent to the VRC’s Hill Gate including DDA compliant access to the railway station;
   • The contributions to improvements to Newmarket Reserve including upgrading the access path to tram stops and increased tree planting;
   • Signalised pedestrian crossing across Epsom Road.

60. I consider 25% of the cost of roadworks and intersections to be an appropriate cost apportionment to the FL development, on the basis that there will be a share of usage of the infrastructure by the wider community. Table 1 below shows the estimated cost of infrastructure apportioned to the FL development.
TABLE 1  ESTIMATED INFRASTRUCTURE COST APPORTIONED TO FL DEVELOPMENT

<table>
<thead>
<tr>
<th>Infrastructure Item</th>
<th>Epsom</th>
<th>FG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public open space improvements to Village Green, VRC forecourt and Newmarket Reserve</td>
<td>$310,500</td>
<td>$2,575,800</td>
<td>$2,886,300</td>
</tr>
<tr>
<td>Improved bicycle connectivity</td>
<td>$135,000</td>
<td>$540,000</td>
<td>$675,000</td>
</tr>
<tr>
<td>Improved pedestrian connections</td>
<td>$472,500</td>
<td>$310,500</td>
<td>$783,000</td>
</tr>
<tr>
<td>Bus stops</td>
<td></td>
<td>$40,500</td>
<td>$40,500</td>
</tr>
<tr>
<td>Roads and intersections (25%)</td>
<td>$236,250</td>
<td>$1,130,625</td>
<td>$1,366,875</td>
</tr>
<tr>
<td>Community Facility Contributions</td>
<td></td>
<td></td>
<td>$1,790,000</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td>$7,541,675</td>
</tr>
</tbody>
</table>

Infrastructure costs estimated by WT Partnership.

61. Urbis estimates the cost of community facility enhancements and extensions arising from the FL development at $1.79 million as outlined in the Table below.

SUMMARY OF MVCC GENERATED COMMUNITY INFRASTRUCTURE AND SERVICE COSTS URBIS SIA

<table>
<thead>
<tr>
<th>Community Infrastructure Generated By Both Proposals</th>
<th>Unit rate</th>
<th>Additional Size Required (SQM)*</th>
<th>Estimated Cost Generated By Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternal and Child Health Facility – 1.4 consults/week</td>
<td>Minimal impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kindergarten extension to existing Facility – 3 sessional spaces</td>
<td>Minimal impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Day Care – 18 places</td>
<td>$4,000 per sqm</td>
<td>126</td>
<td>$504,000</td>
</tr>
<tr>
<td>Library extensions to existing Facilities – 79 m2</td>
<td>$4,000 per sqm</td>
<td>79</td>
<td>$316,000</td>
</tr>
<tr>
<td>Upgrade to Ascot Vale Leisure Centre</td>
<td>$750 per sqm</td>
<td>1000</td>
<td>$750,000</td>
</tr>
<tr>
<td>Upgrade to Fairburn Park</td>
<td></td>
<td></td>
<td>$220,000</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td>$1,790,000</td>
</tr>
</tbody>
</table>

*Estimate based on percentage of people expected to use community facilities - see Table 19 of Urbis SIA, 2016
** Including to aquatic and leisure centre, outdoor playing fields, and indoor courts

62. Table 1 summarises the infrastructure costs and community contributions that could be considered a development contribution. The combination of works and cash totals $7.541 million which equates to $6,650 per dwelling (based on an estimated 1,134 dwellings).

63. This amount is much higher than the development contribution levies for other infill urban renewal areas ($2,500 - $3,000 per dwelling) and is much higher than the quantum of contributions estimated for the Moonee Valley Racecourse redevelopment on a like-for-like basis ($3,200 - $3,800 per dwelling excluding public open space land).

64. In my view, a development contribution in the order of $6,650 per dwelling, as outlined above, would be a more than reasonable contribution for the FL project and at the upper end of the range for similar infill urban renewal areas.
65. I also note that the SDCAC in its “Setting the Framework” report, identified a number of key principles to guide the development of a standard levy system. One of those principles is that development levies should be considered as a “contribution” and not full cost recovery. “Although levies may recover the costs of individual items, they will rarely recover the costs of delivering the full suite of urban infrastructure required for new communities. Councils will ultimately need to rely on other streams of funding ....particularly in established areas, which will include general rate and external grants."

