

Amendment C234: Pakenham East Precinct Structure Plan

Expert Evidence Statement

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CARDINIA SHIRE COUNCIL

MAY 2018

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1. QUALIFICATIONS

1. My name is Paul Shipp and I am a Director of Urban Enterprise Pty Ltd, of 1/302-304 Barkly Street, Brunswick.
2. Urban Enterprise is a firm of urban planners, land economists and tourism planners based in Melbourne. The firm has 28 years' experience providing consultancy services to all levels of Government and a wide range of private sector organisations in Victoria and in other States of Australia.
3. I am a qualified urban planner and economist with have 13 years' experience and specialise in the fields of development contributions and urban economics.
4. I have been involved in the preparation and review of many Development Contributions Plans, Infrastructure Contributions Plans and proposed public open space contributions for Councils and developers across Melbourne and regional Victoria.
5. I have appeared as a Planning Panel expert witness in respect of development contributions, and I have assisted Urban Enterprise Managing Director Matt Ainsaar in the preparation of expert witness statements in respect of development contributions over many years.
6. My educational qualifications and memberships of professional associations include:
 - Bachelor of Urban Planning and Development, University of Melbourne;
 - Master of Commerce, RMIT University;
 - Registered Planner, Planning Institute of Australia;
 - Committee Member, Planning Institute of Australia (Victorian Division);
 - Member, Victorian Planning and Environmental Law Association.

2. ENGAGEMENT

INSTRUCTIONS

7. I am instructed by Maddocks to prepare an expert evidence statement to present at the Planning Panel hearing in relation to this matter on behalf of Cardinia Shire Council.
8. My instructions are to prepare an expert witness statement of evidence addressing:
 - The proposed provision of infrastructure that can be described as transport and community and recreation infrastructure in the Amendment, including the scope for funding the delivery of such infrastructure having regard to:
 - The Ministerial Direction on Infrastructure Contributions Plans;
 - The existing guidelines relating to ICPs; and
 - Powers to deliver and fund social and community infrastructure under the *Planning and Environment Act 1987*, and
 - Material issues raised in submissions that relate to:
 - The provision of transport infrastructure;
 - The provision of community and recreational infrastructure;
 - The content of the Precinct Infrastructure Plan; and
 - The funding of community or development infrastructure in the future East Pakenham Infrastructure Contributions Plan;
 - A response to Lend Lease, Parklea and Transport for Victoria submissions.
 - Appear to give expert evidence at the Panel Hearing.

INFORMATION REVIEWED

9. I have reviewed the amendment documentation and other relevant public documents, including:
 - Pakenham East Precinct Structure Plan, Victorian Planning Authority (VPA), December 2017;
 - Documentation for Planning Scheme Amendment C234;
 - Submissions number 44, 50 and 52 to Amendment C234;
 - Infrastructure Contributions Plan Guidelines, DELWP, October 2016 (ICP Guidelines);
 - Ministerial Direction on the Preparation and Content of Infrastructure Contributions Plans, Minister for Planning, 20 October 2016 (ICP Ministerial Direction);
 - Planning and Environment Act 1987 (the Act);
 - Planning and Environment Amendment (Public Land Contributions) Act 2018; and
 - Presentations and fact sheets presented by the Victorian Planning Authority to an industry forum on 14 May 2018, accessed from the VPA website.
10. A copy of the relevant information that is required to accord with the Planning Panels Victoria - Expert Evidence is attached at Appendix A to this report.

3. AMENDMENT

11. The amendment seeks to introduce the Pakenham East Precinct Structure Plan (**PSP**) to the Cardinia Planning Scheme as an incorporated document; and apply the Urban Growth Zone (Schedule 5) and Rural Conservation Zone to the PSP land.
12. The PSP is the guiding document which sets out the planning vision and controls to guide urban development within the precinct. The PSP is proposed to apply to a total of approximately 630 hectares of land, primarily proposed to be developed for residential purposes.
13. Table 1 shows a summary of the proposed PSP land budget. The total Net Development Area (**NDA**) is 436.64 ha. The PSP (p.24) shows an estimated dwelling yield of 7,148, expected to accommodate between 20,000 and 22,000 residents.

