

# Armstrong Creek Horseshoe Bend Precinct DCP

## Expert Evidence Statement

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CITY OF GREATER GEELONG AMENDMENT C259

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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.
2. Urban Enterprise is a firm of urban planners, land economists and tourism planners based in Melbourne. The firm has 25 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 35 years experience.
4. I and Urban Enterprise have expertise in the preparation of Development Contributions Plans for Councils as well as negotiating development contributions arrangements with Councils on behalf of developers. We have also had experience in negotiating appropriate open space contributions for a range of development situations. I have appeared as an expert witness at Planning Panel hearings in respect of development contributions, for both developers and Councils.
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
  - Associate, Australian Property Institute (Certified Practising Professional).

## 2. ENGAGEMENT

6. I was instructed by the City of Greater Geelong (Council) to prepare an expert evidence statement to present at the Planning Panel hearing in relation to this matter.
7. My instructions were to outline the method used in preparing the Armstrong Creek Horseshoe Bend Precinct Development Contributions Plan (DCP), to review and comment on the submissions made to Amendment C259 in respect of the DCP, and to provide a comparison of the proposed levy amounts with those included in comparable DCPs.
8. I have reviewed the amendment documentation and other relevant documents and policies. Documentation reviewed includes:
  - Planning Scheme Amendment documentation;
  - Armstrong Creek Horseshoe Bend Precinct Development Contributions Plan Costing (exhibition version), Urban Enterprise (November 2013);
  - Horseshoe Bend Precinct Developer Contributions Plan Costing, Prowse Quantity Surveyors (21 November 2013); (**Prowse costings**)
  - Land Acquisition Assessment, Charter Keck Cramer (8 November 2013);
  - Sparrovale Wetland Costs, City of Greater Geelong (1 October 2013); and
  - Armstrong Creek Horseshoe Bend Precinct Structure Plan (exhibition version), City of Greater Geelong (November 2013).
9. I am familiar with the site and the surrounding area.
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. THE DEVELOPMENT CONTRIBUTIONS PLAN

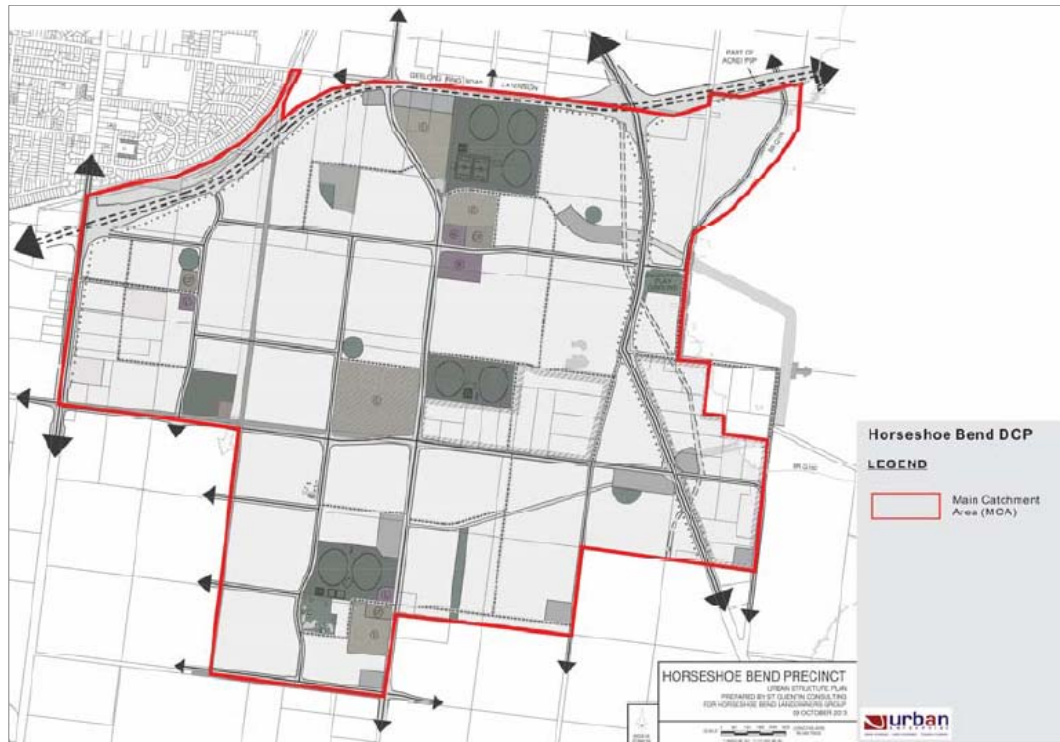
#### INTRODUCTION

11. Urban Enterprise was engaged by the City of Greater Geelong to prepare a DCP for the Armstrong Creek Horseshoe Bend Precinct (**HBP**). Our role was to compile information provided to us by Council, including items of infrastructure required to support the development, the standard of provision relating to that infrastructure, estimated costs of the infrastructure items and information regarding likely development yields.
12. The background technical information to support the DCP was commissioned and co-ordinated by Council.

