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DEVELOPMENT CONTRIBUTIONS, FEES AND CHARGES

ANALYSIS REPORT

URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA | MARCH 2021



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FILE UDIA Analysis of Levies and Charges - 31 March 2021

VERSION 1

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EXECUTIVE SUMMARY

BACKGROUND

In Victoria, proponents of urban development are required to make various financial and other contributions as part of the development and approvals processes.

In financial terms, the most significant contribution required in urban growth areas is usually in the form of a 'development contribution' levy. The rate at which these contributions have increased has been of concern to the development industry for many years and has led to several reports and government reviews of the system. Other contributions and charges have also changed or been added over recent years, resulting in a complex patchwork of charges on development.

Urban Enterprise was engaged by the Urban Development Institute of Australia (UDIA) Victorian Division to prepare research into development contributions and other property development taxes and charges in Victoria and to analyse the impact that these charges have on the property industry.

Note that this document refers to the term 'levies' in Part A of this document when discussing Development and Infrastructure Contributions Levies. The term 'charges' is used in Parts B and C of the document as a term that includes all levies and charges applicable to development. Additionally, the information in this report reflects a point in time (March 2021) and does not include recently introduced or proposed ICPs, taxes or charges.

SCOPE

The purpose of this report is to investigate, analyse and understand the costs imposed on the development industry, focusing on the following three components:

1. A quantitative assessment of how development contributions payable in greenfield growth areas of Melbourne have changed between 2010 and 2020 (**Part A** of this report);
2. Documenting the layers of taxes and charges imposed on the development industry in both greenfield growth areas and infill development settings (**Part B**); and
3. Estimating the combined cost and impact of these charges on the property development industry (**Part C**).

PART A: DEVELOPMENT CONTRIBUTIONS TRENDS

The investigation and analysis of levies within the sample groups of DCPs and ICPs across metropolitan Melbourne greenfield growth areas between 2010 and 2020 shows that:

- Development contributions levies increased substantially (in real terms) from an average of \$351,000 per ha for early DCPs to \$540,000 per ha for ICPs.
- The Transport levy has increased significantly over time and continues to increase despite the introduction of standard levy caps through the ICP system.
- There has been no further growth in the Community and Recreation levy since the introduction of the standard levy cap. This has been effective in managing escalation of costs.
- The average Public Land contributions rate (%) has been slightly decreasing over the assessment period.
- Overall, the ICP system has standardised Community and Recreation levy and equalised Public Land contributions, but there has been a failure of the ICP system to contain or standardise transport construction costs and levies.
- Frequent use of the Supplementary Transport levy is enabling levies to continue escalating. The increase in transport costs is primarily driven by intersection and bridge costs.
- It is possible that the Supplementary levy is being used to fund 'shortfalls' in the cost of transport infrastructure rather than being reserved for the 'exceptional circumstances' for which it was created.

PART B: LAYERS OF TAXES AND CHARGES

A wide range of charges apply to development in Victoria - when considered on a cumulative basis and combined with the development and infrastructure contributions set out in the previous Part of this report, these represent a substantial financial impost on development that ultimately impacts on end house prices.

Greenfield growth areas:

- A wide range of charges are payable in greenfield areas, including infrastructure contributions (ICP), Development Services Scheme (DSS) charges for drainage, the Growth Areas infrastructure Contribution (GAIC), New Customer Contributions for sewer and water and a variety of others approvals fees.
- Average charges:
 - The average cumulative value of greenfield charges when expressed as a per hectare amount is approximately **\$880,000 per hectare** (excluding all taxes, planning and subdivision fees and any native vegetation / biodiversity charges payable). This equates to **\$52,000 per lot**.
 - The average charge of \$52,000 per lot equates to 16% of the median lot price in greenfield areas (\$330,000).
- 'Worst case' scenario charges:
 - The 'worst case' scenario of maximum greenfield charges results in a per hectare amount of approximately **\$1,450,000 per hectare** (excluding all taxes, planning and subdivision fees and any native vegetation / biodiversity charges payable). This equates to **\$85,300 per lot**.
- Taxes:
 - The cumulative value of greenfield taxes when expressed as a per hectare amount is approximately **\$1,600,000 per hectare**, which equates to **\$94,100 per lot**.
- Combined taxes and charges:
 - The average greenfield taxes and charges is **\$2,480,000 per hectare**, which equates to **\$146,100 per lot**. This equates to 44% of the median greenfield lot price.
 - The 'worst case scenario' for greenfield taxes and charges is **\$3,050,000 per hectare**, which equates to **\$179,400 per lot**. This equates to 54% of the median greenfield lot price.
- The significant difference between the minimum and maximum rates for ICP and DSS charges provides an additional challenge for developers to accurately forecast and plan for development costs.
- Consistency in mechanisms used to calculate the taxes and charges would assist in improving transparency as well as reducing the complexity of determining development obligations.

Established areas:

- A wide range of charges are payable in established areas, many of which differ to those payable in greenfield growth areas. Some charges are commonly levied on most developments, while others are less common and depend on the location or development circumstances.
- The range of charges are payable to a range of agencies, including councils, State Revenue Office, infrastructure providers, Melbourne Water and Victorian Building Authority.
- Using a hypothetical case study approach, the cumulative charges payable in an urban renewal context in Melbourne are estimated at approximately **\$66,900 per dwelling** and cumulative taxes payable estimated at approximately **\$98,300 per dwelling**.
- The charges levied in established areas vary considerably in how they are calculated and applied. In some cases, the charges levied on a per dwelling basis are of a fundamentally different order to those levied in other areas. This inconsistency brings into question the equity of current regimes.
- The lack of clear guidance on how open space contributions (and to a lesser extent development contributions) must be derived for established area settings and council areas is problematic and is the cause of significant uncertainty and frustration for many in the development industry.
- The number and quantum of charges and fees levied in established areas has increased over recent years and there are proposals which would further increase charges in the future. This is contributing to housing

affordability issues – developers consulted indicated that many of the costs identified – especially those costs that are increasing over time – are passed on to home purchasers.

PART C: COMBINED COST AND IMPACT

- Approximately 41,000 dwellings are approved on an annual basis in Melbourne. This scale of development could result in the payment of up to **\$6.4 billion each year** through taxes and charges on residential development in Melbourne under the circumstances set out in this report.
- The combination of established area taxes and charges comprise **28%** of the final apartment price.
- Greenfield taxes and charges account for **44%** of the greenfield lot price (or up to 54% in a 'worst case scenario' of taxes and charges).
- UDIA's previous analysis of housing taxes and identified that taxes and charges paid by both developer and purchaser equates to **19% - 34%** of the purchase price of an apartment or greenfield lot.

DEVELOPMENT CONTRIBUTIONS, FEES & CHARGES

KEY FACTS SUMMARY

Development and Infrastructure Contributions Levies

DATA OUTCOMES

Summary of Levies (2020-21 Dollars)

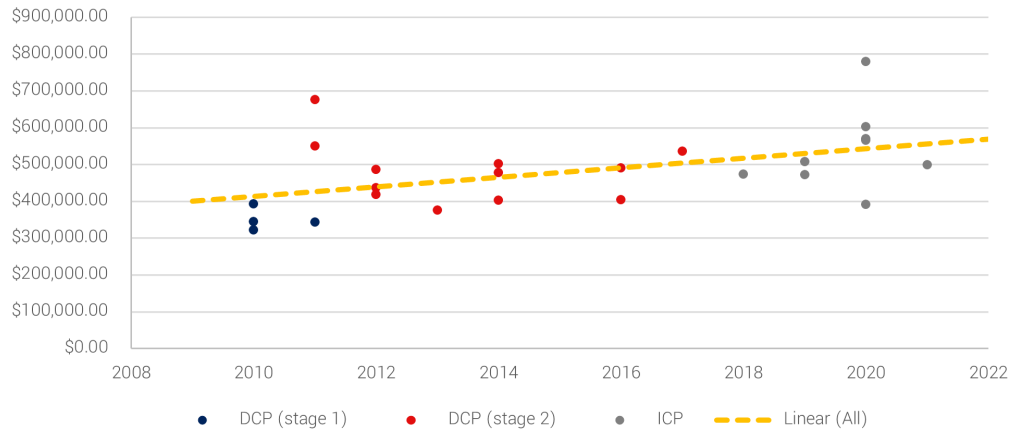
The total levies payable increased substantially (in real terms) from an average of \$351,000 per ha for early DCPs to \$551,000 per ha for ICPs.

Average Total Levy (per ha)

DCP (Stage 1)	\$351,000
DCP (Stage 2)	\$480,000
ICPs	\$540,000

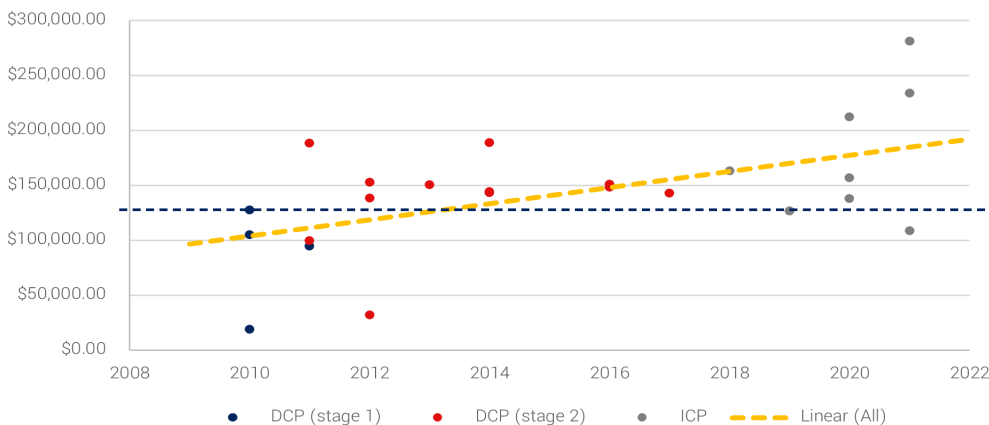
+\$190,000
per ha (real terms)

Total Levy (per ha) by Year Approved (2020-21 Dollars)



Transport Levy (per ha) by Year Approved (2020-21 Dollars)

The average transport levy has increased significantly in real terms over time, from \$86,000 per ha Stage 1 DCPs to \$172,000 per ha for ICPs, more than \$85,000 per ha in real terms.



Standard ICP
Transport Levy

\$126,713

LEVY ANALYSIS

+54%

Avg. Total Levy Increase
2010 to 2020 (real terms)

+99%

Avg. Transport Levy Increase
2010 to 2020 (real terms)

+36%

Supplementary Levy Increase
2010 to 2020 (real terms)



Cumulative Development Taxes & Charges

GREENFIELD DEVELOPMENT

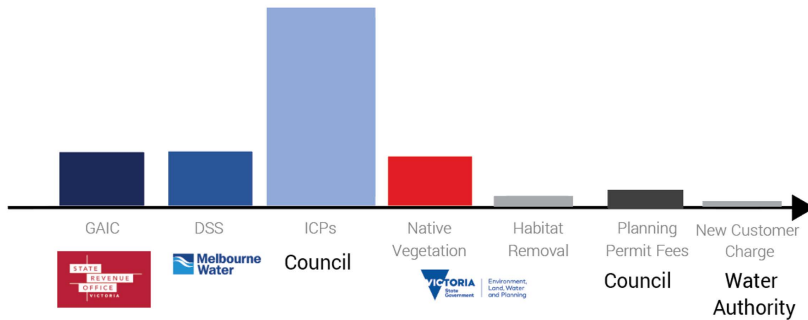
Summary of Levies (2020-21 Dollars)

Cumulative average charge of:

\$52,000 per lot

Cumulative taxes of:

\$94,100 per lot



Issues

- Scale and increase in contributions
- Inconsistent methods of charge calculation
- Complexity of various charges
- Impact on affordability

ESTABLISHED AREAS

Planning Fees:

Metropolitan Planning Levy
Planning Permit Fees
Subdivision Fees

Building Levies:

Building Permit Levies
Cladding Rectification Levy

Taxes:

GST (at point of sale)
Land Tax
Council Rates

Infrastructure Charges:

Development Contributions
Drainage Charges
New Customer Contributions

Housing and Open Space Charges:

Public Open Space Contributions
Affordable Housing

Charges **\$66,900**
per dwelling

Taxes **\$98,300**
per dwelling

Issues

- Increase in the number and scale of charges
- Lack of nexus and transparency between charges and spending
- Variation in development settings and conditions

Cumulative Development Taxes & Charges

RESULTS

41,000

dwellings constructed per year
(Melbourne Greenfield and Established)



\$6.4bn

raised annually through taxes and charges on residential
 development (indicative- see report for details)

28% - 44%

taxes and charges equate to 28%-44%
 of apartment and greenfield lot price
 (54% in the 'worst case' scenario)

19% - 34%

of purchase price of an apartment or greenfield lot is
 taxes and charges paid by both developer and
 purchaser (as per Hidden Cost of Housing Report)



ADDENDUM

JUNE 2021

This addendum provides an update to the results of taxes and charges in the *Development Contributions, Fees and Charge Analysis Report (March 2021)* as a result of updating the Sunbury South and Lancefield Road ICP (Exhibited - April 2020) with the amended Sunbury South and Lancefield Road ICP (March 2021), to be considered at an upcoming planning panel hearing.

IMPACT ON RESULTS

The following table shows comparison of the results adopting both versions of the Sunbury South and Lancefield Road ICP.

T1. COMPARISON OF RESULTS

	Report March 2021 Results Sunbury South ICP (April 2020)	Updated Numbers Sunbury South ICP (March 2021)
Average ICP Levy	\$539,965.90	\$529,368.72
Average Transport Levy (ICPs)	\$171,815.82	\$161,218.65
Ratio of Transport Levy above Standard Transport Levy Cap	1.36	1.27
Average Case Greenfield (Charges)	\$880,000 per ha or \$52,000 per lot	\$869,000 per ha or \$51,100 per lot
Worst Case Greenfield (Charges)	No change	
Greenfield taxes and charges as % of lot sale price	44%	44%
Greenfield taxes and charges as % of final house and land	25%	25%

Source: Urban Enterprise, 2021

The comparison of results demonstrates that a revised ICP and Transport Levy (adopting the amended Sunbury South and Lancefield Road ICP) would have a negligible impact on the *Development Contributions, Fees and Charge Analysis Report (March 2021)* and the findings of this report remain valid.

1. INTRODUCTION

1.1. BACKGROUND

In Victoria, proponents of urban development are required to make various financial and other contributions as part of the development and approvals processes.

