



ESSENTIAL ECONOMICS

Hume Planning Scheme Amendment C207
615 Sunbury Road

Expert Witness Statement

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Director, Essential Economics Pty Ltd

14 August 2017

Contact details

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1 INTRODUCTION

Professional Details

- 1.1 My name is John Christopher McNeill and I practice as a Director and Senior Economist at Essential Economics Pty Ltd of 96 Pelham Street, Carlton.
- 1.2 I hold the degree of Economics from Monash University. A copy of my CV is attached to this statement.

Area of Expertise

- 1.3 My area of professional expertise is urban economics and the economic analysis of urban policy.
- 1.4 My opinions expressed herein are, to the context relevant, made by me in reliance upon my above expertise.
- 1.5 I am a member of the Victorian Planning and Environmental Law Association, and a member of the planning committee of the Housing Industry Association.

Instructions

- 1.6 I have been instructed in this matter by David Lock Associates, acting on behalf of Sunbury Realty Pty Ltd.
- 1.7 My instructions in this matter are as follows:
 - (a) To consider and provide economic comment on Amendment C207 and the Sunbury South Precinct Structure Plan in so far as they relate to the property known as 615 Sunbury Road;
 - (b) To prepare this Expert Witness Statement.

Preparation

- 1.8 In preparing this statement:
 - (a) I have been instructed by David Lock Associates that, as a witness giving evidence (by report, or otherwise) in a proceeding as an expert, I have a duty to assist the Panel and that this duty overrides any obligation that I may have to any party to the proceeding or to any person who is liable for my fee or expenses in this matter;
 - (b) I have neither received nor accepted any instructions to adopt or reject any particular opinion in preparing this report;

- (c) I have made all the enquiries which I believe are desirable and appropriate and that no matters of significance which I regard as relevant have, to my knowledge, been withheld from the Panel;
- (d) I have considered the relevant documents disclosed by the parties to the proceeding and the documents listed in this report; and
- (e) I was solely responsible for the preparation of this Statement.

2 SUNBURY SOUTH PRECINCT STRUCTURE PLAN

- 2.1 This Chapter considers the background and context to Amendment C207 to the Hume Planning Scheme.

The Amendment Area

- 2.2 The Sunbury South Precinct Structure Plan (SSPSP) has been prepared by the Victorian Planning Authority (VPA) in consultation with Hume City Council and relevant agencies.
- 2.3 The SSPSP is intended to provide up to 11,800 homes accommodating a residential population of more than 33,000. The precinct will include:
- The Redstone Hill Major Town Centre comprising at least 25,000 square metres of retail and commercial floorspace
 - At least 5,000 square metres of retail and commercial floorspace in the Harpers Creek Local Town Centre
 - Several local convenience centres
 - Approximately 45 hectares of industrial land
 - Regional parklands along the Jacksons Creek corridor
 - A road crossing of Jacksons Creek
 - A new train station near Jacksons Hill
 - A range of local schools, sporting fields and community facilities.
- 2.4 The SSPSP applies to approximately 1,798 hectares of land generally bounded by:
- Watsons Road and the Jacksons Creek to the south
 - Gellies Road and the Emu Creek to the north and north-east
 - The transmission line easement to the east
 - Vineyard Road to the west.
- 2.5 The precinct abuts a number of existing communities within the Sunbury township, including Goonawarra and Jacksons Hill.

Amendment C207

- 2.6 The amendment proposes to incorporate a new document into the Hume Planning Scheme titled “Sunbury South Precinct Structure Plan”. The amendment also rezones the land to Urban Growth Zone Schedule 9 to facilitate the development of the land and makes a number of other changes to the Hume Planning Scheme.

- 2.7 Concurrent with the amendment process, Villawood Properties is seeking a planning permit to facilitate residential development of its significant landholding in the SSPSP area.