TABLE 1 PSP LAND BUDGET

DESCRIPTION	AREA (HA)
Total Precinct Area	629.82
Transport	22.19
Community and Education	21.90
Uncredited Open Space	104.38
Credited Open Space	43.82
Other	0.89
Net Developable Area (NDA)	436.64
Residential NDA	435.94
Employment NDA	0.70

Source: Pakenham East Precinct Structure Plan, VPA 2017

14. Although the amendment does not seek to introduce an Infrastructure Contributions Plan (**ICP**), the PSP identifies the location and type of infrastructure required for roads, paths, intersections, bridges, public transport, open space, community facilities, education, water management and utilities.
15. In Table 8 (Precinct Infrastructure), the PSP indicates the proposed funding source for each item of infrastructure, many of which are proposed to be funded through an ICP. I note that funding public infrastructure through a full cost apportionment Development Contributions Plan (**DCP**) is no longer an option in metropolitan greenfield growth areas.
16. Given the direct implications of the content of Table 8 for a future ICP, my evidence primarily relates to the information within (and not within) Table 8 and the implications of this.

4. ICP STATUTORY FRAMEWORK

17. Section 3AB of the Planning and Environment Act (the **Act**) provides for a planning authority to apply an ICP in certain areas and provides that the Minister for Planning may issue written directions to planning authorities in relation to the preparation and content of ICPs.
18. The ICP system is implemented in the Planning Scheme through the application of an Infrastructure Contributions Plan Overlay (ICPO) and associated schedule.
19. Clause 19.03 of the Victorian Planning Provisions requires that “planning must consider as relevant:
 - Infrastructure Contributions Plan Guidelines 2016 (Department of Environment, Land, Water and Planning, as amended); and
 - Ministerial Direction on the Preparation and Content of Infrastructure Contribution Plans and Reporting Requirements for Infrastructure Contributions Plans.
20. The Ministerial Direction on the Preparation and Content of Infrastructure Contributions Plan (the **Ministerial Direction**) sets out:
 - The land to which an ICP may apply (otherwise known as a Development Setting), which currently includes all land in a Metropolitan Greenfield Growth Area;
 - Development which is exempt from an ICP levy, specifically a non-government school and housing provided by or on behalf of the Department of health and Human Services;
 - Infrastructure items that are ‘Allowable Items’ to be funded from a standard levy or a supplementary levy;
 - Standard levy rates for each type and location of development; and
 - Administrative provisions and guidance relating to indexation, costs, land valuation and maximum amounts within each levy category.
21. The Ministerial Direction specifies a standard levy rate for each of three infrastructure categories and sets out controls on how levy revenue can and cannot be expended within each category:
 - Transport;
 - Community and Recreation; and
 - Public Land.
22. The Ministerial Direction makes reference to the Infrastructure Contributions Plan Guidelines (the **ICP Guidelines**) in terms of the works, services and facilities that are normally provided by developers in a development setting and the method of valuing and equalising public land to be provided as part of an ICP.
23. The ICP Guidelines provide an overview of the ICP system, identify development settings and allowable items, set standard levy rates and indexation processes, requirements for introducing a supplementary levy and guidance on works provided in-kind by developers and implementation of an ICP.
24. Of particular relevance to this amendment are the following key statements in the ICP Guidelines, which I refer to again later in my evidence:
 - “The pathway for a planning scheme amendment for an ICP differs depending on whether the plan imposes a standard levy or a supplementary (with or without a standard levy). The pathway for a ‘standard levy only’ amendment does not include the formal notice and submission steps. In contrast, those steps will normally apply to a ‘supplementary levy’ amendment.” (p.33)

- “The Ministerial Direction caps the amount of the residential standard levy that may be spent on community and recreation construction...The Minister may increase the cap for a particular ICP if the planning authority can show that the community and recreation construction to be funded by the increased amount is essential to the orderly and proper development of the area; the ICP does not impose a supplementary levy, and the overall standard levy rate is not increased.” (p.43)
 - “Surplus standard levy funds may be used to fund supplementary levy allowable items other than State infrastructure.” (p.44)
 - “The allowable items lists do not cover items that are normally provided by developers at the subdivision stage” (p.51), including basic improvements to open space, local and connector roads and off-road bike paths / shared trails within or abutting development sites. Full details are provided in **Appendix B**.
25. The Planning and Environment Amendment (Public Land Contributions) Act 2018 was passed in February 2018. Representatives of the Victorian Planning Authority (**VPA**) noted in a recent presentation to an industry forum that the Act is expected to come into effect on 2 July 2018.
26. The Act will have the effect of requiring all public land identified in an ICP to be provided as works in-kind, thereby effectively removing the existing public land standard levy amount from the ICP system. The Act also translates the Public Land Equalisation Method (**PLEM**) set out in the ICP Guidelines into legislation, thereby setting out the method by which the cost of providing all public land is equalised across all landowners within a PSP area.
27. My evidence proceeds on the basis that the provisions of the Act will be in place when the Pakenham East ICP is introduced as indicated by the VPA in its recent presentation to the industry forum.