In financial terms, the most significant contribution required in urban growth areas is usually in the form of a 'development contribution' levy. The rate at which these contributions have increased has been of concern to the development industry for many years and has led to several reports and government reviews of the system. Other contributions and charges have also changed or been added over recent years, resulting in a complex patchwork of charges on development.

The following key milestones have occurred:

- **2010** – Property Council of Australia initiates research into how and why development contributions levies were increasing over time.
- **2011** – *Development Contributions in Melbourne Growth Areas – Why Contributions Are Escalating* (Urban Enterprise, 2011) published, Property Industry used report to advocate for standard levy system to 'cap' levies.
- **2012** – Minister for Planning establishes Standard Development Contributions Advisory Committee (SDCAC).
- **2014** – The SDCAC prepared two reports and made recommendations regarding the establishment of a standard development contributions regime.
- **2015** – The Infrastructure Contributions Plan (ICP) regime was introduced in 2015, initially only applying to the Greenfield Growth Area development setting in metropolitan Melbourne with the intention to expand to other settings in the future.
- **2016 – 2020** – several ICPs have been prepared and approved, most through a Planning Panel process, all of which has occurred parallel to several changes to the ICP legislation and guiding documents.
- **2021** – Development industry raises strong and ongoing concerns that the ICP system has not met the objectives or expectations of the 2012 review, in part due to levies continuing to increase, and that a range of other existing, new and proposed taxes and charges on development were expanding, warranting a review of the cumulative impact of all development contributions and charges.

1.2. ENGAGEMENT AND SCOPE

Urban Enterprise was engaged by the Urban Development Institute of Australia (UDIA) Victorian Division to prepare research into development contributions and other property development taxes and charges in Victoria and to analyse the impact that these charges have on the property industry.

SCOPE

The purpose of this report is to investigate, analyse and understand the costs imposed on the development industry, focusing on the following three components:

1. A quantitative assessment of how development contributions payable in greenfield growth areas of Melbourne have changed between 2010 and 2020 (**Part A** of this report);
2. Documenting the layers of taxes and charges imposed on the development industry in both greenfield growth areas and infill development settings (**Part B**); and
3. Estimating the combined cost and impact of these charges on the property development industry (**Part C**).

The research has been prepared by Urban Enterprise using a combination of publicly available information, information provided by Councils and other commentary and case studies provided by members of UDIA Victoria committees.

PART A. DEVELOPMENT AND INFRASTRUCTURE CONTRIBUTIONS LEVIES

2. SCOPE AND METHOD

2.1. SCOPE

This Part of the research provides data and analysis of development contributions levies in metropolitan Melbourne greenfield growth areas from 2010 to 2020, including both Development Contributions Plans (DCPs) and Infrastructure Contributions Plans (ICPs) approved or exhibited over the period.

The objective of the research is to compile a detailed dataset on levies payable and to analyse changes over time.

2.2. SAMPLE

In order to compare contributions rates over time, 23 DCPs and ICPs were identified as suitable for analysis and were categorised in the following three groups:

- DCP Stage 1 – this group includes four DCPs which were included in the sample for the 2011 Urban Enterprise report;
- DCP Stage 2 – this group includes a sample of 12 DCPs approved between 2010 and 2016 that were not included in the previous Urban Enterprise analysis in 2011. The sample was selected to ensure that each growth area municipality is represented and that the resulting DCPs are generally representative of typical DCPs approved in the period;
- ICPs – this group includes all nine ICPs either gazetted or exhibited since the introduction of the ICP system.

Table T1 lists all DCPs and ICPs assessed.

T1. SAMPLE OF DCPS AND ICPS

DCP (Stage 1)	DCP (Stage 2)	ICPs
Craigeburn R2 Precinct (2010-11) Cranbourne East (2009-10) Toolern (2011-12) Melton North (2009-10)	Wyndham North (2014-15) Wyndham West (2013-14) Rockbank (2016-17) Rockbank North (2011-12) Greenvale Central (2012-13) Merrifield West (2011-12) Lockerbie (2011-12) Quarry Hills (2015-16) Wollert (2016-17) Officer (2011-12) Clyde North (2011-12) Clyde (2014-15)	Minta Farm (2020-21)* Lancefield Road and Sunbury South (2020-21)* Pakenham East (2020-21) Beveridge Central (2019-20) Mt Atkinson & Tarneit Plains (2019-20) Cardinia Creek South (2018-19) Donnybrook Woodstock (2018-19) Lindum Vale (2018-19) Plumpton & Kororoit (2017-18)

Source: Urban Enterprise, 2021. * Minta Farm and Sunbury South are yet to be approved, dates based on year of Panel Hearing.

2.3. METHOD

The following method was applied to collect and analyse levy data.

1. Acquire / determine current levies:
 - Obtain headline (aggregate) levies from Council websites;
 - Request latest levy breakdowns from Councils (i.e. levies by item or infrastructure category);
 - If suitable data was not available or provided, Urban Enterprise indexed levy information using the indexation methods and indices shown in the relevant DCP in order to derive current levy amounts and components of the levies.

The result of this step is a monetary levy in 2020 values for each DCP / ICP for:

- Transport;
 - Transport Supplementary (for ICPs);
 - Community and Recreation;
 - Other (for DCPs); and
 - Total.
2. Estimate the value of public land provided as a contribution:
 - Obtain or derive all land values (as an average land value per hectare) in July 2020 values based on the content of the DCP/ICP, information provided by Councils and/or the Valuer General land value index;
 - Extract the total area of public land provided as a contribution from the DCP, ICP or PSP (unencumbered land for DCP / ICP items including public open space collected under clause 53.01 or the DCP / ICP).
 - Calculate the indicative total value of public land provided as a contribution;
 - Convert the value of Public Purpose Land into a per hectare amount to consider alongside monetary levies.
 3. Calculate the total amount payable per hectare in the categories of:
 - Transport – monetary;
 - Transport Supplementary (for ICPs) – monetary;
 - Community and Recreation - monetary;
 - Other (for DCPs) - monetary;
 - Public Purpose Land – equivalent monetary value of land provided; and
 - Total.
 4. Prepare an average for each cohort of DCPs / ICPs and compare the results.

It is important to note that this method enables all results to be presented and analysed in real terms given that all works and land values are indexed to 2020 dollars.

Following preparation of the results from the above method, further disaggregation and analysis was prepared as described in this report.

3. DATA OUTCOMES

3.1. INTRODUCTION

This sections presents the results of the levy data collected and adjusted to July 2020 dollars for all DCPs and ICPs in the sample. All results are in real terms.

3.2. LEVY TRENDS

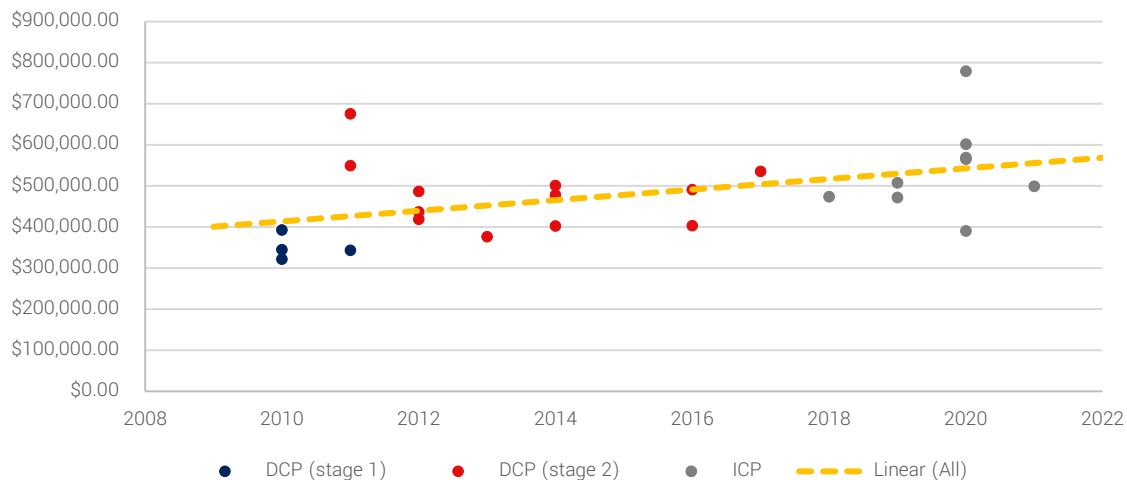
Table T2 shows a summary of average levies for each cohort of DCPs and ICPs with results shown graphically in Figure F1 by year approved (or year exhibited if not yet approved). Appendix A includes a detailed breakdown of levies by each DCP or ICP.

T2. SUMMARY OF LEVIES (2020-21 DOLLARS)

Cohort	Standard - Transport	Standard - Community and Recreation	Supplementary Levy	Other (Finance + Planning)	Total Monetary	PPL "levy"	Total Levy per ha
Average - DCP (Stage 1)	\$86,462.99	\$71,641.90	\$0.00	\$2,020.16	\$160,125.05	\$190,679.72	\$350,804.77
Average - DCP (Stage 2)	\$139,882.99	\$93,010.42	\$0.00	\$903.87	\$233,797.28	\$245,785.71	\$479,582.99
Average - ICPs	\$124,678.43	\$93,084.57	\$47,137.39	\$0.00	\$264,900.39	\$275,065.50	\$539,965.90

Source: Urban Enterprise, 2021.

F1. TOTAL LEVY PER HA BY YEAR APPROVED (2020-21 DOLLARS)



Source: Urban Enterprise, 2021.

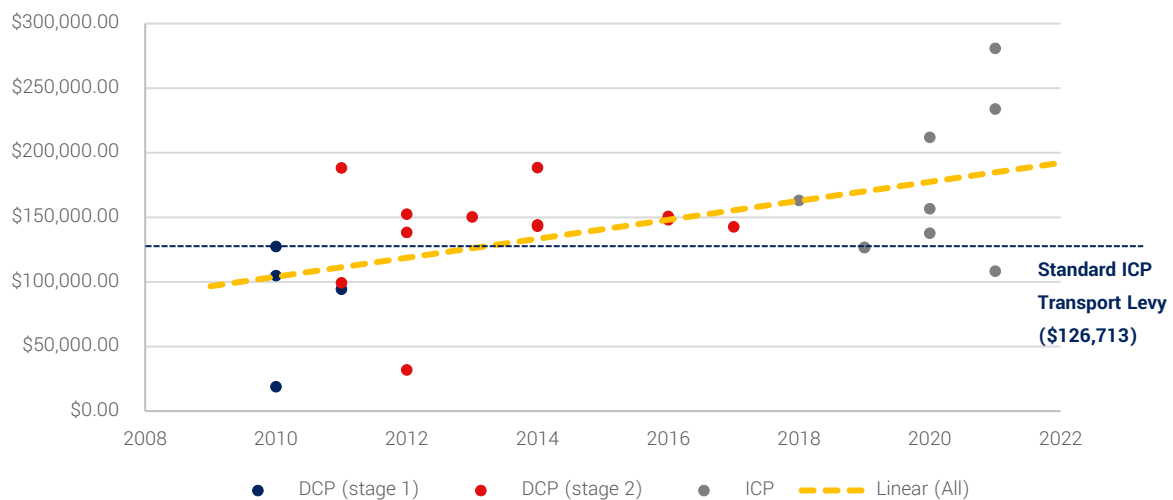
The results show that:

- The total levy payable increased substantially over the study period (in real terms) from an average of \$350,805 per ha for Stage 1 DCPs to \$539,966 per ha for ICPs. This represents an increase of approximately \$190,000 per ha in real terms;
- Transport levies have increased substantially over the period;
- The value of Public Purpose Land has increased over the period (in real terms); and
- There was an increase in the Community and Recreation levies until the introduction of the ICP system, at which point these levies were capped and have not since increased.

3.3. TRANSPORT LEVY

Figure F2 shows the transport levies of sample DCPs and ICPs (including any supplementary levy for transport in ICPs).

F2. TRANSPORT LEVY PER HA BY YEAR APPROVED (2020-21 DOLLARS)



Source: Urban Enterprise, 2021.

Note 1: Sunbury South ICP Levy is graphed based on the Panel hearing year of 2020/21.

Note 2: Pakenham East ICP is a standard levy ICP, however Ministerial approval was granted to reduce the standard transport levy and increase the standard community and recreation levy within the overall monetary standard levy (the only ICP to date to apply this approach).

The results show that:

- Transport levies have increased significantly in real terms over time;
- The average transport levy has increased from \$86,463 per ha for Stage 1 DCPs to \$171,816 per ha for ICPs (including supplementary levies for transport), more than \$85,000 per ha of additional cost in real terms for transport infrastructure alone;
- The current standard transport levy in the ICP system is \$126,713 per hectare (2020-21 dollars). On average, ICPs in the sample have a transport levy of 1.36 times the standard transport levy (when supplementary transport levies are included). Only three of the nine ICPs do not apply a supplementary levy for transport infrastructure.

Three outliers were identified in the sample as follows:

- **Craigieburn R2 Precinct DCP** (transport levy of \$18,936.18 per ha) funds only three transport infrastructure items, resulting in a relatively low transport levy;
- **Merrifield West DCP** (\$31,894.69) includes transport contributions almost solely relating to intersections, resulting in a relatively low transport levy; and
- **Sunbury South and Lancefield Road ICP** (\$280,879.33) has a significantly higher rate for the transport levy than any other DCP or ICP in the sample due primarily to the inclusion of high cost road bridges.