#### BACKGROUND

13. Amendment C259 to the Greater Geelong Planning Scheme proposes to facilitate the use and development of the HBP through the application of a range of schedules and Incorporated Documents.
14. The HBP is one of 7 precincts within the Armstrong Creek Urban Growth Area (**ACUGA**), south of Geelong. The HBP is centrally located within the ACUGA, bounded by the Surf Coast Highway and the Armstrong Creek Town Centre Precinct (Old Barrwarre Road) to the west, the Geelong Ring Road Extension to the north, the Barwon River floodplain to the east and the Armstrong Creek East Precinct to the south.
15. Schedule 4 to the Urban Growth Zone (**UGZ**) proposes to support commercial, mixed use, residential and recreation use and development of the land.
16. The Amendment proposes to apply Schedule 5 of the Development Contributions Plan Overlay (**DCPO**) to the HBP, supported by the Armstrong Creek Horseshoe Bend Precinct Development Contributions Plan (**DCP**).
17. The DCPO applies to the entire HBP as shown in Figure 1. This area is known as the Main Catchment Area (**MCA**) for the DCP.

Figure 1 MAIN CATCHMENT AREA



Source: Urban Enterprise, 2013.

## METHODOLOGY

18. The methodology used to prepare the DCP is broadly consistent with the preparation of other DCPs in the ACUGA, including the East Precinct, West Precinct and Town Centre DCPs. The East Precinct and West Precinct DCPs have been approved and are incorporated into the Greater Geelong Planning Scheme, whilst the Town Centre DCP has been submitted to the Minister for Planning for approval following a Planning Panel process.
19. In the ACUGA, infrastructure items were identified to support the entire growth area. Although the catchment areas for individual infrastructure items may overlap or cross Precinct boundaries, the overall infrastructure provision for the ACUGA is appropriate for the total projected development, population and employment levels. Therefore, each Precinct is required to contribute via development contributions towards local infrastructure items located within the Precinct.
20. Infrastructure items required to support the development of the HBP were identified based on the Armstrong Creek Integrated Infrastructure Delivery Plan (IIDP) and refined by Council officers in conjunction with landowners.
21. In DCPs, the level of demand that a particular land parcel will generate for each infrastructure item is expressed in terms of demand units. The demand unit used for this DCP is net developable hectares of land. That is, one net developable hectare of land is equal to one demand unit.
22. The DCP was prepared to identify the infrastructure required to service the development of the entire precinct, and to fairly apportion the costs of this infrastructure across all land owners within the precinct.
23. This DCP is not the sole source of funding for infrastructure items in the HBP. I am instructed that Council will provide additional funding for infrastructure items within the precinct, including:

- Contribution towards the construction of a multi-purpose stadium (\$1.4m).

24. The DCP has a life of 20 years, beginning from the date it is incorporated into the Greater Geelong Planning Scheme.

#### DCP INFORMATION

25. The HBP has a total area of 640.227 hectares. Of this, a total of 462.915 hectares is defined as Net Developable Area (NDA), which is the total area excluding existing and future arterial road and transit reservations, easements, drainage reserves, unencumbered open space and land designated for community facilities.

26. A summary of the land budget is shown in Table 1 below.

**TABLE 1 LAND BUDGET**

	Ha
<b>Total Precinct Area</b>	<b>640.227</b>
Roads and Transport	58.469
Encumbered land available for recreation	38.922
Education	24.683
Existing Uses	4.474
Proposed PRV/Sub-Station	0.616
<b>Gross Developable Area</b>	<b>513.063</b>
Active Open Space - unencumbered	38.347
Passive Open Space - unencumbered	8.951
Community facilities	2.850
<b>Net Developable Area</b>	<b>462.915</b>
Residential	458.315
Activity Centres	4.600

Source: HBP DCP, Urban Enterprise, 2013.

27. 72 development infrastructure items were identified to support the development of the precinct, in addition to works that are typically provided by developers. These items are classified as land, roads, intersections, trails, open space, community facilities, drainage and planning.

28. Four community infrastructure items were identified to support the development, all of which are pavilions for active open space reserves.

29. Land for passive and active open space in the Precinct is to be provided by the land owner under clause 52.01 of the Greater Geelong Planning Scheme, which stipulates that 10% of net developable area is to be vested in Council for open space.

#### CALCULATION OF LEVIES

30. Cost estimates for each infrastructure item were provided by engineering consultants and verified by Council officers and relevant agencies. Cost estimating sources include:

- Armstrong Creek Horseshoe Bend Precinct Developer Contributions Plan Costing, Prowse Quantity Surveyors (21 November 2013);
- Land Acquisition Assessment, Charter Keck Cramer (November 2013);
- Armstrong Creek West Precinct DCP, Urban Enterprise (February 2013); and
- Armstrong Creek East Precinct DCP, Urban Enterprise (November 2011).

31. All costs are in July 2012 dollars.

32. The DCP includes four (4) intersections which are apportioned to both the HBP and other precincts in the ACUGA. The cost and apportionment of those items specified in the approved Armstrong Creek West Precinct and East Precinct DCPs were used in this DCP to ensure consistency, allowing for indexation. Table 2 shows the infrastructure items in question and the apportionment of costs.