5. PAKENHAM EAST ICP

OVERVIEW

28. The PSP identifies that an ICP will be prepared to contribute to the funding of shared infrastructure in the PSP area. This would require a subsequent amendment to the Cardinia Planning Scheme to add a Schedule to the ICPO and to introduce the ICP as an Incorporated Document.
29. In this section, I provide an outline of information provided in the Amendment and the statutory framework for infrastructure contributions which enable an assessment of the likely content and practical implementation of the future ICP.

STANDARD LEVY AMOUNT AND REVENUE

30. The standard levy amount applicable to the Pakenham East ICP is set through the Ministerial Direction. The current standard levies for the South East Growth Area of Melbourne are shown in Table 2, along with an estimate of revenue based on the proposed NDA of the Pakenham East PSP area.
31. As shown in Table 2, I calculate that if a standard levy is applied as part of the Pakenham East ICP, a total of \$85.3m would be available to fund allowable items to support development of the Precinct, including \$37.8 for community and recreation infrastructure and \$47.5m for transport infrastructure.

TABLE 2 LEVIES AND VALUES, PAKENHAM EAST ICP (2017/18)

Category	Levy / ha	NDA (ha)	Maximum ICP Revenue
Community and Recreation	\$86,800	435.94	\$37,839,592
Transport	\$108,700	436.64	\$47,462,768
Total			\$85,302,360

Source: Urban Enterprise, based on Pakenham East PSP and DELWP website: <https://www.planning.vic.gov.au/policy-and-strategy/planning-reform/infrastructure-contributions-reform>

INFRASTRUCTURE TO BE FUNDED BY THE ICP AND INDICATIVE COSTS

32. The Precinct Infrastructure list (PSP Table 8, p.68-74) identifies 30 infrastructure projects which are proposed to be funded by the future Pakenham East ICP. In **Appendix A** of my statement I have included a detailed table of the ICP infrastructure items which include construction (excluding land items).
33. The PSP identifies the infrastructure items to be funded by the future ICP:
- 4 road intersections of an arterial road (Princes Highway) and connector road (land and construction);
 - 1 connector road (construction only);
 - 1 road intersection between two connector roads (land and construction);
 - 3 bridges (land and construction), 1 for a connector road and 2 for pedestrian and cycling paths;
 - 1 set of pedestrian signals at an arterial road (construction only);
 - 3 community centres (land and construction);
 - 2 active sports reserves including pavilions (land and construction);
 - 12 local parks (land only); and
 - 3 shared paths (construction only).

34. I note that Table 8 does not include item CI-04 (land for indoor recreation) which is shown in the Precinct Infrastructure Plan (Plan 11, page 64) - this appears to be an omission which should be corrected.
35. The PSP identifies a number of proposed ICP items which in my view would be classified as supplementary items according to the ICP framework, including three bridges (BR-01, BR-02, BR-03), one connector road (RD-01), one intersection (IN-05) and one set of pedestrian signals across the Princes Highway (PS-01).
36. Other infrastructure that is proposed to be delivered directly by developers includes the following (except where proposed to be included in the ICP): connector roads and local streets; intersection works and traffic management measures along arterial roads, connector streets and local streets; local bus stop infrastructure; basic improvements to local parks; shared, pedestrian and cycle paths; and Council approved fencing and landscaping along arterial roads (p.65).
37. Despite the amendment not including an ICP document, it is my view that the PSP clearly sets the proposed parameters of the future ICP (i.e. the infrastructure list and land budget). Once Section 3.8 of the PSP is approved, it would follow that the ICP will include the same information in terms of infrastructure to be funded.
38. Given that supplementary items are proposed to be funded through the ICP, it is my view that it is important at this stage of the planning process to establish whether revenue collected through the standard levy will be sufficient to deliver the required infrastructure based on an estimate of the likely cost. If it is found that the standard levy will not be sufficient, then consideration of the need for and appropriate quantum of any supplementary levy could form part of the PSP amendment.
39. No cost estimates are included as part of the amendment or supporting material.
40. I am instructed that Council and the VPA has each prepared indicative cost estimates for all standard and supplementary ICP items, a summary of which was provided to me and is shown in Table 3 alongside my estimate of maximum ICP levy revenue.

