8 June 2020

Victorian Planning Authority
Level 25, 35 Collins Street
Melbourne Vic 3000

Sent via email Hugh.Stanford@vpa.vic.gov.au

Dear Sir/Madam

RE: Amendment C243 to the Hume Planning Scheme

This submission has been prepared by Mesh Planning on behalf of Villawood Properties Pty Ltd. Villawood Properties have a significant land interest within the Sunbury South and Lancefield Road Precinct Structure Plan areas having ownership or control of land with a combined yield of approximately 5,300 lots, a major town centre and a range of other non-residential land uses.

The submission relates to land holdings known as Redstone (2500 lots), Sherwood Grange (300 lots) and Raes Road (2500 lots). It is acknowledged that the Sherwood Grange and Raes Road projects are a joint venture with the Salesian Society.

Summary of Submission

Villawood Properties have been engaged in the planning process for Sunbury over an extended period of time and are committed to delivery of the vision for Sunbury as is set out in the combined precinct structure plans. Notwithstanding this in-principle support, it has been Villawood Properties long-standing view that the majority of the available land supply in Sunbury must be accessible to the first home buyer market.

It is also important to recognize that Sunbury is uniquely positioned to accept the growth and it is acknowledged the land topography within the Precinct Structure Plans presents a number of challenges with undulating land, creek corridors, environmental significance and built form / design requirements to manage the urban fabric. The land form in its raw form is unlike any other greenfield development area and consideration for this complexity is required.

In that context, there is significant concern that the proposed Supplementary Levy (in addition to the other fees and charges) is compromising the viability of the projects such that it will not be possible to deliver affordable land supply and as a consequence the overall rate of development will be reduced.

The proposed supplementary levy, if implemented as exhibited, will result in the highest levy by comparison to all of the other growth areas by a significant amount. Based on a review of the projects that are included within the proposed Supplementary Levy, it is clear that the majority of the levy is comprised of costs associated with the northern and southern bridges across the Jacksons Creek.

The need for the bridges is not questioned, as their delivery will complete the ‘Sunbury Ring Road’ however it is inappropriate that none of the costs associated with delivery of the bridges have been attributed to the broader Sunbury area as external demand. The Sunbury Ring Road has been planned in various forms over the last 30 years and will deliver benefits to the growth areas and the existing Sunbury community including reduced pressure on the Sunbury Town Centre, reduced pressure on the arterial road network and increased public transport permeability including access to two planned rail stations. Having been planned, and needed, long before the approval of the Sunbury South and Lancefield Road PSPs, attributing the entire cost of the bridges to the four PSPs in the Sunbury Growth Areas is unfair and unjustified because there is insufficient nexus between the two.

It is submitted that allocation of a proportion of the cost of the bridges as external demand is appropriate given that need for the bridges is generated by the existing community and the planned growth areas and that if a proportion of the costs are attributed to external demand then the affordability of the levy will be significantly improved.

Proposed Supplementary Levy

The Sunbury South and Lancefield Road Infrastructure Contributions Plans (ICPs) include the following charges:

- Standard levy (residential) $213,862/ha
- Supplementary Levy (residential) **$151,284/ha**
- Total Levy (residential) $365,146/ha

The total levy will fund infrastructure and land with a total value of **$472M**.

The proposed levy is the most expensive levy by comparison to other ICPs – see Table 1 following.

Table 1. Levy rates per net developable area (ha)

	Levy Rate ($/NDA in ha)			
	Sunbury South and Lancefield Road (Nov 2019)	Donnybrook Woodstock (July 2018 interim ICP)	Beveridge Central (July 2019, amended Nov 2019)	Minta Farm (May 2019)
Standard levy (residential)	$213,862/ha	$200,689.00/ha	$213,862/ha	$200,689/ha
Supplementary Levy (residential)	$151,284.07/ha	$810.42/ha	$83,641/ha	$113,978/ha
Total Levy (residential)	$365,146.07/ha	$201,499.42/ha	$297,503/ha	$314,667/ha

The majority of the supplementary levy costs are associated with two construction projects (LR-BR-01 Northern Bridge and SS-BR-01 Southern Bridge). According to the exhibited Amendment, apportionment of the costs associated with the bridges (approximately $144M) has been attributed as follows (see extract from Table 6 below as exhibited).