The Sunbury South Precinct Structure Plan

- 2.8 The structure of the SSPSP is generally consistent with other Precinct Structure Plans (PSPs) undertaken by the VPA for Melbourne’s greenfields growth areas.
- 2.9 The SSPSP envisages the amendment area will be developed over a 25 to 40 year period.
- 2.10 The SSPSP facilitates a new road crossing of Jacksons Creek, which will form part of an ultimate Sunbury Ring Road. The new Jacksons Creek road crossing is expected to improve connectivity from east to west within the township, and provide an important link back onto the Calder Freeway to areas in the east of Sunbury. The SSPSP also provides open space and community facilities to support the new growth area.

Lancefield Road Precinct Structure Plan

- 2.11 Concurrent with Amendment C207, the independent Panel will also consider Amendment C208; the Lancefield Road Precinct Structure Plan (LRPSP). The LRPSP is located directly north of the SSPSP area and comprises an area of 1,095 hectares. It will provide for up to 8,000 dwellings and a residential population of 22,600.

Sunbury Infrastructure Co-ordination and Delivery Strategy

- 2.12 The Sunbury Infrastructure Co-ordination and Delivery Strategy (SICDS) prepared by the VPA (November 2016) is a facilitative document that sets out the:
- infrastructure assets required to support Sunbury’s future growth;
 - partners (public and private) responsible for the delivery of different infrastructure items; and
 - optimal prioritisation and development staging associated with the delivery of infrastructure.
- 2.13 In addressing the third bullet point (above), the SICDS notes the strategy *“does not seek to mandate a development sequencing plan”* (Page 4). This position is further reinforced at page 23; *“The Sunbury Infrastructure Co-ordination and Delivery Strategy is intended to be a dynamic document, responding to development as it rolls out, as well as potential funding opportunities for key projects as they emerge. It will need to be reviewed and updated from time to time.....”*

3 SUBJECT SITE

- 3.1 The property known as 615 Sunbury Road (the ‘subject site’) comprises some 102 hectares. The subject site is located in the south-eastern part of the SSPSP with its Sunbury Road frontage being around 600 metres from the proposed Major Town Centre.
- 3.2 As exhibited, the SSPSP places the following on the subject site:
- A local sports reserve
 - A future government school (understood to be a secondary school or P-12 school)
 - A drainage reserve
 - A local convenience centre
 - A conservation reserve
- 3.3 It is understood the landowner has made submissions to the VPA primarily relating to the sports reserve and government school. In short, the landowner believes the siting of these uses on the subject site represents an inequitable ‘take’ from one specific ownership within the PSP area. The landowner argues that:
- Other sites within the PSP area would represent a better location for the sports reserve and government school; and
 - The extent to which these specific uses erode the development potential of the subject site results in an unfair and inequitable outcome, relative to the infrastructure burdens placed on other landowners in the SSPSP area.
- 3.4 It is understood that, since the SSPSP was exhibited, David Lock Associates have been engaged in discussions with the VPA on behalf of the landowner concerning these issues and there has been some consideration given to re-positioning the government school. I am unaware however as to the exact status of these discussions.

4 RESPONSE TO KEY ISSUES AND STATEMENT OF FINDINGS

- 4.1 The Property Specific Land Budget (section 4.3 of the SSPSP, Page 97) provides an overview of the ‘take outs’ that apply to each property in the SSPSP area. With regard to 615 Sunbury Road (identified as property 70 in the Land Budget), the following constraints and land uses are applied.

Area:	101.73ha
<u>Less</u>	
Arterial Road widening	0.30ha
Conservation Reserve	39.75ha
Waterway and Drainage Reserve	3.64ha
Landscape Values	1.35ha
Local Network Park	0.25ha
Subtotal	45.29ha
Theoretically Developable:	56.44ha (55.48% of total area)
Government School	10.01ha
Local Sports Reserve	10.25ha
Subtotal	20.26ha
Net Developable in PSP	36.18ha (35.56% of total area)

- 4.2 The overview provided above notes specific ‘take outs’ such as the Conservation Reserve, road widening and drainage requirements and a local network park and subtracts these uses from the land area to provide a ‘theoretically developable area’ of 56.44 hectares, which is 55.48% of the total land area.
- 4.3 In the exhibited PSP, the theoretically available area is reduced by a further 20.26 hectares, or 36%, to a Net Developable Area of 36.18 hectares. This means 35.56% of the subject site is ultimately available for development.

