

AMENDMENT C207

HUME PLANNING SCHEME

SUNBURY SOUTH PSP

EXPERT EVIDENCE STATEMENT – ECONOMIC EVIDENCE

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AUGUST 2017

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1. QUALIFICATIONS

1. My name is Matt Ainsaar and I am the Managing Director and founder of Urban Enterprise Pty Ltd. My offices are at 389 St Georges Road, Fitzroy North.
2. Urban Enterprise is a firm of urban planners, land economists and tourism planners based in Melbourne. The firm has more than 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 planner and land economist with more than 35 years experience.
4. Urban Enterprise has a track record of successfully preparing land demand and supply assessments, including commercial and industrial land, for Councils and landowners. I have appeared as an expert witness at Planning Panel hearings in respect of land demand and supply on many occasions.
5. My educational qualifications and memberships of professional associations include:
 - Bachelor of Town and Regional Planning, University of Melbourne
 - Graduate Diploma of Property, RMIT University
 - Member, Planning Institute of Australia
 - Member, Victorian Planning and Environmental Law Association
 - Fellow, Australian Property Institute (Certified Practising Professional).

2. ENGAGEMENT

6. I was instructed by Norton Rose Fullbright to prepare an expert evidence statement to present at the Planning Panel hearing in relation to this matter.
7. My instructions were to:
 - a. Review the background materials provided;
 - b. Prepare an expert report considering economic matters, specifically the economic merits of Hi-Quality's proposed land use designations (as per its submission). My evidence focuses specifically on the need for industrial land and land for bulky goods/showroom uses, and the proposed location for these uses.
8. I have reviewed the amendment documentation and other relevant documents and policies. Documentation reviewed includes:
 - Planning property report and planning controls;
 - Sunbury/Diggers Rest Growth Corridor Plan;
 - Planning permit P4131.03 (quarry and landfill);
 - Works Authority WA1123 (quarry), September 2006;
 - EPA licence 45279 (landfill) and licence 101952 (composting);
 - Titles and plan of land;
 - Explanatory report, November 2016;
 - Background report, November 2016;
 - Sunbury South PSP, November 2016;
 - Planning controls and planning scheme maps, November 2016;
 - Higher Order Community Infrastructure Needs Assessment, K2 Planning, May 2015;
 - Community Infrastructure, Social Services and Open Space Needs Assessment, K2 Planning, May 2015;
 - Sunbury South PSP landowner update, MPA, December 2014;
 - Subdivision Layout Plan, October 2016;
 - Draft section 96A planning permit, Villawood and Viewgrange Pastoral, November 2016;
 - A study into the take-up of industrial land and future land requirements in Melbourne, Jones Lang Lasalle, July 2010;
 - Retail and Economic Assessment for PSP74 and PSP75, Sunbury Township, Hill PDA, July 2014;
 - Activity Centre and Employment Planning Report, Essential Economics, November 2011;
 - Industrial Land in Melbourne, Spatial Economics (extract only), October 2010;
 - Market Assessment, Colliers International, April 2013;
 - Sunbury South Concept Plan, Urban Enterprise;
 - Hi-Quality Submission, February 2017;
 - Tranteret Pty Ltd Submission, February 2017;
 - Ware Submission, February 2017.

3. BACKGROUND

THE SUBJECT LAND

9. Hi-Quality Quarry Products Pty Ltd (Hi-Quality) owns the following land:
 - a. Volume 11304 folio 501, known as 570 Sunbury Road, Bulla (Lot 1);
 - b. Volume 11304 folio 502, known as 580 Sunbury Road, Bulla (Lot 2);
 - c. Volume 11304 folio 503, known as 600 Sunbury Road, Bulla (Lot 3);
 - d. Volume 9691 folio 598, known as 650 Sunbury Road, Bulla (Rossett Lodge);
 - e. Hi-Quality is also negotiating with the owner (Ware) of land immediately to the north and west of Rossett Lodge (Ware Land) to purchase the Ware Land.

The land described above is collectively referred to as the subject land.
10. Lot 1 is affected by a significant (100 metre wide) easement for high voltage electricity transmission lines.
11. The majority of the subject land is located generally between Emu Creek (to the north) and Sunbury Road (to the south).
12. The subject land is on the eastern edge of the Urban Growth Boundary around Sunbury, and will eventually be the 'entrance' to Sunbury. The proposed Outer Metropolitan Ringroad (OMR), and potential OMR link to the Airport, is located a short distance to the east of the subject land.
13. The subject land comprises properties 94, 95, 96, 97, 98 and 99 on Plan 4 – Land Use Budget of the PSP.
14. The following zoning and overlays apply to the subject land:
 - a. Lots 1 – 3 is in the Special Use Zone, Schedule 1 – Earth and Energy Resources Industry;
 - b. Rossett Lodge and the Ware Land are predominately in the Urban Growth Zone (Part A) and partly in the Rural Conservation Zone and in part, subject to the Environmental Significance Overlay, Schedule 1- Rural Waterways and Environs; and
15. Lot 1 is operated by Hi-Quality as an "Eco-Park". Hi-Quality operates a quarry and landfill and Veolia operates a green waste processing facility on Lot 1. Veolia has a long-term lease with Hi-Quality.
16. The remainder of the subject land is currently used for farming purposes.

