



AM C220: EVIDENCE STATEMENT OF ANDREW SPENCER



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SUMMARY

1. I have been instructed by Harwood Andrew Lawyers, acting on behalf of Yarra City Council (Council) to provide expert evidence in relation to the Yarra Planning Scheme Amendment C220 – Johnston Street, Collingwood and Abbotsford.
2. A summary of the key points from my evidence is provided below.
3. SGS Economics and Planning have provided advice to Council on a range of economics and planning matters. My evidence draws primarily on work undertaken between 2014 and 2018 that includes the Yarra Spatial and Employment Strategy (finalised in 2018), the Johnston Street Economic Advice (2015) and the Activity Centre Residential Capacity Model (2018).
4. I have been asked to provide advice in relation to the impact of the proposed Amendment on the realisation of residential and commercial development.
5. In relation to the realisation of residential development I find that:
 - The Amendment will result in considerable capacity for dwellings in the Johnston Street Activity Centre when compared to estimated demand. My assumed demand figure of 500 dwellings in the next 15 years would require between 16% and 21% of the total dwelling capacity on land effected by the Amendment to be realised.
 - Based on modelling informed by estimated building heights provide by Council, there is likely to be considerable capacity for dwellings across all of Yarra's activity centres compared to estimated demand. I have assumed that 75% of dwelling demand for the next 15 years can be supplied in activity centres – a total of approximately 10,000 dwellings. This supply would constitute around 31% of the total estimated potential dwelling capacity in Yarra's activity centres.
 - On the balance of these findings I conclude that the Amendment is likely to increase the realisation of residential development in the Johnston Street Activity Centre, however, this is likely to be at the expense of residential development projects in other locations in Yarra, or in other similar housing sub-markets.
6. In relation to the realisation of commercial development I find that:
 - Yarra's total capacity for employment floor space growth exceeds forecast demand. The 2031 total employment floor space forecast of 3.9 million sqm would account for 79% of total capacity.
 - The Amendment could however result in the Johnston Street Activity Centre being somewhat constrained in terms of the likely realisation of employment floor relative to demand. The 2031 employment floor space forecast of 134,840 sqm would account for in the order of 98% to 126% of total employment floor space capacity. That is, demand might exceed capacity, unless multi-level office developments are realised.
 - On the balance of this evidence it is difficult to form a definitive view about whether the Amendment would increase or decrease the realisation of commercial development in the Johnston Street Activity Centre.
 - However, if the Amendment were to result in a reduction in the realisation of commercial development I do not view this as a critical failing. Any un-met demand for employment floor space might be accommodated in other employment precincts with capacity for growth. The Easey Street and Gipps Street precincts in particular are both in close proximity.

7. I have reviewed four submissions on the proposed Amendment requesting a change of zone and one submission in relation to the policy on non-residential uses above ground level.
8. I do not believe that the issues raised in these submissions provide compelling reasons to make changes to the Amendment, with one exception.
9. In relation to material published as a result of the Activity Centres Pilot Project reports, I concur with the finding that mandatory maximum height controls "do not necessarily inhibit development and can deliver clarity, certainty and consistency in outcomes".
10. Furthermore, I believe that there is a case to be made for more widespread use of mandatory height controls in activity centres, where these controls have been informed by sound strategic planning work in relation to preferred built form outcomes, development feasibility (physical and financial), the resulting floor space capacity, and demand forecasts.
11. I conclude that the Amendment is likely to result in an increase in the capacity for housing in the City of Yarra, increase residential development activity in the Johnston Street Activity Centre, which will in turn contribute to the renewal of the Activity Centre. Although there is a risk the commercial floor space might be displaced from Johnston Street, I am satisfied there are appropriate alternative locations in Yarra that Council intends to retain for employment uses. On this basis, I support the Amendment.

1. INTRODUCTION

12. Credentials

13. My full name is Andrew Frank Spencer and I am an Associate of SGS Economics & Planning Pty Ltd (SGS), based in the firm's Melbourne office at Level 14, 222 Exhibition Street, Melbourne, Victoria.
14. I hold the following academic qualifications:
 - Bachelor of Science (Geography) University of New South Wales, 2001
 - Bachelor of Arts (Comparative Development) University of New South Wales, 2001
 - Master of Urban Design, Sydney University, 2009
 - Master of Analytics, RMIT University (in progress)
15. I am an urban planner and urban designer with expertise in urban economics. Over the past of 18 and a half years I have contributed to a wide range of housing, employment, strategic planning, urban design and urban economics assignment for local, state and federal governments and the private sector. I have worked in this capacity in New South Wales for 10 years and Victoria for the past 8 and a half years.
16. I have previously presented expert evidence at Planning Panels Victoria hearings.
17. Additional information regarding my qualifications and experience is included in Attachment B.