**TABLE 2 ROAD ITEMS APPORTIONED TO MULTIPLE PRECINCTS**

DCP Item Code	Item Summary	Cost Apportionment					
		Horseshoe Bend	ACTC	West Precinct	East Precinct	Marshall	External (CoGG)
DI_RO_2	Intersection – Reserve Rd/Horseshoe Bend Rd/ Drews Rd	70%	-	-	-	30%	-
DI_RO_4	Intersection – Boundary Rd and Surf Coast Hwy	30%	30%	40%	-	-	-
DI_RO_5	Intersection – New Boundary Rd and Connector F (signals only)	50%	50%	-	-	-	-
DI_RO_11	Intersection – Horseshoe Bend Rd / New Burvilles Rd	50%			50%		

Source: Urban Enterprise, 2013.

33. The total cost of each infrastructure item was apportioned to the HBP, other precincts within the ACUGA and Council based on the projected share of usage for that item.
34. The cost of each development infrastructure item apportioned to the HBP was converted into a Development Infrastructure Levy (DIL) per demand unit (net developable hectare).
35. Residential development is required to contribute to all infrastructure items. Commercial development is only required to contribute to items towards which they will contribute a significant level of demand, namely roads and intersections, drainage and planning costs. Separate DIL for residential and commercial development were calculated on this basis.
36. Table 3 shows the calculations undertaken to arrive at a DIL.

**TABLE 3 DEVELOPMENT INFRASTRUCTURE ITEMS, COSTS AND LEVY CALCULATION**

	Cost to MCA (\$)	Residential DIL	Commercial DIL
Land	\$17,665,216	\$38,188.66	\$35,387.09
Roads and Intersections	\$23,780,761	\$51,371.77	\$51,371.77
Trails	\$4,951,720	\$10,804.18	\$0.00
Community	\$22,458,588	\$49,002.52	\$0.00
Open Space	\$18,655,872	\$40,705.35	\$0.00
Drainage	\$34,120,860	\$73,708.69	\$73,708.69
Planning	\$1,520,484	\$3,284.59	\$3,284.59
<b>Total</b>	<b>\$123,153,501</b>	<b>\$267,065.75</b>	<b>\$163,752.14</b>

Source: Urban Enterprise 2013.

37. I note that the exhibited Development Contributions Plan Overlay Schedule (**DCPO 5**) incorrectly showed the Residential DIL as **\$267,098.21** per ha, and the Commercial DIL as **\$163,786.77** per ha. The levies shown in the exhibited HBP DCP and reproduced in Table 3 above are the correct levies.
38. The cost of the Community Infrastructure items is then converted into a Community Infrastructure Levy (**CIL**) per dwelling. Table 4 shows the calculations undertaken to arrive at a CIL.
39. The CIL is currently capped at \$900 per dwelling under the Planning and Environment Act 1987. The cap will come into effect at such time that the indexed CIL is greater than \$900 per dwelling.

**TABLE 4 COMMUNITY INFRASTRUCTURE COST AND LEVY CALCULATION**

	Cost to MCA	Dwellings	Levy per dwelling
Community Infrastructure	\$6,047,733	7,069	\$855.53

Source: Urban Enterprise 2013.

**LEVY COMPARISONS**

40. In order to understand whether the amount of the DIL under the DCP is in line with other comparable DCPs, I have prepared a comparison table which shows the recently approved residential DCPs in Armstrong Creek, indexed to July 2012 values.
41. Table 5 shows that the residential DIL in the HBP is slightly higher than the levies for Armstrong Creek West and Armstrong Creek East (July 2012 dollars).

**TABLE 5 LEVY COMPARISON – ARMSTRONG CREEK (PER HECTARE)**

	Horseshoe Bend	Armstrong Creek East	Armstrong Creek West
Status	Exhibited	Approved	Approved
NDA	462.915	474.53	368.85
Development Infrastructure cost apportioned to MCA	\$123.2m	\$97.8m	\$86.3m
Residential Development Infrastructure Levy (July 2012)	\$267,065.75 per ha	\$228,810 per ha	\$246,225 per ha
Commercial Development Infrastructure Levy (July 2012)	\$163,752.14 per ha	\$116,907 per ha	\$126,238 per ha

Source: Compiled by Urban Enterprise.

42. The Minister for Planning has recently announced the proposed Standard Levies for introduction in July 2015. The Standard Levy system will replace the current Development Contributions Plan system in growth areas.
43. In greenfield growth areas in regional Victoria, including Armstrong Creek, a Standard Levy of \$210,000 per net developable hectare will be available to Councils, including land for public open space but excluding drainage land and works. I have undertaken a comparative assessment of the HBP residential levy with the proposed Standard Levy. This assessment includes a number of adjustments in order to compare the levies on a like-for-like basis - a description of each adjustment is included in the footnotes to Table 6.
44. Table 6 shows, once the necessary adjustments have been made, the HBP residential DIL (\$233,948 per ha) is only slightly higher than the Standard Levy (\$210,000 per ha). Each of these levies is expressed in 2012 values, so no adjustment for indexation is required.
45. The slightly higher levy in HBP compared with the Standard Levy is partly attributable to the higher land value in HBP (approximately \$484,000 per ha on average) than the land value used to set the Standard Levy (\$400,000 per ha, p.56). This difference in value accounts for \$11,540 per ha.
46. I consider that the close alignment between the HBP levy and the proposed Standard Levy demonstrates that this DCP is in line with expectations for development contributions in a regional growth area, and that the type, cost and scale of infrastructure to be funded by the DCP is generally in accordance with accepted practice in Victoria.