THE PROPOSED AMENDMENT

17. Amendment C207 of the Hume Planning Scheme proposes to:
 - a. Incorporate the Sunbury South Precinct Structure Plan (SSPSP) into the Hume Planning Scheme and introduce and apply Schedule 9 – Sunbury South to the Urban Growth Zone;
 - b. Make associated changes to the Hume Planning Scheme; and
 - c. In relation to the land:
 - i. Rezone part of Lots 2 and 3 to the Urban Growth Zone, Schedule 9 to facilitate development;
 - ii. Rezone part of the subject land to Special Use Zone, Schedule 9 – Sunbury South – Electricity Easements;
 - iii. In relation to parts of the subject land adjacent to Emu Creek:
 - Rezone to Rural Conservation Zone;
 - Apply the Incorporated Plan Overlay, Schedule 3 – Sunbury South PSP and Lancefield Road PSP; and
 - Apply the Environmental Significance Overlay 10 – Rural Conservation Area;
 - iv. In relation to the part of Rossett Lodge and the Ware Land zoned RCZ and the part of Lot 1 affected by the transmission line easements (proposed to be zoned SUZ9) – apply the Incorporated Plan Overlay, Schedule 4 – Sunbury South PSP and Lancefield Road PSP; and
 - v. Remove the Environmental Significance Overlay, Schedule 1 – Rural Waterways and Environs.

- d. An application for a planning permit lodged by Villawood Properties for a multi lot staged subdivision is being considered concurrently. Hi-Quality generally supports Villawood's proposal.
- e. The Table below shows the SSPSP designations of the Land, and the applied zones under the proposed Schedule 9 to the UGZ:

SSPSP	APPLIED ZONE – UGZ9
Employment and commercial	Commercial 2 Zone
Industrial	Industrial 1 Zone
Industrial - light	Industrial 3 Zone
Utilities easement, service open space, retarding basin, credited open space	General Residential Zone
Residential	Within walkable catchment – Residential Growth Zone Outside walkable catchment – General Residential Zone
Local Convenience Centre	Commercial 1 Zone

- f. Although the quarry/landfill (zoned SUZ1) is within the area of the SSPSP, pursuant to clause 2.1 of the UGZ9, the provision of the UGZ9 do not apply. Similarly, the provisions of UGZ9 do not apply to areas zoned Rural Conservation Zone.

SUBMISSION BY HI-QUALITY

18. Hi-Quality made a submission to Amendment C207 to the Hume Planning Scheme on 6th February 2017, which set out a number of proposed changes to the SSPSP in relation to Hi-Quality's land holdings. I summarise these proposed changes as follows:
 - a. Alteration to the SSPSP to include areas designated as RCZ and SUZ1 to UGZ9. This alteration was requested as the RCZ and SUZ1 areas (properties 97 and 98) designated as protected landscape values actually offer limited landscape values and can be protected and enhanced without the need for blanket controls. Also areas designated as SUZ1 on properties 97 and 98 and not used in association with quarry activities, landfilling or composting.
 - b. Areas designated as "regionally significant landscape values", "industrial-light", "retarding basin" and "industrial" should be designated as residential. The reasons for this proposed adjustment include:
 - The landscape values of the area are limited and can be protected and enhanced without a blanket designation.
 - The area is in view of a quarry, a highly modified environment.
 - Hi-Quality plans to undertake filling activities in a 5-10 year time-frame making the area suitable for urban development.
 - There is adequate industrial land provided for within the PSP and it would be a better planning outcome for this area to be designated as residential. Later in my evidence, I will address the issue of the adequacy of the supply of industrial land.
 - The retarding basin is not required, if Hi-Quality's preferred drainage scheme is adopted.
 - c. A section of "industrial" land fronting Sunbury Road should be designated as "employment and commercial". Reasons for this include:
 - The exhibited PSP provides excess industrial land and insufficient commercial land.
 - The location of this area on Sunbury Road will be suitable for bulky goods and commercial land use, to complement the proposed Redstone Hill major town centre. I will address this point later in my evidence.

- d. An area of land designated as “regionally significant landscape” should be designated as industrial. Reasons for this include that the landscape values are limited and can be protected without a blanket designation and the areas are in the immediate vicinity of a quarry, a highly modified environment.
- e. An area should be designated as residential investigation area / quarry/landfill.

4. ECONOMIC ASSESSMENT UNDERPINNING PSP

4.1. SUPPLY AND DEMAND ASSESSMENT

4.1.1. INTRODUCTION

19. In this section, I outline the information underpinning the economic assessment for the SSPSP. Key information supporting this economic assessment, includes:
- "Retail and Economic Assessment for PSP74 and PSP75 (Sunbury Township)", prepared by HillPDA for the Victorian Planning Authority (VPA), July 2014.
 - "Sunbury South PSP Background Report", VPA, November 2016;
 - Sunbury South and Lancefield Road PSPs: Clarification of Industrial Land Supply – Sunbury/Diggers Rest Growth Corridor, Response to Panel Direction, VPA, July 24, 2017;
 - A summary of the location, distribution and amount of industrial land as shown in the PSP;
 - A summary of the location, distribution and amount of bulky goods land as shown in the PSP;
 - The PSP Land Budget for employment uses.

4.1.2. HILL PDA REPORT

20. The HillPDA report (2014) was commissioned by the VPA to assess the commercial and industrial land requirements in the Sunbury/Diggers Rest Growth Corridor. The findings and conclusions of the HillPDA report formed the basis of the commentary relating to commercial and industrial land in the Sunbury South PSP Background Report prepared by the VPA (November 2016).

INDUSTRIAL LAND NEEDS

21. The HillPDA report finds that applying the current PPOH (persons per occupied hectare) ratio for Sunbury would result in demand for around 118ha of industrial land at full residential development capacity.¹ It is not stated at what point full residential development capacity would be reached, but it is likely to be beyond 2050. The HillPDA report equates full development with a population of over 121,000. The HillPDA report adopts 118 ha as the baseline requirement for industrial land supply in the Sunbury/Diggers Rest Corridor. My assessment outlined in this evidence statement also adopts this figure as the baseline need for industrial land in the Corridor.
22. The HillPDA report states that the total planned provision of industrial land in Greater Sunbury is approximately 192ha, as shown in the table below.