- 4.4 It should be noted that this is not necessarily unusual in growth area planning. There are many instances of properties where environmental issues and other physical constraints results in a net development area that is substantially less than the total area occupied by a property. The issue at hand in this case is whether the siting of the Government School and Local Sports Reserve on the subject site represents a fair and reasonable outcome for the landowner and whether the subject site represents an optimal planning outcome for the proposed uses.
- 4.5 From an equity point of view, I note the Infrastructure Contributions Plan Guidelines (Department of Environment, Land, Water and Planning, October 2016) contain a set of key principles that are to apply to the Infrastructure Contributions Plan system. The principles are broadly consistent to those that applied under the previous Development Contributions Plan framework.
- 4.6 Specifically, principles such as 'Equity' and 'Certainty' are expected to be applied to the ICP framework. Although it can be argued that landowners are suitably compensated for land required for infrastructure and public open space, the truth is that a landowner who is also a developer misses out on the development profit element of their project for that element of their land that is required for public uses.
- 4.7 In the case of the subject site, the apparent inequity in regard to the extent of land required for public infrastructure has been acknowledged by the VPA in its response to submissions (page 83) where it states that, *"the VPA recognises that there is a significant amount of community infrastructure on the subject site, however given the relationships between land uses and parcel boundaries in this location, this is difficult to avoid. The VPA are pursuing a re-orientation of the government secondary school and consolidation with the primary school, such that the land take on the subject land will be reduced. We will continue to liaise with you in relation to this ahead of Panel."*
- 4.8 In my opinion, the need to ensure a good planning outcome in a growth area is critically important. There is however also a need to ensure the siting of infrastructure is undertaken in a fair and equitable manner.

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



Chris McNeill
Director and Senior Economist
Essential Economics Pty Ltd

14 August 2017

ATTACHMENT:

Chris McNeill CV



Chris McNeill

BACHELOR OF ECONOMICS (MONASH)

Director



Chris is a demographer and urban economist with more than 25 years of experience. He is armed with a deep knowledge of Australia's urban landscape and is a regular conference presenter and expert witness in matters relating to urban planning and development.

DISCIPLINES, SKILLS, QUALIFICATIONS

Chris has a Bachelor of Economics degree and post-graduate Certificate qualifications in international business from the Siemens business school in Germany. He is a Member of the Victorian Planning and Environmental Law Association and a former Sessional Member of Planning Panels Victoria. .

Chris has worked in the manufacturing industry as a commercial manager, and as an urban economist with an industry association and as a consultant in private practice. Chris was appointed as a Sessional Member of Planning Panels Victoria for an eight year period between 2005 and 2031 during which he chaired a

number of significant Panels and Advisory Committees.

His urban economics experience covers a range of projects in urban and regional economic development and land use planning; industry sector analysis; residential, commercial, industrial and retail location and development; development contributions plan analysis and review; community infrastructure planning; urban policy analysis and concept feasibility testing; and appearing as expert witness at planning appeal tribunals and panels.

Chris has a passion for regional Australia and he also has extensive experience in both growth area economics and urban renewal projects. Chris has extensive experience in analysing demographic trends and projections and casting his mind forward to how current trends may shape our future. He has been a regular and entertaining presenter at a range of conferences and boardroom presentations, exploring various aspects of Australia's demographic future.

ACADEMIC QUALIFICATIONS

Bachelor of Economics, Monash University, 1990



PAST POSITIONS

Director, Spade Consultants Pty Ltd,
2007 -2017

Policy Director, Urban Development
Institute of Australia (Victoria) , 2002-
2006

Senior Manager, Ernst & Young, 2001-
2002

Commercial Manager, Telstra Limited,
2000

Commercial Manager, Australian
Defence Industries Limited , 1997-1999

Senior Commercial Officer, Siemens
Limited, 1991-1996

*Studied and worked in Germany as part
of Siemens Limited Management
Program, 1992-1993

*Sessional Member, Planning Panels
Victoria, 2005-2013

RELEVANT EXPERIENCE

The following represents a sample of
projects undertaken by Chris McNeill in
his former role as a Director with Spade
Consultants Pty Ltd.