**TABLE 6 STANDARD LEVY COMPARISON**

Category	Horseshoe Bend	Standard levy
<b>Community and Recreation</b>		
Community Facilities - DIL	\$49,003	
Community Infrastructure Levy	\$12,833 <sup>1</sup>	
Open Space works	\$40,705	
<b>Sub-total Community and Recreation</b>	<b>\$102,541</b>	<b>\$80,000</b>
<b>Transport</b>		
Roads and Intersections	\$51,372	
Trails	\$10,804	
<b>Sub-total transport</b>	<b>\$62,176</b>	<b>\$77,000</b>
<b>Public Land (inc 52.01, excluding drainage)</b>		
Land (excluding land for drainage)	\$17,560 <sup>2</sup>	
Land for open space	\$48,387 <sup>3</sup>	
<b>Sub-total Public Land</b>	<b>\$65,947<sup>4</sup></b>	<b>\$50,000</b>
<b>Total (exc. Planning costs)</b>	<b>\$230,663</b>	<b>\$207,000</b>
Planning Costs	\$3,285	\$2,070 <sup>5</sup>
<b>Total</b>	<b>\$233,948</b>	<b>\$209,070<sup>6</sup></b>

Source: Compiled by Urban Enterprise. Horseshoe Bend DCP and Standard Development Contributions Advisory Committee Report 2 - Setting the Levies. See footnotes at the bottom of this page for notes on adjustments made in order to align the Horseshoe Bend levy with the proposed Standard Levy for Regional Growth Areas for the purposes of comparison.

<sup>1</sup> Community Infrastructure Levy was converted from an amount per dwelling (\$855.53) to an amount per hectare by multiplying by the average density (15 dwellings per hectare).

<sup>2</sup> Land to be acquired for drainage purposes (\$20,629 per ha) was removed from the land component in order to align with the allowable public land items included in the Standard Levy amount for regional growth areas.

<sup>3</sup> The value of land for open space was added to the Horseshoe Bend levy to align with the allowable items of the Standard Levy. The value of public open space in Horseshoe Bend was calculated by applying the quantum of open space to be provided under the Greater Geelong Planning Scheme (10%) to the NDA (462.915ha) to result in the amount of POS to be provided (46.3ha), and then applying the average value of land to be acquired under the DCP, excluding outliers such as encumbered land and small parcels (\$483,869.76 per ha) to estimate the total value of open space.

<sup>4</sup> The total levy applicable to public land in Horseshoe Bend (\$65,947) is higher than the Standard Levy in most part due to the higher land value in Horseshoe Bend (\$483,869 per ha) than the value used to inform the calculation of the Standard Levy (\$400,000 per ha, p.56).

<sup>5</sup> Planning costs are allowable under the Standard Levy system up to a maximum of 1% of the Standard Levy.

<sup>6</sup> The recommended Standard Levy of \$210,000 differs slightly from the sum of the components of the levy.

## 4. ISSUES RAISED IN SUBMISSIONS

47. A total of 42 submissions were made to Amendment 259.
48. Submissions regarding the DCP generally relate to the classification of infrastructure items as either 'Development' or 'Community' infrastructure, the suggested removal of certain infrastructure items from the DCP, or argue that certain additional items should also be funded by the DCP. Some submissions also suggest alternative methods for the acquisition of land for public purposes.
49. I will now provide my view in respect of the substance of those issues.
50. I note that no submission challenges the quantum of the exhibited levies.

### CLASSIFICATION OF DEVELOPMENT AND COMMUNITY INFRASTRUCTURE

51. A number of submissions contend that the following infrastructure items should be classified as Community Infrastructure and should be funded by the Community Infrastructure Levy. These items are shown in Table 7.

TABLE 7 SELECTED OPEN SPACE AND RECREATION ITEMS

Item Code	Item	Classification	Item Cost	Cost to MCA	Levy per ha
DI_OS_3	Southern active open space (bowling green component)	Development	\$749,038	\$749,038	\$1,634.31
DI_OS_4	Western active open space (athletics)	Development	\$2,507,533	\$2,507,533	\$5,471.20
DI_OS_6	Playground Equipment – regional park	Development	\$490,000	\$490,000	\$1,069.13
DI_OS_7	MAC Multi-purpose stadium (2 courts)	Development	\$4,672,228	\$1,401,668	\$3,058.31

Source: Urban Enterprise, 2013.

52. I note that under the exhibited DCP, each of these items is classified as Development Infrastructure, and is to be funded by the Development Infrastructure Levy (DIL).
53. I also note that the Community Infrastructure Levy (CIL) in the exhibited DCP is \$855.53 per dwelling (in July 2012 values). Following indexation to July 2014 dollars, the CIL is likely to exceed the CIL cap of \$900 per dwelling, meaning that any further costs under the CIL would require full funding from Council.
54. The West Precinct Panel Report notes that “the principal guide for addressing the issue of what constitutes community or development infrastructure is the Minister’s Direction.” (p.116). The Minister’s Direction guidance on DCP infrastructure classification is as follows.