Table 6 Supplementary Levy Transport Construction Projects

ICP Project ID	Project Title & Description	Staging	Internal Apportionment	Apportionment Funding Source	Total Cost	Cost Apportioned to ICP	Cost per Hectare (NDHA)
Culvert & Bridge projects Project							
LR-BR-01	Construction of 2 lane bridge	L	74%	Remaining apportionment via Sunbury North and Sunbury West PSP	$103,867,741	$76,862,129	$57,071
LR-BR-02	Construction of 2 lane road underpass of rail line	L	74%	Remaining apportionment via Sunbury North and Sunbury West PSP	$8,215,424	$6,079,413	$4,514
LR-BR-03	Construction of 2 lane road overpass of rail line	S-M	100%	N/A	$7,886,889	$7,886,889	$5,856
SS-BR-01	Construction of 2 lane bridge	S-M*	74%	Remaining apportionment via Sunbury North and Sunbury West PSP	$41,735,843	$30,884,523	$22,932

According to Table 6 of the exhibited ICP, 74% of the cost of the bridges is attributed to 'internal apportionment'. Internal apportionment is to the Sunbury South and Lancefield Road PSPs and it is understood that the balance of the apportionment of 26% has been attributed to future Precinct Structure Plans in Sunbury West and Sunbury North (without further explanation of assumptions in relation to the share of contributions). On that basis 100% of the cost of the projects has been attributed to the combined Sunbury Growth areas.

This approach toward apportionment has not recognised that Sunbury has an existing population of 36-40,000 persons and that the existing population will create traffic demand and benefit from completion of the Sunbury Ring Road.

Alternative Approaches Toward Apportionment of Cost of Bridges

Taking into account the existing population of Sunbury in addition to the future population within the Precinct Structure Plan areas results in a total population of approximately 118,550 persons. If the share of demand was attributed according to the proportion of population for each of the PSP areas and the existing population the results set out in table 2 would be achieved.

Table 2: Population of Growth Areas and Existing Sunbury Population

PSPs	GAIC-land (i.e. UGZ) in ha	Projected Population growth areas#	% of population growth areas (growth areas only)	Population total	% of total population total
Sunbury South (UGZ9)	1,071	32,100	40.9%	32,100	27.1%
Lancefield (UGZ10)	711	22,000	28.0%	22,000	18.6%
Sunbury West*	294	9,270	11.8%	9,270	7.8%
Sunbury North*	482	15,181	19.3%	15,181	12.8%
Sub Total	**2,559**	**78,550**	**100.0%**		
Existing Sunbury**				40,000	33.7%
Grand Total				**118,550**	**100.0%**

** Estimated population based on NDA being 70% of GAIC land, multiplied by 15 dwellings per NDA and 3 persons per dwelling.*
***Estimated total existing population*

The simplified analysis contained in Table 2 (which is similar to what has been undertaken in the exhibited Amendment, that is, percentage of share based on percentage of combined population) indicates that the existing population could generate demand for approximately 33% ($47M) of the cost of the bridges with the remaining costs to be funded by the combined PSP areas ($97M). Adoption of such an approach (which could be refined by traffic analysis) could reduce the combined cost of the bridge projects to be funded by the current and future ICPs by up to 33% or $47M thereby improving the affordability of the overall levy. Adoption of such an approach would result in the external apportionment component being unresolved in terms of future funding responsibility.

An alternative approach has been presented to Government for consideration (see Attachment 1). The alternative approach involves allocation of **$84M** of future Growth Area Infrastructure Charge (GAIC) income toward the ICP. According to the proposal to allocate $84M of future income toward the ICP, the $84M of future GAIC income would be treated as the external apportionment and used to reduce the overall levy to $299k/ha such that it would be comparable to other growth areas. According to the alternative approach there would no funding gap as the ICP funding of approximately $60M would be supported by allocation of future GAIC income of $84M such that the bridges would be fully funded.

Future GAIC income within the combined Sunbury PSPs has been estimated at approximately $295M therefore allocation of $84M would account for approximately 28% of the future income.