66. I understand that the final make up and details of infrastructure to be provided and the demand for community facilities that will be generated by FL is not yet fully resolved. However, it is possible to identify the types of infrastructure that the proponent should deliver as works-in-kind and a quantum of cash contribution per dwelling to be made for community facilities. I recommend this to be outlined in the schedule to the Zone, similar to the way the Development Plan Overlay has been used for infill, greenfield growth areas such as Princes Street, Drysdale and Trethowan Avenue, North East Ocean Grove. I also recommend a requirement for the proponent to enter into a Section 173 Agreement for the development contributions to be included with the details finalised at the time the development plans are finalised.

67. I do not recommend development contributions to be collected through a Development Contributions Plan as this mechanism is too complex and too time consuming for the scale of development proposed in the FL project.

68. The City of Melbourne in its submission argues that the developer should be required to construct all physical infrastructures, including the proposed park, the intersection upgrades, and the pedestrian crossing at Epsom Road at their own cost and to the satisfaction of the Council. The Council also argues that a sum per dwelling should be contributed to the upgrade of community infrastructure in the area. The approach to development contributions as outlined by Urbis accords with the submission made by the City of Melbourne. However, what is at issue is the quantum of the community infrastructure contribution.

69. A document provided by the City of Melbourne in February 2016 outlined the Council’s assessment of the cost of delivering community infrastructure for the Epsom Road site as follows:

- Based on the cost of recently constructed community facilities at the City Of Melbourne a $7000 per m2 cost to deliver community infrastructure should be applied. This figure does not include the cost of land.

- Based on the information provided the development will generate a need for 311m2 additional community floor space (based on a projected 750 population increase/398 new dwellings).

- The cost of delivering the additional floor space requirement for the community infrastructure demand is therefore 311 x $7000 = $2,177,000 which is the equivalent to $5,500 per dwelling.

70. There is no evidence or detail provided by the Council to support this assessment. In my view, the estimate of need is excessive. It does not accord with the assessment provided by the City of Moonee Valley. By way of comparison, I have summarised the provision ratios for a multi-purpose community facility in Melbourne’s growth areas in Table 2 below. The provision ratios are generally consistently applied in new Precinct Structure Planning areas. I have also
calculated the facilities required arising from the Flemington Life project if these ratios were applied.

**TABLE 2**

<table>
<thead>
<tr>
<th>Community Facilities</th>
<th>ASR Recommended Provision Ratio</th>
<th>Recommended Sqm per facility</th>
<th>Sqm per person</th>
<th>Provision based on ASR level 1 or 2 multipurpose centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Football/Cricket Oval</td>
<td>1 per 3000 ppl</td>
<td>Ave. 1125</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Tennis Courts</td>
<td>1 per 2500 ppl</td>
<td></td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Netball Court</td>
<td>1 per 3500 ppl</td>
<td></td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>Multipurpose Centre</td>
<td>1 per Ave. 9000 ppl</td>
<td>Ave. 1125</td>
<td>0.125</td>
<td>269</td>
</tr>
</tbody>
</table>

71. The Table shows that the Epsom and Flemington Green sites combined would generate a need for 269 square metres of multi-purpose community space. This is substantially less than the 311 square metres identified by the City of Melbourne for the Epsom site alone.

72. Table 3 below shows the costs included in recent selected DCPs for the construction of multi-purpose community centres. These costs include allowances for design, project management, construction and contingencies. It can be seen that the costs vary from $4,000 per square metre to $5,226 per square metre depending on the municipality. Average costs are in the order of $4,500 per square metre. WT Partnership estimates the cost of multi-purpose community space (including consultants, contingency, preliminaries, overhead and profit) to be $4,050 per sq metre, which is at the lower end of the range shown in Table 3. This is substantially less than the $7,000 per square metre estimate by the City of Melbourne.

**TABLE 3**

<table>
<thead>
<tr>
<th>DCP</th>
<th>Building Area</th>
<th>Cost per sqm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wyndham West</td>
<td>700 - 1400sqm</td>
<td>$4,500 - $4,760</td>
</tr>
<tr>
<td>Clyde</td>
<td>800sqm</td>
<td>$5,405</td>
</tr>
<tr>
<td>Lockerbie</td>
<td>750 - 1500sqm</td>
<td>$4,000 - $5,344</td>
</tr>
<tr>
<td>Lockerbie North</td>
<td>750 - 1500sqm</td>
<td>$4,500 - $5,226</td>
</tr>
</tbody>
</table>

73. The Moonee Valley City Council has provided an assessment of the community infrastructure needs arising from the Flemington Life project (“Impacts of the Proposed Flemington Life Development on Community Facilities in Moonee Valley”, report dated January 2016, MVCC).