***What may be funded with a development infrastructure levy:***

*The following works, services or facilities may be funded from a development infrastructure levy:*

*(a) Acquisition of land for:*

- roads
- public transport corridors
- drainage
- public open space, and
- community facilities, including, but not limited to, those listed under clause 4(f).

*(b) Construction of roads, including the construction of bicycle and foot paths, and traffic management and control devices.*

*(c) Construction of public transport infrastructure, including fixed rail infrastructure, railway stations, bus stops and tram stops.*

*(d) Basic improvements to public open space, including earthworks, landscaping, fencing, seating and playground equipment.*

*(e) Drainage works.*

*(f) Buildings and works for or associated with the construction of*

*- a maternal and child health care centre*

*- a child care centre*

*- a kindergarten, or*

*- any centre which provides these facilities in combination.*

55. In my opinion, these items are correctly classified as Development Infrastructure in accordance with the Minister's direction as "basic" improvements to open space.
56. The approach to classification of infrastructure items for the HBP DCP is also consistent with approved DCPs in the Armstrong Creek Urban Growth Area, namely the East Precinct DCP and the West Precinct DCP. Each of these DCPs were approved following a Planning Panel or Advisory Committee hearing, and include the following items funded by the Development Infrastructure Levy:
- Playground equipment for a regional park (DI\_OS\_9 East Precinct, DI\_OS\_5 West Precinct);
  - A 2-court multi-purpose stadium (DI\_OS\_10 East Precinct, DI\_OS\_4 West Precinct); and
  - Bowling greens as part of an active open space reserve (DI\_OS\_7 East Precinct, DI\_OS\_2 West Precinct).
57. The scope, scale and cost of these facilities in the HBP DCP is consistent with those included in the approved East Precinct and West Precinct DCPs.
58. I note that lawn bowls facilities and multi-purpose stadiums have been classified as both Community and Development Infrastructure in other DCPs in metropolitan Melbourne, however the clear precedent in the Armstrong Creek Urban Growth Area is for these active open space components to be classified as Development Infrastructure. There is no "absolute" direction as to how these items should be classified. The outcome depends on how one approaches the meaning of "basic" improvements. The basic improvement of open space to provide a sporting facility for one segment of the population and sport type such as lawn bowls (as distinct from playing football on a paddock of graded and seeded land) necessarily involves works that on one view seems more than "basic". However, I take the view that what is basic in relation to any sport facility must be judged on its facts by reference to that open space sporting facility rather than by a blanket approach to open space.
59. My view is also consistent with the methodology of the MPA and most metropolitan and regional councils and indeed with a large segment of the development community. This approach has been reflected in the Standard Development Contributions Advisory Committee (SDCAC) Report 2 - Setting the Levies (May 2013), which includes lawn bowls, playgrounds and buildings for indoor sports as allowable items under the Growth Areas Community and Recreation Levy (p.33).
60. It is worth noting that the lawn bowls facility and the multi-purpose stadium are relatively minor in terms of their contribution to the overall DCP levy (as shown in Table 7 of my evidence). As such, any reclassification would not have a significant impact on the overall levy amount. Council is of the view that

these items are basic to the needs of the future community, and therefore should be classified as Development Infrastructure.

61. The Athletics facility (DI\_OS\_3) was identified by Council as required to service the new ACUGA community in the Armstrong Creek Integrated Infrastructure Delivery Plan (IIDP, 2009, p.11). The facility is designed to meet demand generated by all development within the ACUGA
62. The athletics facility is classified as a 'district' level facility in the IIDP. Planning for Community Infrastructure in Growth Areas (ASR Research, 2008, p.4) provides some guidance as to the catchments and definitions of community and open space facilities as follows:
  - District Level open space provides for catchments between 10,000 and 30,000 people;
  - Sub-municipal level facilities provide for catchments between 30,000 and 60,000 people; and
  - Regional facilities - 2 or more Council areas.
63. The higher order active open space facilities in Armstrong Creek are sometimes referred to as 'regional' facilities. I consider that these various labels may have contributed to some confusion as to the role and catchment of the athletics facility. However from a funding perspective, the most important aspect is that the facility to be funded by the DCP is designed to cater for demand from across the ACUGA only.
64. Council has adopted a 'ring fence' approach to the provision of higher order active open space infrastructure in Armstrong Creek, which has been well documented and supported in previous Panel hearings. The principle is that one district active open space facility is located in each of the major residential precincts, including HBP (athletics), East Precinct (AFL, netball and soccer) and West Precinct (soccer/hockey), with each facility serving the needs of the 'district' (ACUGA) with costs apportioned to the 'home' precinct.
65. That is, the HBP DCP will fund the Athletics facility which will be used by residents across the ACUGA. In turn, residents of the HBP will also make use of the district active open space facilities provided in the East Precinct and West Precinct. In my opinion, this is an equitable and practical approach.
66. I consider the classification of an athletics facility as development infrastructure to be appropriate, as the gravel track and minor athletics components (such as jumping pits) are basic in nature and will serve an identified community need.
67. I consider that an athletics facility such as that proposed for the HBP would fall under the basket of allowable items in the Growth Areas Standard Levy, as a "district sports facility" for "other local sports" as appropriate, "depending on local needs and the demographics of the area." (p.33). The need for the facility to serve the Armstrong Creek community is clearly identified in the IIDP.
68. The need for the athletics facility, and its nexus with the ACUGA have been clearly established. In my opinion, the facility constitutes basic improvements to open space, particularly in the context of regional active open space provision in other Armstrong Creek Precincts, and is therefore appropriate for inclusion in the HBP DCP as development infrastructure.
69. If the athletics facility were excluded from the DCP or reclassified as Community Infrastructure (given the effect of the \$900 CIL cap, these two outcomes are essentially one and the same), this would result in an inequitable outcome in that there would be a shortfall of regional open space in the ACUGA, and a difference in approach and levies across the precincts in respect of regional open space.