Benefits of Improved Affordability

Improved affordability of the total ICP levy, including the reduced supplementary levy would produce a range of benefits. Specifically, in relation to economic multiplier benefits, Macroplan (see Attachment 2) have estimated that the following will be achieved if the cost of the supplementary levy is reduced:

A summary of the key economic benefits arising from early infrastructure funding that will enable development of Sunbury's PSPs totalling up to 20,000 lots and 40,000 sqm floorspace Town Centre with approximately 20 years is set out below:

- *An estimated direct construction investment of $7.1 billion at Sunbury and a further $8.9 billion indirect construction output elsewhere in the wider economy, totalling $16.0 billion construction output (including direct and indirect) to the economy during the 20-year construction phase.*
- *Approximately 850 direct construction FTE jobs per annum on site and another 1,344 indirect FTE jobs per annum elsewhere in the economy, totalling 2,194 construction related FTE jobs per annum during the 20-year construction phase.*
- *Up to 2,000 permanent jobs supported by the new Town Centre upon completion.*
- *Approximately 52,172 residents will be potentially accommodated upon completion, who may generate approximately $2.2 billion consumption expenditure per annum.*
- *More than $32.3 million residential rates revenue per annum for Council upon completion.*

A summary of key economic benefits arising from early infrastructure funding specific to the development of Villawood's Sunbury projects* is set out below:

An estimated direct construction investment of $1.9 billion in Sunbury and a further $2.4 billion indirect construction output elsewhere in the wider economy, totalling $4.3 billion construction output (including direct and indirect) to the economy during the 20-year construction phase.

- *Approximately 231 direct construction FTE jobs per annum on site and another 365 indirect FTE jobs per annum elsewhere in the economy, totalling 595 construction related FTE jobs per annum during the 20-year construction phase.*
- *Up to 2,000 permanent jobs supported by the new Town Centre upon completion.*
- *Approximately 13,826 residents will be potentially accommodated upon completion, who may generate approximately $584.1 million consumption expenditure per annum.*
- *In excess of $8.6 million residential rates revenue per annum for Council upon completion*

Additional Savings

Other than what is set out in the proposal to allocate a proportion of future GAIC income to offset the proposed supplementary levy, additional savings could be achieved through improvements to the design of the bridges. A peer review of the detailed project sheets has been commissioned the results of which will be provided as soon as they are available.

Redstone Hill

Redstone Hill is uniquely positioned within the Sunbury South Precinct Structure Plan as regional open space. This regional open space is if significant scale and size and provides the opportunity for view lines and visual / pedestrian connectivity to the Major Town Centre and also Jacksons Creek. We acknowledge the ICP recognises this as encumbered land and thus it is not creditable open space. However, the ICP is silent on any contribution and/or funding mechanism to deliver the PSP vision of community, tourism and open space.

From a commercial perspective this landform may stay in private ownership and not be transferred to Hume City Council and/or Parks Victoria or a similar body. The value position of delivering the PSP vision whilst then handing the land back to a Government entity to managing and maintain is at odds.

Thank you for the opportunity to review the Amendment and prepare this submission in response. Pending receipt of any response from Government in relation to the GAIC income proposal we reserve the right to heard by any Panel that may be convened.

Yours faithfully,

Chris De Silva
Executive Director

Sunbury Infrastructure Contribution Plan (ICP) Growth Area Infrastructure Contribution (GAIC) offset proposal

Introduction

This proposal has been prepared by Mesh Planning for Villawood Properties.

The proposal has been prepared within the context of Villawood Properties long term interest in Sunbury. Villawood Properties controls approximately 30 per cent of the combined Precinct Structure Plans and will deliver the following over the next 20 years:

- Redstone 2,500 lots
- Sherwood 300 lots
- Raes Road 2,500 lots
- **Total 5,300 lots**

Objective

To offset the adverse affordability impacts of proposed Supplementary Levies in the Sunbury South and Lancefield Road Infrastructure Contributions Plan (ICP) via allocation of future Growth Area Infrastructure Contribution (GAIC) Charges.

Background

The Sunbury South and Lancefield Road Infrastructure Contributions Plans (ICPs) include the following charges:

> Standard levy (residential) $213,862/ha
> Supplementary Levy (residential) $151,284/ha
> Total Levy (residential) **$365,146/ha**

This total levy (that is yet to be formalized via a supplementary levy Amendment) of $365,146/ha is the most expensive levy in Victoria and compares unfavourably with other ICP levies as set out below.

It should also be noted that the total levy will fund infrastructure and land with a total value of **$472M**.