TABLE 3 INFRASTRUCTURE COSTS BY CATEGORY (2017/18 VALUES)

LEVY CATEGORY	MAXIMUM ICP REVENUE	VPA CONSTRUCTION COST ESTIMATES	VPA BALANCE	COUNCIL CONSTRUCTION COST ESTIMATES	COUNCIL BALANCE
Community and Recreation	\$37,839,592	\$58,413,776	-\$20,574,184	\$77,008,551	-\$39,168,959
Transport	\$47,462,768	\$23,626,578	\$23,836,190	\$26,884,225	\$20,578,543
Total	\$85,302,360	\$82,040,354	\$3,262,006	\$103,892,776	-\$18,590,416

Source: Maddocks (costs), Urban Enterprise (revenues and balances).

41. The cost estimates prepared by Council and the VPA indicate that the ICP is expected to have a funding shortfall in the community and recreation category of between \$20.5m and \$39.2m and a funding surplus in the transport category of between \$20.5m and \$23.9m.

FUNDING A COMMUNITY AND RECREATION SHORTFALL

42. Based on the information provided to me, community and recreation infrastructure costs could significantly exceed the maximum levy revenue in this category.
43. I note that community and recreation costs could further increase over the life of the ICP if residential densities exceed PSP projections causing additional community and recreation infrastructure to be required, given that no additional ICP levies would be payable (levies are payable on a per hectare basis). This prospect is realistic in my view considering that the PSP requires residential subdivision to achieve a "minimum average density of 22 dwellings per hectare". (p.21)

44. If community and recreation costs exceed revenue under that levy category, there would be a funding shortfall to the collecting agency due to the ICP Guidelines restricting the allocation of ICP levy revenue as follows:

“The amount allocated to community and recreation construction is a ‘capped’ amount, which means that this is the maximum amount of the standard levy that a planning authority may use to fund community and recreation construction.” (p.43)

45. It is my view that the implications of any shortfall in this levy category should be considered as part of this amendment. The Ministerial Direction (p.8) specifically relates to this circumstance by providing that:

“The Minister may increase the [standard levy rate for community and recreation] in relation to a particular infrastructure contributions plan if:

- the community and recreation construction to be funded by the increased amount is essential to the orderly and proper development of the area; and
- no supplementary levy is being imposed to fund transport construction or public land for transport construction; and
- the total standard levy rate is not increased.”

46. In this circumstance, it is my opinion that the three conditions for increasing a community and recreation standard levy have been met and it would be appropriate for the Minister to increase the levy, subject to cost estimates for all community and recreation items being finalised and agreed.

47. This would enable some of the forecast transport standard levy ‘surplus’ to be used to fund standard community and recreation items, an approach that I consider to be equitable and reasonable for the Pakenham East ICP.

FUNDING SUPPLEMENTARY ITEMS THROUGH A STANDARD LEVY

48. As mentioned earlier in my statement, the PSP identifies a number of supplementary items for inclusion in the future ICP. The ICP Guidelines (p.19) state that “before deciding whether to impose a supplementary levy, the planning authority must consider:

- Whether the works, services, facilities or plan preparation costs can be wholly or partially funded from a standard levy;
- Whether the works, services or facilities are essential to the proper and orderly development of the area;
- Whether the works, services or facilities are identified in a PSP or equivalent strategic plan applying to the land;
- Whether the land has particular topographical, geographical, environmental or other physical constraints or conditions that significantly affect the estimated cost of allowable items to be funded through the ICP;
- Any other criteria specified in the Ministerial Direction.”

49. The ICP Guidelines (p.19) also note that a “supplementary levy may only fund supplementary allowable items”, “not community and recreation construction” for which there are no supplementary allowable items, and that “a standard levy may be used to wholly or partially fund supplementary allowable items if there are surplus standard levy funds available to do so and the Ministerial Direction allows the project to be funded by a standard levy.” (p.18)

50. Paragraph 7 of the Ministerial Direction states that a standard levy may fund “any works, services or facilities that may be funded by a supplementary levy unless the applicable Annexure to [the] Direction specifies otherwise.” - Annexure 1 relating to Metropolitan Greenfield Growth Areas does not include any such specification.
51. Therefore, it is my view that although the future Pakenham East ICP cannot apply a supplementary levy to fund any shortfall in the community and recreation category, the standard levy could be used to fund supplementary levy allowable items if there are surplus funds available to do so.
52. In my opinion, any assessment of whether there are “surplus standard levy funds available” to fund allowable supplementary transport items should be completed after the additional costs of delivering allowable standard community and recreation items are taken into account (if the Minister approves using surplus transport funds to address the identified funding shortfall for community and recreation items).
53. Under these circumstances, I consider that it would be premature to make any decisions relating to the appropriateness of including any supplementary transport allowable items in Table 8 of the PSP until agreed cost estimates are prepared for all infrastructure items.