74. The MVCC report shows the place of residence of the users of its community facilities, and hence the primary catchment for these facilities. These maps show that the Flemington Life project lies well within the catchment for its community facilities. It is therefore sensible to direct the community contribution to the City of Moonee Valley.

75. MVCC estimates that the project will generate demand for a range of facilities including:
• approximately one MCH consultation per week (MCH centres are assigned based on residential address, therefore most Flemington Life residents will attend centres in the City of Melbourne)

• licensed sessional kindergarten places

• 18 long day care places

• additional 79 square metres of library floor space

• 2.2 outdoor playing ovals and fields

• 1.4 outdoor courts

• 0.6 indoor courts.

76. I consider that the MVCC’s assessment that 2.2 ovals would be required to support the population of Flemington Life is excessive when compared with the provision ratios in growth areas as outlined in Table 2 at paragraph 70. The growth area standards suggest that 0.7 ovals would be required to support the additional demand created by the project. This is somewhat academic given the preference of the Council for upgrading existing facilities at Fairbairn Park utilising cash contributions from the proponent.

77. Cost estimates have not been provided by MVCC at the time of writing for the enhancement or extension of existing facilities. In the absence of cost estimates from MVCC, Urbis sought estimates from WT Partnership for the extensions and enhancements to community facilities in the City of Moonee Valley which are shown in Table 6 of the Urbis (Feb 2016) report and replicated at paragraph 61. The total cost proposed to be contributed for community facility improvements is $1.79 million which equates to $1,578 per dwelling over the Flemington Life project.

78. The City of Moonee Valley, in its submission, outlines its preference regarding community infrastructure contributions for the FL development as follows:

• Contribute to an integrated facility within the Union Road Activity Centre that will accommodate a larger Ascot Vale Library; integrated early years services; shared, flexible multi-purpose spaces.

• Contribute to development of 2 new courts for netball and tennis at Riverside Golf and Tennis Centre.

• Contribute to a capacity increase at Fairbairn Park (realigning cricket wickets and ovals, investing in new field decks and installing field lighting).

• Centre capacity increase - conversion of group hall into program rooms.

79. The Council in its submission considers that “a minimum figure (in respect of development contributions) of at least $6,000 per dwelling must be agreed.” The Council’s submission further states that “this figure is obtained by comparing the Flemington Life proposal against the proposed Moonee Valley Racecourse development.”
80. As I outlined previously, my assessment of the development contributions for the Moonee Valley Racecourse development indicates that the contribution (excluding the value of land for open space) is in the order of $3,200 to $3,800 per dwelling.

81. Furthermore, as stated previously, my assessment of the proposed infrastructure contributions for the Flemington Life project totalling $7.541 million, equates to $6,650 per dwelling (based on an estimated 1,134 dwellings). This is substantially higher than the figure proposed by the City of Moonee Valley with reference to the Moonee Valley Racecourse development.

82. In summary, I consider the approach to development contributions proposed for the Flemington Life project to be appropriate, namely the construction of:

- Bicycle paths and associated works to provide links between the development and the wider bicycle network;
- Improved pedestrian connections to the local area;
- DDA compliant bus stops;
- The improvements to the Village Green public open space;
- The improvements to the publicly accessible space adjacent to the VRC’s Hill Gate including DDA compliant access to the railway station;
- The contributions to improvements to Newmarket Reserve including upgrading the access path to tram stops and increased tree planting;
- Signalised pedestrian crossing across Epsom Road;
- Roadworks and intersection treatments.

83. In addition to these works, I consider that it is appropriate that a cash contribution in the order of $1,528 per dwelling be made to the City of Moonee Valley to upgrade and augment existing community facilities.

84. In my view, the order of magnitude of contributions (ie $6,650 per dwelling) is at the upper end of the range of what would be considered reasonable and is significantly higher than the contributions proposed for the Moonee Valley Racecourse development.

AFFORDABLE HOUSING

85. The Advisory Committee’s Stage 1 report notes that in Plan Melbourne, at Initiative 2.4.2 “What constitutes affordable housing means different things to different people” and seeks to “Increase our understanding of affordable housing in the context of changing household types and needs”. Initiative 2.4.3 is to “Accelerate investment in affordable housing”.