#### ACQUISITION OF LAND FOR PUBLIC PURPOSES

70. A number of submissions propose that the acquisition of land for certain public facilities under the DCP should be implemented by the application of a Public Acquisition Overlay (PAO), including land for:

- Powercor sub-station (Submissions 10, 30-36, 38);
  - Transit Corridor (Submissions 10, 30-36, 38); and
  - Sparrovale wetlands (Submission 17).
71. The DCP includes acquisition of land for various purposes, including roads, community facilities, drainage and the transit corridor. The DCP does not fund acquisition of land for the proposed Powercor sub-station, as the site for the sub-station will be subject to a private acquisition arrangement between the landowner and Powercor. The Development Contributions Guidelines state that “Basic utilities, such as water supply and sewerage, provided by servicing authorities under their own legislation cannot be included in a DCP.” (p.56)
72. The items in question that are included in the DCP, namely land for the transit corridor and the Sparrovale Wetland, are shown in Table 8.

**TABLE 8 LAND ITEMS**

Item Code	Item	Item Cost	Cost to MCA	Levy per ha
DI_LA_8	Land acquisition for transit corridor	\$2,241,000	\$2,241,000	\$4,841.06
DI_LA_22	Sparrovale Wetlands land (1-87 Grove Road Armstrong Creek)	\$752,500	\$752,500	\$1,625.57
DI_LA_23	Sparrovale Wetlands land (109-215 Sparrovale Road Charlemont)	\$1,729,000	\$1,729,000	\$3,735.03

Source: Urban Enterprise, 2013.

73. Whether a PAO should be applied is a matter for others.
74. From a funding perspective, in the case of the land for drainage, there is a clear nexus between development in the HBP and the requirement for drainage works and creation of the Sparrovale Wetlands. It is standard practice, and in my opinion a practical approach, to include land required for drainage purposes, in a DCP. Including land for drainage in a DCP is common practice in non-metropolitan areas, where Councils are generally the drainage authority.
75. While noting a different approach by the Panel in relation to the Town Centre Amendment, the “acquisition of land for public transport corridors” is specifically included in the Minister’s Direction on Development Contributions Plans (2003) as an item which may be funded from a development infrastructure levy.
76. The approved Armstrong Creek East Precinct DCP includes acquisition of the southern section of the transit corridor reservation (5ha). The acquisition of land within the HBP allows for the continuation of this reservation. The approved Officer DCP and Cardinia Road DCP (both in Cardinia Shire) each include the purchase of land for rail-based public transport. Land is to be acquired to facilitate the future grade separation of rail and Brunt Road (Officer) and the development of a railway station (Cardinia Road). I consider that it is appropriate for the DCP for collect contributions towards this item in line with the Minister’s Direction and consistent with land items included in other approved DCPs as identified.

#### LAND VALUATION

77. One submission (no. 19) suggests that the land valuation method should be adjusted to provide for a site specific valuation for the community centre sites.
78. The land valuation report which underpins the cost of land items in the DCP was prepared by Charter Keck Cramer using the ‘before and after’ method for each affected land parcel. In my experience, this is an appropriate and well accepted valuation method for DCP purposes.

## SPARROVALE WETLANDS

79. It was submitted that the infrastructure items relating to the drainage works at the Sparrovale Wetlands should be apportioned to other ACUGA precincts (Submission 17) and should be deleted or modified to exclude what have been described by submitters as 'recurrent' or 'maintenance' costs (Submissions 17, 38).
80. The Sparrovale Wetlands forms a key component of the drainage scheme which has been designed to serve the entire HBP. The drainage scheme was identified through the Horseshoe Bend Precinct Stormwater Management Strategy (SWMS) prepared by Neil Craigie Pty Ltd (October 2013).
81. The cost of constructing the wetlands (itemised in the Prowse costings) was included in the DCP (item DI\_DR\_12), along with the cost (as identified by Council) of "delivery, establishment and management of the Sparrovale Wetlands for the first 10 years of the Precinct's life to effectively transition the site from a degraded farmland to a functional, integrated and sustainable wetland system." (DI\_DR\_13). Item details as shown in the DCP are included in Table 9.

**TABLE 9 SPARROVALE DRAINAGE ITEMS (WORKS)**

Item Code	Item	Item Cost	Cost to MCA	Levy per ha
DI_DR_12	Sparrovale wetlands – construction	\$2,472,557	\$2,472,557	\$5,341.28
DI_DR_13	Sparrovale Wetlands – Management plan and implementation works	\$4,030,000	\$4,030,000	\$8,705.70

Source: Urban Enterprise, 2013.

