

# **Amendment C106 to Mitchell Planning Scheme Planning Panels Victoria**

Summary of Evidence: Chris McNeill

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# Long Term Projections

- Forecasting has been undertaken over a long term period (approximately 40 years in to the future) and well beyond normal forecasting timeframes.
- Accordingly and as noted in my evidence, my conclusions are provided as order of magnitude assessments in terms of development timing and the costs associated with residential development.

# Planning Context

- The Beveridge North West Precinct (BNWP) is planned to accommodate a residential population of between 45,000 persons and 50,000 persons (depending on average household size).
- The BNWP is in the North Growth Corridor, one of Melbourne's four identified growth corridors.
- The Gilbo land (subject land) represents a land holding of approximately 115.5 hectares. The Future Urban Structure proposes primarily residential development as well as a local town centre, a future government school, credited open space and open space areas with landscape values, and local and connector streets.
- The proposed quarry is not identified in the Future Urban Structure Plan (Plan 3 of the BNWPSP).
- A site assessment prepared by Jacobs in 2014 noted that, in relation to the proposed quarry, a buffer distance of 500-metres would be required if approved.

# Subject Land Development Context

## **Scale of Residential and Commercial Components**

- I have estimated that approximately 2,060 dwellings (rounded) would be developed on the subject land comprising: 1,600 dwellings in the walkable catchment, 410 outside the walkable catchment, and 50 dwellings in the local town centre (LTC)

## **Capital Investment**

- I estimate that total capital investment associated full development of the subject land in a manner consistent with the PSP is approximately \$770 million.

## **Construction Employment**

- I estimate that some 1,230 direct full-time equivalent (FTE) jobs years (rounded) would be supportable through development of the subject land during the development phase, with a further 5,300 FTE jobs years (rounded) supported in the wider economy on an indirect basis.