6. SUBMISSIONS

OVERVIEW

54. I was instructed to review the following submissions to the Amendment as they relate to infrastructure funding:
- Submission 44;
 - Submission 50; and
 - Submission 52.
55. My review of these submission follows, focussing on those issues raised in submissions which, if supported by the Panel, could have a material impact on the ICP either by adding, deleting, reclassifying or materially changing the scope of ICP infrastructure items, or submissions of a strategic nature relevant to the ICP.

SUBMISSION 44

56. Submission 44 raises one main issue in respect of the Infrastructure Contributions Plan. I have summarised this issue and my response in Table 4. In my view, no changes to the PSP relating to the ICP are required in response to submission 44.

TABLE 4 SUBMISSION 44 ICP ISSUE

ISSUE	SUBMISSION	RESPONSE
44-1	Recognition that the Hilltop Park is a higher order open space facility which requires higher embellishment costs and therefore could form part of the ICP.	I do not agree that the Hilltop Park should be classified as an ICP item. The ICP Guidelines (p.51) state that "improvements to local parks and open space reserves" are to be provided directly by developers. This includes car parking and internal roads, landscaping and "works to protect and integrate existing retained landscape and cultural features". It is my view that the Hilltop Park works are appropriately categorised as developer works and should not be included in the ICP.

Source: Submission 44; Urban Enterprise.

SUBMISSION 50

57. Submission 50 raises several issues in respect of the ICP. I have summarised these issues and my response to each in Table 5.

TABLE 5 SUBMISSION 50 ICP ISSUES

ISSUE	SUBMISSION	RESPONSE
50-1	The PSP appears to nominate projects which do not comply with allowable items for the standard levy, and it is not clear whether a supplementary levy is proposed.	I agree that the PSP nominates projects that would be categorised as allowable items under a supplementary levy. If there is capacity within the overall standard levy amount, the ICP Guidelines note that the standard levy can be used to fund these supplementary items.
50-2	The ICP should fund construction of the Connector Boulevard.	The ICP Guidelines and Ministerial Direction note that the construction of connector roads is the responsibility of developers with the exception of roads "located on or adjoining fragmented ownership", under which circumstance the road would be an allowable supplementary item. I do not consider that the connector boulevard traverses areas of fragmented ownership such that its delivery would be compromised if not included in the ICP – it is therefore my view is that this item should not be included in the ICP.
50-3	The ICP should fund embellishment of the Gas Easement (i.e. shared path and landscaping).	The Gas Easement is identified in the PSP as 'uncredited' (or encumbered) open space. It is standard practice in DCPs in Melbourne for embellishment of encumbered open space land to be funded directly by the relevant landowner. I do not agree that these works would be appropriately categorised as an allowable item under the ICP Guidelines or Ministerial Direction. It is therefore my view that this item should not be included in the ICP.
50-4	The ICP should fund construction of the shared path network.	I do not agree that shared paths should be classified as an ICP item. The ICP Guidelines (p.51) note that "improvements to local parks and open space reserves...including pedestrian and bicycle paths", along with "off-road bike paths / shared trails within or abutting development sites" are to be provided directly by developers. It is my view that the shared path network should be categorised as developer works and not designated in the Precinct Infrastructure Plan for inclusion in the ICP.
50-5	The ICP should fund construction of the Princes Highway noise wall.	I do not agree that noise wall works should be included in the ICP. These types of works are not identified as allowable items and are required to make certain properties within the PSP area fit for residential development.
50-6	The ICP should fund construction of Ryan Road south of Canty Lane.	Connector roads are only allowable supplementary items if the road falls within or along the boundary of land in fragmented ownership. In my view, the land ownership pattern along the east side of Ryan Road north of Canty Lane meets this condition, however land to the south of Canty Lane is significantly less fragmented, including a number of larger properties with Ryan Road frontage. It is also a reasonable prospect, in my opinion, that smaller properties in this area could be consolidated into larger holdings suitable for broadhectare development, a prospect which I consider much less likely in the section of Ryan Road to the north of Canty Lane. I therefore do not agree that this item should be included in the ICP.
50-7	The ICP or other funding should be implemented for embellishment of parks.	I do not agree that the embellishment of local parks should be classified as an ICP item. The ICP Guidelines (p.51) and Ministerial Direction state that "improvements to local parks and open space reserves" are to be provided directly by developers. It is common practice in DCPs and ICPs for local parks to be improved by individual land owners at their cost.
50-8	Ryan Road and its intersection at the Princes	The ICP Guidelines include intersections of connector roads and State arterial as an allowable standard item.