AREA	INDUSTRIAL LAND
Sunbury (occupied and vacant) ha	64.4
Diggers Rest (Planned by Approved PSP) ha	27.5
Indicative Sunbury Provision in Growth Corridor Plan	100.0
Total (ha)	191.9

Source: Hill PDA, Retail and Economic Assessment PSP74 and PSP75 (Sunbury Township), July 2014 p. 49

¹ Hill PDA, Retail and Economic Assessment for PSP74 and PSP75 (Sunbury Township), July 2014 p. 48

23. The report finds the provision of 192ha is sufficient to meet the baseline need of the town in the future (118ha).² In other words, the HillPDA report is clearly identifying that the planned supply of industrial land is more than adequate to meet the forecast baseline need in the Sunbury/Diggers Rest Corridor.
24. For the planned provision scenario, the following land use allocation was recommended by HillPDA:³
 - a. About 29 hectares could be allocated for manufacturing activity nominally comprising 143 lots of average size 2,000 sqm;
 - b. About 114 hectares could be allocated to freight orientated industrial uses nominally comprising 228 lots of average size 5,000 sqm;
 - c. About 36 hectares could be allocated to service industry uses nominally comprising 362 lots of average size 1,000 sqm; and
 - d. About 13 hectares could be allocated to utility and miscellaneous uses nominally comprising 26 lots of average size 5,000 sqm.

PROPOSED SUNBURY SOUTH EMPLOYMENT AREA⁴

25. The HillPDA report proposed that 100 ha of industrial or employment land be accommodated in Sunbury South on the east side of Sunbury Road. The report states that the area will have good access to planned linkages to the planned Outer Metropolitan Ring Road.
26. Modelling undertaken by Hill PDA suggests 100 ha is sufficient to meet Greater Sunbury's industrial based economic needs.
27. The report also notes that there is merit in utilising the Sunbury Road frontage for showroom or bulky goods retail uses and facilitating core industrial activity within the non-road frontage part of the precinct.

POTENTIAL BULKY GOODS (INCLUDING EXISTING)⁵

28. The HillPDA report states that the full development scenario provides for around 48,000 sqm of stand-alone bulky goods retail in Sunbury. This relates to demand for the Greater Sunbury area and outside of other activity centres. The land take for this activity is estimated by HillPDA to be 12 ha (best estimate at conventional density). Two potential locations were identified by HillPDA for designation as specialised bulky goods and showroom precincts, including:
 - a. Continuation of the existing Vineyard Road bulky goods cluster to the south; and
 - b. Utilisation of the Sunbury Road frontage (east side) along the front of the proposed employment precinct and potentially extending north along the road frontage to be adjacent to and integrated with the potential Sunbury South SRAC.
29. The HillPDA report notes that there is merit in facilitating both precincts to stimulate choice and market competition.

POTENTIAL SHOWROOM / MOTOR VEHICLE USES⁶

30. The HillPDA report states that the full development scenario provides for around 36,000 sqm of showroom (mainly motor vehicle related) activity in Greater Sunbury in addition to bulky goods retail. The land take for this activity is 9ha (best estimate at conventional density). As with bulky goods, the HillPDA report identifies the same two potential locations for showroom/motor vehicle uses, namely:
 - a. Continuation of the existing Vineyard Road bulky goods / employment cluster to the south; and

² Hill PDA, Retail and Economic Assessment for PSP74 and PSP75 (Sunbury Township), July 2014 p. 49

³ Hill PDA, Retail and Economic Assessment for PSP74 and PSP75 (Sunbury Township), July 2014 p. 50

⁴ Hill PDA, Retail and Economic Assessment for PSP74 and PSP75 (Sunbury Township), July 2014 p. 62

⁵ Hill PDA, Retail and Economic Assessment for PSP74 and PSP75 (Sunbury Township), July 2014 p. 62-63

⁶ Hill PDA, Retail and Economic Assessment for PSP74 and PSP75 (Sunbury Township), July 2014 p. 63

- b. Utilisation of the Sunbury Road frontage (east side) along the front of the proposed employment precinct and potentially extending north along the road frontage to be adjacent to and integrated with the potential Sunbury South SRAC.
31. Again, the HillPDA report notes that there is merit in facilitating both precincts to stimulate choice and market competition. I will address this comment later in my evidence, particularly in respect of motor vehicle sales.

LOCATION AND DESIGN – INDUSTRIAL AND MIXED-USE AREAS

32. The HillPDA report identified the total planned allocation of industrial, bulky goods and mixed-use employment land (outside of activity centres) to be 238 ha, with the location of this land as shown in the Table below.

TABLE 1 EXISTING AND PROPOSED INDUSTRIAL AND RELATED EMPLOYMENT LAND IN SUNBURY

	OCCUPIED (HA)	VACANT (HA)		TOTAL (HA)
Existing				
IN3Z	36.8	27.6	43%	64.4
B4Z	7.6	0.0	0%	7.6
Total Existing	44.4	27.6	38%	72.0
Proposed				
Diggers Rest Industrial	27.5			
Sunbury South Industrial	100.0			
Commercial Mixed Use	110.0			
Total Proposed	237.5			

Source: Hill PDA, Retail and Economic Assessment PSP74 and PSP75 (Sunbury Township), July 2014 p. 37

4.1.3. SUNBURY SOUTH AND LANCEFIELD ROAD PSP BACKGROUND REPORT (VPA)

SUNBURY SOUTH ECONOMIC PLAN

33. The Sunbury South and Lancefield Road PSP Background Report reflects the recommendations of the HillPDA report, including:
- a. *Proposed Sunbury South Employment Area* – The location of the Sunbury South Employment Area is as shown in the Growth Corridor Plan on the east side of Sunbury Road, with a total floor area of 400,000m² to include a potential convenience store, industrial space, major bulky goods and showroom space (potentially on the Sunbury Road frontage) and office space (subject to demand).⁷
 - b. *Potential Bulky Goods* – The location for bulky goods is potentially on both the Sunbury Road and Vineyard Road corridor with a total floor area of 48,000 m² to include a potential convenience store, major bulky goods space, office space (subject to demand), industrial space and showroom space (both subject to demand).⁸
 - c. *Potential Showroom / Motor Vehicle Uses* – The location for showroom/motor vehicle uses is potentially on both the Sunbury Road and Vineyard Road corridors with a total floor area of 36,000 m² to include a