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Table 1. Levy rates per net developable area (ha)

Levy Rate ($/NDA in ha)				
	Sunbury South and Lancefield Road (Nov 2019)	**Donnybrook Woodstock (July 2018 interim ICP)**	**Beveridge Central (July 2019, amended Nov 2019)**	**Minta Farm (May 2019)**
Standard levy (residential)	$213,862/ha	$200,689.00/ ha	$213,862/ha	$200,689/ha
Supplementary Levy (residential)	$151,284.07/ ha	$810.42/ha	$83,641/ha	$113,978/ha
Total Levy (residential)	$365,146.07/ ha	$201,499.42/ ha	$297,503/ha	$314,667/ha

Implications

> The total levy in Sunbury is unaffordable and is putting major developments at risk (combined total of 5,500 lots with an end value of **$3.8B**).

> Very high supplementary levy is based on the need for two bridges that serve a sub-regional catchment by contributing to delivery of a continuous 'ring road' around Sunbury (see Attachment 2).

> Challenge to the proposed supplementary levy is inevitable via a contested Panel Hearing once an Amendment is prepared and exhibited.

Future GAIC income

The combined Sunbury Precinct Structure Plan areas have GAIC income potential as set out following in Table 2 (note calculations are based on current GAIC rate and do not take into account future increases).

Table 2. Future Growth Area Infrastructure Contribution (GAIC) income

Sunbury ICP GAIC income potential (based on rate of $115,640 per Ha)	$206,120,783
Sunbury West GAIC income potential (based on rate of $115,640 per Ha)	$34,029,383
Sunbury North GAIC income potential (based on rate of $115,640 per Ha)	$55,730,385
Total combined GAIC potential income from Sunbury South, Lancefield Road, Sunbury West & Sunbury North (based on rate of $115,640 per Ha)	**$295,880,551**

Proposal

To offset the ICP supplementary levy by allocating a proportion of the future GAIC income toward the two bridge projects thereby reducing the overall ICP levy.

Proposed Levy

> Standard levy (residential)	$213,862 K/ha
> Supplementary Levy (residential)	$86,000 K/ha
> Total Levy (residential)	**$299,862 K/ha**

To achieve the reduced overall levy would require allocation of **$84M** of GAIC income toward the bridges.

Mechanism

The mechanism to achieve the offset is a very simple – a (20)4 Amendment to the current ICP – the specific changes that would be required to the ICP are set out in Attachment 1.

It is noted that no land projects need to be amended, only two construction projects (LR-BR-01 Northern Bridge and SS-BR-01 Southern Bridge).

Benefits

There are significant **short, medium, and long term** economic, community and planning benefits associated with the proposal, including:

> Each of the projects are 'shovel ready' and will deliver immediate and on-going significant employment opportunities.

> Simple 20(4) Amendment to current ICP.

> No current Government funds are required.

> Proposal will avoid protracted challenge to the proposed supplementary levy via the Panel process saving considerable time (12-18 months) and money.

> Proposal does not conflict with GAIC legislation as the two bridge projects have a sub-regional catchment/benefit and the bridges will un-lock other development opportunities.

> Projects will be delivered with confidence and ICP funds will be collected.

> Bridge project/s could become works in kind project/s.

> Will assist in delaying duplication of Sunbury Road and/or delivery of Bulla Bypass.

> Sunbury Ring Road will be delivered with confidence to the benefit of the broader community.