18. Instructions

19. I have been instructed by Harwood Andrew Lawyers, acting on behalf of Yarra City Council to provide expert evidence in relation to the Yarra Planning Scheme Amendment C220 – Johnston Street, Collingwood and Abbotsford.
20. My instructions were set out in a written brief from Harwood Andrew Lawyers and a series of supplementary briefs, reproduced at Appendix C.
21. The primary matters I have been instructed to comment on relate to the impact of the proposed Amendment on the realisation of residential development and commercial development in Johnston Street and the City of Yarra generally.
22. I have relied, in part, on specific advice from Larry Parsons of Ethos Urban in relation to the findings of 3D built form modelling that he has overseen. This advice has informed some of the floor space capacity estimates set out in my evidence.

23. Overview of evidence

24. My evidence is in three parts.
25. The first and most substantive part addresses the issue of the likely impact of the proposed Amendment on the realisation of residential development and commercial development in Johnston Street and the City of Yarra generally.
26. The second part addresses issues raised in submissions on the proposed Amendment.
27. The third part considers recent material released by the Department of Environment, Land, Water and Planning in relation to the Activity Centre Pilot Program.
28. The opinions in this expert evidence statement are my own.

29. Summary of previous studies undertaken for Council

30. SGS Economics and Planning have provided advice to Council on a range of economic and planning matters over the period 2014 to 2018 that I have been involved in.
31. In 2014 SGS Economics and Planning were engaged by Council to prepare the Yarra Spatial Economic and Employment Strategy (SEES). The purpose of this study was to provide analysis and advice to aid Council to understand and capitalise on Yarra's economic strengths and respond to key trends and economic drivers over the next 10 to 15 years.
32. The SEES included estimates of floor space demand to 2031 and employment floor space capacity, for Yarra's employment precincts.
33. The SEES can be thought of as a 'future proofing strategy' for employment in Yarra. For the most part it recommends Yarra's employment land be kept for employment, retaining zones that prohibit residential development.
34. The corollary of this strategy is Council's intention to host the majority of new housing development in and around activity centres, where residents will benefit from access to transport, services and facilities.
35. In 2015 SGS prepared the Johnston Street Economic Advice for the City of Yarra. This study recommended that properties with a Johnston Street frontage be zoned Commercial 1 to accommodate increased demand for retail, hospitality and services, re-activating ground floor sites along Johnston Street.
36. The study concluded that a change from C2Z to C1Z would be more-or-less neutral in terms of employment outcomes (that is, the total number of jobs) on the rezoned sites.
37. In 2018 the SEES was finalised. The process of drafting and finalising the SEES included two stages of community consultation. Early in 2018 the employment forecasts in the SEES were updated, drawing on updated VIF data and data from the 2016 ABS Census, resulting in an increase in the employment growth forecasts.
38. Later in 2018 SGS developed a model for Council to assess the residential growth potential in Yarra's activity centres. The Residential Capacity in Activity Centres (RCAC) model is an interactive spreadsheet designed to interrogate development capacity and take-up (that is, the realisation of new development). The model allows various parameters to be adjusted and the results are immediately updated. User adjustable parameters include assumptions concerning land available for redevelopment, proposed building heights, floor space mix (residential vs non-residential), site cover and building efficiency.
39. SGS produced a report dated June 2018 titled "Residential Capacity in Activity Centres" which reported on the preliminary outputs of the model.