⁷ VPA, Sunbury South and Lancefield Road PSP Background Report 2016 p. 13

⁸ VPA, Sunbury South and Lancefield Road PSP Background Report 2016 p. 14

potential convenience store and showroom space as well as major bulky goods space (subject to demand), office space (subject to demand) and industrial space (subject to demand).⁹

- d. *Local Convenience Centres* – The Background Report notes a small Local Convenience Centre in Sunbury Road in the industrial area of the Sunbury South precinct will largely cater for day to day convenience retail needs of nearby workers.¹⁰

INDUSTRIAL EMPLOYMENT PRECINCT

- 34. The Background Report notes that, in accordance with the Sunbury/Diggers Rest Growth Corridor Plan, a 48 ha industrial precinct has been planned as part of the Sunbury South PSP to be located on the north eastern side of Sunbury Road.
- 35. The Background Report notes that the area is proposed to accommodate industrial or employment uses as the location will have good access to planned linkages to the surrounding major road network.
- 36. The Background Report notes that in terms of structure of the area, and based on recommendations of the HillPDA report, there is merit in utilising the Sunbury Road frontage for showroom or bulky goods retail uses and facilitating core industrial activity within the non-road frontage part of the precinct.¹¹

VINEYARD ROAD COMMERCIAL PRECINCT

- 37. The Background Report notes that the inclusion of a commercial precinct within Sunbury South PSP along Vineyard Road is in direct response to several relevant strategic directions supporting its development. The Background Report also notes that the intention of the precinct is to act as a primary location within Sunbury for service industry uses with the objective that existing services of this nature which currently exist within the Sunbury township will relocate to this location. The purpose of this type of relocation is to free up capacity for the Sunbury Principal Town Centre to develop towards more commercial and retail orientated uses as intended for a Principal Town Centre.

4.1.4. CONCLUSIONS REGARDING THE SUNBURY SOUTH PSP BACKGROUND REPORT

- 38. In summary, I consider that the Background Report reflects the conclusions and recommendations of the HillPDA Report, both in terms of the amount of land required for commercial and industrial uses, as well as the locations for these uses.

4.1.5. CLARIFICATION OF INDUSTRIAL LAND SUPPLY – SUNBURY/DIGGERS REST GROWTH CORRIDOR (VPA)

- 39. On July 24, 2017 the VPA issued a document clarifying the industrial land supply for the Sunbury and Diggers Rest Growth Corridor as prepared by HillPDA. The VPA noted that there were areas within the total industrial land supply that required review including:
 - a. Existing industrial land supply that has been earmarked for potential non-industrial rezoning, based on adopted Council strategies; and
 - b. The double counting of future supply in the Growth Corridor Plan – i.e. the Growth Corridor Plan identifies a total indicative provision of 100 ha of industrial land at Diggers Rest and at Sunbury Road. The Hill PDA assessment appeared to assume that this 100 ha was to be provided entirely at Sunbury Road.
- 40. These adjustments are shown in the table below. With these adjustments, the total industrial land supply (existing and planned) for the Growth Corridor reduces from 191.9 ha as identified in the HillPDA report, to 133.4 ha.

⁹ VPA, Sunbury South and Lancefield Road PSP Background Report 2016 p. 14

¹⁰ VPA, Sunbury South and Lancefield Road PSP Background Report 2016 p. 15

¹¹ VPA, Sunbury South and Lancefield Road PSP Background Report 2016 p. 16

41. This further clarification issues by the VPA does not affect the previous forecast requirement for land for bulky goods or showroom/motor vehicle uses.

TABLE 2 REVISED TOTAL INDUSTRIAL LAND SUPPLY, SUNBURY-DIGGERS REST GROWTH CORRIDOR

AREA	INDUSTRIAL LAND	
	Hill PDA Assessed Supply	VPA Updated Supply
Sunbury (occupied and vacant) ha	64.4	42.4
Diggers Rest (planned by Approved PSP) ha	27.5	27.5
Indicative Sunbury Provision in Growth Corridor Plan	100	63.5 (excludes Diggers Rest provision)
Total	191.9	133.4

Source: VPA, Sunbury South and Lancefield Roads PSPS: Clarification of Industrial Land Supply – Sunbury/Diggers Rest Growth Corridor – Response to Panel Direction – July 24, 2017

42. The land area in Sunbury (occupied and vacant) has been adjusted to take account of land currently zoned for industrial uses but proposed to be rezoned for non-industrial uses in either the *Sunbury Hume Integrated Growth Area Plan* or the Sunbury Town Centre Plan. These sites are shown in the table below.

TABLE 3 SITES ACCOUNTING FOR ADJUSTED SUNBURY (OCCUPIED AND VACANT) SUPPLY

SITE	AREA (HA)	DESCRIPTION
Site 1	13	East side of Vineyard Road, south of Harpers Creek (to the north of Sunbury South precinct)
Site 2	2.2	Station Street South (Key Redevelopment Area 5 in <i>Sunbury Town Centre Plan</i>)
Site 3	6.8	Horne Street East (Key Redevelopment Area 7 in <i>Sunbury Town Centre Plan</i>)
Total	22	

Source: VPA, Sunbury South and Lancefield Roads PSPS: Clarification of Industrial Land Supply – Sunbury/Diggers Rest Growth Corridor – Response to Panel Direction – July 24, 2017

4.1.6. CONCLUSIONS REGARDING SUPPLY AND DEMAND – INDUSTRIAL LAND

43. I note that the clarification issued by the VPA in July 2017 relates to the supply of industrial land in the Sunbury/Diggers Rest Corridor. The revised available supply of industrial land is 133.4 ha, of which 63.5 ha is to be located in Sunbury South.
44. The HillPDA report identified the baseline forecast demand for industrial land in the Corridor as 118 ha, as I have indicated previously. The clarification issued by the VPA does not affect the forecast demand for industrial land.