ISSUE	SUBMISSION	RESPONSE
	Highway should be deleted from the Precinct Infrastructure list.	In my view, this item is appropriate for inclusion in the ICP and is needed to provide access to the ICP item RD-01.
50-9	BR-03 (pedestrian and cycle bridge over Deep Creek) should be deleted from the Precinct Infrastructure List.	In my view a pedestrian bridge such as this qualifies as an allowable supplementary transport item in accordance with the Ministerial Direction and ICP Guidelines and is appropriate for inclusion in the ICP on this basis.
50-10	P-03 (pedestrian and cycle path external to the PSP area) should be deleted from the Precinct Infrastructure List.	I agree with the submission that these items do not appear to align with the allowable items list in the ICP Guidelines or Ministerial Direction and therefore should not be identified in Table 8 of the PSP as funded by the ICP. These items could remain in the table and funded through alternative sources if considered essential to the development of the area.

Source: Submission 50; Urban Enterprise.

SUBMISSION 52

58. Submission 52 raises two main issues in respect of the ICP. I have summarised these issues and my responses in Table 6.

TABLE 6 SUBMISSION 52 ICP ISSUES

ISSUE	SUBMISSION	RESPONSE
52-1	100% of the interim construction of the Ryan Road Princes Highway intersection (IN-01) should be funded by the ICP on the basis that the works are PSP enabling.	If this intersection is designed to accommodate four legs (as is shown on p.95 of the PSP), in my view is appropriate for 50% of the cost to be apportioned to the ICP (as identified in Table 8 of the PSP) and the remaining 50% apportioned to the developer of land to the north (i.e. as external apportionment in the ICP).
52-2	The PSP should be amended to include the ultimate construction of Princes Highway intersections with connector roads as ICP items on the basis that these are local roads. Council, not VicRoads, should be identified as the lead agency.	<p>The ICP Guidelines state that standard allowable items for an intersection between a state arterial and connector road includes:</p> <ul style="list-style-type: none"> - One through lane at intersection approach, plus one short through lane in each direction; - One left turn lane/slip lane where required in ultimate design; - Right turn lane as specified in the PSP; - Signals to be located at the ultimate intersection position. <p>It is apparent that this type of intersection is being proposed in the PSP (pp.95-96). It is therefore appropriate in my view that 100% of the costs of these intersections are funded by the ICP given that development in the PSP area both to the north and the south of the intersection will benefit from the works. The intersection layouts shown in the PSP do not identify the extent of any interim or ultimate works, including whether or not the turning lanes on the Princes Highway are interim or ultimate. In my view, the ICP should only include those parts of the works which align with the ICP Guidelines on allowable items as above, to the extent that the works are required to address the traffic requirements of the ICP area only.</p>

Source: Submission 52; Urban Enterprise.

7. CONCLUSIONS

59. The PSP sets out proposed content of the future Pakenham ICP, specifically the proposed infrastructure list, cost apportionment and land budget. It is therefore important, in my view, to consider infrastructure funding and ICP issues as part of this amendment.
60. Information provided to me relating to the estimated overall quantum of ICP infrastructure item costs indicates that there is likely to be a shortfall in terms the funding required to deliver necessary community and recreation infrastructure in the PSP area and a potential surplus relating to transport infrastructure.
61. Under these circumstances, I consider that Ministerial approval would be appropriate to allow the use of surplus transport funds to fund community and recreation infrastructure, subject to detailed costings being prepared and agreed.
62. A number of items proposed to be included in the ICP should, in my view, be categorised as supplementary transport allowable items. Before confirming the appropriateness of funding these items through a standard levy, more detailed costings should be undertaken to confirm that there are sufficient funds available. In my view, funding the balance of standard community and recreation items through a standard levy surplus should be a higher priority than funding supplementary transport items on basis that the community and recreation items identified in the PSP are, in my view, appropriately categorised as standard allowable items.
63. The majority of items proposed in submissions for inclusion in the ICP are identified in the ICP Guidelines and Ministerial Directions as developer works that should not, in my view, be funded by the ICP. I recommend some minor changes to Table 8 of the PSP in response to submissions as set out in Section 6 of my statement.