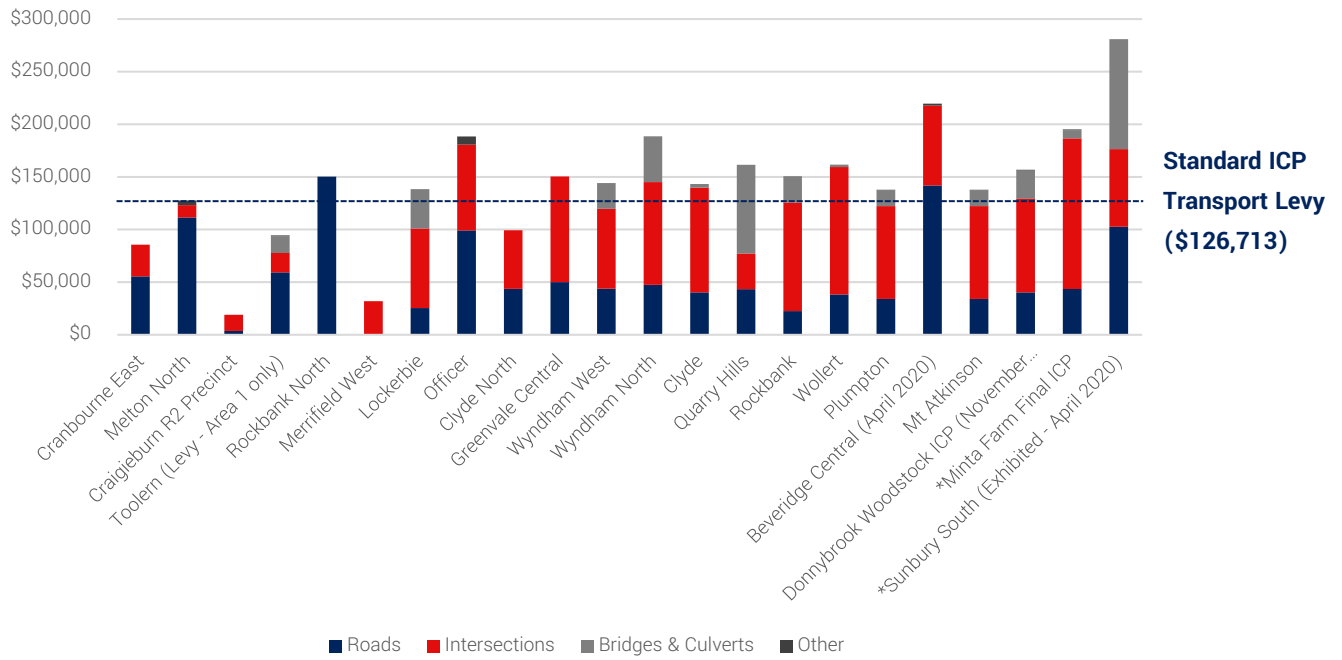
These outliers are not considered to be unusual development settings or unrepresentative of DCPs and ICPs in general and serve to demonstrate the substantial differences in levies over time.

TRANSPORT SUB-CATEGORIES

Given the significant growth in contributions attributed to the transport component of DCP and ICP levies, further investigation into sub-categories was prepared. Figure F3 shows a chart of the total transport levy by infrastructure type (roads, intersections, bridges & culverts, and other transport). The DCPs and ICPs are in chronological order. Figures F4, F5 and F6 present individual charts of the levy attributed to each major transport infrastructure type over time.

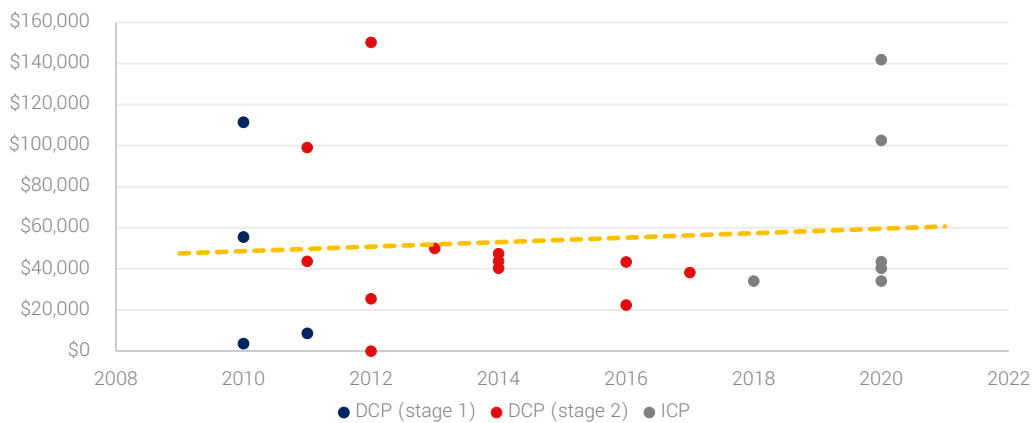
Standard levy ICPs do not provide a cost breakdown and are therefore not included in this analysis.

F3. TRANSPORT LEVY BY INFRASTRUCTURE TYPE (2020-21 DOLLARS)



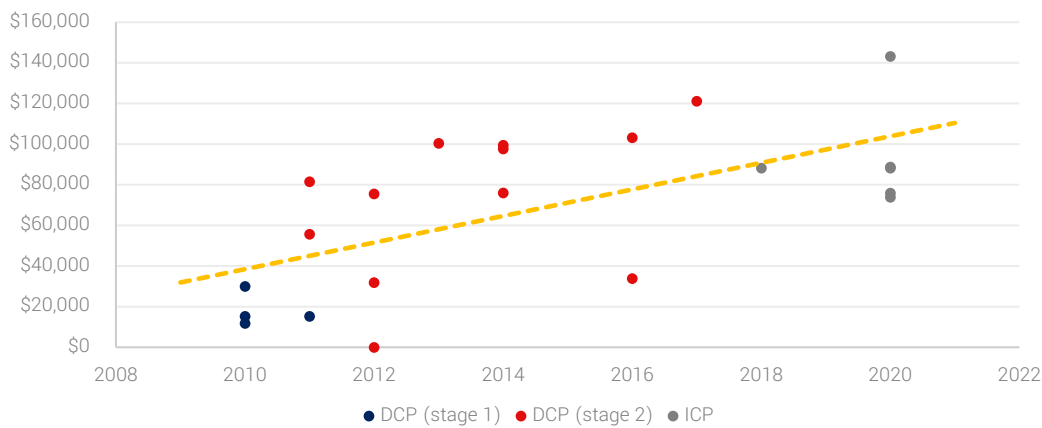
Source: Urban Enterprise, 2021

F4. ROAD TRANSPORT LEVY COMPONENT (2020-21 DOLLARS)



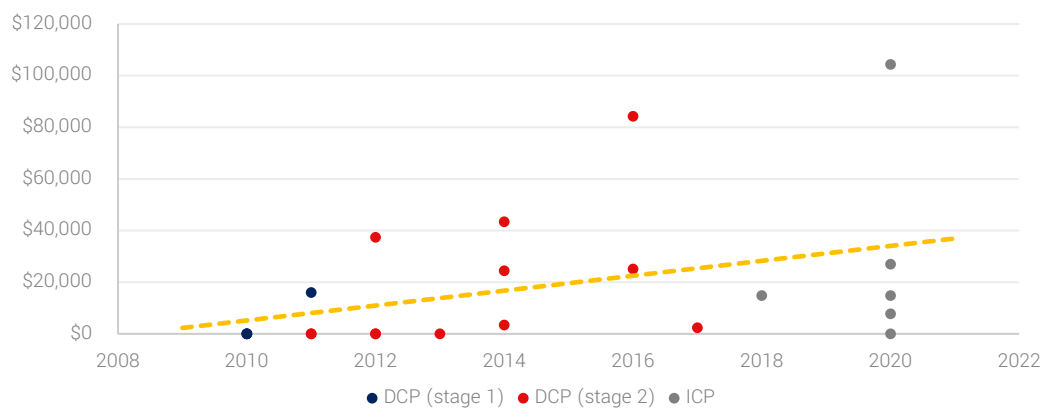
Source: Urban Enterprise, 2021.

F5. INTERSECTION TRANSPORT LEVY COMPONENT (2020-21 DOLLARS)



Source: Urban Enterprise, 2021

F6. BRIDGE & CULVERT TRANSPORT LEVY COMPONENT (2020-21 DOLLARS)



Source: Urban Enterprise, 2021

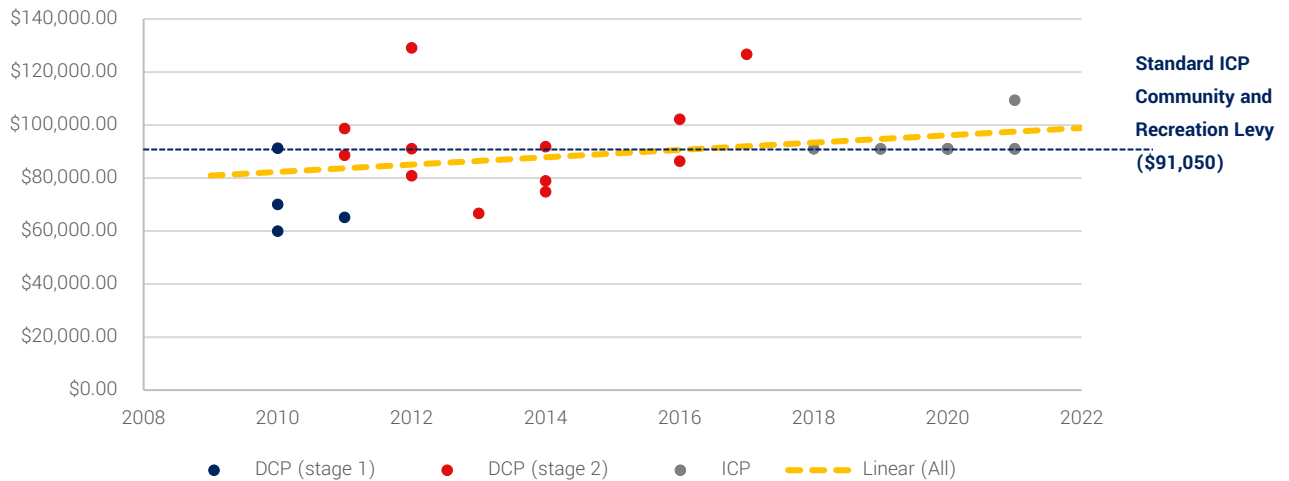
The results show that:

- Costs associated with intersections and bridges are the major contributing components to the increasing transport levy;
- Figure F4 shows that the contributions made to road infrastructure are highly variable across all sample groups and there is no clear trend over time;
- Figure F5 demonstrates a clear and consistent increase in the intersection component of the levy. Recent ICPs are consistently higher in terms of the apportioned cost per ha associated with intersection infrastructure than earlier DCPs;
- Figure F6 also shows an increasing trend in the bridge and culvert costs over time. This trend is not as clear due to the variation in the results, however it is evident that bridges and culverts are now more commonly included in DCPs and ICPs than previously.

3.4. COMMUNITY AND RECREATION LEVY

Figure F7 shows the change in community and recreation levies over time.

F7. COMMUNITY AND RECREATION LEVY PER HA BY YEAR APPROVED (2020-21 DOLLARS)



Source: Urban Enterprise, 2021.

The results show that:

- While there was a moderate increase between the DCP (Stage 1) and DCP (Stage 2) samples, the introduction of the levy cap in the ICP system has meant no further increase has occurred since 2018 (with the exception of Pakenham East, which maintained a standard monetary levy overall despite receiving approval for a higher than standard community and recreation levy).
- Over the course of the 10 year period of the samples, the average levy increased from \$71,642 per ha for DCP (Stage 1) to \$93,085 per ha for ICPs.

There are two clear outliers, being:

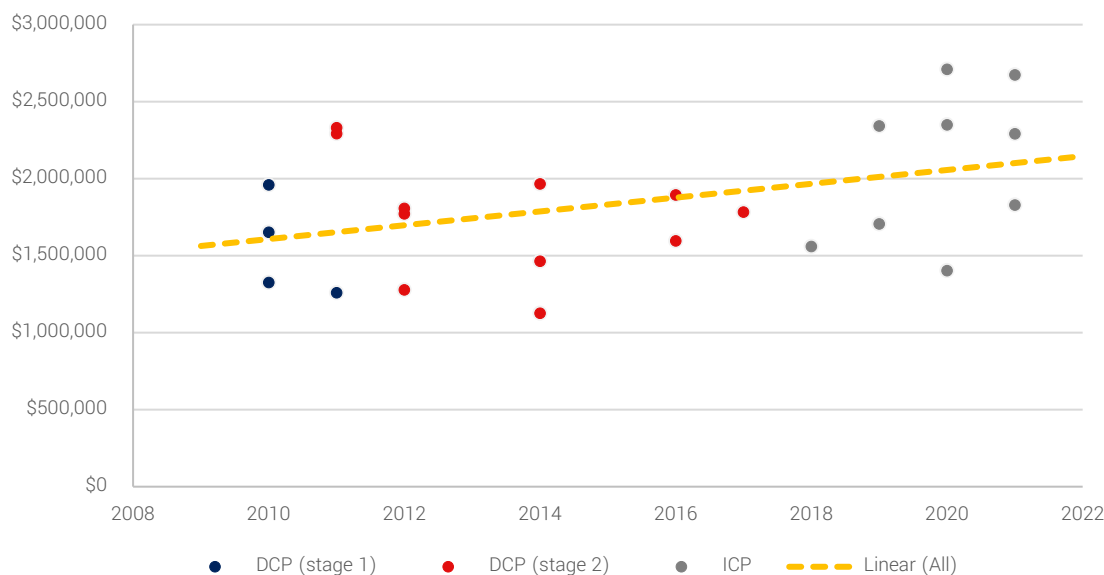
- **Merrifield West DCP** contributes to a several recreation land and works items with no external apportionment; and
- **Wollert DCP** provides land for a regional sport reserve in addition to land and works for multiple local community and recreation infrastructure items.

The outliers do not materially influence the analysis.

3.5. PUBLIC PURPOSE LAND

Figure F8 shows the average per hectare value of public purpose land provided in DCPs and ICPs over time (in real terms).

F8. LAND VALUE BY YEAR APPROVED (2020-21 DOLLARS)



Source: Urban Enterprise, 2021.

The results show that:

- The value of public purpose land (in real terms) has increased over time, which contributes somewhat to the overall increase in levies over the period.
- Overall land values in real terms are reasonably comparable across DCPs and ICPs in the sample, with the majority of average land values between \$1.5 million and \$2 million per ha.
- The increasing trend is likely to be attributable to a combination of locational factors (i.e. recent plans being in higher value areas than earlier plans) and also to changes made to the method of valuing land over time. Table T3 shows that the adoption of site specific valuations using either a 'blended method'¹ (later DCPs) or the method set out in the ICP Ministerial Direction² (in ICPs) would have contributed to the higher average land values over time. This reduces the importance of the observed land value increases as part of this research.

Figure F9 shows average land values per hectare in the sample DCPs and ICPs expressed in their original values (i.e. not in the real terms that all other analysis in this report is presented). Land values in DCPs vary considerably and generally range from \$500,000 per ha to \$1m per ha up until 2016, while average values under the ICP system have been considerably higher (generally between \$1.5m and \$3m per hectare).

¹ Under the 'blended method', public land contributions on a property that equates to less than or equal to the precinct average are valued using a per property broadhectare method, while any component of public land contributions that exceed the precinct average are valued using a 'site specific' valuation method. The combination of the two methods results in a 'blended' average land value across the precinct for the purposes of the DCP.