4.2. LOCATION, DISTRIBUTION AND AMOUNT OF EMPLOYMENT LAND

4.2.1. SUNBURY SOUTH PSP

45. The Table below provides a summary of the property-specific land use budget for employment uses as provided in the SSPSP (p.97). The property-specific land use budget in the PSP shows a total net developable employment area of 65.14 hectares. However, when I sum these numbers, it results in 65.65 hectares of net developable area, including 47.87 hectares within the Sunbury Road precinct and 17.78 hectares within the Vineyard Road precinct. I note that the Land Budget table on page 13 of the SSPSP shows a net developable employment area of 65.64 hectares, representing 3.65% of PSP 1074.
46. I adopt the figure of 65.65 ha for my assessment and I assume that the minor discrepancies in the exhibited PSP will be rectified in the approved PSP.

TABLE 4 EMPLOYMENT LAND – PROPERTY SPECIFIC LAND USE BUDGET

EMPLOYMENT AREA	PSP PROPERTY ID	TOTAL AREA (HA)	TOTAL NET DEVELOPABLE AREA (HA)	NET DEVELOPABLE AREA % OF PROPERTY	AS SHOWN IN PSP	EMPLOYMENT AREA NET DEVELOPABLE AREA TOTALS (HA)
Vineyard Road	8E	0.5	0.5	100.00%	100.00%	17.78
Vineyard Road	12E	4.43	4.43	100.00%	100.00%	
Vineyard Road	13E	8.74	8.57	98.05%	98.01%	
Vineyard Road	15	0.83	0.83	100.00%	100.00%	
Vineyard Road	16E	3.45	3.45	100.00%	100.00%	
Sunbury Road	95E	4.95	4.95	100.00%	100.00%	47.87
Sunbury Road	97E	11.26	11.26	100.00%	100.00%	
Sunbury Road	98E	31.66	31.66	100.00%	100.00%	
<i>Total (my calculation)</i>		65.82	65.65	99.74%	98.98%	65.65
<i>Total (as shown in PSP)</i>		65.82	65.14	98.98%		65.14

FUTURE URBAN STRUCTURE

Sunbury Road Employment Area

47. Plan 3 as shown in the SSPSP (p. 8), shows the designation of the type of employment land within the PSP. The Sunbury Road Employment Precinct includes land designated as “industrial light” and “industrial”, as well as designation of a “local convenience centre” within the industrial precinct. Based on my analysis of the property-specific land use budget (p.97), it is estimated that approximately 4.95 hectares is designated as “industrial light” and the remaining 42.92 hectares designated as “industrial” which also includes 500m2 of floorspace for a Local Convenience Centre (SSPSP, p. 24).
48. I note that, according to the Applied Zone Provisions under clause 2.2 of the proposed Schedule 9 to the UGZ, the 42.92 ha of land designated as “industrial” on Plan 3, would be zoned Industrial 1.
49. I further note that, according to the Applied Zone Provisions under clause 2.2 of the proposed Schedule 9 to the UGZ, the 4.95 ha of land designated as “industrial light” on Plan 3, would be zoned Industrial 3.

Vineyard Road Employment Area

50. The Future Urban Structure Plan (p.8) designates the Vineyard Road Employment Area as “employment and commercial”, whilst the Employment and Town Centres Plan (p. 22) designates the Vineyard Road Employment area as “commercial/business”. I consider that the designation as “employment and commercial” is the correct designation and therefore the applied zone will be Commercial 2.

VINEYARD ROAD EMPLOYMENT AREA CONCEPT PLAN

51. A concept plan for the Vineyard Road Employment Area is provided in the SSPSP on page 33. The concept plan shows land designated as restricted retail and commercial/industrial. This designation as “industrial” is the only time that it appears in the PSP in relation to the Vineyard Road Employment Area. However, the Vineyard Road Employment Area is clearly designated as “Employment and Commercial” land in the PSP. I note that the applied zone, which is Commercial 2 Zone, provides for a range of commercial and industrial uses as Section 1 uses (no permit required).
52. Based on my assessment of the Vineyard Road Employment Area Concept Plan (Figure 7 Sunbury South PSP) matched against the land use budget, I estimate that approximately 5.5 hectares of the employment land is earmarked for bulky goods within the “restricted retail” area and the remaining area is earmarked for commercial/industrial uses (approximately 12.28 hectares). The Vineyard Road Employment Area concept

plan (p.33) designates the area as a mix of “restricted retail” and “commercial/industrial”. I therefore consider that the Vineyard Road Employment Area concept plan provides guidance as to the uses envisaged for this area and that they include “restricted retail”, “commercial” and “industrial”.

53. Hence, it is apparent, in my view, that a portion of the industrial land supply is earmarked for the Vineyard Road Employment Area.

SUNBURY ROAD EMPLOYMENT AREA

54. I note that there is no concept plan included in the SSPSP for the Sunbury Road Employment Area, which in my view, is a deficiency of the PSP. Furthermore, there is no guidance in the PSP as to how this area should develop. I address this point later in my evidence.

SUMMARY OF EMPLOYMENT LAND PROVIDED FOR IN THE PSP

55. Based on the available information within the SSPSP I estimate that:
- The Vineyard Road Employment Area comprises 17.78 hectares of employment land. Approximately 5.5 hectares of this land is earmarked for restricted retail uses and the remaining 12.28 hectares is earmarked for commercial/industrial uses. I note that this land will be rezoned Commercial 2.
 - The Sunbury Road Employment Area comprises 47.87 hectares of employment land. Approximately 4.95 hectares of this land is designated as light industrial in the PSP. I note that this land will be rezoned Industrial 3. The balance of the employment land (42.92 hectares) is designated as industrial (including 500m² of floorspace for a Local Convenience Centre). I note that this land will be rezoned Industrial 1.