82. I was advised by Council that the drainage scheme, including Sparrovale wetlands and management plan works, are required solely to service the HBP. Hence, the full costs of these works are apportioned in the DCP to the HBP. I defer to the evidence statements prepared by Mr Craigie and Mr Condina for Council in terms of how the overall costs are to be classified.
83. However, in relation to the issue of inclusion of 'recurrent' or 'maintenance' items as part of DI\_DR\_13, I note that Council has identified these works as being required for the establishment of the site as a wetland facility. The works include:
- A suite of management plans and studies;
  - Rubbish removal and pest control;
  - Revegetation and planting;
  - Access, viewing areas, signage and fencing;
  - Levee improvement works; and
  - Biodiversity, engineering and water quality monitoring.
84. In my opinion, as these works are required to establish the wetlands through various stages to facilitate the intended ultimate drainage function of the area, these works are appropriate for inclusion in a DCP as enabling capital and associated works and studies.
85. I consider that whilst some of these works are ongoing, this is peculiar to how wetlands are established. I am advised that the Sparrovale Wetland will be the largest single drainage / environmental asset ever delivered in the Geelong region, and its delivery over time responds to the range of works and studies required for successful delivery of a project of this scale.

## ROADS AND INTERSECTIONS

86. A number of submissions (10, 30-36) suggested the inclusion of the construction of Boundary Road in the DCP. Boundary Road is classified as a collector road, and is to be reconstructed between the Surf Coast Highway and Barrwarre Road alongside the Boundary Road Greenway.
87. Council's position is that developers are responsible for the funding of collector roads as part of subdivision development. This approach is consistent with the Jetty Road Growth Area, the Lara West DCP, and across all precincts in the ACUGA. I consider that the inclusion of Boundary Road construction in the DCP is not warranted and would be inconsistent with the approach adopted across the City of Greater Geelong.
88. Submission 19 suggests that the scope of the intersection of Horseshoe Bend Road and Connector Road A (DI\_RO\_9) should be reduced to cover only traffic signals and to exclude pavement works to ensure a consistent approach with other intersections of a similar scale.
89. The scope of intersection works funded by the DCP varies depending on the scale and role of each intersection. Intersections between arterial roads (or potential future arterials) and connector roads (such as the Horseshoe Bend Road / Boundary Road intersection) are included in the DCP as full pavement and signal works. Smaller intersections between connector roads (such as Boundary Road and Connector F) or involving access streets are included in the DCP as signals only. The item in question involves the intersection with a future arterial road (Horseshoe Bend Road). As such, intersections between this connector road (Connector A) and existing and future arterials, including Horseshoe Bend Road (DI\_RO\_9) and Barwon Heads Road (DI\_RO\_12) are fully funded through the DCP, including pavement and signal works. I consider this to be a consistent and practical approach.
90. Submission 38 seeks to vary the scope of works for the intersection of Surf Coast Highway and Boundary Road (DI\_RO\_4). It is submitted that the scope of works for this intersection is now 'redundant' and further works are required to meet traffic needs.
91. I note that the scope and cost of this item is sourced from the Armstrong Creek West DCP, to which 40% of the cost of the intersection is apportioned. A further 30% of the cost of the intersection is apportioned to the Armstrong Creek Town Centre, with the remaining 30% apportioned to the HBP. Considering that the item is already included in an approved DCP and in order to maintain equity across the various precincts which will contribute to the item, I consider that the item should be consistent in scope and in each DCP. Notwithstanding, I refer to Council's submission regarding the need (or otherwise) for the scope of the intersection to be modified.
92. Submission 10A relates to the intersection of Boundary Road and the Town Centre north-south collector Road and the HBP connector road 'E' (DI\_RO\_5). This item is included in the DCP as signalisation works only (no pavement works), with the cost apportioned equally between the ACTC DCP and the HBP DCP. It was submitted that the full cost of constructing the intersection should be included in the DCP.
93. I note that this issue was raised in a submission to the ACTC DCP (Amendment C267), considered in my evidence (and evidence by others) and considered by the Planning Panel. Amendment C267 is yet to be finalised following the Planning Panel hearing.
94. I reaffirm my response to this issue as outlined in my evidence statement for C267, in which I endorsed Council's position that developers are responsible for the funding of collector roads as part of subdivision development. Accordingly, the intersection of two collector roads in DI\_RO\_5 (Boundary Road and the north-south connector) should only include the signalisation improvements and not pavements works. In understand this approach to be consistent in the Jetty Road Growth Area, the Lara West DCP, and the ACUGA. For intersections with arterial roads, full intersection works are included in the DCP due to

the significant scope required when delivering projects on VicRoads arterial road, including pavement design requirements, bus facilities, slip lanes and traffic island works.

95. I consider that in order to ensure equity, a consistent approach must be applied to comparable intersections in the HBP and other ACUGA precincts. I do not consider that the exclusion of pavement works from the DCP is inequitable, as all collector roads in the ACUGA (and intersections between collector roads) are to be funded by developers.