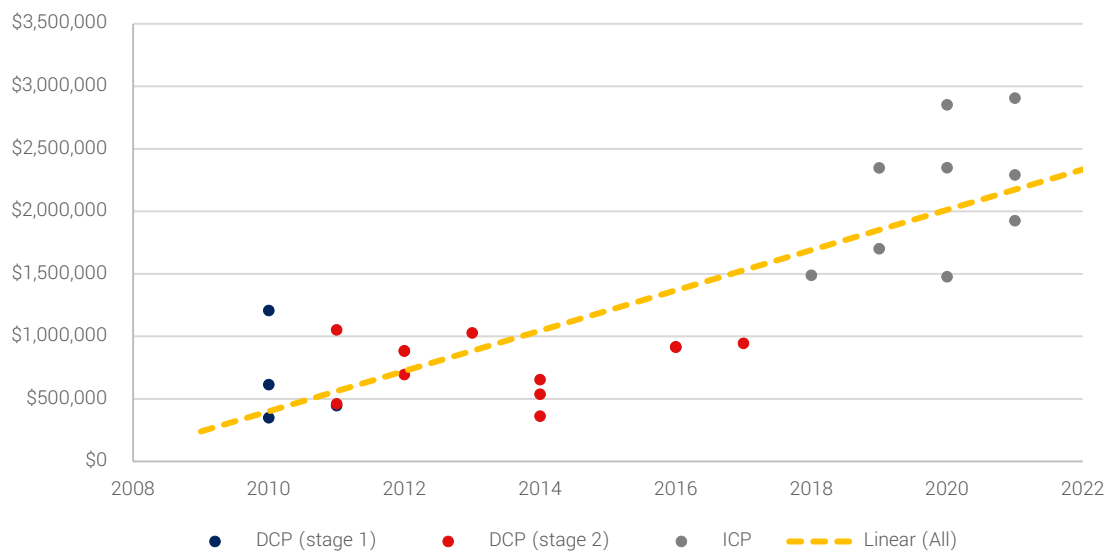
² The method for land valuation prescribed in the ICP Ministerial Direction requires properties which are required to provide more public land than the precinct average to be valued on a site specific basis in accordance with a series of assumptions set out in the Direction. In practice, average land values resulting from this method have generally been observed to be higher than would otherwise have been the case under a broadhectare valuation method.

T3. LAND VALUATION METHOD

DCP / ICP	Year	Valuation Method
Cranbourne East	2009-10	'Before and after' method
Melton North	2009-10	'Before and after' method
Craigieburn R2 Precinct	2010-11	'Before and after' method
Toolern (Area 1)	2011-12	'Before and after' method
Rockbank North	2011-12	'Before and after' method
Merrifield West	2011-12	'Before and after' method
Lockerbie	2011-12	'Before and after' method
Officer	2011-12	'Before and after' method
Clyde North	2011-12	'Before and after' method
Greenvale Central	2012-13	Average value
Wyndham West	2013-14	'Before and after' method
Wyndham North	2014-15	'Before and after' method
Clyde	2014-15	Blended method
Quarry Hills	2015-16	Blended method
Rockbank	2016-17	Blended method
Wollert	2016-17	Blended method
Plumpton	2017-18	ICP Ministerial Direction
Lindum Vale ICP	2018-19	ICP Ministerial Direction
Cardinia Creek South ICP	2018-19	ICP Ministerial Direction
Minta Farm Final ICP	2019-20	ICP Ministerial Direction
Sunbury South	2019-20	ICP Ministerial Direction
Beveridge Central	2019-20	ICP Ministerial Direction
Mt Atkinson	2019-20	ICP Ministerial Direction
Donnybrook Woodstock ICP	2020-21	ICP Ministerial Direction
Pakenham East ICP	2020-21	ICP Ministerial Direction

Source: Urban Enterprise, 2021.

F9. AVERAGE LAND VALUES BY YEAR APPROVED (BASE YEAR)



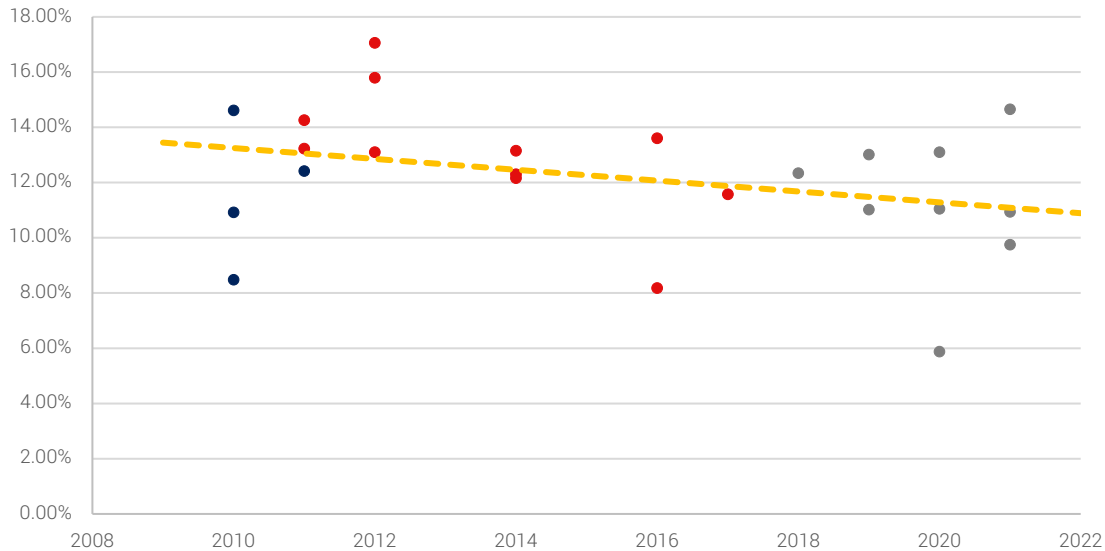
Source: Urban Enterprise, 2021.

PUBLIC LAND AREA AS A PERCENTAGE OF CONTRIBUTION AREA

Once the impact of land values have been removed and the focus is placed on the quantum of public land, it is evident that the average public land contribution rate has decreased slightly over time as shown in Figure F10.

The average public land contribution rate is calculated by dividing the total area of public land by the sum of the NDA and public land (referred to as the 'Contribution Area').

F10. PUBLIC LAND CONTRIBUTION RATE BY YEAR APPROVED



Source: Urban Enterprise, 2021.

3.6. COST RECOVERY

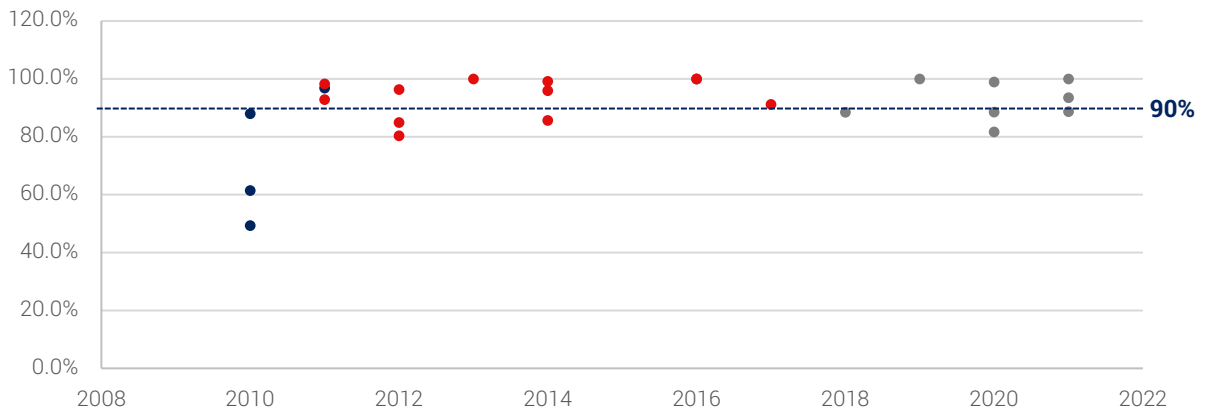
The potential impact of changes to cost recovery rates was also investigated by assessing the proportion of infrastructure costs that were collected through development contributions. In this assessment the 'cost recovered' refers to total infrastructure costs recovered through levies, including costs apportioned to other DCPs / ICPs. The proportion of costs not recovered is usually funded by Council, government grants or other funding sources.

The results shown in Figure F11 indicate that there has been no discernible trend in the proportion of costs recovered, the majority of DCPs and ICPs having approximately 90-100% cost recovery.

There are two clear outliers (below 80%) with lower cost recovery rates. Investigation into these DCPs shows a contribution to infrastructure items that are not commonly funded in DCPs (i.e. regional open space, libraries, indoor sports centres and leisure centres), or contribution to a major road upgrade external to the site with larger external apportionment to existing urban areas.

In many DCPs and ICPs, the CIL cap and the Community and Recreation standard levy cap prevent full cost recovery on those types of items.

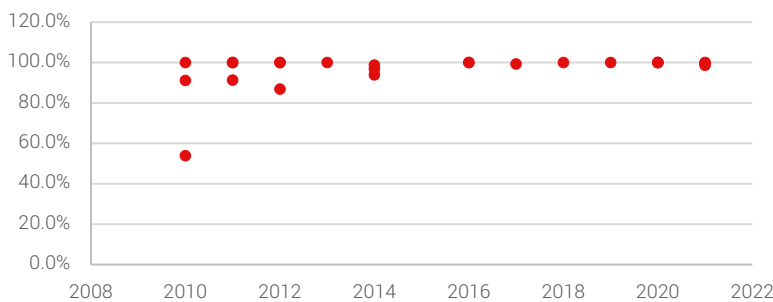
F11. PROPORTION OF INFRASTRUCTURE COST RECOVERED BY DEVELOPMENT CONTRIBUTIONS (%)



Source: Urban Enterprise, 2021

Although cost recovery across all infrastructure items has been generally consistent at above 90%, investigation into cost recovery of individual item types reveals that Transport infrastructure is more likely to have a 100% cost recovery in recent years than previously. In earlier DCPs cost recovery was still high (often 100%), but there several examples of transport cost recovery being less than 95%. There have not been any such examples since 2014. Figure F12 shows the progression of transport cost recovery over time.

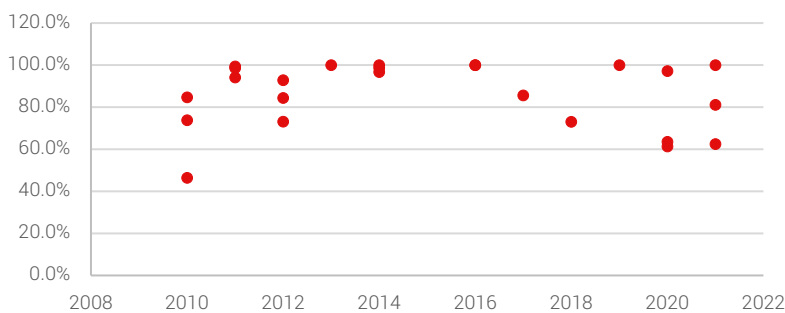
F12. PROPORTION OF TRANSPORT COST RECOVERED BY DEVELOPMENT CONTRIBUTIONS (%)



Source: Urban Enterprise, 2021

The same analysis is shown for Community and Recreation infrastructure in Figure F13. Cost recovery rates were generally increasing until the introduction of the ICP system and the standard levy cap, after which cost recovery rates have generally decreased.

F13. PROPORTION OF COMMUNITY & REC COST RECOVERED BY DEVELOPMENT CONTRIBUTIONS (%)



Source: Urban Enterprise, 2021.

4. ICP LEVY ANALYSIS

4.1. INTRODUCTION

This section builds on the data outcomes presented in Section 3 and provides further observations, findings and analysis into the key issues that have been driving the increase in levies over time.

4.2. OBSERVATIONS

LEVIES ARE INCREASING OVER TIME

The results presented in Section 3 show that the overall levies are increasing over time in real terms. The proportionate increase between each sample group is as follows:

T4. AVERAGE TOTAL LEVY INCREASE BETWEEN SAMPLE GROUPS

	Average Total Payable Levy per ha	Increase from DCP (Stage 1)	Increase from DCP (Stage 2)
DCP (Stage 1)	\$350,804.77	N/A	N/A
DCP (Stage 2)	\$479,582.99	37%	N/A
ICP	\$539,965.90	54%	13%

*Note that this average total levy includes land contributions. Different method of land valuation contributes to levy increases.

An increase of 54% in the total contribution required by developers is a significant scale of growth over the last 10 years. It is clear that despite the introduction of a standard levy through the ICP system, it has not limited the ongoing increase in impost on developers.

TRANSPORT COSTS ARE THE KEY DRIVER

The levy increases are driven primarily by growth in the transport component. Between each sample group, the transport component of the levy has increased substantially as shown in Table T5.

T5. INCREASE IN AVERAGE TRANSPORT LEVY PER HA

	Average Transport Levy per ha	Increase from DCP (Stage 1)	Increase from DCP (Stage 2)
DCP (Stage 1)	\$86,462.99	N/A	N/A
DCP (Stage 2)	\$139,882.99	62%	N/A
ICP	\$171,815.82	99%	23%

Source: Urban Enterprise, 2021

Transport levies for ICPs are strongly influenced by the Supplementary Levies which apply in most cases. The Supplementary Levies analysed accounted for total levies which were 22% above the ICP levy cap and accounted for transport levies that were on average 36% higher than the standard transport levy.

It should be noted that the average transport levy is influenced by the broad range in results, in particular the ICP supplementary levies mentioned above. As such, the use of 'averages' as a measure of change over time is influenced by the particularly high recent ICP transport levies, particularly that of Sunbury South.

An alternative analysis is to consider median levies – this is shown in Table T6. The median analysis shows that the increase in the transport component of the levy is less under this measure, however a 57% increase in the transport levy component is a very significant increase and remains a major contributor to overall levy increases in real terms.

Medians are generally more suitable for larger samples. Given the small sample for Stage 1 DCPs (4), the median is less representative than the average for this particular cohort.

T6. INCREASE IN MEDIAN TRANSPORT LEVY PER HA

	Median Transport Levy per ha	Increase from DCP (Stage 1)	Increase from DCP (Stage 2)
DCP (Stage 1)	\$99,692.44	N/A	N/A
DCP (Stage 2)	\$146,155.85	47%	N/A
ICP	\$156,784.90	57%	7%

Source: Urban Enterprise, 2021

COMMUNITY AND RECREATION LEVY COSTS ARE CONTAINED

The standard levy cap applied to Community and Recreation in the ICP has been successful in suppressing the growth in levies. There has been no further increases in average Community and Recreation levies since the implementation of the levy cap through the ICP system.