2. EVIDENCE

40. Overview of Amendment C220

41. Amendment C220 to the Yarra Planning Scheme proposes to:
 - Rezone sections of Johnston Street and Sackville Street within the Johnston Street Activity Centre from C2Z to C1Z
 - Introduce Schedule 15 to the Design and Development Overlay
 - Introduce a new Local Policy
 - Introduce a new Heritage Overlay
 - Introduce a new Environmental Audit Overlay.
42. The most significant implication of the rezoning in relation to my evidence is that residential development would be permissible on 4.9 Ha of land where it is currently prohibited.
43. The DDO includes a combination of preferred and mandatory controls in relation to:
 - Overall building heights
 - Street wall heights
 - Rear interface heights
 - Setbacks above street wall height
 - Building separation
 - Overshadowing and solar access.
44. These controls are intended to provide greater clarity concerning the preferred built form outcomes for the Johnston Street Activity Centre.
45. Under the heading of 'Street Frontages' in the DDO, it is suggested that new development should "be designed to allow for commercial activity at the lowest two levels (as a minimum) incorporating commercial floor to floor heights of at least 4m, where heritage elements are not a constraint".
46. My analysis of the impact of the Amendment on residential and commercial development is based on the proposed zone changes, the capacity implied by the DDO controls, and the policy guidance in relation to the design of lower levels so as to be adaptable to accommodate both residential and commercial uses. Unless otherwise specified all references in this report are to Council's preferred DDO.

47. Impact of the proposed Amendment on residential and commercial development

48. I have been asked to comment on the impact of the proposed Amendment on residential and commercial development in Johnston Street and the City of Yarra.
49. To address these questions, I have compared the forecast demand for housing and employment for the next 15 years, with estimates of floor space capacity.
50. I have also considered the rate of new residential development that would be required to balance supply with demand.
51. My analyses draw on the existing SGS studies referred to above, other Council documents, and updated modelling based on Council's preferred built form outcomes for the Johnston Street Activity centre, as reflected in the preferred version of Amendment C220.

52. Demand for housing

53. The City of Yarra's Housing Strategy (Strategy) cites Victoria in the Future (VIF) projections that estimate an additional 29,412 residents and 13,431 dwellings will be accommodated in Yarra between 2016 and 2031.
54. To meet this level of demand, Yarra will need to supply on average 895 new dwelling per annum.
55. The Strategy notes that for the period 2005 to 2014, Yarra accommodated an average of 830 dwellings per annum. It also notes that the number of apartments in developments over four storeys approved between 2011 to 2015 (4,904) is more than double that of the 2006 to 2010 period, indicating a significant number of apartments in the development pipeline in the short term.
56. The Strategy does not include dwelling demand estimates by smaller geographies and therefore there are no demand estimates specific to the Johnston Street Activity Centre.
57. SGS routinely prepares small area land use forecasts for the state government. The most recent forecasts were prepared by SGS in 2017, based on VIF 2016. Drawing on this data, I estimate the projected population growth for the Johnston Street Activity Centre, between 2016 and 2031, would be in the order of 1,000 people. Assuming an average household size of 2 persons per dwelling, this would equate to demand for 500 dwellings.
58. As the small areas used in the small area forecasts and the Johnston Street Activity Centre boundary do not align particularly well this figure should be treated as a rough estimate at best.

59. Capacity for housing

60. The City of Yarra's Housing Strategy includes a discussion of housing capacity (Chapter 8).
61. It describes the Residential Capacity in Activity Centre Model, prepared by SGS, and reports that the estimated supply of new dwellings between 2016 and 2031, from activity centres alone, could be in the order of 14,300 dwellings.
62. This supply estimate is based on the two assumptions:
- The realisation of dwellings in the development pipeline (at application stage, approved, or under construction) based on data from the 2017 Urban Development Program. This accounts for around 2600 dwellings.
 - The continuation of the rate of dwelling supply in each Activity Centres that occurred in the period 2011 to 2016, for the next 15 years.

63. The discussion of housing capacity in the Strategy does not actually discuss capacity but forecast supply. I believe that it is important that the relationship between capacity and demand are explored and I will return to this issue later in my evidence.
64. Since the Residential Capacity in Activity Centres (RCAC) model was developed in the first half of 2018, planning for the Johnston Street Activity Centre has progressed, and the built form controls for this precinct have been refined. Furthermore, 3D built form modelling has been undertaken, using the Urban Circus platform, under the direction Mr Larry Parsons of Ethos Urban. This modelling provides a more detailed investigation of Council's preferred built form outcomes. As a result more accurate assumptions are now available than when the SGS modelling of capacity was first undertaken.
65. Therefore, based on advice provided by Mr Parsons I have updated the RCAC model to estimate the capacity for residential and non-residential floor space in Johnston Street, reflecting Council's preferred planning controls.
66. The assumptions used in the model are set out in the upper four rows and the 'notes' in the table below.