86. The Committee views that affordable housing is an increasingly relevant topic in urban consolidation and large residential developments must be considered as a type of housing to be provided in the proposed developments.

87. As such, the Advisory Committee in its Stage 1 report included a recommendation in regards to affordable housing, that the proponent:
“Work with the Cities of Melbourne and Moonee Valley to develop a proposal to identify reasonable affordable housing opportunities, and the planning mechanisms (or options) to implement such opportunity.”

88. At the time of writing, such a proposal has yet to be fully developed.

89. The Urbis Feb 2016 report outlines a proposal to provide affordable housing for workers at the Flemington Racecourse. It is proposed that the VRC purchase apartments for the sole purpose of worker housing for low income Victorian racing industry (VRI) employees /track workers. According to Urbis, the VRI employs over 20,000 people and at Flemington there are approximately 150 staff working at stables in a full time capacity and a further 150 casual staff. The full time workers earn between $50,000 and $60,000 per annum. In addition, the VRC employs a further 100 staff and contractors working on site in a range of roles earning between $60,000 and $75,000 per annum. Urbis reports that according to the VRC, track workers and VRC staff are finding it increasingly difficult to find affordable accommodation in the local area. The proposal is to set aside accommodation for approximately 10 to 15 staff in the Flemington Green development. Urbis state that “this housing could be appropriately located in one of the Flemington Green lower density buildings or clustered in the Epsom Road development.”

90. The details of this proposal have not been resolved at this time. Questions that need to be addressed include:

• How much affordable housing is to be provided and where?

• Who will develop and manage the affordable housing, including the potential involvement of a Registered Housing Association?

• Who pays for the development of the affordable housing?

• What controls and requirements need to be put in place to ensure that the affordable housing is made available to the target market?

91. In my view, the VRC proposal has merit because:

• There is a defined target group associated with the racecourse that needs affordable housing. The salaries of track workers and other VRC staff are in the bottom 45% of household income groups in the City of Moonee Valley. This aligns with the objective of improving housing affordability in the Moonee Valley Planning Scheme and reasonably aligns with the recommended definition in Plan Melbourne Refresh;

• There is a clear nexus between the affordable housing component and the racecourse;

• The location of the affordable housing component is appropriate having regard to the target market.

92. The City of Melbourne in its submission refers to the “Homes for People Housing Strategy”, adopted by Council on 9 December 2014. It includes a goal (Goal 1) to help provide at least 1721 affordable homes (subsidised) for low and moderate income earners by 2024. This target is based on 15 per cent of new dwellings estimated to be built between 2016 and 2021 which do not currently have a planning permit or are at an advanced stage of the development process. The affordable housing should be owned and/or managed by a registered housing association.
93. The City of Moonee Valley in its submission, considers that 10 percent is a reasonable provision of Affordable Housing in a project of the scale being proposed by the VRC as a contribution to the overall shortfall of Affordable Housing in Melbourne. Through Amendment C134 the City of Moonee Valley pursued a policy position to require a minimum of 10 percent Affordable Housing as part of any new residential development of 10 dwellings or more. It is noted that the Panel presiding over the hearing for C134 recommended that Council re-word the proposed policy to ‘encourage the provision of affordable housing in developments of 10 or more dwellings’.

94. Moonee Valley Council states that “it is willing to work with the developer, the Community Housing sector and the City of Melbourne to come to a mutually agreeable arrangement that meets the needs of all parties and provides a reasonable provision of Affordable Housing product somewhere in the range of 5-10 percent of the overall housing stock.”

95. Policy objectives and strategies relating to affordable housing are outlined in the SPPF and LPPF. However, there is no statutory framework for defining “affordable housing”, or identifying the circumstances where the provision of affordable housing is appropriate, or for collecting contributions for affordable housing or governing how affordable housing is to be achieved, unlike the development contributions regime which is provided for in Part 3B of the Planning and Environment Act.

96. The SPPF (Clause 16 Housing) states that:

- Planning should provide for housing diversity, and ensure the efficient provision of supporting infrastructure.
- New housing should have access to services and be planned for long term sustainability, including walkability to activity centres, public transport, schools and open space.
- Planning for housing should include providing land for affordable housing.