T7. INCREASE IN AVERAGE COMMUNITY AND RECREATION LEVY PER HA

	Average Community and Recreation Levy per ha	Increase from DCP (Stage 1)	Increase from DCP (Stage 2)
DCP (Stage 1)	\$71,641.90	N/A	N/A
DCP (Stage 2)	\$93,010.42	30%	N/A
ICP	\$93,084.57	30%	0%

Source: Urban Enterprise, 2021.

From the proportionate increase between each sample group, the following is shown:

- There was a 30% increase in the average levy between DCP (Stage 1) and DCP (Stage 2);
- There is now a 30% higher cost of community and recreation facilities for developers to fund compared with the Stage 1 DCPs; and
- The ICP levy cap has contained Community and Recreation levies, resulting in almost no change in the average levy between DCP (Stage 2) and the ICPs.

PUBLIC LAND

Public land is provided in accordance with the Planning and Environment Act (**the Act**), and under or over provision of public land is addressed through the PLEM method.

The important indicator related to public land, is that the amount of land required for DCP and ICP infrastructure has not been increasing.

In practice, public land does not form part of the ICP levy.

Land values and percentages are not a significant reason for levy growth (in real terms). The results demonstrate that while there is an increase in the trend of average land values, the quantum of public land required has decreased.

4.3. EXPLANATIONS

REASONS FOR TRANSPORT LEVY INCREASE

The increase in transport levies in real terms is the main reason for overall increase in average levies, to a large extent due to the substantial Supplementary Levies applied in ICPs for transport items in recent years. There are a number of potential reasons for this increase in transport levies.

INCREASED SCALE OF TRANSPORT INFRASTRUCTURE

More transport items, and the value of these items, are being included into more recent funding mechanisms. This includes more frequent inclusion of bridge and culvert works, as well as pedestrian signals. The broader number of transport infrastructure types being funded has contributed to an increase in total transport costs, beyond what has been provided in previous years.

Further, consultation with developers suggested that some intersections in recent ICPs included longer intersection tapers than earlier DCPs, resulting in an increased intersection cost that all developers have to contribute to. The additional cost that this adds to the intersection is shared by all developers through the levy but provide benefit only to the local developer. This raises concerns of equity as well as contributing to an increase in the transport levy.

UDIA members considered that the include of long intersections tapers produce benefits to the State by deferring road duplication projects and reducing the cost of road duplication and intersection capacity expansion. However, these larger intersections also require larger areas of, often land spread across multiple properties. Developers indicated that accessing land to deliver these projects is difficult (except by negotiation with a willing landowner), often resulting in either the project not proceeding, or construction of an alternative intersection in which the works are not credited. These implications produce greater costs to developers.

UDIA members also raised the issue of apparent pressure from Councils to include as much infrastructure as possible into an ICP to reduce the Council's obligation to fund infrastructure costs.

HIGHER COST ESTIMATES FOR EQUIVALENT INFRASTRUCTURE

As part of the roll-out of the ICP system, the *Benchmark Infrastructure Report* was prepared by Cardno for the Victorian Planning Authority (VPA) in 2019 to standardise the costs of infrastructure in ICPs. This included benchmark costs for transport infrastructure as well as community and recreation items. This benchmarking document takes a conservative position for cost estimates by adopting the P90 level. The P90 level represents the cost which provides sufficient funding to cover 90% of all possible outcomes. In other words, there is only a 10% chance of this cost being exceeded.

Progressive scope creep is also considered to be an influence on the increased transport levy, with the same type of infrastructure being designed to a higher standard, or quality, than 10 years ago. This has manifested in "interim" road and intersection items being designed closer to the "ultimate" standard than early DCPs.

SCOPE VERSUS ACTUAL DELIVERY

Consultation with developers identified that scope creep has also occurred at the time of delivery and negotiation of Works in-Kind (WIK), with the actual cost of infrastructure often being beyond the scope costed in the DCP / ICP.

Developers raised various cases where the scope to deliver the actual works on site exceeded the defined scope in the DCP, involving additional site preparation or drainage works that were not adequately at the time of preparation of the DCP, as well as examples of land acquisition costs to facilitate temporary works. Developers have borne these additional costs without full reimbursement.

This also applies to cases of scope variations after design approval for WIK, in which the Department of Transport (DoT) and VicRoads have required the delivery of a scope beyond what has already been approved with Council.

Examples suggested by UDIA members include DoT requiring additional through lanes, a bus lane or additional turn lanes beyond the DCP or ICP requirements. Developers have had difficult experiences receiving adequate compensation for delivery of works in cases such as this.

While these examples do not contribute to the higher transport levies themselves, when considered alongside the increasing transport levies in real terms, the cumulative financial impact on development costs is substantial.

ICP SYSTEM COMMENTS

The ICP system, including a standard levy, was introduced after preparation of a two key reports from the Standard Development Contributions Advisory Committee (the **Advisory Committee**), namely:

- Report 1 – ‘Setting the Framework’; and
- Report 2 – ‘Setting the levies’.

Report 2 raised the possibility of utilising a Supplementary Levy “for genuine ‘exceptional’ circumstances” and “only where specific criteria can be met” (p.iii). Based on our review of the transport levies applied in ICPs (including supplementary levies), it is apparent that supplementary levies for transport items are being applied as the ‘norm’, rather than the ‘exception’. This practice has enabled the transport component of the levy in ICPs to extend well beyond what was deemed an appropriate cap for the standard levy.

As a potential result of ambiguity in the drafting of the Ministerial Direction and in how the Direction is being interpreted and applied in practice, it is possible that the Supplementary levy is being used to fund any ‘shortfalls’ in the cost of transport infrastructure rather than being reserved for exceptional circumstances. This outcome further diverts from the principle of development contributions being a ‘contribution’. UDIA members raised this as a concern during consultation, pointing to ICPs generally resulting in full cost recovery for transport infrastructure which was generally not the case with previous DCPs. This view is supported by the investigation into cost recovery for transport items, which demonstrated that cost recovery has increased over time and the recent ICPs consistently have 100% cost recovery of transport infrastructure costs.

4.4. KEY FINDINGS

The investigation and analysis of levies within the sample groups of DCPs and ICPs have highlighted the following key points:

- The Transport levy has increased significantly over time and continues to increase despite the introduction of standard levy caps through the ICP system.
- There has been no further growth in the Community and Recreation levy since the introduction of the standard levy cap. This has been effective in managing escalation of costs.
- The average Public Land contributions rate (%) has been slightly decreasing over the assessment period.
- The ICP system has standardised Community and Recreation levy and equalised Public Land contributions.
- There has been a failure of the ICP system to contain or standardise transport construction costs and levies.
- Frequent use of the Supplementary Transport levy is enabling levies to continue escalating.

PART B. CUMULATIVE DEVELOPMENT TAXES AND CHARGES

5. INTRODUCTION

5.1. INTRODUCTION

This Part of the report analyses the full range of development taxes and charges payable in Victoria. This includes a wide range of charges which, when considered on a cumulative basis and combined with the development and infrastructure contributions set out in the previous Part of this report, represent a substantial financial impost on development that ultimately impacts on end house prices.

The scope of the work is confined to:

- Development of land (as opposed to land ownership);
- Residential land use; and
- Metropolitan Melbourne.

5.2. METHOD

To identify the list of taxes and charges required to be paid by developers, desktop research was undertaken to identify publicly available information for each relevant tax and charge.

The steps undertaken to compile and analyse the taxes and charges are as follows:

- Identify existing taxes and charges;
- Analyse the range of taxes and charges payable;
 - Obtain data on the quantities payable;
 - Where relevant, identify a median charge and/or range;
- Separately consider greenfield areas and established area developments (given the large number of different charges payable and the considerable difference in the quantum of certain charges);
- Calculate the total amount of taxes and charges payable in each setting, and use hypothetical development case studies to estimate the typical cost (in dollar terms) per dwelling that these charges impose.
- Prepare analysis and commentary for discussion with UDIA members and incorporate commentary and experiences of members.

6. GREENFIELD DEVELOPMENT

6.1. INTRODUCTION

This section provides an overview of the taxes and charges payable by developers of residential estates in Melbourne's greenfield areas. An overview of taxes and charges required to be paid, the cumulative cost of these charges and a hypothetical case study is provided.

6.2. GREENFIELD DEVELOPMENT TAXES AND CHARGES

6.2.1. CHARGES

In greenfield areas, a range of charges are payable for residential development. A summary of these charges is provided in Table T8. A total of nine charges were identified.

The most substantial charge is development contributions such as ICP charges, which in recent years have had a average charge of \$540,000 per ha (including monetary, land and public open space contributions).

This is followed by Development Service Scheme (DSS) charges levied by Melbourne Water for drainage infrastructure (average \$156,000 per ha) and the Growth Areas Infrastructure Contribution (GAIC) which averages \$108,550 per ha. Other charges include water authority new customer contributions (\$4,439 per lot average) and planning permit and subdivision permit fees. Developments containing native vegetation and habitat areas are required to pay Melbourne Strategic Assessment (MSA) charges for removal.

T8. GREENFIELD CHARGES

Charge	Range	Median / average (2020 values)
ICP	\$390,654 to \$779,548 per ha	\$540,000 per NDA ha including land (average)
DSS	Up to \$450,000 per ha	\$155,995 per ha (average)
GAIC	\$99,230 - \$117,870 per ha	\$108,550 per gross ha (average)
Water Authorities New Customer Contribution (Water and Sewer)	\$2,798 - \$5,796	\$4,439 per lot (average)
Native Vegetation (Biodiversity Conservation Strategy / MSA Charge)		\$113,441 per ha of native vegetation \$15,768 per scattered tree
Habitat Removal (Biodiversity Conservation Strategy / MSA Charge)	\$4,138-\$11,351 per hectare	\$8,522 per ha (median)
Planning Permit Fees	\$8,700-\$57,670 per application	\$25,658 per application ¹
Subdivision Fees		\$174.80 per application

Source: Urban Enterprise, 2021.

1. This applies to a development with a value of between \$15m and \$50m.

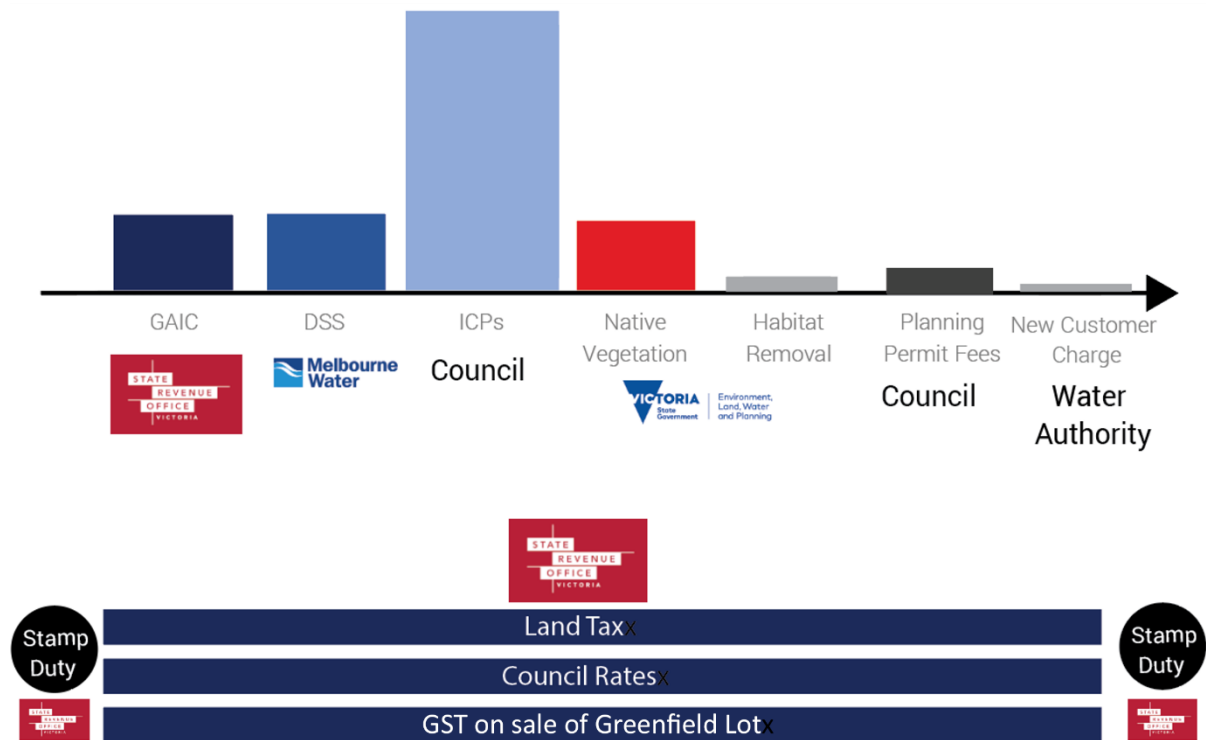
The following charges are not included in the table for various reasons:

- Council and VicRoads plan checking (0.75% of construction cost) and supervision fees (2.5% of construction cost) for infrastructure (these are generally captured in ICP charge amounts). These charges also apply to other roads and drainage infrastructure that are also required to be provided by a developer;
- Metropolitan Planning Levy, which is not payable on subdivision alone; and
- Building Permit Levy, given it is triggered at building construction, not land development.

6.2.2. CUMULATIVE INFRASTRUCTURE CHARGES

Figure F14 visually presents the various charges payable to a wide range of governments and agencies as part of the development of residential land in greenfield areas.

