

15 May 2020

Amy O'Keeffe
Senior Strategic Planner
Darebin City Council

By email: planningservices@darebin.vic.gov.au

Dear Ms O'Keeffe,

OPEN SPACE LEVY- C186dare

I write in relation to the changes proposed by Open Space Levy - Planning Scheme Amendment C186dare.

The Property Council acknowledges that the formal submission process is now closed but nonetheless requests the the following letter be referred to the panel ahead of the second directions hearing scheduled for 29 May 2020.

Objections to levy increases during COVID-19 pandemic

The Property Council has serious concerns with the implementation of a levy that will significantly increase development costs – particularly in light of the economic downturn caused by the COVID-19 pandemic.

In Victoria and globally, we are not operating in a “business as usual” environment. We are experiencing great uncertainty and an economic downturn of historic proportions.

On 22 April, the Victorian Premier and Treasurer confirmed economic modelling produced by the Department of Treasury and Finance showed that, as a result of the pandemic:

1. 270,000 jobs will be lost in Victoria by September
2. Gross State Product (GSP) will be reduced from \$226 billion to \$194 billion in the first half of the 2020 calendar year; and
3. A 9 per cent reduction in property prices is expected by the end of 2020.

At such an uncertain time, a significant increase in the Open Space Levy from 2-5 per cent to 10 per cent will place new developments at significant risk. These charges will ultimately result in one of two scenarios:

1. The additional charge will be passed to the buyer through the end cost of the projects, impacting affordability; or
2. The increase in the levy will stop projects from proceeding, inhibiting the delivery of new housing stock at a time when housing security is vital for our health and economic recovery.

We recommend that, based on economic uncertainty alone, any further progress on Open Space Levy - Planning Scheme Amendment C186 dare be delayed until at least 1 July 2021.

Better Apartments in Neighbourhoods Stage Two

It was a key action of the *Breathing Space: The Darebin Open Space Strategy (Strategy)*, prepared by SGS Economics and Planning and adopted by Darebin Council on 2 September 2019, to increase the Open Space Levy.

In developing the Strategy, the policy context considered by SGS included the Darebin Council Plan and, at a state level, Plan Melbourne 2017–2050.¹

The Property Council is concerned that the Strategy did not consider the Better Apartment Design Standards within the policy context of this Strategy. Stage Two of the *Better Apartment in Neighbourhoods* design standards includes significant communal open space requirements.

The objective of the communal open space requirements² as outlined are:

- To provide communal open space that meets the recreation needs of residents;
- To provide outdoor communal open space that accommodates integrated landscaping;
- To ensure that communal open space is accessible, functional, and is easily maintained;
- To ensure that communal open space is integrated with the layout of the development and enhances resident amenity.

The failure of the Strategy to consider the impact of State Government initiatives to boost communal open space provisions in new apartment dwellings would have the unintended consequence of creating a policy setting that is unworkable and creates unnecessary duplication at various levels of government.

Yours faithfully,



Cressida Wall

Executive Director, Victoria
Property Council of Australia

¹ Breathing Space: The Darebin Open Space Strategy pg 21

² Better Apartments in Neighbourhoods – March 2020 – Final Draft Standards for Consultation pg 4