INDUSTRIAL LAND

56. I summarise the demand, supply and distribution of industrial land from the preceding assessment in the following Table.

TABLE 5 INDUSTRIAL LAND IN SUNBURY/DIGGERS REST CORRIDOR – SSPSP

	TOTAL (HA)
Baseline need for Industrial Land (Hill PDA)	118
Supply to meet demand is distributed as follows:	
Sunbury (occupied and vacant) (VPA Clarification July 2017)	42.4
Diggers Rest (planned for in the PSP)	27.5
Vineyard Road Industrial (estimated at 50% of commercial/industrial land) (my estimate)	6.14
Industrial land in the Sunbury Road Employment Area (SSPSP)	47.87
Total Industrial Land Supply	123.91
Extent to which planned supply exceeds forecast demand	5.91
Minimum area of industrial land required in the Sunbury Road Employment Area to meet demand	41.96

BULKY GOODS/SHOWROOM/MOTOR VEHICLE USES

57. Table 5 shows 47.87 hectares of industrial land in the Sunbury Road Employment Area. However, some of the land in the Sunbury Road Employment area that is currently designated industrial is earmarked for bulky goods, showroom/motor vehicle uses, as previously outlined in my evidence.

Bulky Goods

58. According to the PSP, I estimate that the Vineyard Road Employment Area has 5.5 ha allocated for restricted retail uses (bulky goods), which leaves 6.5 ha to be provided in Sunbury Road.
59. I consider that Sunbury Road is an excellent location for bulky goods for the following reasons:

- a. The proposed bulky goods (homemaker centre) would provide a complimentary retail offering to the Town Centre, focusing on larger format retail goods to service the developing Sunbury South area as well as the existing residents in Bulla, Goonawarra, Rolling Meadows and Lancefield.
- b. The typical bulky goods offer would include furniture outlets (indoor and outdoor), whitegoods, audio/video/technology goods, lighting, bedding, electrical appliances, recreational goods and other home-related goods.
- c. Currently, there is no defined homemaker centre in Sunbury and the only bulky goods cluster is in Vineyard Road.
- d. The bulky goods/homemaker centre is proposed to be located to take advantage of the excellent exposure to Sunbury Road and provide a land use relationship with the Town Centre. High exposure to passing traffic is critical for the viability of the bulky goods precinct.

Showroom/Motor Vehicle Uses

60. In addition to bulky goods, the Sunbury Road Employment Area needs to accommodate 9 ha of showroom/motor vehicle uses, as per the HillPDA Report and the Sunbury South PSP Background Report. In my view, the Sunbury Road frontage is an ideal location for these types of uses for the following reasons:
- a. The auto dealership cluster is proposed along part of the frontage to Sunbury Road to take advantage of the excellent exposure to passing traffic as well as good access from Sunbury Road.
 - b. The HillPDA report recognised these qualities when suggesting the Sunbury Road frontage as a potential location for these uses.
 - c. The auto dealership cluster would create a critical mass of dealerships, with auto dealerships preferring to cluster in specific locations to provide customers with convenient access to a range of vehicle choices. The Auto Centro development in Essendon Fields is an excellent example of this type of clustering with most of the auto dealerships having relocated from Keilor Road, Essendon.
 - d. Auto Centro happens to be the nearest auto dealership cluster to Sunbury South, approximately 20 km away. This is also one of the largest clusters in the northern metropolitan region. Other smaller scale auto dealership clusters are located in Ravenhall, Braybrook, Footscray, Preston and Somerton.
 - e. There are two existing auto dealerships in Horne Street, Sunbury – Sunbury Holden and Sunbury Ford. These existing dealerships are currently located in the Sunbury Town Centre, occupying large sites that offer substantial redevelopment opportunity as Sunbury further develops. It is expected that the Holden and Ford dealerships would relocate to the new auto cluster in Sunbury South in due course. The motor vehicle cluster on Sunbury Road would assist in facilitating this change.
 - f. A new auto cluster dealership in Sunbury South would not only service demand from Sunbury and Sunbury South itself, but also the broader northern and north western growth areas of metropolitan Melbourne.

Effect on Industrial Land Supply

61. I calculate that the inclusion of the bulky goods and showroom/motor vehicle uses along Sunbury Road, would require 15.5 ha of land. This reduces the “industrial” land in the Sunbury Road Employment Area to 32.37 ha, based on the exhibited PSP, compared to a requirement of 42 ha, as shown in Table 5 above.
62. This means that the baseline requirement for industrial land in Sunbury South would not be met.

4.3. EFFECT OF PROPOSED LAND USE CHANGES BY HI-QUALITY ON LAND SUPPLY

63. The proposed land use changes by Hi-Quality are reflected in a concept plan prepared by Taylors, which is included in Appendix B. The Taylors plan reflects Hi-Quality’s submission, including replacement of the ‘light industrial’ with ‘residential’, and an increased area made available for employment via filling and a revised drainage scheme. Taylors have also calculated the revised area of Employment Land to be 59.1 ha.
64. Taking 15.5 ha for bulky goods/showroom uses, means that 43.6 ha is available for industrial use. This is more than the baseline requirement for industrial land.
65. It is my view, therefore, that the land use changes proposed by Hi-Quality are needed in order to meet the baseline requirement for industrial land in Sunbury South, and the forecast demand for land for bulky goods and showroom/motor vehicle uses.