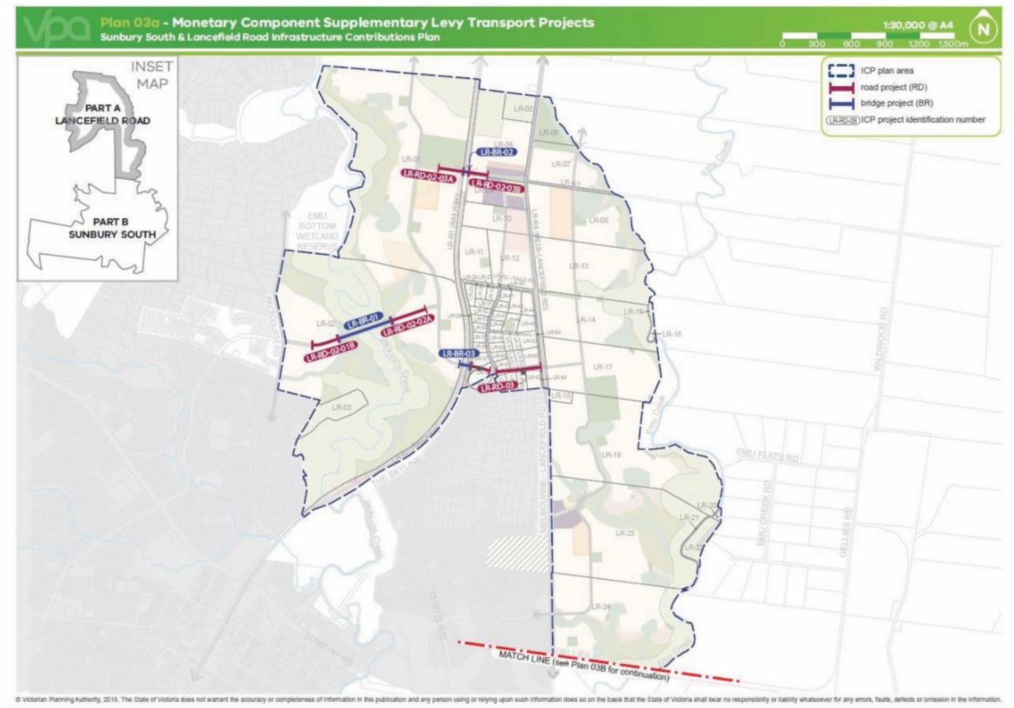
Attachment One

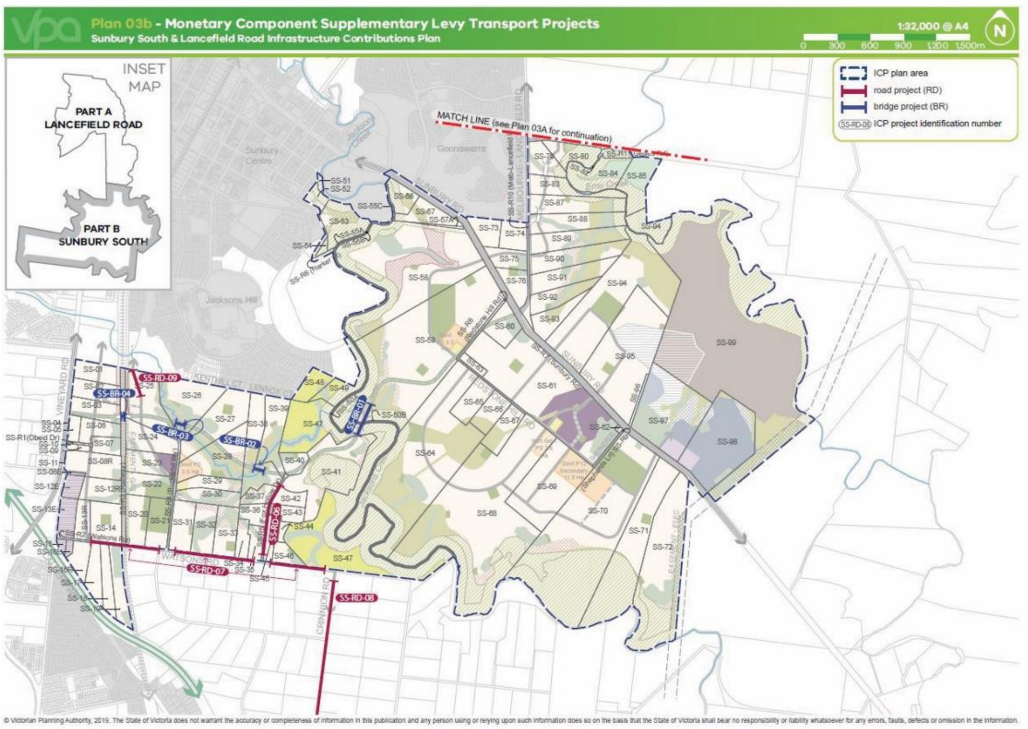
Table 1 below sets out the changes required to the interim Sunbury South and Lancefield Road Infrastructure Contributions Plan (ICP), November 2019 to accommodate the proposed changes to the funding of bridge projects LR-BR-01 (Northern Bridge) and SS-BR-01 (Southern Bridge).

Table 1. Summary of Changes required to update the Sunbury South and Lancefield Road – Infrastructure Contributions Plan, November 2019.