#### OTHER ISSUES

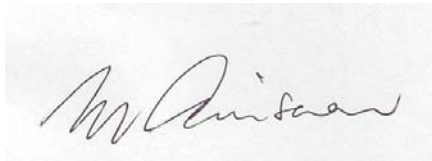
96. It was submitted that there is insufficient information and justification in the DCP regarding the scope and detail of specific infrastructure items to be funded. In my opinion, sufficient detail has been provided for each item in order to clearly identify the location, scope and cost of that item, and to link to the supporting document which identifies further detail and justification for the item.
97. Table 7 of the DCP clearly identifies the supporting document for each item, and all supporting documents have been exhibited as part of the Amendment. I consider this approach to be appropriate, in that all details regarding infrastructure items are publicly available and linked to the relevant source material. This approach is consistent with that of the approved Armstrong Creek East and West Precinct DCPs.
98. Submission 19 suggests that flexibility should be allowed regarding the location of DI\_DR\_09, a retarding basin at the southern boundary of the HBP adjacent to the intersection of Horseshoe Bend Road and Burvilles Road. In accordance with the DCP, development infrastructure (including land and works) can be delivered as works in-kind on the condition that the impact on the DCP is cost and revenue neutral, and that development contributions are paid on any additional developable area that is created. Any changes to the DCP works must be to the satisfaction of Council.
99. Submission 19 seeks the inclusion of additional drainage pipework in the DCP to create an outfall to Armstrong Creek to the south.
100. The DCP has been prepared in accordance with the SWMS, which identifies all outfall pipes and drainage works required to support the development of the Precinct. All other drainage works are considered to be local in nature and are to be delivered as subdivision works.
101. Submission 19 also refers to the need to avoid 'scope creep' over time for DCP items. It was submitted that without preventative wording in the DCP, that the scope of items required by State agencies such as VicRoads could increase over time, thus increasing the cost (and likelihood of disputes).
102. Given the significant detail included in the DCP and supporting documents regarding the scope and costs of each infrastructure item while it is possible to do so, I do not consider it necessary to include wording in the DCP which specifically refers to scope creep.

## 5. CONCLUSIONS

103. The HBP DCP was compiled by Urban Enterprise based on information provided by Council and included in technical reports to support the development of the ACUGA and HBP.
104. The DCP was prepared in accordance with the current Victorian Development Contributions Framework, having regard to the Development Contributions Guidelines and Ministerial Directions as relevant.
105. The residential DIL of \$267,065 per ha is comparable to the proposed Standard Levy for regional Growth Areas, when necessary adjustments are made for drainage and land for open space, and taking into account the higher land value in HBP than the base used to calculate the Standard Levy.
106. I consider the infrastructure to be provided to support development, the classification of infrastructure, the apportionment of costs and the resultant levies to be appropriate.

### 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.

A handwritten signature in black ink, appearing to read 'Matt J Ainsaar', is centered on a light-colored rectangular background.

Matt J Ainsaar

Managing Director, Urban Enterprise Pty Ltd

BTRP, Grad Dip Prop, MAPI, AAPI, CDP

## APPENDIX A REQUIREMENTS OF PLANNING PANELS VICTORIA – EXPERT EVIDENCE

### 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
- Associate, Australian Property Institute

### EXPERIENCE

I have over 30 years experience as a planner and land economist and have extensive expertise in the Development Contributions area.

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 am currently advising developers, Councils and State government agencies in respect of development contributions matters including Stockland, the Metropolitan Planning Authority, the City of Casey and the City of Greater Geelong.

I have appeared as an expert witness in most of the recent growth area panel hearings in respect of development contributions.

### AREAS OF EXPERTISE

Areas of expertise include strategic urban planning, Development Contributions planning, land economics, property and tourism planning.

### EXPERTISE TO PREPARE THIS REPORT

My experience in urban planning, land economics and property over the past 30 years provided the tools to develop a specialisation in development contributions. I have undertaken numerous Development Contributions Plans and have given advice to public and private sectors in regards to development contributions. I have appeared as an expert witness in most of the recent growth area panel hearings in respect of development contributions. I am therefore qualified to prepare this report and expert witness statement.

### INSTRUCTIONS

My instructions were to outline the method used in preparing the Horseshoe Bend Precinct Development Contributions Plan (DCP), to review and comment on the submissions made to Amendment C259 in respect of the DCP, and to provide a comparison of the proposed levy amounts with those included in comparable DCPs.

**FACTS, MATTERS AND ASSUMPTIONS RELIED UPON:**

I have relied on the following for my assessment:

- Planning Scheme Amendment documentation;
- Armstrong Creek Horseshoe Bend Precinct Development Contributions Plan Costing (exhibition version), Urban Enterprise (November 2013);
- Horseshoe Bend Precinct Developer Contributions Plan Costing, Prowse Quantity Surveyors (21 November 2013); (**Prowse costings**)
- Land Acquisition Assessment, Charter Keck Cramer (8 November 2013);
- Sparrovale Wetland Costs, City of Greater Geelong (1 October 2013); and
- Armstrong Creek Horseshoe Bend Precinct Structure Plan (exhibition version), City of Greater Geelong (November 2013).
- My familiarity with the site and the surrounding area; and
- Relevant experience.

**DOCUMENTS TAKEN INTO ACCOUNT:**

See above.

**IDENTITY OF PERSONS UNDERTAKING THE WORK:**

Matt J Ainsaar, assisted by Paul Shipp, Associate.

**SUMMARY OF OPINIONS:**

Refer to Section 5: Conclusions.