F14. GREENFIELD TAXES AND CHARGES

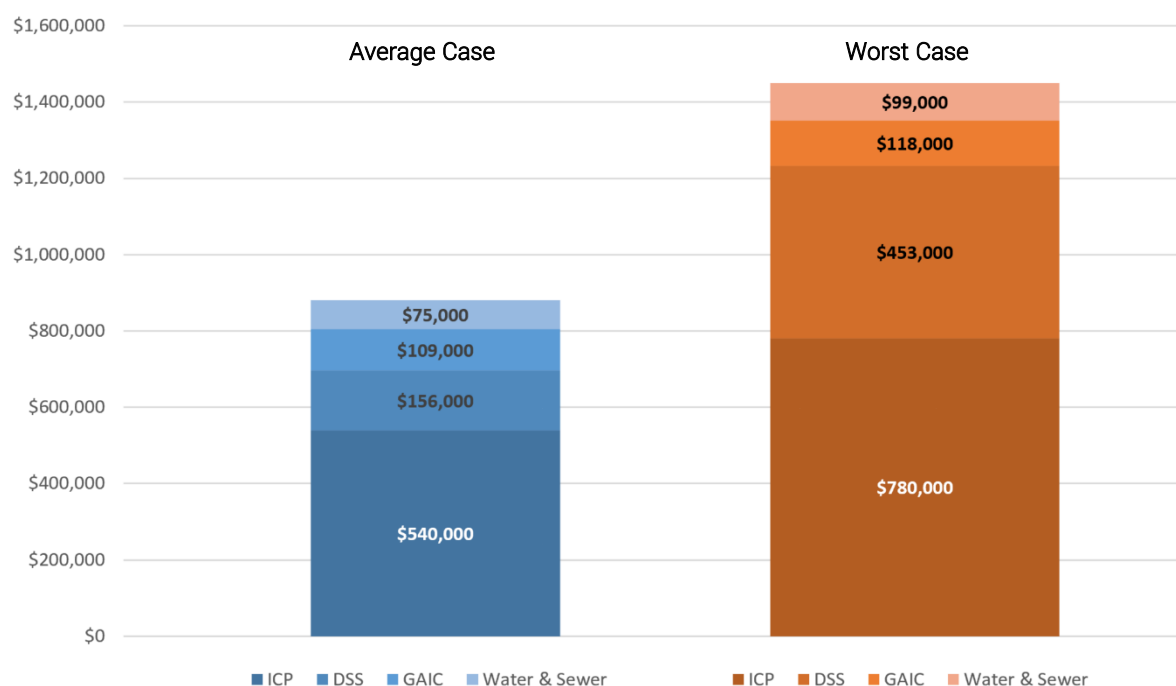


Source: Urban Enterprise, 2021.

Figure F15 shows that the average cumulative value of greenfield charges when expressed as a per hectare amount is approximately **\$880,000 per hectare** (this excludes all taxes, planning and subdivision fees, significant drainage costs and any native vegetation / biodiversity charges payable). This equates to **\$52,000 per lot** at 17 lots per hectare.

In addition, a 'worst case' scenario which adopts the maximum amounts of each infrastructure charge results in a per hectare amount of **\$1,450,000 per hectare** (this excludes all taxes, planning and subdivision fees and any native vegetation / biodiversity charges payable). This equates to **\$85,300 per lot** at 17 lots per hectare.

F15. GREENFIELD INFRASTRUCTURE CHARGES – CUMULATIVE PER HECTARE AMOUNT



Source, Urban Enterprise, 2021. 1. Median water and sewer connection per lot charges multiplied by 17 lots per hectare.

6.2.3. TAXES

In addition to the charges set out above, a range of taxes also apply to land ownership and transactions as summarised in Table T9. Some of these taxes are triggered by actions relating to land development, while most are ongoing taxes associated with landownership.

Taxes are payable to all three levels of government: Federal, State and Local. Most property taxes are progressive, with duties increasing in line with sliding scales which result in higher liabilities for more valuable property, which is particularly relevant to land holdings for residential development.

T9. OTHER PROPERTY TAXES

Tax	Description	Payable to	Timing	Amount
Goods and Services Tax	Broad based tax which applies to most goods, services and other items sold or consumed in Australia	Australian Tax Office	Transaction	10% of sale price
Land Tax	Payable if the total taxable value of all Victorian land owned is equal to or exceeds \$250,000.	State Revenue Office	Annual	Calculated on a sliding scale. Top bracket is land valued at \$3m+, tax payable is \$24,975 + 2.25% of value above \$3m.
Vacant Residential Land Tax	Applies to properties in inner or middle Melbourne that are vacant for more than 6 months in a calendar year	State Revenue Office	Annual	1% of Capital Improved Value
Land Transfer Duty (Stamp Duty)	Applies when Victorian property is purchased and payable at settlement.	State Revenue Office	Transaction	Duty is calculated on a sliding scale, starting at 1.4% of CIV for properties valued at \$25,000 and rising to 5.5% for those valued \$960,000+.
Council Rates	Payable by all property owners within a municipality and can comprise up to three components, being a municipal charge, waste management and rate in the dollar (general rates).	Local council	Annual	Varies by municipality, generally in the order of 0.3% - 0.4% of CIV.

Source: Urban Enterprise; State Revenue Office; Australian Tax Office; Know Your Council.

Figure F16 shows a cumulative value of greenfield taxes based on a hypothetical scenario of a greenfield development with the following characteristics:

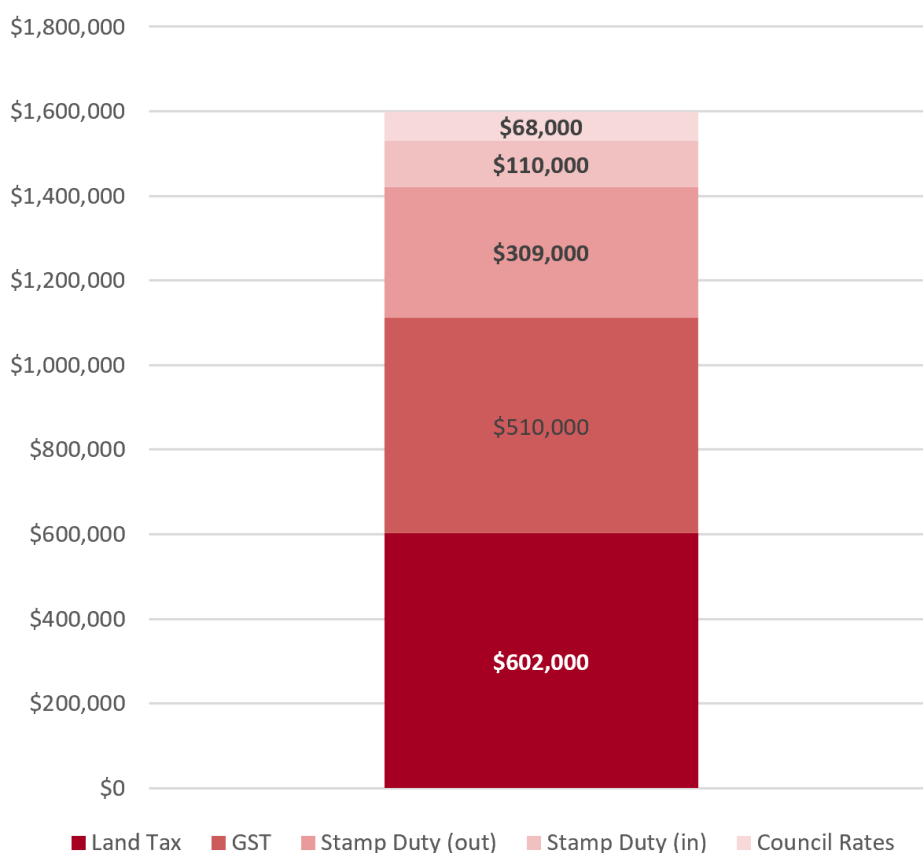
	Assumption
Site Area	50 ha
NDA	37.5 ha
Dwellings	637 dwellings (at 17 lots per ha)
Site Value at commencement	\$75 million
Capital Improved Value (land only) at commencement	\$75 million
CIV (land only) at completion	\$210 million
Development Timeframes	Planning – 1 years Design – 1 year Construction – 5 years Sale – 2 years

Both Land Tax and Council Rates are calculated on half the site assuming that as lots are sold, these taxes are being paid. As construction is ongoing, the CIV of the site will increase, meaning that these annual taxes are being paid on higher land values.

Note that Stamp Duty is paid on purchase (**Stamp Duty (in)**) and on sale of each lot (**Stamp Duty (out)**).

When expressed as a per hectare amount, these taxes equate to approximately **\$1,600,000 per hectare**, which equates to **\$94,100 per lot** at 17 lots per hectare.

F16. GREENFIELD TAXES – CUMULATIVE PER HECTARE AMOUNT



Source, Urban Enterprise, 2021.

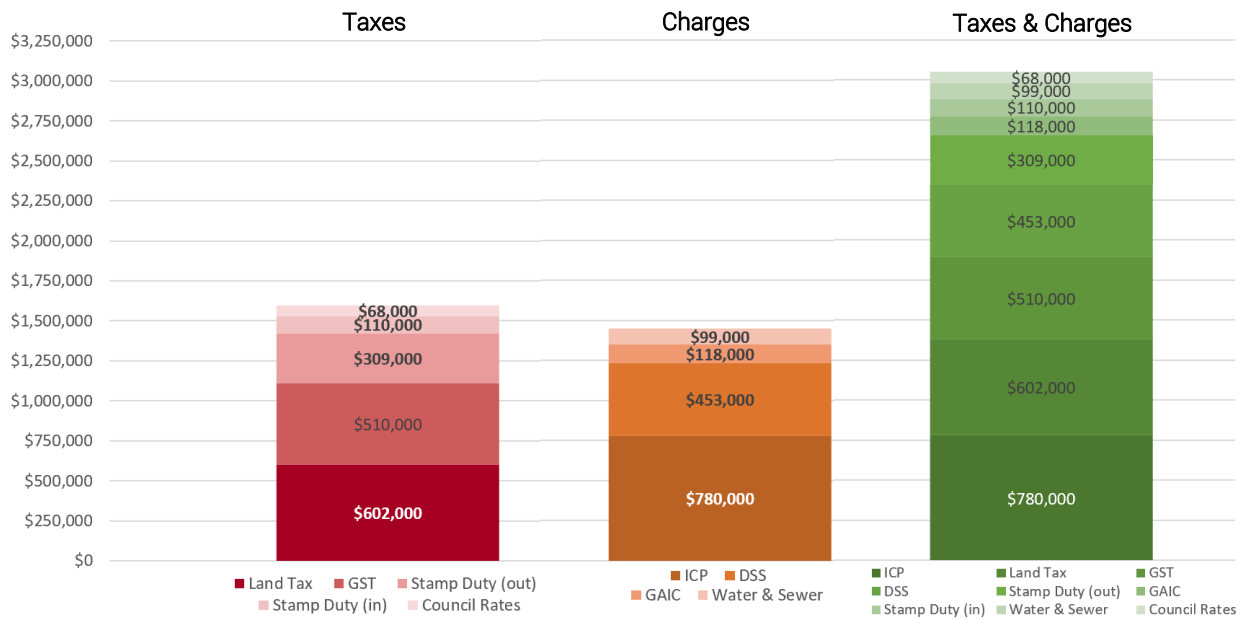
6.2.4. CUMULATIVE TAXES AND CHARGES

Figure F17 provides brings together all greenfield taxes and charges discussed above on a per hectare basis, adopting the same development assumptions to assess a 'worst case' scenario that could be applied to a greenfield development.

The assessment of cumulative taxes and charges does not include the cost of funding associated with the taxes and charges.

In this case, the cumulative value of the greenfield taxes (\$1,600,000 per hectare) and charges (\$1,450,000 per hectare) is **\$3,050,000 per hectare**, which equates to **\$179,400 per lot** at 17 lots per hectare.

F17. 'WORST CASE' SCENARIO GREENFIELD TAXES AND CHARGES – CUMULATIVE PER HECTARE AMOUNT



Source: Urban Enterprise, 2021

6.2.5. VARIABILITY

While the analysis shown above relates to average charges, it is important to note the implications of half of all developments paying more than this amount.

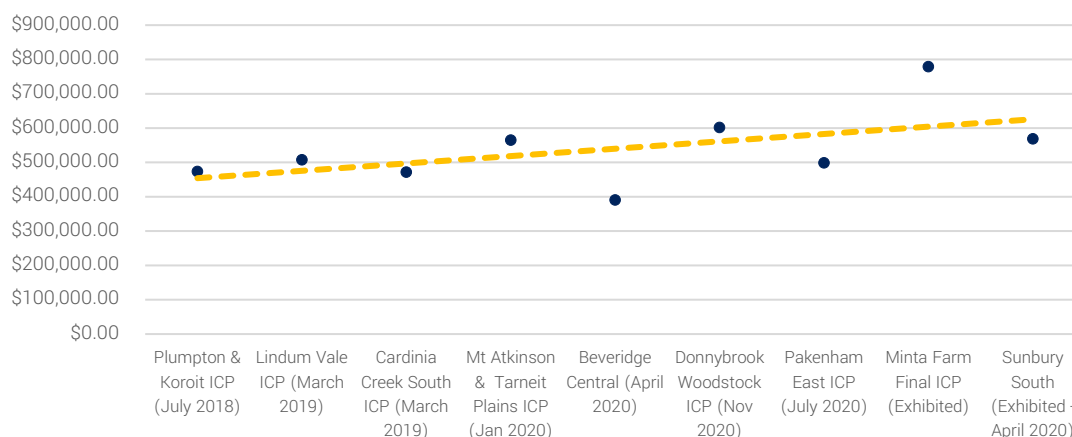
Some of the charges analysed are consistent for all locations (e.g. GAIC), while others (such as ICP charges and DSS) vary widely from precinct to precinct. Figures F18 and F19 show these variations. The value of ICP contributions in recent years has ranged from \$400,000 to \$800,000 per hectare (partially driven by land value differences), and DSS charges vary considerably across Melbourne from as low as \$50,000 to as high as \$450,000 per hectare.

The combined ICP and DSS charges payable in several of the most recent greenfield precincts are higher than the average across the sample shown in Figure F15 of \$696,000 per hectare, including:

- Donnybrook Woodstock (\$747,000; 7% above average);
- Mt Atkinson (\$750,000; 8% above average); and
- Sunbury South (ranges from \$717,000 to \$968,000 per ha, 3% - 39% above average); while
- Pakenham East is slightly below average (\$682,000, 2% below average).

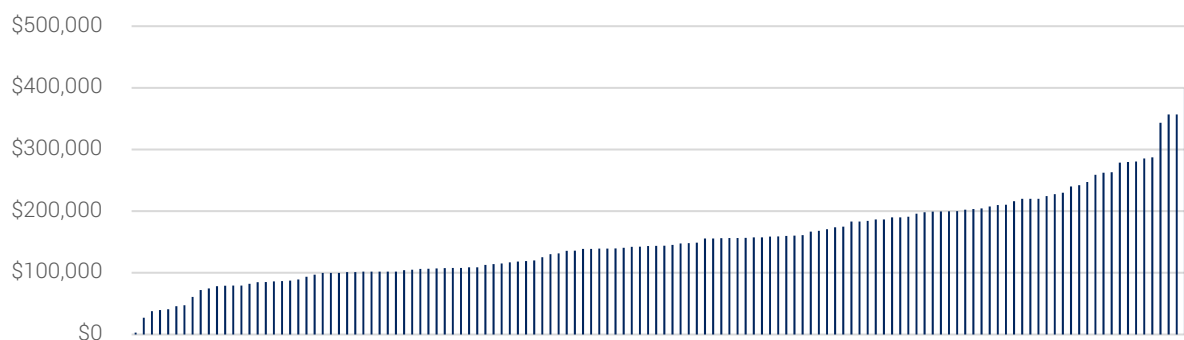
The significant difference between the minimum and maximum rates for ICP and DSS charges provides an additional challenge for developers to accurately forecast and plan for development costs. The increase in ICP charges over time (in real terms) further adds to this challenge.