Page Number	Section	Change/ update required
1	Table 1: Monetary Component ICP Levy Summary	Update the Supplementary Levy required to reflect the reduced rate of $84,417 per NDHa for both residential, and commercial and industrial classes of development (i.e. a reduction of $64,867 per NDHa). Update the total levy rates to account for the reduction of $64,687 per NDHa.
15	Section 3.1	Include an explanation that 60% of the construction cost for bridge projects LR-BR-01 and SS-BR-01 is being funded via GAIC and therefore has been removed from the ICP.
22	Table 6	Amend the internal apportionment to 14% for both bridge projects LR-BR-01 and SS-BR-01, update the cost apportioned to the ICP and Cost per Hectare (NDHA) for both projects accordingly.
23	Table 6	Amend the total Supplementary Levy Total Cost apportioned to the ICP to $116,384,982.94 and Cost per Hectare (NDHA) to $84,417.
48	Table 13	Amend the Supplementary Levy required to reflect the reduced rate of $84,417 per NDHa for both residential, and commercial and industrial classes of development.
48	Table 14	Amend the total levy transport construction rate for both residential, and commercial and industrial classes of development to reflect the reduced Supplementary Levy rate of $84,417 per NDHa. The revised total transport construction total levy rate is now $210,761 per NDHa.

Attachment Two





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Memorandum

Prepared by:	Glenn Lamont, Estella Zhang
Date:	Friday, 29 May 2020
Subject:	Sunbury Growth Area Infrastructure Contribution Proposal Economic Impact Assessment

Executive Summary

The following is a high-level economic impact assessment in relation to Villawood Properties' land holdings located in the Sunbury Growth Area. This assessment relates to a Town-building exercise which will effectively integrate up to **20,000** lots across several fringe development areas with Sunbury Township, with the potential to accommodate in excess of **52,000** new residents.

Sunbury's growth area Precinct Structure Plans (PSPs) include Lancefield Road (east), Raes Road and Sherwood Heights (north), Redstone and Everley (south) and Rosenthal (west).

Villawood's Sunbury land holdings account for approximately 30% of the combined PSPs within the Sunbury Growth Area to be delivered during the next 20 years. This includes Redstone (2,500 lots), Raes Road (2,500 lots) and Sherwood Heights (300 lots) totalling **5,300** lots. Redstone also includes provision for a major new Town Centre totalling approximately **40,000** sqm.

The timing of residential and mixed-use developments across Sunbury's PSP areas is highly contingent upon Growth Area Infrastructure Charge (GAIC) and Infrastructure Contributions Plan (ICP) funding for major infrastructure works. This will have implications for land sequencing on several development fronts including overall Township connectivity and land affordability.

Sunbury Township requires two separate bridge crossings over Jacksons Creek to facilitate orderly development at of the Township and service Raes Road (north) and Redstone Drive (south). The bridges are a necessary response to the landform in Sunbury but also serve a broader function in linking each of Sunbury's development fronts and create improved access to the surrounding Freeways.

The benefits of the two bridges will extend more broadly beyond Villawood's developments. However, no external infrastructure funding has been attributed to reflect wider regional demand and benefits.

The anticipated cost of bridge construction works is approximately **$150 million**. The proposed ICP rate (including supplementary levy) is unaffordable and will have a significant impact on the viability of Villawood's projects, taking into account servicing and related costs. The ICP rate is the highest of any growth area with implications for the affordability and viability of Villawood's projects, including several neighbouring PSPs.

If part of the cost of the two bridges can be offset via allocation of future GAIC income, this will support faster rates of residential development at Raes Road and Redstone, supporting up to 13,000 new residents in this area alone, which will in turn bring forward both ICP and GAIC income. A faster rate of residential growth in these areas will bring forward demand for the new Redstone Town Centre school and other community infrastructure.

Overall, offsetting some infrastructure costs will support a faster rate of residential settlement across Sunbury, enhance residential affordability, improve retail choices and ensure a competitive land market.