GUIDANCE IN PSP REGARDING EMPLOYMENT LAND

66. I consider that the guidance in the SSPSP in relation to employment land, other than retail use, is generally limited and vague. Within the vision statement (p.9) the SSPSP notes "In addition to the future Redstone Hill Major Town Centre, two key employment precincts on Sunbury Road and Vineyard Road respectively are well placed to provide for growth of 'population driven' employment needs within Sunbury. Importantly, the two areas are key gateways to Sunbury Township, with excellent access to the regional arterial road network, provide a unique opportunity for regionally significant employment opportunities currently absent from Sunbury itself" (SSPSP, p.9).
67. The Redstone Hill Major Town Centre is noted to "integrate with an employment precinct on the north-eastern side on Sunbury Road, adjacent to the industrial area of the precinct." (SSPSP, p.23).
68. In relation to the proposed Local Convenience Centre within the Sunbury Road Employment Precinct, the following is noted "a small local convenience centre on Sunbury Road in the industrial area of the precinct will largely cater for day to day convenience retail needs of nearby workers" (SSPSP, p.23).
69. In respect of the Sunbury Road Employment Precinct, there is no guidance in the PSP regarding how this area would develop or the type of uses that are being sought. This is despite the recommendations of the HillPDA Report and the commentary in the Background Report.
70. There is no mention of the development of the Sunbury Road frontage for bulky goods or showroom/motor vehicle uses. In my view, this guidance should be included in the PSP.
71. For example, the Wollert PSP includes more distinct guidance in relation to employment land with the following statements:

"Areas of light industry have been nominated alongside the future E6 to provide opportunities for logistics and warehousing employment uses, with showroom opportunities along Epping Road and Boundary Road. A bulky goods, "homemaker" style centre has been identified on the key intersection of Epping Road and Lehmanns Road." (Wollert PSP, p. 34)
72. I believe that similar guidance is required within the SSPSP in relation to the proposed role and function of the Sunbury Road Employment Area.

5. CONCLUSIONS

73. In summary, my evidence is that:

- a. Sunbury has a baseline requirement for industrial land of 118 ha. 42 ha of this requirement needs to be accommodated in Sunbury South on the Hi-Quality land;
- b. There is a requirement for 21 ha of land for bulky goods and showroom/motor vehicle uses in Sunbury South. 5.5 ha of land for bulky goods has been earmarked for Vineyard Road. The balance (15.5 ha) needs to be located along Sunbury Road on the Hi-Quality land. Under the exhibited PSP, this would reduce the available land for industrial use to 32.37 ha which is not enough to meet the baseline requirement for industrial land.
- c. The land use changes proposed by Hi-Quality are needed to increase the available supply of industrial land. The proposed land use changes would increase the supply of industrial land from 32.37 ha to 43.6 ha which would therefore meet the baseline requirement for industrial land.
- d. The Sunbury Road frontage is ideal for the development of bulky goods and showroom/motor vehicle uses. Guidance should be included in the PSP to this effect.

APPENDIX

APPENDIX A REQUIREMENTS OF VCAT

NAME:

Matt Jacques Ainsaar, Managing Director, Urban Enterprise

ADDRESS:

389 St Georges Road, North Fitzroy, Vic 3068

QUALIFICATIONS:

- Bachelor of Town and Regional Planning, University of Melbourne;
- Graduate Diploma of Property, RMIT University.

PROFESSIONAL AFFILIATIONS:

- Member, Planning Institute of Australia;
- Member, Victorian Planning and Environmental Law Association;
- Fellow, Australian Property Institute.

EXPERIENCE:

I have more than 35 years experience as a planner and land economist and have extensive expertise in assessing the demand for, and supply of, land for a range of land uses.

Urban Enterprise has a track record of successfully preparing land demand and supply assessments for Councils and developers. I have appeared as an expert witness in many panel hearings in respect of land demand and supply issues.

AREAS OF EXPERTISE:

My areas of expertise include strategic urban planning, development contributions, land economics and tourism planning.

EXPERTISE TO PREPARE THIS REPORT:

My qualifications in urban planning and land economics and the experience I have gained as a practising planner and land economist over the past 35 years are relevant to this report. I have specific experience in assessing the supply of and demand for land for a variety of land uses, including commercial and industrial uses, in a variety of locations throughout Victoria. I have appeared as an expert witness in panel hearings dealing with similar issues in a variety of locations in Melbourne and regional Victoria. I am therefore qualified to prepare this report and expert witness statement.

INSTRUCTIONS

I was instructed by Norton Rose Fullbright to prepare an expert evidence statement considering economic matters, specifically the economic merits of Hi-Quality's proposed land use designations (as per its submission). My evidence focuses specifically on the need for industrial land and land for bulky goods/showroom uses, and the proposed location for these uses.

FACTS, MATTERS AND ASSUMPTIONS RELIED UPON

I have relied on the following for my assessment:

- Sunbury/Diggers Rest Growth Corridor Plan;
- Background report, November 2016;
- Sunbury South PSP, November 2016;
- Planning controls and planning scheme maps, November 2016;
- A study into the take-up of industrial land and future land requirements in Melbourne, Jones Lang Lasalle, July 2010;
- Retail and Economic Assessment for PSP74 and PSP75, Sunbury Township, Hill PDA, July 2014;
- Activity Centre and Employment Planning Report, Essential Economics, November 2011;
- Industrial Land in Melbourne, Spatial Economics (extract only), October 2010;
- Market Assessment, Colliers International, April 2013;
- Sunbury South Concept Plan, Urban Enterprise;
- Hi-Quality Submission, February 2017;

DOCUMENTS TAKEN INTO ACCOUNT

See above.