F18. TOTAL ICP CONTRIBUTION PER HA OVER TIME



Source: Urban Enterprise, 2021.

F19. GREENFIELD DSS CHARGES



Source: Melbourne Water; Urban Enterprise, 2021.

Another form of variability and complexity is derived from the many differences in the way charges are calculated and applied. For example:

- **Basis:** GAIC is charged on gross land area whereas ICPs and DSS are charged on NDA, and water and sewer connections are payable on a per lot / connection basis;
- **Timing:** most charges are payable at different stages in the development process;
- **Agency:** requirements to pay a wide range of agencies means that different processes exist for each, including different approaches to issues such as works in-kind, indexation, administration and other matters.

6.3. ISSUES

The following issues are observed based on the data analysis and consultation with UDIA members.

COMPLEXITY OF VARIOUS CHARGES

The analysis in this section demonstrates the complexity associated with greenfield developers being required to pay five different groups of charges to four different agencies at various stages throughout the development process.

Developers are required to allocate time for discussions with agencies, or in some cases, outsourcing management of these charges resulting in an increased internal cost to the developer. The complexity also often gives rise to approvals delays in the experience of members, resulting in slower delivery of lots and housing to the market.

INCONSISTENT METHODS OF CHARGE CALCULATION

Charges are calculated on different inputs (i.e. GDA, NDA), meaning that there is often some confusion surrounding the required contribution through the specific charge mechanism.

Consistency in mechanisms used to calculate the taxes and charges would assist in improving transparency as well as reducing the complexity of determining development obligations.

SCALE AND INCREASE IN CONTRIBUTIONS

The total contributions associated with greenfield development charges are approximately \$900,000 per hectare, plus any native vegetation, habitat and other costs. The main component of the total – development contributions – is increasing in real terms.

Consultation with members identified the wide range of other taxes and charges which are also payable should be considered in addition to these Government charges, including:

- The wide range of property taxes that are payable throughout or at certain points in the land development process, including Land Tax, Stamp Duty, Council rates and GST;
- Various authority charges, such as supervision fees, administrative fees, plan checking and so on (generally payable to Councils and state government agencies);
- Cultural Heritage costs, such as studies to identify and manage heritage significance and costs and time to negotiate Land Use Activity Agreements;
- Social and Affordable Housing Strategies in Melbourne and Geelong greenfield areas that seek from 2% to 10% of the dwellings to be provided as social and / or affordable housing, resulting in impacts on development feasibility and timeframes due to negotiations with Councils;
- Civil construction costs continue to rise due to increasing standards required by the relevant Authorities, subsequently resulting in ongoing growth in the relevant charges. One such example, is the EPA's recent release of a policy for stormwater management that is likely to result in significant increase to drainage costs as a result of requiring developers to reduce water runoff. Meanwhile, the VPA is seeking to increase target densities in PSP areas, which is likely to increase the amount of impervious surfaces and therefore stormwater runoff. There is a reluctance for any Authority to manage stormwater harvesting infrastructure.

The cumulative impact of the costs shown in this assessment and the wide range of other costs that can impact a development process is substantial. The time cost associated with these processes and any delays is also material.

IMPACT ON AFFORDABILITY

The average charge of \$52,000 per lot equates to 16% of the median lot sale price in greenfield areas (\$330,000³), while the maximum charge of \$85,300 per lot equates to 26% of the median lot sale price. When including both taxes and charges, the maximum rate of \$149,400 per lot equates to 45% of the median lot sale price.

This is a substantial impost and does not include other potential costs, such as cultural heritage, land remediation, significant drainage infrastructure works and utility charges. Although there are a range of variables which influence end housing prices, the substantial and increasing charges place additional pressure on housing affordability in Melbourne's greenfield growth areas which are already suffering from a steady decline in relative affordability.

³ UDIA State of the Land Report, Melbourne, 2019.

7. ESTABLISHED AREAS

7.1. INTRODUCTION

This section provides an analysis of the charges payable in respect of residential development in the established areas of Melbourne.

7.2. CHARGES

A wide range of charges are payable in established areas - a summary of each common charge is provided in Table T10 and in the commentary that follows.

Some charges are commonly levied on most developments, while others are less common and depend on the location or development circumstances.

T10. ESTABLISHED AREAS CHARGES

Charge	Description	Payable to
Planning Fees		
Metropolitan Planning Levy	\$1.30 per \$1,000 of estimated development cost	State Revenue Office
Planning Permit Fees	\$8,700 to \$57,670 per application	Councils
Subdivision Fees	\$174.80 per subdivision	Councils
Building charges		
Building Permit Levy	0.128 cents per every dollar of cost of works	Victorian Building Authority
Cladding Rectification Levy	0.128 cents to 0.82 cents in every dollar of cost of works. Only applies to cost of works more than \$800,000.	Victorian Building Authority
Infrastructure Charges		
Development contributions	DCPs apply in some areas up to \$17,000/dwelling Permit conditions and s173 agreements apply in many other cases.	Councils
Drainage Charges	DSS in some areas. Other local charges sometimes payable	Melbourne Water or Councils
New Customer Contribution (sewer and water)	Commonly range from \$1,459 to \$2,755 per lot	Water Authority
Housing and open space charges		
Public open space contributions	Range from 2% to 9% of land value (or land)	Councils
Affordable housing	Depends on local policy. Negotiated contribution often between 5% - 10% of housing stock gifted, or % of land, or % of land value.	Councils

Source: Urban Enterprise, 2021.

METROPOLITAN PLANNING LEVY

The Metropolitan Planning Levy applies to planning permits to develop land in metropolitan Melbourne where the estimated cost of development is more than the charge threshold (\$1,093,000 as at 1 July 2020). The charge is paid to the State Revenue Office at the planning permit stage at a rate of \$1.30 for every \$1,000 of the estimated development cost. For example, a \$20m apartment development would be levied \$26,000.

PLANNING PERMIT FEES

Planning Permit Fees are payable to the Responsible Authority (Council) at the planning permit stage. These fees vary depending on the type and cost of development associated with the application. Fees apply per application and vary from \$8,700 up to \$57,670 per application. For example, a \$20m development would pay a fee of \$25,658.

SUBDIVISION FEES

Subdivision fees are payable to the Responsible Authority at the time of certification of a plan of subdivision. The fee for this is \$174.80 per application.

BUILDING PERMIT LEVY

A Building Permit Levy must be paid before issue of the building permit and is payable to the Victorian Building Authority (VBA). The charge is calculated as 0.128 cents in every dollar of the cost of work for the development. For example, a \$20m apartment development would be levied \$25,600.

CLADDING RECTIFICATION LEVY

The Cladding Rectification Levy was introduced on 1 January 2020 to fund cladding rectification works for buildings found to have the highest fire safety risk. The charge applies to building works in metropolitan areas with a cost of works of at least \$800,000 and a classification of 2 to 8 under the National Construction Code.

This charge is payable as part of the Building Permit Levy, at a sliding scale of between 0.128 cents in every dollar to 0.82 cents in every dollar of cost of work, and is payable to the Victorian Building Authority. For example, a \$20m apartment building would be levied \$164,000.

DEVELOPMENT CONTRIBUTIONS

Development contributions in established areas vary widely depending on location and municipality, and are collected through a wide range of mechanisms including:

- DCPs (including municipal and precinct DCPs);
- Section 173 agreements; and
- Permit conditions.

Unlike in greenfield growth areas, the ICP system does not yet apply to established areas, and many areas are not subject to any formal development contributions mechanism (such as a DCP). DCPs do apply in some locations, with charges varying significantly. For example:

- Several established municipalities have municipal-wide DCPs with charges typically in the order of \$500 to \$5,000 per dwelling;
- Some urban renewal areas are subject to formal DCPs, with charges commonly ranging from \$10,000 per dwelling up to \$17,000 per dwelling (eg. Fishermans Bend).

As in greenfield areas, charges are payable to the local council, however in established areas charges are generally separated from public open space contributions.

DRAINAGE CHARGES

Drainage charges vary widely depending on the location. Some established areas are subject to a Development Services Scheme charge payable to Melbourne Water. Other local drainage charges apply to some locations, however these also vary widely.

NEW CUSTOMER CONTRIBUTIONS

A New Customer Contribution (NCC) is payable to the relevant Water Authority to enable connection to reticulated sewer and water infrastructure. Charges in established areas range from \$1,459 to \$2,755 per lot.

PUBLIC OPEN SPACE CONTRIBUTIONS

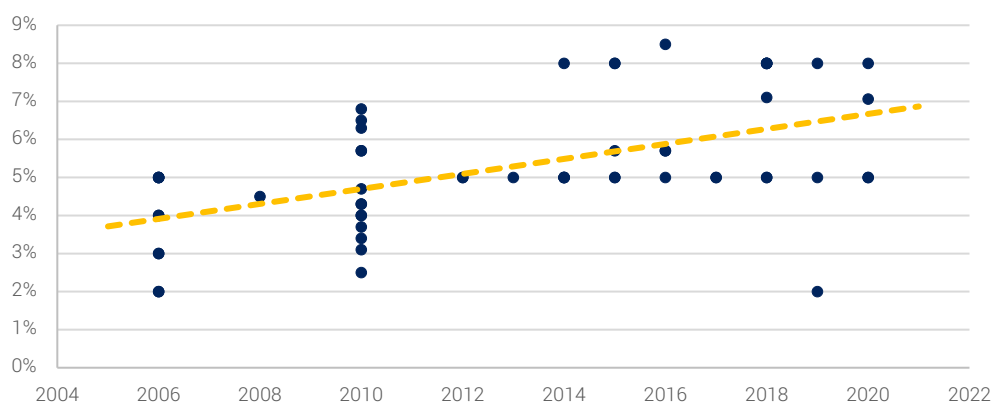
Public Open Space Contributions are levied under through Clause 53.01 of the Planning Scheme or via the Subdivision Act. Open space contributions are payable as either land, cash or a combination of both and are payable to the Responsible Authority (Council) at the time of subdivision.

The rate of contribution is capped at 5% under the Subdivision Act, but is not capped under Clause 53.01. Most municipalities in established areas of Melbourne specify a contribution percentage in Clause 53.01 of the Planning Scheme, with rates ranging from 2% to 9%.

Figure F20 shows the open space contributions rates in Clause 53.01 of established municipalities, arranged by the year in which the relevant schedule was last updated. The graph shows that there has been an increasing trend in the open space contributions rates over time, as well as the wide variation in contributions payable in different parts of the metropolitan area.

It should be noted that the significant number of entries in 2010 is due to the introduction of a new open space contributions rate separately for each suburb in the City of Moreland.

F20. PUBLIC OPEN SPACE CONTRIBUTIONS RATES IN ESTABLISHED AREAS, CLAUSE 53.01



Source: Urban Enterprise, 2021, based on various Planning Schemes Clause 53.01 Schedules.

7.2.1. OTHER DEVELOPMENT CHARGES AND COSTS

Many developments are levied a range of other charges and fees depending on the site conditions, such as:

- Environmental Audit fees and costs (and associated remediation work) where land contamination is possible. The process to of an Environmental Audit can take anywhere between a few months to more than a year to complete depending on the nature and extent of contamination on the site. Costs for remediation in established areas often fall between \$1 million and \$3 million per site plus audit costs.
- Heritage conservation and restoration fees and requirements where heritage significance is identified. Costs vary depending on the specific heritage requirements, damage to materials and cost of materials, among other things.

7.3. CASE STUDY

The charges levied in established areas vary considerably in how they are calculated and applied. To assess the cumulative impact of these charges, a hypothetical case study has been prepared as shown in Tables T11 and T12.

This example is a theoretical \$9m (construction cost) apartment development with 50 dwellings on a site of 2,000sqm in an urban renewal area. The taxes and charges adopted are those typical of recent urban renewal areas – this approach ensures that the analysis represents the taxes and charges that are expected to apply to many of the current and future urban renewal settings where a large proportion of established area dwelling development is planned to occur (e.g. Arden-Macauley and several other inner suburban strategic sites / precincts).

This hypothetical case study does not include the cost of funding associated with taxes and charges.

The resulting combined taxes and charges applicable in this example total approximately \$165,200 per dwelling.

T11. CASE STUDY DEVELOPMENT ASSUMPTIONS

Item	Assumption
Dwelling type	Apartment
Site Area	2,000sqm
Land Value (\$ per sqm)	\$5,000
Total Site Value (\$)	\$10,000,000
Capital Improved Value at commencement	\$10,000,000
Dwellings	50
Construction cost per apartment	\$180,000
Total Construction cost	\$9,000,000
Development Timing	Planning and Design – 2 year Construction / Sale – 2 year
Capital Improved Value at completion (\$600,000 per apartment)	\$30,000,000

Source: Urban Enterprise, 2021

T12. CASE STUDY RESULTS

Charge	Contribution Rate	Assumption	Value of Contribution	Per dwelling
MPL (per \$1,000 development value)	\$1.30	\$9,000,000	\$11,700	\$234.00
Planning Permit	\$8,701	1	\$8,701	\$174.02
Subdivision Fees	\$174.80	1	\$175	\$3.50
Building Permit (per \$1,000)	\$1.28	\$9,000,000	\$11,520	\$230.40
Cladding Remediation (per \$1,000)	\$8.20	\$9,000,000	\$73,800	\$1,476.00
ICP / DCP (per dw.)	\$16,000	50	\$800,000	\$16,000.00
New Customer Contribution (per dw.)	\$2,755	50	\$137,750	\$2,755.00
POS (% of land value)	8%	\$10,000,000	\$800,000	\$16,000.00
Affordable Housing (gifted)	5%	\$30,000,000	\$1,500,000	\$30,000.00
Sub-Total Charges			\$3,343,646	\$66,872.92
GST (per sale)	10%	\$600,000	\$2,727,273	\$54,545.45
Land Tax (per annum)	\$24,975 + 2.25% of value >\$3m	\$10,000,000	\$729,900	\$14,598.00
Stamp Duty – in (per transfer)	5.50%	\$10,000,000	\$550,000	\$11,000.00
Stamp Duty – out (per transfer)	5.50%	\$10,000,000	\$550,000	\$11,000.00
Council Rates (per annum)	0.40%	\$10,000,000	\$160,000	\$3,200.00
Vacant Residential Land Tax (2 years)	1%	\$10,000,000	\$200,000	\$4,000.00
Sub-Total Taxes			\$4,917,173	\$98,343.45
TOTAL			\$8,260,819	\$165,216.37

Source: Urban Enterprise, 2021.