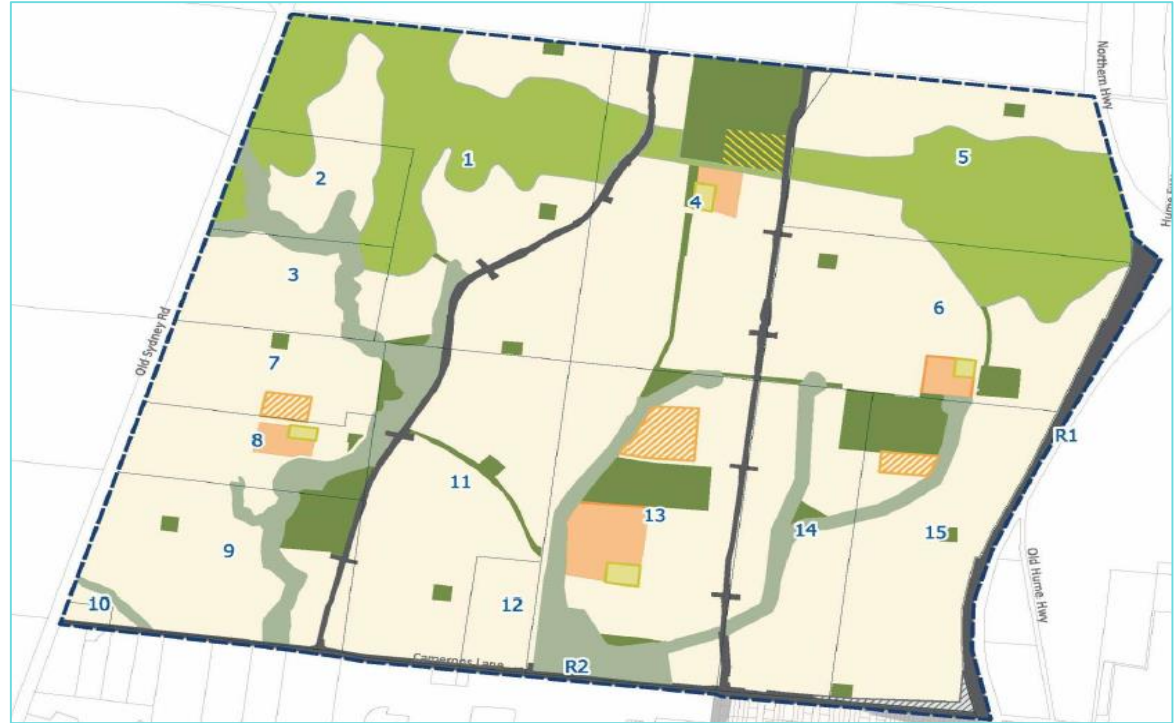
## **Ongoing Employment**

- An estimated 230 jobs FTE jobs would be supported on the subject land on an ongoing basis once developed, with a further 180 FTE jobs (rounded) supported indirectly in the wider economy.

# Impact of Proposed Quarry on Development

## Impacted Areas of the BNWP

- The introduction of a 500m buffer associated with the proposed quarry would impact on land identified in the PSP as property parcels 4, 5 and 6 (noting the parcel 6 represents the area also referred to as the subject land).
- Collectively, I refer to parcels 4, 5 and 6 as the 'impacted area'.



Source: Beveridge North West Precinct Structure Plan (August 2019)

# Impact of Proposed Quarry on Development (cont.)

## **Impacted Area – Urban Development Proposed in the PSP on Parcels 4, 5 and 6**

- I estimate the total residential yield from parcels 4, 5 and 6 to be approximately 4,970 dwellings.
- This area contains two LTCs, two community centres, two government schools, an indoor sports centre, as well as areas of credited open space and open with landscape values.
- I estimate approximately \$1.9 billion in total capital investment would be associated with urban development across parcels 4, 5 and 6.

# Impact of Proposed Quarry on Development (cont.)

## *Impact of the Proposed Quarry*

- In my economic assessment, I have assumed no urban development would proceed within the 500-metre buffer area during the operational life of the quarry.
- Compared to what I refer to the base-case scenario (full development of parcels 4, 5 and 6), the application of the quarry buffer would result in the following outcomes:
  - Development of approx. 2,500 dwellings, or approx. 50% fewer dwellings than would be developed under the base case.
  - \$930 million in capital investment (excluding land acquisitions costs), which is 49% less than under the base case.
- This means approximately 2,470 dwellings and associated urban investment estimated in capital value terms at \$960 million would be unable to be progressed during the life of the quarry.
- This is summarised in the following table.

# Impact of Proposed Quarry on Development (cont.)

## Scale of Urban Development and Associated Economic Benefits – Base Case versus Quarry Scenario

Category	Base Case	Quarry Scenario	Net Difference
<b><u>Urban Development</u></b>			
Dwellings (no.)	4,970	2,500	-2,470
LTCs	2 LTCs (comprising 13,700m <sup>2</sup> in floorspace)	1 LTC (comprising 4,700m <sup>2</sup> in floorspace)	Less 1 LTC (comprising 9,000m <sup>2</sup> in floorspace)
Community Facilities & Schools	2 Community Centres; 2 Government Schools; 1 Indoor Sports Facility	1 Community Centre; 1 Government School	Less 1 Community Centre; 1 Government School; 1 Indoor Sports Facility
<b><u>Capital Investment</u></b>			
Total Capital Investment (\$ millions)	\$1,891m	\$930m	-\$960m
<b><u>Construction Phase Employment</u></b>			
Direct Jobs (no.)	4,200	2,070	-2,130
Indirect Jobs (no.)	<u>13,020</u>	<u>6,410</u>	-6,610
Total Direct & Indirect Jobs (no.)	17,220	8,480	-8,740
<b><u>Ongoing Employment</u></b>			
Direct Jobs (no.)	600	250	-350
Indirect Jobs (no.)	<u>480</u>	<u>200</u>	-280
Total Direct & Indirect Jobs (no.)	1,080	450	-630

Source: Ethos Urban with reference to Beveridge North West Precinct Structure Plan

Note: Dwellings and employment figures rounded to the nearest ten



# Impact of Proposed Quarry on Development (cont.)

- In my evidence however, I have assumed the area located within the quarry buffer is delayed in its development, rather than prevented from development.