A summary of the key economic benefits arising from early infrastructure funding that will enable development of Sunbury's PSPs totalling up to **20,000** lots and **40,000** sqm floorspace Town Centre with approximately **20** years is set out below:

- An estimated direct construction investment of **$7.1 billion** at Sunbury and a further **$8.9 billion** indirect construction output elsewhere in the wider economy, totalling **$16.0 billion** construction output (including direct and indirect) to the economy during the 20-year construction phase.
- Approximately **850** direct construction FTE jobs per annum on site and another **1,344** indirect FTE jobs per annum elsewhere in the economy, totalling **2,194** construction related FTE jobs per annum during the 20-year construction phase.
- Up to **2,000** permanent jobs supported by the new Town Centre upon completion.
- Approximately **52,172** residents will be potentially accommodated upon completion, who may generate approximately **$2.2 billion** consumption expenditure per annum.
- More than **$32.3 million** residential rates revenue per annum for Council upon completion.

A summary of key economic benefits arising from early infrastructure funding specific to the development of **Villawood's Sunbury projects**[*] is set out below:

[*] *Note: Sunbury's house prices are relatively high today and this assessment does not estimate the benefits of maintaining competitive house prices; or the discouragement effect of deferred infrastructure on future house prices.*

- An estimated direct construction investment of **$1.9 billion** in Sunbury and a further **$2.4 billion** indirect construction output elsewhere in the wider economy, totalling **$4.3 billion** construction output (including direct and indirect) to the economy during the 20-year construction phase.
- Approximately **231** direct construction FTE jobs per annum on site and another **365** indirect FTE jobs per annum elsewhere in the economy, totalling **595** construction related FTE jobs per annum during the 20-year construction phase.
- Up to **2,000** permanent jobs supported by the new Town Centre upon completion.
- Approximately **13,826** residents will be potentially accommodated upon completion, who may generate approximately **$584.1 million** consumption expenditure per annum.
- In excess of **$8.6 million** residential rates revenue per annum for Council upon completion.

However, without timely funding for this infrastructure, it is unlikely these bridges will be delivered for many years, impacting the timing and viability of several PSPs totalling up to **20,000** lots. This may result in fragmented residential settlement outcomes in Sunbury and deferred delivery of a new Town Centre, including much needed schools and community infrastructure. This will result in higher land prices, increased road congestion and impact liveability and affordability within Sunbury.

As such, it is critical that funding be made available early for infrastructure that will stimulate orderly residential developments and generate sustainable economic benefits for Sunbury in a post-COVID-19 market environment.

Details of the assumptions and assessment are presented below.

1_Development Overview

Sunbury's growth area Precinct Structure Plans (PSPs) include Lancefield Road (east), Raes Road and Sherwood Heights (north), Redstone and Everley (south) and Rosenthal (west) totalling approximately **20,000** lots to be delivered during the next 20-25 years.

Villawood owns the following precincts within the Sunbury Growth Area, including:

- Redstone: 2,500 lots;
- Sherwood: 300 lots; and
- Raes Road: 2,500 lots.

It totals **5,300** lots plus a new Town Centre with approximately **40,000** sqm floorspace located within the Redstone Precinct.

It is indicated the overall development is to be delivered during the next 20 years.

There is currently no direct and continuous infrastructure connecting each of these development fronts, with implication for traffic congestion and township connectivity more generally as Sunbury continues to grow. It is indicated that there is potential to create a continuous 'perimeter road' around Sunbury with the construction of two separate bridge crossings over Jacksons Creek, including:

- The approximately $100 million bridge at Raes Road / Sherwood Heights, which will connect fronts located along Lancefield Road to Raes Road / Sherwood Heights and ultimately to Rosenthal via Elizabeth Drive; and
- The approximately $40-$50 million bridge at Redstone, which will connect Kingsfield (and areas north along Lancefield Road) with Redstone / Everley and the Redstone Town Centre west to Vineyard Drive and Rosenthal.

2_Economic Impact Assessment

This section provides an economic impact assessment in relation to Villawood Properties' potential development assuming early delivery of the two bridges as well as the overall Sunbury Growth Area, with the following key economic indicators assessed:

- Construction investment;
- Construction output (direct and indirect);
- Construction related employment (direct and indirect);
- Ongoing employment;
- Population and consumption expenditure; and
- Rates revenue.

2.1_Construction Investment

The *Rawlinsons Australian Construction Handbook* has been referred to estimate the initial construction investment of the development within the precinct, with the following cost-side assumptions been made:

- Residential: $350,000/dwelling;
- Town centre: $1,500/sqm

Using the assumptions above, the total construction cost is estimated at approximately **$1.9 billion** for Villawood's development whilst the total construction cost for the overall Sunbury Growth Area is estimated at up to **$7.1 billion**. Without timely delivery of the two bridges, the initial construction investment is likely to be deferred.