Clause 16.01-5 Housing Affordability sets out the following objective and strategies:

Objective

- To deliver more affordable housing closer to jobs, transport and services

Strategies

Improve housing affordability by:

- Ensuring land supply continues to be sufficient to meet demand.
- Increasing choice in housing type, tenure and cost to meet the needs of households as they move through life cycle changes and to support diverse communities.
- Promoting good housing and urban design to minimise negative environmental impacts and keep down costs for residents and the wider community.
- Encouraging a significant proportion of new development, including development at activity centres and strategic redevelopment sites to be affordable for households on low to moderate incomes.

Increase the supply of well-located affordable housing by:
• Facilitating a mix of private, affordable and social housing in activity centres and strategic redevelopment sites.

• Ensuring the redevelopment and renewal of public housing stock better meets community needs.

97. The Moonee Valley Planning Scheme includes Clause 21.05-3 Affordable Housing with an objective “to improve housing affordability within the municipality for households with household incomes below the 60th percentile of income groups.”

Strategies include:

• Encourage affordable housing in locations with good access to public transport, services and retail opportunities.

• Encourage affordable housing through partnerships with housing providers or participation in the National Rental Affordability Scheme.

• For residential developments of 10 or more dwellings, encourage the provision of affordable dwellings.

98. The Melbourne Planning Scheme includes Clause 21.07 which states the following in relation to affordable housing:

“Social diversity is an important factor in the social health of the city. A diverse population needs a diversity of housing sizes and types. There is also a need to increase the proportion of lower cost accommodation, social housing and housing for people of all abilities”.

Objective 4 of Clause 21.07 states that “housing is to support a range of housing tenures, types and options to meet diverse housing needs.”

Strategies related to affordable housing include...“Support the provision of well-designed and managed affordable housing, social housing, crisis accommodation and rooming houses.”

99. The current planning scheme provisions in respect of affordable housing are aspirational. There is no indication of a target amount for affordable housing.

100. In reviewing other infill urban renewal projects, I note that Schedule 5 to the Development Plan Overlay in the Yarra Planning Scheme contains a requirement for a Development Plan for the redevelopment of the Channel 9 site in Richmond. This includes “provision of affordable housing representing 5% of the total number of apartment dwellings to be developed” to the satisfaction of the Responsible Authority. I note that 5% of the total number of apartments equates to 4% of the total proposed dwellings.

101. Schedule 11 to the Development Plan Overlay in the Yarra Planning Scheme contains a requirement for a Development Plan for the redevelopment of the Amcor site in Alphington to “provide 5% of the total number of dwellings for the purpose of affordable housing developed in association with an accredited housing association.”

102. 5% of the expected dwelling yield appears to be an emerging “default” level for affordable housing in infill urban renewal areas. However, in my view, what constitutes an appropriate amount of affordable housing in larger scale developments needs to be tested as part of the development of
statutory provisions governing affordable housing. Furthermore, this needs to be considered in the light of other mechanisms identified to provide affordable housing, such as the use of surplus Government land assets.

103. One submitter (FLEO 87) argued that the Epsom Road site is a much better location for affordable housing than the Flemington Green site, mainly due to better access to public transport. As stated previously, the location for affordable housing is one of the matters that needs to be addressed in arriving at an agreed proposal.
5. Conclusions

Public Open Space Contributions

104. I consider the use of Clause 52.01 of the planning scheme in order to make a public open space contribution for the FL development is appropriate.

105. In my opinion, the proposed 5% cash contribution for public open space to the City of Melbourne for the Epsom site is appropriate.

106. I consider that the proposed public open space (Village Green) at the Flemington Green site (FG) meets the requirement for open space contributions for the FG site, provided the land is vested in the Moonee Valley City Council.

107. In my view, the cost of the proposed improvement works for Village Green and VRC Forecourt forms part of the overall development contribution.

Development Contributions

108. In my view, the infrastructure to be provided by the FL project that will clearly benefit the wider community (as well as the development itself), includes:

- Bicycle paths and associated works to provide links between the development and the wider bicycle network;
- Improved pedestrian connections to the local area;
- DDA compliant bus stops;
- The improvements to the Village Green public open space;
- The improvements to the publicly accessible space adjacent to the VRC’s Hill Gate including DDA compliant access to the railway station;
- The contributions to improvements to Newmarket Reserve including upgrading the access path to tram stops and increased tree planting;
- Signalised pedestrian crossing across Epsom Road.

109. I consider that the road and intersection infrastructure works will provide a benefit to the wider community, albeit these works are needed for the development.

