

# FREQUENTLY ASKED QUESTIONS

## PLANNING SCHEME AMENDMENT C228 -

### PUBLIC OPEN SPACE DEVELOPER CONTRIBUTIONS

Council is proposing to increase the public open space contributions for developments that subdivide land in Greater Dandenong. This change is proposed to be introduced through an amendment to the Greater Dandenong Planning Scheme known as Amendment C228.

#### What is changing?

Council is proposing to increase the public open space contributions levy for developments that subdivide land in Greater Dandenong. The one-off levy applies when two or more additional lots (to an existing lot) are created.

Most residential land in Greater Dandenong is currently required to pay 5% of the value of the land whilst industrial land requires 2%. It is proposed to increase the rate for residential developments to 6.3% and introduce a new levy for commercial development of 2%.

#### What is open space?

Public open space includes sporting grounds, playgrounds, bushland, wetlands, streetscapes, public squares and walking and cycling trails.

Public open space encourages social connection and helps people stay healthy by providing passive and active recreation opportunities. Open space also allows trees, plants and animals to survive and thrive, and reduce the impact of climate change.

#### What is the Open Space Strategy?

The Greater Dandenong Open Space Strategy 2020-2030 sets out Council's vision for a high quality, accessible and sustainable open space network.

The collection of a fair and reasonable amount of Public Open Space Contributions is integral to Council improving the quality and quantity of public open space throughout the municipality and achieving this vision for better open space.

#### What are Public Open Space Contributions?

Public Open Space Contributions are a levy or mechanism in all Victorian Planning Schemes that enables councils to collect funds from developers. The funds are used to either provide new open space or improve existing open space. Land contributions can also be made where appropriate.

The levy is implemented by Clause 53.01 of the Greater Dandenong Planning Scheme and is legislated under section 18 of the Subdivision Act.

Public Open Space contributions are calculated as a percentage of the land value of the site being subdivided. In this way, open space contributions are a form of 'user payment' for public infrastructure.

## Who is required to pay Public Open Space Contributions?

The Public Open Space Contributions levy applies when two or more additional lots (to an existing lot) are created. The payment is triggered when a developer applies for permission to subdivide land.

The open space levy does not apply to a dual occupancy development where only one additional lot is created. It also does not apply to land that is not subdivided, like a granny flat or studio to the rear of a property.

## Why is Council increasing the Public Open Space Contributions rate?

The proposed increase is required to assist in the provision and improvement of public open space to meet the needs of the growing population. Greater Dandenong has a population of around 174,000 which is projected to grow by almost 20 per cent by the year 2029. As the population grows, the demand for high quality open space also grows.

In addition, the municipality's worker population is estimated to increase by 2,000 additional workers per year, placing increasing yet different demands on the open space network.

Public Open Space Contributions payable by developers are one funding source for open space improvements, with the others being general rates revenue, external grants and user group payments.

## How was the Public Open Space Contributions rate calculated?

The proposed new rates have been determined by dividing the estimated total value of land to be developed by the cost of open space improvements apportioned to new development. This approach found that a modest increase to the municipal rate for residential subdivision and a new municipal rate for commercial subdivision were most equitable.

The Greater Dandenong Open Space Contributions Assessment (December 2020) details the assessment completed by specialist land economists, Urban Enterprise.

## What will this increased levy mean for my development?

The open space levy is payable at the time of subdivision. If your development is subdivided before the new levy is approved, you will pay the current rate.

If your development is subdivided after the levy is approved, you will pay the new rate.

## Where do the changes apply?

The proposed changes to the public open space contributions apply to all land in the municipality except for land identified in the Schedule to Clause 53.01 of the Greater Dandenong Planning Scheme to which a nominated open space contribution rate applies. A copy of the proposed new Schedule is included with the Amendment C228 documents on Council's website.

## Why is a flat municipal rate proposed instead of a variable rate?

Some Council's use a variable rate so that areas expected to experience higher demand for open space pay a higher rate than other areas. Assessment of this approach in Greater Dandenong found that applying a higher rate to residential areas within close proximity to the Dandenong, Springvale and Noble Park activity centres, using the calculation method outlined above, would result in an uneven distribution of costs and likely deter development where substantial change/growth is appropriate.

Applying a flat rate means that all non-exempt subdivisions pay the same percentage of the land value of the site being developed resulting in a simple and equitable approach.

## How can I make a submission?

Written submissions on these proposed changes can be made to Council by Friday 20 May 2022.

## Further information

For more information visit [greaterdandenong.vic.gov.au/have-your-say](http://greaterdandenong.vic.gov.au/have-your-say) or phone the Strategic Planning Department on 8571 1000.

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