## **Development Rates and Timing**

- I have taken a long term view to development in the North Growth Corridor. In my opinion, the id forecasts are likely to understate future take up in the BNWP due to:
  - The overall stock of supply
  - The size of the BNWP (a major precinct in the corridor) and the rate of development in comparable major growth precincts in the corridor
  - Delays in the planning and release of other precincts in the Wallan area
- I have adopted a rate of development of 600 dwellings per annum for the overall precinct. This figure however, is less important than the rate of development I have applied to the development of parcels 4, 5 and 6.
- For the purposes of my evidence I have assumed that, under the base case, development of parcels 4, 5 and 6 would commence in 2030 and be ongoing for 14 years.
- If the proposed quarry is approved and a quarry buffer applied, I have assumed quarry operations would commence in 2022, and the quarry would have a lifespan of 30 years. Under this scenario, I have assumed that although some development would occur over a similar time-frame to the base case, the area within the quarry buffer would not commence until 2052, after which I have assumed the area within the quarry buffer would development over a 9-year period.

# Impact of Proposed Quarry on Development (cont.)

## Present Value Analysis

- Based on the assumption that the quarry scenario would see a 17-year delay in the completion of development for areas within the quarry buffer, the impact in present value terms on capital investment associated with urban development in the BNWP is estimated to be in the order of \$236 million.

Category	Base Case	Quarry Scenario		Quarry Scenario (Total)	Net
		Outside Quarry Buffer	Within Quarry Buffer		
Completion Year:	2030-2044	2030-2041	2052-2061	2030-2061	
<u>Residential Dwellings</u>					
Western Parcel (4)	1,980	1,380	590	1,970	-
Northern Parcel (5)	930	100	830	930	-
Subject Site (6)	<u>2,060</u>	<u>1,020</u>	<u>1,040</u>	<u>2,060</u>	-
Total	4,970	2,500	2,460	4,960	-
<u>Present Value of Construction Investment</u>	\$981m	\$517m	\$228m	\$745m	<b>-\$236m</b>

Source: Ethos Urban with reference to Beveridge North West Preinct Structure Plan

Note: Dwelling figures rounded to the nearest ten.

# Broader Impacts on Development in the Beveridge North West PSP

## **Residential Population Under the Base Case and Quarry Scenarios**

- Under the base case scenario, urban development of parcels 4, 5 and 6 would result in this area accommodating a residential population of 15,400 persons by 2044, or around 31% of the total population of the PSP at full development. In contrast, it is estimated that the application of the quarry buffer and subsequent delay in development of the impacted area would result in parcel 4, 5 and 6 accommodating a residential population of only 7,760 persons by 2044.

## **Potential Impacts of the Proposed Quarry on Urban Development in Parcels 4, 5 and 6**

- A delay in development of parcels 4, 5 and 6 is likely to result in a number of economic impacts, including:
  - Reduced or delayed LTC facilities;
  - Reduced need for community facilities and potential delays in delivery;
  - Reduced need for, or delay in the provision of school facilities; and
  - Reconfiguration of roads.

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# Hrelja Evidence

- I note the Hrelja evidence forms similar conclusions to my own evidence in respect of:
  - the likely development yield (expressed in terms of dwellings) in the area directly impacted by the quarry buffer.
  - The capital investment associated with development in the buffer area.

## Ainsaar Evidence

- I have doubts about the Ainsaar assumptions that conclude additional supply in Sunbury will see a spike in demand in Sunbury at the expense of the balance of the North Growth Corridor.
- I expect the longer term dynamics will be more complex than that. Although additional demand in Sunbury may arise as a result of additional supply, I would not conclude this will be at the expense of the Kalkallo, Beveridge and Wallan area. Rather, I would expect Sunbury demand will come from established areas, Melton, Macedon Ranges townships and potentially some transfer from the Kalkallo, Beveridge and Wallan area. Meanwhile, the Kalkallo, Beveridge and Wallan areas may see a gradual transfer of demand from the Whittlesea corridor as supply in that corridor is depleted.

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