IDENTITY OF PERSONS UNDERTAKING THE WORK

Matt J Ainsaar (Managing Director)

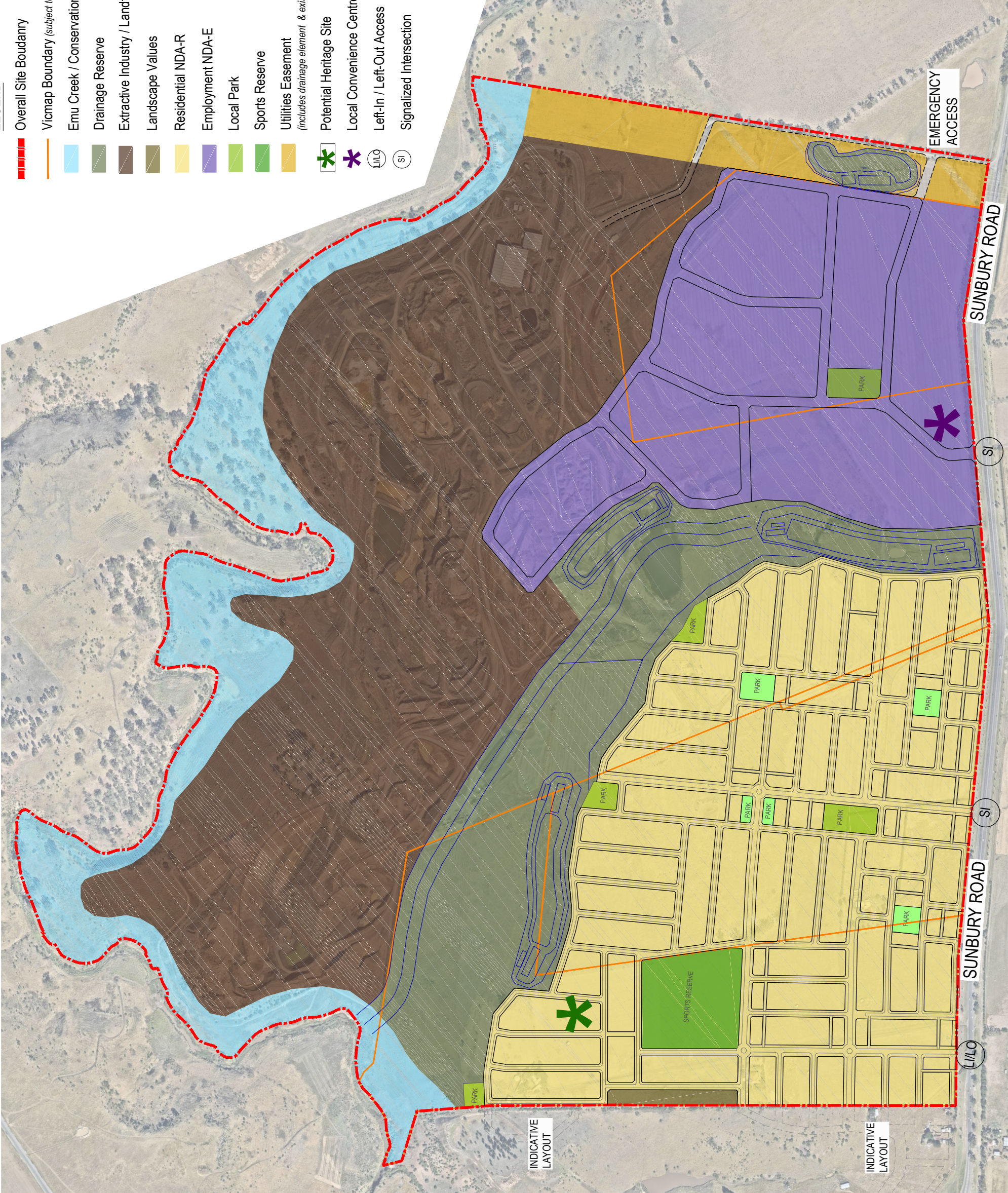
SUMMARY OF OPINIONS

Refer to Section 5: Conclusions.

APPENDIX B HI-QUALITY CONCEPT PLAN

LEGEND

- Overall Site Boudanry
- Vicmap Boundary (subject to survey)
- Emu Creek / Conservation Corridor
- Drainage Reserve
- Extractive Industry / Landfill (E/I/L)
- Landscape Values
- Residential NDA-R
- Employment NDA-E
- Local Park
- Sports Reserve
- Utilities Easement
(includes drainage element & existing road)
- Potential Heritage Site
- Local Convenience Centre
- Left-In / Left-Out Access
- Signalized Intersection



OVERALL LAND BUDGET		
TOTAL AREA		369.41 ha
via TAYLORS PLAN 21187-Concept 3		
EMU CREEK / CONSERVATION CORRIDOR		35.02 ha
EXTRACTIVE INDUSTRY		113.75 ha
DRAINAGE RESERVE		46.02 ha
LANDSCAPE VALUES		0.99 ha
UTILITIES EASEMENT (includes drainage element & existing road)		11.46 ha
sub total		207.25 ha
RESIDENTIAL AREA		102.29 ha
EMPLOYMENT AREA		59.87 ha
RESIDENTIAL AREA		102.29 ha
Open Space - Sports Reserve	AREA	% total
	4.71ha	5%
Open Space - Local Parks PSP		
	1.79ha	2%
Open Space - Local Parks extra		
	1.46ha	1%
sub total		7.97ha
8%		
RESIDENTIAL NET DEVELOPABLE AREA (NDA - R)		94.32 ha
LOT YIELD (ESTIMATE ONLY)		
YIELD @ 17 lots/NDA		1603
EMPLOYMENT AREA		59.87 ha
Open Space - Local Parks PSP	AREA	% total
	0.78ha	1%
sub total		0.78ha
1%		
EMPLOYMENT NET DEVELOPABLE AREA (NDA - E)		59.09 ha

PLAN NOTES

- This Masterplan is conceptual and for discussion purposes only.
- Further requirements may be needed but not finalized until the appropriate investigations have been reported, including but not limited to:
 - Feature Survey, Flora and Fauna, Aboriginal Survey,
 - Archaeological, Engineering Services, Traffic Engineering.

SOURCE DATA

- All boundary & contour data via VICMAP digital data.
- PSP land budget plan from Sunbury South PSP.
- Buffer and proposed land uses via supplied GHD 31-38652-FIC02
- B.O.S via supplied CAD files from VPA

DISCLAIMER

The land budgets uses and areas shown herein are proposed and subject to confirmation via Council, VPA and survey.

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