110. I estimate that the proposed infrastructure works that could be considered a development contribution, together with a cash contribution to the City of Moonee Valley for community facilities, totals $7.541 million which equates to $6,650 per dwelling. This does not include public open space contributions which will be separately made under Clause 52.01.

111. I consider a development contribution in the order of $6,650 per dwelling would be a more than reasonable contribution for the FL project and at the upper end of the range in respect of similar infill urban renewal areas.
112. I recommend that the type of infrastructure that the proponent should deliver as works in-kind (along the lines of what has been identified in the IDCs) and a quantum of cash contribution per dwelling to be made for community facilities, be outlined in the schedule to the proposed Comprehensive Development Zone.

113. I also recommend that a Section 173 Agreement be used to define the development contributions to be made and/or infrastructure works to be provided with the details finalised at the time that development plans are finalised.

114. I do not recommend development contributions to be collected through a Development Contributions Plan.

AFFORDABLE HOUSING

115. I consider that an affordable housing component should be included in the development and that the proposal for worker housing associated with the racecourse would be a good way to achieve this.

116. The proposal needs to be further developed and agreed between the proponent, the two Councils and the organisation(s) that would manage the affordable housing component.

DECLARATION

I have made all the inquiries that I believe are desirable and appropriate and no matters of significance which I regard as relevant have to my knowledge been withheld from the Advisory Committee.

Matt Ainsaar
Managing Director, Urban Enterprise Pty Ltd
BTRP, Grad Dip Prop, MPIA, FAPI (CPP)
APPENDIX A REQUIREMENTS OF PLANNING PANELS VICTORIA – EXPERT EVIDENCE

NAME:

Matt Jacques Ainsaar, Managing Director, Urban Enterprise

ADDRESS:

389 St Georges Road, North Fitzroy, Vic 3068

QUALIFICATIONS:

• Bachelor of Town and Regional Planning, University of Melbourne
• Graduate Diploma of Property, RMIT University
• Member, Planning Institute of Australia
• Fellow, Australian Property Institute
• Member, Victorian Planning and Environmental Law Association

EXPERIENCE

I have more than 35 years experience as a planner and land economist and have extensive expertise in the Development Contributions area.

Urban Enterprise has a track record of successfully preparing Development Contributions Plans for Councils as well as negotiating development contribution arrangements with Councils on behalf of developers.

I have provided advice to Councils and developers in respect of open space contributions.

I regularly appear as an expert witness in planning panel, advisory committee and VCAT hearings in respect of development contributions and open space contributions.

AREAS OF EXPERTISE

My areas of expertise include strategic urban planning, development contributions, land economics and tourism planning.

EXPERTISE TO PREPARE THIS REPORT

My experience in urban planning, land economics and property over the past 35 years included the development of a specialisation in development contributions. I have undertaken numerous Development Contributions Plans and have given advice to public and private sectors in regards to development contributions and open space contributions.

INSTRUCTIONS

My instructions were to summarise my Peer Review report, in the form of a statement of evidence, and to respond to relevant submissions in respect of to public open space contributions, development contributions and affordable housing.
FACTS, MATTERS AND ASSUMPTIONS RELIED UPON:

I have relied on the following for my assessment:

- Flemington Life Planning Report, Exhibition Version, January 2016, Urbis;
- Flemington Hill and Epsom Road Advisory Committee Stage 1 Report, 17 December 2015;
- Flemington Life Social Impact Assessment, Updated Report, November 2015, Urbis;
- Impacts of the Proposed Flemington Life Development on Community Facilities in Moonee Valley, report dated January 2016, MVCC;
- Response to Flemington Hill and Epsom Road Advisory Committee Report: Social Impact Assessment, Open Space and Affordable Housing, February 2016, Urbis;
- Cost estimates for infrastructure works prepared by WT Partnership, 18 February 2016;
- Correspondence from GTA Consultants dated 19 February 2016, regarding transport infrastructure cost apportionment;
- Correspondence from the MVCC dated 5 February 2016, regarding development contributions;
- Report to the Future Melbourne (Planning) Committee, MCC, 16 February 2016;
- Submissions;
- My familiarity with the municipality and the suburbs within;
- Relevant experience.

DOCUMENTS TAKEN INTO ACCOUNT:

See above.

IDENTITY OF PERSONS UNDERTAKING THE WORK:

Matt J Ainsaar.

SUMMARY OF OPINIONS:

Refer to Section 5: Conclusions.