7.4. ISSUES

VARIATION IN DEVELOPMENT SETTINGS AND CONDITIONS

Residential development in established urban areas take place across a wide variety of development settings, including urban infill, strategic sites, activity centres, urban renewal areas and others. This gives rise to a range of densities, land uses and infrastructure contexts, all of which influence both the infrastructure requirements and the agencies and stakeholders that are involved in levying charges and providing infrastructure.

This complexity is considerably higher in established areas than in greenfield growth areas where infrastructure requirements and planning approaches are generally more consistent.

Notwithstanding these complexities and the different contexts for development, it is evident that there is very wide range of fees and charges payable in different locations across Melbourne. In some cases, the charges levied on a per dwelling basis are of a fundamentally different order to those levied in other areas, especially for development contributions and open space contributions which usually comprise the greatest proportion of the total development charge.

This inconsistency brings into question the equity of current regimes. In our experience, the lack of clear guidance on how open space contributions (and to a lesser extent development contributions) must be derived for different settings and council areas is a major contributing factor to this issue and is the cause of significant uncertainty and frustration for many in the development industry.

LACK OF NEXUS AND TRANSPARENCY BETWEEN CHARGES AND SPENDING

In established areas, developers have observed the lack of nexus and hypothecation of development charges with the expenditure of funds, noting that it not always clear what infrastructure charges are being spent on and whether the amount contributed is actually required for upgrades.

Several comments were made during member consultation regarding public open space contributions which is of particular concern. Members challenged whether monetary contributions collected by councils were being spent on open space improvements that provided benefit to the residents of developments from which the funds were collected.

There is also questionable nexus between the collection and expenditure of the Metropolitan Planning Levy.

INCREASE IN THE NUMBER AND SCALE OF CHARGES

The number and quantum of charges and fees levied in established areas has increased over recent years and there are proposals which would further increase charges in the future.

Examples of increasing charges are:

- **Open space contribution** rates have increased considerably in recent years from generally up to 5% to now up to 8%. Recent planning scheme amendment requests have included proposed contributions rates of 10% in several established area municipalities; and
- **Development contributions** charges in recently designated urban renewal areas are typically in the order of \$15,000 - \$17,000 per dwelling, considerably higher than most of the earlier equivalent charges that apply in established areas and other urban renewal areas which have typically been in the order of \$5,000 - \$10,000 per dwelling.

Several new charges have been introduced recently, including:

- **Cladding Remediation Levy** – this new charge was introduced on 1 January 2020 and added approximately \$900 to the cost of developing an apartment;
- **Metropolitan Planning Levy** - this new charge was introduced in July 2015 and added approximately \$450 to the cost of developing an apartment;

- **Affordable housing** contributions – in recent years, several councils have introduced policies regarding affordable housing which have resulted in voluntary negotiations to provide affordable housing or in-kind monetary or land contributions. These contributions have been somewhat guided by state government guidelines on how to negotiate such contributions, however in practice a wide range of approaches have been applied. Although in theory these contributions are purely voluntary and require some form of trade-off / other benefit to the developer (such as additional yield beyond the existing planning controls), in practice contributions are now commonly sought with minimal benefits offered. This is a relatively new ‘charge’ which is inconsistently applied yet can have considerable cost implications to development.

In addition to the increasing scale and quantum of charges, several proposals are underway to introduce more consistent charges across the metropolitan area or in certain development settings. These include:

- The extension of the current **ICP system** to Strategic Development Areas. It is expected that this proposal would be likely to increase the number of developments that are subject to a formal development contribution, and would also likely increase the quantum of charges compared with current averages.
- **Affordable housing** – a Ministerial Advisory Committee is providing advice to the Minister for Planning on Planning Mechanisms for Affordable Housing. The Terms of Reference include “consideration of mandatory requirements” to provide affordable housing. The introduction of any such requirement would be likely to convert the current ad hoc system to a standard requirement across all development, resulting in a considerable increase in the breadth and quantum of affordable housing contributions across the established areas. Members consulted expressed the view that applying a standard benchmark for mandatory affordable housing contributions is premature given the lack of a suitable, agreed provision benchmark and mechanism for any such contribution.

The cumulative impact of the above changes is substantial and will continue to manifest in higher residential development costs over time.

DESIGN, PLANNING AND OTHER REQUIREMENTS

In addition to the charges and fees set out above, UDIA members identified a range of other requirements which, in their view, are increasing in their complexity and as a result, reducing the potential yield of development sites (as well as requiring additional design costs and timeframes).

Particular mention was made of the implications of the *Better Apartment Design Guidelines* which have resulted in a loss of efficiency in apartment development, while other design controls applied in several municipalities were noted as reducing site yields and leading to higher development costs per apartment. Developers noted that the additional costs associated with meeting these guidelines were being passed on to the buyers, resulting in higher apartment prices and contributing to current affordability issues.

Members also identified that the number and type of planning and technical studies required before planning approvals could be achieved have been increasing, such as design studies, character assessments, technical studies, waste management plans and so on. Members indicated that in their experience, these ‘hidden’ costs were substantial, particularly given that the costs are incurred early in the development process and that the overall development timeframe is directly impacted by the various requirements and any associated delays to obtain approvals.

AFFORDABILITY IMPACTS

Given the issues described above, the implications for housing affordability are clear. Members consulted indicated that many of the costs identified – especially those costs that are increasing over time – are passed on to home purchasers. As further taxes and charges become mandatory, the new costs will continue to impact house prices over time.

The following section considers some of the cumulative impacts and the cost impacts relative to housing prices.

PART C. CUMULATIVE COST IMPLICATIONS

8. CUMULATIVE COSTS AND IMPACTS

8.1. INTRODUCTION

This section provides an assessment of the cumulative impacts of the taxes and charges analysed in the previous sections both on a per dwelling basis and across the development industry.

METHOD

The following method has been applied to consider the cumulative costs and impacts of the taxes and charges assessed:

- Adopt the typical per dwelling costs estimated in previous parts of this report for greenfield and established areas;
- Compare the cumulative tax and charge costs against the typical lot and dwelling sale price to provide an indication of the contribution of these costs to end housing price; and
- Estimate the volume of housing expected to be delivered across Melbourne each year and calculate the total costs expected to be paid under the charges assessed in this report.

8.2. RESULTS

The results of the assessment of cumulative costs are shown in Table T13. It is estimated that:

- Approximately **\$2.5 billion** would be raised annually through charges, and **\$3.9 billion** through taxes on residential development in Melbourne under the circumstances set out in this report, resulting in a total of **\$6.4 billion**. These taxes and charges are paid to a combination of State government, local Councils, government agencies and service authorities.
- The combination of established area taxes and charges comprise **28%** of the final apartment price.
- Greenfield taxes and charges account for **44%** of the greenfield lot price (or up to 54% in a 'worst case scenario' of taxes and charges).
- The hypothetical case studies exclude any potential charges associated with heritage costs, land remediation significant drainage infrastructure works and utility costs, nor does it include taxes and charges incurred by the purchaser of the property. The cost of funding associated with taxes and charges is also excluded from the assessment.
- UDIA's previous analysis of housing taxes and charges as set out in the Hidden Cost of Housing report (July 2020) identified that taxes and charges paid by both developer and purchaser equates to **19% - 34%** of the purchase price of an apartment or greenfield lot.

The results shown below are indicative given that the actual taxes and charges payable vary at least to some extent for every development. The results represent a cumulative contribution that is derived from the assumptions set out in previous sections, with the objective of setting out the total contributions made if certain circumstances were to apply. For example, the infill development per dwelling rate is based on the upper end of the charges range to reflect the typical taxes and charge rates that will apply to inner city development settings in current dollars.

T13. SUMMARY OF TYPICAL TAXES AND CHARGE COSTS AND IMPACTS

	Greenfield	Established Areas	Total Per Annum
Dwelling Type	House	Apartment	
Dwellings constructed per annum	18,000 ³	23,000 ⁴	41,000
Typical taxes levied per dwelling	\$94,100	\$98,300	
Typical charges levied per dwelling	\$52,000	\$66,900	
Total taxes levied per annum	<i>\$1,693,800,000</i>	<i>\$2,260,900,000</i>	<i>\$3.95bn</i>
Total charges levied per annum	<i>\$936,000,000</i>	<i>\$1,538,700,000</i>	<i>\$2.47bn</i>
Total taxes and charges levied per annum	\$2.63bn	\$3.80bn	\$6.43bn
Lot sale price	\$330,000	N/A	
Dwelling sale price	\$580,000 ¹	\$600,000 ²	
Proportion of lot sale price	44%	N/A	
Proportion of dwelling sale price	25%	28%	

Source: Urban Enterprise, 2021, figures rounded for presentation purposes.

1. UDIA State of the Land 2020, Melbourne; Median Lot Sale price 2019 (\$330,000) plus estimated typical dwelling price (\$250,000)

2. UDIA State of the Land 2020, Melbourne; Median New Unit Price 2019.

3. UDIA State of the Land 2020; Melbourne, Average Net Land Sales Per Annum, 2015-2019.

4. UDIA State of the Land 2020; Melbourne; Average Annual Unit Completions 2015-2019.

APPENDICES

APPENDIX A DETAILED DEVELOPMENT AND INFRASTRUCTURE CONTRIBUTIONS LEVY RESULTS

Sample Group	DCP / ICP Name	Standard - Transport	Standard - Community and Recreation	Supplementary Levy	Other (Finance + Planning)	Total Monetary	PPL "levy"	Total Payable per ha
DCP (Stage 1)	Cranbourne East	\$104,935.35	\$59,999.84	\$0.00	\$4,133.34	\$169,068.53	\$175,798.64	\$344,867.17
	Melton North	\$127,530.91	\$70,083.01	\$0.00	\$2,985.77	\$200,599.69	\$121,364.59	\$321,964.28
	Craigieburn R2 Precinct	\$18,936.18	\$91,292.60	\$0.00	\$0.00	\$110,228.78	\$282,673.61	\$392,902.39
	Toolern (Levy - Area 1 only)	\$94,449.54	\$65,192.14	\$0.00	\$961.53	\$160,603.21	\$182,882.05	\$343,485.26
	<i>Average</i>	<i>\$86,462.99</i>	<i>\$71,641.90</i>	<i>\$0.00</i>	<i>\$2,020.16</i>	<i>\$160,125.05</i>	<i>\$190,679.72</i>	<i>\$350,804.77</i>
DCP (Stage 2)	Rockbank North	\$152,547.84	\$91,065.58	\$0.00	\$0.00	\$243,613.42	\$193,052.30	\$436,665.72
	Merrifield West	\$31,894.69	\$129,135.40	\$0.00	\$0.00	\$161,030.09	\$257,700.08	\$418,730.18
	Lockerbie	\$138,414.80	\$80,854.57	\$0.00	\$0.00	\$219,269.37	\$267,222.95	\$486,492.32
	Officer	\$188,379.34	\$98,700.30	\$0.00	\$2,414.15	\$289,493.79	\$386,066.20	\$675,559.99
	Clyde North	\$99,321.62	\$88,632.18	\$0.00	\$3,400.81	\$191,354.61	\$358,205.62	\$549,560.23
	Greenvale Central	\$150,445.59	\$66,675.85	\$0.00	\$0.00	\$217,121.44	\$159,154.71	\$376,276.15
	Wyndham West	\$144,172.38	\$91,901.79	\$0.00	\$5,031.44	\$241,105.61	\$161,527.13	\$402,632.74
	Wyndham North	\$188,556.00	\$74,871.06	\$0.00	\$0.00	\$263,427.05	\$214,806.18	\$478,233.23
	Clyde	\$143,224.88	\$78,956.15	\$0.00	\$0.00	\$222,181.03	\$278,978.75	\$501,159.78
	Quarry Hills	\$148,139.32	\$86,362.08	\$0.00	\$0.00	\$234,501.40	\$168,881.42	\$403,382.82
	Rockbank	\$150,738.04	\$102,230.27	\$0.00	\$0.00	\$252,968.31	\$238,080.27	\$491,048.58
	Wollert	\$142,761.41	\$126,739.80	\$0.00	\$0.00	\$269,501.21	\$265,752.87	\$535,254.09
	<i>Average</i>	<i>\$139,882.99</i>	<i>\$93,010.42</i>	<i>\$0.00</i>	<i>\$903.87</i>	<i>\$233,797.28</i>	<i>\$245,785.71</i>	<i>\$479,582.99</i>

Sample Group	DCP / ICP Name	Standard - Transport	Standard - Community and Recreation	Supplementary Levy	Other (Finance + Planning)	Total Monetary	PPL "levy"	Total Payable per ha
ICPs	Plumpton	\$126,713.00	\$91,050.00	\$36,435.52	\$0.00	\$254,198.52	\$219,650.37	\$473,848.89
	Cardinia Creek South ICP (March 2019)	\$126,713.00	\$91,050.00	\$0.00	\$0.00	\$217,763.00	\$254,367.05	\$472,130.05
	Donnybrook Woodstock ICP (Nov 2020)	\$126,713.00	\$91,050.00	\$30,071.90	\$0.00	\$247,834.90	\$354,096.31	\$601,931.21
	Minta Farm Final ICP	\$126,713.00	\$91,050.00	\$107,272.55	\$0.00	\$325,035.55	\$454,512.50	\$779,548.04
	Sunbury South (Exhibited - April 2020)	\$126,713.00	\$91,050.00	\$154,166.33	\$0.00	\$371,929.33	\$197,220.67	\$569,150.00
	Beveridge Central (April 2020)	\$126,713.00	\$91,050.00	\$85,234.53	\$0.00	\$302,997.53	\$87,657.25	\$390,654.78
	Mt Atkinson	\$126,713.00	\$91,050.00	\$11,055.69	\$0.00	\$228,818.69	\$336,639.25	\$565,457.95
	Lindum Vale ICP	\$126,713.00	\$91,050.00	\$0.00	\$0.00	\$217,763.00	\$289,960.78	\$507,723.78
	Pakenham East ICP	\$108,401.89	\$109,361.11	\$0.00	\$0.00	\$217,763.00	\$281,485.36	\$499,248.36
	<i>Average</i>	\$124,678.43	\$93,084.57	\$47,137.39	\$0.00	\$264,900.39	\$275,065.50	\$539,965.90

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