Urban Policy Analysis

*Armstrong Creek Development
Contributions Analysis*, for Coles

*Ballarat West Development Contributions
Plan analysis and expert evidence*, for
G&N Closter

*Cost Benefit Analysis of Level Crossing
Removals (Mitcham, Rooks and
Springvale Roads)*, for VicRoads

*Fishermans Bend High Density Residential
Concept Testing*, for Urban Development
Institute of Australia (Victoria)

*Heidelberg Parking Strategy and expert
evidence*, for Banyule City Council

*Northland High Density Residential
Development Concept Testing*, for
Department of Sustainability and
Environment

*Viability of higher density residential
development in middle Melbourne*, for the
Priority Development Panel

*Watergardens High Density Residential
Concept Testing*, for QIC

*Werribee Riverbend Precinct Concept
Testing*, for Department of Sustainability
and Environment

Strategic and Urban Planning

*Cape Bridgewater Structure Plan
economic inputs*, for Mesh Planning

*Darebin Economic Land Use Strategy and
expert evidence* , for City of Darebin

Horsham North Urban Design Framework,
with SJB Urban

Mornington Aged Care Analysis, for AMP
Capital Investments

*Nathalia and Numurkah Industrial Land
Demand and Feasibility Study*, for
Nathalia Community Bank

Numurkah Economic Development Plan,
for Moira Shire Council

Seymour Structure Plan, with Tract
Consultants for Mitchell Shire Council

Residential and Aged Care Assessment

*Armstrong Creek Residential Land
Assessment and expert evidence*, Dennis
Family Corporation

*Bacchus Marsh Residential Land
Assessment*, for Planning Studio on Peel

Ballarat Residential Land Assessment, for
Thorney Investments

Ballarat Residential Land Assessment, for
G&N Closter Pty Ltd

*Bendigo Housing Strategy review and
evidence*, for Urban Development
Institute of Australia (Victoria)

*Cape Patterson Residential Land
Assessment and expert evidence*, for
Wallis Watson

Churchill Residential Land Assessment,
for Tract Consultants

*Coronet Bay Residential Land Assessment
and expert evidence*, for Thorney
Investments



Cowes Residential Land Assessment and expert evidence, for Lechte Corporation

Drouin Residential Land Assessment and expert evidence, for Planning Central

Koo Wee Rup Residential Land Assessment, for Brosnan Engineering Services

Kyneton Residential Land Assessment and expert evidence, for ZFN Management Services

Melbourne Inner North Residential Market Assessment, for Department of Planning and Community Development

Nyora Residential Land Assessment, for Wallis Watson

Riddells Creek Residential Land Assessment, for Alan Bravo

Shepparton North East Growth Area Residential Land Assessment, Mondous Property

Torquay Residential Land Assessment and expert evidence, Amex Corporation

Warragul Residential Land Assessment and expert evidence, for Planning Central

Warrnambool Housing Strategy Analysis and expert evidence, for Rodgers Properties

Woodend Residential Land Assessment and expert evidence, for Villawood Properties

Retail, Commercial, Industrial and Tourism Analysis

Mildura Industrial Land Assessment and expert evidence, for Turk Superannuation Fund

Nathalia and Numurkah Industrial Land Demand and Feasibility Study, for Nathalia Community Bank

Proposed Theme Park Economic Assessment, for Beveridge Williams

Regional Urban Development Program (Industrial), for Department of Planning and Community Development

Tocumwal Foreshore Masterplan Economic Benefits Analysis, Berrigan Shire Council

Wangaratta CBD Master Plan Economic Benefits Analysis, Wangaratta City Council

Other

VCAT and Planning Panels Victoria - Role as Expert Witness on behalf of private and public sector clients

Sessional Member, Planning Panels Victoria (2005 - 2013)

Urban Economics for Property Developers – UDIA Victoria, preparation and presentation for industry property development course (annual, between 2009 and 2013)