DECLARATION

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



Paul Shipp

Director, Urban Enterprise Pty Ltd

BUPD, MCom, RPIA.

APPENDIX A PROPOSED PAKENHAM EAST ICP ITEMS (CONSTRUCTION ONLY)

ICP code	Project title	Project Description (construction only)	Levy type	% ICP
Transport				
IN-01	Intersection - Princes Highway / Ryan Road connector road	Construction of primary arterial to connector road 4-way signalised intersection (interim treatment)	Standard	50%
IN-02	Intersection - Princes Highway / north south connector road	Construction of primary arterial to connector road 4-way signalised intersection (interim treatment)	Standard	100%
IN-03	Intersection - Princes Highway / north south connector road/ local access road	Construction of primary arterial to connector road (south of the highway)/local access road (north of the highway) 4-way signalised intersection (interim treatment)	Standard	100%
IN-04	Intersection - Princes Highway / north south connector road	Construction of primary arterial to connector road 4-way signalised intersection (interim treatment)	Standard	100%
RD-01	Ryan Road Connector Road: Princes Highway (IN-01) to Canty Lane connector (IN-05)	Construction of a 1 lane carriageway, excluding intersections (ultimate treatment) within the existing Ryan Road reserve (approx. 800m)	Supplementary	100%
IN-05	Roundabout - Ryan Road/Canty Lane connector road	Construction of connector to connector road 3-way roundabout (ultimate treatment)	Supplementary	100%
BR-01	Pedestrian and cyclist bridge	Construction of pedestrian and cycle bridge across Deep Creek, north of the Princess Highway	Supplementary	100%
BR-02	Connector road bridge across Deep Creek	Construction of road bridge across Deep Creek	Supplementary	100%
BR-03	Pedestrian and cyclist bridge	Construction of pedestrian and cycle bridge across Deep Creek, south of the Princess Highway	Supplementary	100%
PS-01	Pedestrian Signals	Construction of pedestrian signals on Princes Highway	Supplementary	100%
P-01	Shared path within the Princes Highway road reserve (north of the highway)	Construction of shared path within the Princes Highway road reserve, north of the highway carriageway	Not allowable	0%
P-02	Shared path within the Princes Highway road reserve (south of the highway)	Construction of shared path within the Princes Highway road reserve, south of the highway carriageway	Not allowable	0%
P-03	Shared path Ryan Road to Racecourse Road	Construction of shared path within the VicTrack rail reserve - Ryan Road-Racecourse Road	Not allowable	0%
Community and Recreation				
CI-01	Northern Community Centre	Construction of a Level 1 community building (child services)	Standard	100%
CI-02	Local Town Centre Community Centre	Construction of a Level 2 community building (community use with potential for child services)	Standard	100%
CI-03	Southern Community Centre	Construction of a Level 1 community building (child services)	Standard	100%
SR-01	Northern Sports Reserve	Construction of a sports reserve incorporating basic and essential playing surfaces and car parks, including all construction works, landscaping and related infrastructure. (Approx. 10.08ha)	Standard	100%
		Construction of a pavilion/s to serve the sports reserve, including all building works, landscaping and related infrastructure.	Standard	100%

ICP code	Project title	Project Description (construction only)	Levy type	% ICP
SR-02	Southern Sports Reserve	Construction of a sports reserve incorporating basic and essential playing surfaces and car parks, including all construction works, landscaping and related infrastructure. (Approx. 13.7ha)	Standard	100%
		Construction of a pavilion/s to serve the sports reserve, including all building works, landscaping and related infrastructure.	Standard	100%

Source: Pakenham East PSP, Urban Enterprise.