2.2_Construction Output

Output multipliers derived from the ABS Input-Output tables are used for estimating potential economic output within the construction sector. Output multipliers indicate every $1 million of construction investment is likely to generate another approximately $1.3 million indirect economic output (production induced) during the construction phase. The indirect economic output involves the amount of output required within other industries throughout the economy in order to support the initial construction investment.

Based on output multipliers, the direct construction investment is expected to generate significant indirect economic output elsewhere in the wider economy during the construction phase, as presented in **Table 1**. Without timely delivery of the two bridges, the induced construction output is likely to be delayed.

Table 1_Estimated Construction Output

Construction Output ($M)	Villawood's Development	Sunbury Growth Area
Direct	$1,915 M	$7,060 M
Indirect	$2,416 M	$8,908 M
Total	**$4,331 M**	**$15,968 M**

Source: ABS, Rawlinsons Australian Construction Handbook, Villawood Properties (2020), Macroplan (2020)

2.3_Construction Employment

Employment multipliers from the ABS Input-Output tables are used for estimating potential employment effects during construction phase. Employment multipliers for the construction sector indicate an initial impact at approximately 2.4 construction jobs created per $1 million of investment; plus another 3.8 indirect jobs (production induced) elsewhere in the economy during the construction phase. All jobs reported in the ABS I O tables are measured as full time equivalent (FTE).

Based on employment multipliers, the development is also expected generate a large number of direct construction FTE jobs on site and further indirect FTE jobs elsewhere in the wider economy during the 20-year construction phase, as presented in **Table 2**. In absence of timely delivery of the two bridges and consequently deferred construction investment, the requirement for construction jobs will also be delayed.

Table 2_Estimated Construction Employment

Construction Employment (FTE p.a.)	Villawood's Development	Sunbury Growth Area
Direct	231	850
Indirect	365	1,344
Total	**595**	**2,194**

Source: ABS, Rawlinsons Australian Construction Handbook, Villawood Properties (2020), Macroplan (2020)

2.4_Ongoing Employment

Based on an average of 20 sqm floorspace per job, it is estimated the new Town Centre has the potential to generate up to **2,000** ongoing jobs upon completion. Without timely delivery of the two bridges, the overall development will be slowed down and these permanent jobs will not be required until the longer term future.

2.5_Population & Consumption Expenditure

According to Victoria in Future (2019), the average household size in the Sunbury SA2 is projected at 2.7 persons by 2036, with approximately 97.7% occupancy among all private dwellings. Adopting these projections, Villawood's development has the capacity to accommodate approximately **13,826** residents upon completion, with the overall Sunbury Growth Area to accommodate up to **52,172** residents upon completion.

Based on average consumption expenditure of $42,245 per capita per annum across metropolitan Melbourne referring to MarketInfo database (2020), it is expected that these residents living in Villawood's development can generate up to **$584.1 million** consumption expenditure per annum, whilst the overall residents within the whole Sunbury Growth Area may generate up to **$2.2 billion** consumption expenditure per annum. This includes expenditure in food, liquor and grocery, food catering, apparel retail, household goods, leisure, general retail, retail services and other services.

Potential population accommodated and estimated consumption expenditure within Villawood's development and Sunbury Growth Area are presented in **Table 3** below.

Table 3_Population & Consumption Expenditure

Upon Completion	Villawood's Development	Sunbury Growth Area
Residential Lots	5,300	20,000
Residents Accommodated	13,826	52,172
Consumption Expenditure ($M p.a.)	**$584.1 M**	**$2,204.0 M**

Source: VIF (2019), MarketInfo (2020), Villawood Properties (2020), Macroplan (2020)

However, with the two bridges not delivered early and the overall development slowed down, these potential residents is unlikely to be locating in Sunbury by scheduled completion timeframe. This will result in delayed consumption expenditure and potentially escaped expenditure to elsewhere from the region.

2.6_Rates Revenue

Based on the 2019-20 rate in dollar and an estimated value of $500,000/dwelling, it is estimated that the residential dwellings within Villawood's development will generate approximately **$8.6 million** residential rates revenue per annum and the overall Sunbury Growth Area will generate up to **$32.3 million** for Council upon completion. This will also be delayed due to slower development outcomes.