APPENDIX B DEVELOPER PROVIDED WORKS

Works provided directly by the developer	
Estate infrastructure	Waterway management works, local estate drainage, water, sewerage, underground power, gas and telecommunication and data services
Local parks and open space reserves (including drainage reserves)	<p>Improvements to local parks and open space reserves including, but not limited to:</p> <ul style="list-style-type: none"> • passive open space • playgrounds • car parking and internal roads • pedestrian and bicycle paths • seating • landscaping including earthworks and shaping, grassing, tree planting, garden beds, paving, retaining walls, planters and water sensitive design features • works to protect and integrate existing retained landscape and cultural features • installation of picnic facilities and park furniture including BBQs, shelters, tables, fencing, bollards, rubbish bins, bike racks, tree guards and lighting • water tapping of open space
Transport	<ul style="list-style-type: none"> • local path – off-road bike path / shared trail within or abutting development sites • connector roads, access/local roads • arterial road landscaping (within or abutting development sites) • intersection – connector/local road to connector/local road and connector/local road to council or VicRoads arterial road (uncontrolled treatment) • road landscaping (within or abutting development sites)
Other	<ul style="list-style-type: none"> • basic levelling • biodiversity offsets • bus stops • council's plan checking and supervision

Source: Infrastructure Contributions Plan Guidelines, DELWP, October 2016, p.51.

APPENDIX C REQUIREMENTS OF PLANNING PANELS VICTORIA – EXPERT EVIDENCE

NAME

Paul Shipp, Director, Urban Enterprise Pty Ltd.

ADDRESS

1/302-304 Barkly Street, Brunswick, Vic 3056.

QUALIFICATIONS

- Bachelor of Urban Planning and Development, University of Melbourne;
- Master of Commerce, RMIT University.

PROFESSIONAL AFFILIATIONS

- Registered Planner, Planning Institute of Australia;
- Committee Member, Planning Institute of Australia (Victorian Division);
- Member, Victorian Planning and Environmental Law Association.

EXPERIENCE

I have 13 years' experience as a planner and urban economist and specialise in the field of development contributions and urban economics.

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

I have been involved in the preparation and review of many Development Contributions Plans, Infrastructure Contributions Plans and proposed public open space contributions for Councils and developers across Melbourne and regional Victoria.

I have appeared as a Planning Panel expert witness in respect of development contributions, and I have assisted Urban Enterprise Managing Director Matt Ainsaar in the preparation of expert witness statements in respect of development contributions over many years.

AREAS OF EXPERTISE

Areas of expertise include strategic urban planning, development contributions and urban economics.

EXPERTISE TO PREPARE THIS REPORT

My experience in urban planning and urban economics over the past 13 years has provided the tools to develop a specialisation in development contributions. I have prepared numerous Development Contributions Plans and have provided advice to public and private sectors in regards to development contributions.

I am therefore qualified to prepare this report and expert witness statement.

INSTRUCTIONS

My instructions are to prepare of an expert witness statement of evidence addressing:

- The proposed provision of infrastructure that can be described as transport and community and recreation infrastructure in the Amendment, including the scope for funding the delivery of such infrastructure having regard to:
 - The Ministerial Direction on Infrastructure Contributions Plans;
 - The existing guidelines relating to ICPs; and
 - Powers to deliver and fund social and community infrastructure under the *Planning and Environment Act 1987*, and
- Material issues raised in submissions that relate to:
 - The provision of transport infrastructure;
 - The provision of community and recreational infrastructure;
 - The content of the Precinct Infrastructure Plan; and
 - The funding of community or development infrastructure in the future East Pakenham Infrastructure Contributions Plan;
- A response to Lend Lease, Parklea and Transport for Victoria submissions.
- Appear to give expert evidence at the Panel Hearing.

FACTS, MATTERS AND ASSUMPTIONS RELIED UPON

I have relied on the following for my assessment:

- Pakenham East Precinct Structure Plan, Victorian Planning Authority (VPA), December 2017;
- Documentation for Planning Scheme Amendment C234;
- Submissions number 44, 50 and 52 to Amendment C234;
- Infrastructure Contributions Plan Guidelines, DELWP, October 2016 (ICP Guidelines);
- Ministerial Direction on the Preparation and Content of Infrastructure Contributions Plans, Minister for Planning, 20 October 2016 (ICP Ministerial Direction);
- Planning and Environment Act 1987 (the Act);
- Planning and Environment Amendment (Public Land Contributions) Act 2018;
- Presentations and fact sheets presented by the Victorian Planning Authority to an industry forum on 14 May 2018, accessed from the VPA website;
- My familiarity with the site and the surrounding area; and
- Relevant experience.

DOCUMENTS TAKEN INTO ACCOUNT

See above.

IDENTITY OF PERSONS UNDERTAKING THE WORK

Paul A. Shipp

SUMMARY OF OPINIONS

Refer to Section 7: Conclusions.