TABLE 1: CAPACITY ASSUMPTIONS FOR JOHNSTON STREET ACTIVITY CENTRE

JOHNSTON STREET - CAPACITY ESTIMATES UNDER COUNCIL EXHIBITED AND PREFERRED C220 CONTROLS – 1 OCT 2018 / ETHOS URBAN USING URBAN CIRCUS MODEL													
SUB-PRECINCT	1A	1AA	1AAA	1B	1C	1D	2A	2B	2C	2D	2E	2F	TOTAL GFA
APPROX PODIUM COVER	90%	90%	90%	90%	90%	90%	90% 5 levels	90% 5 levels	90% 5 levels	90% 5 levels	90% 5 levels	90% 5 levels	
APPROX UPPER COVER	60%	70%	60%	60%	60%	50%	60%	60%	70%	70%	60%	60%	
AVERAGE PODIUM HEIGHT	3 levels	3 levels	3 levels	3 levels	3 levels	3 levels	3 levels	3 levels	5 levels	5 levels	5 levels	5 levels	
AVERAGE OVERALL HEIGHT Inc podium	6 levels	8 levels	9 levels	7 levels	6 levels	5 levels	5 levels	5 levels	10levels	8levels	7 levels	6 levels	
MODELLED GFA (90%) LVs1&2 (Preferred)	29,390	5,940	3,280	18,390	6,360	14330	7060	2270	10,180	27000	12,860	16,730	153790
MODELLED GFA (90%) LVs 1&2 (Exhibited)	29350	6120	3280 (treated as separated site)	16000	6290	14100	6960	2260	10180	27170	12820	17960	152490
MODELLED GFA (90%) UPPER LEVELS (Preferred)	39,140	12,100	11,300	26,900	11,450	12,680	6,420	2,350	30,550	54,090	21010	22360	250350
MODELLED GFA (90%) UPPER LEVELS (Exhibited)	48290	12750	11300 (treated as separated site)	29400	7590	13560	8510	2250	30270	57540	18025	25100	264590
NOTES	Modelled GFA has deducted 10% in all cases for probable light courts or setbacks / All figures are GFA; NSA likely to average 75% of GFA												

Source: Ethos Urban, 2018.

67. Using the RCAC model with these assumptions, the total capacity for new development has been estimated to be 297,293 sqm. The split of residential and commercial floor space will depend on the number of levels allocated to employment uses. Two scenarios are modelled in the table below: the first assumes that the first two levels of all new development accommodate commercial floor space; the second assumes that only the ground level is commercial.

68. Taking these scenarios as low- and high-range estimates, the capacity of new dwellings in the Johnston Street Activity Centre is in the range of 2,376 to 3,046 dwellings.

TABLE 2: CAPACITY ESTIMATES FOR JOHNSTON STREET ACTIVITY CENTRE FROM RCAC MODEL

	Total floor space capacity (sqm)	Employment floor space (sqm)	Residential floor space (sqm)	Dwelling capacity (based on 80 sqm average dwelling size)
Net floor space capacity assuming first 2 levels are employment	297,293	107,188	190,105	2,376
Net floor space capacity assuming ground level only is employment	297,293	53,594	243,699	3,046

Source: SGS (2018).

69. The RCAC model estimates a total *net* floor space capacity of 297,293. Mr Parsons net floor space capacity estimates are 312,810 sqm based of the exhibited Amendment and 303,105 sqm based on the preferred Amendment. (To estimate the net floor space I have added the gross floor space on the lower and upper levels and multiplied this total by 75% to convert gross floor area to net floor area.)
70. I note that the floor space estimate from the RCAC model are similar to the findings of the modelling undertaken by Mr Parsons estimating floor space under both the Exhibited and Preferred Amendment. On this basis I do not believe there is a substantive difference between the exhibited and preferred versions of the Amendment in terms of total floor space capacity.
71. I subsequently used the RCAC model to estimate the potential dwelling capacity of all of Yarra's activity centres.
72. Council has populated the RCAC model with height estimates, by sub-precinct, for Yarra's other 11 activity centres. I have assumed that these are accurate and correct.
73. I understand that these building heights are derived from built form framework analysis used to inform proposed interim planning controls. Council has prepared built form frameworks for the following activity centres:
- Swan Street (subject to request to Minister for planning for interim controls)
 - Bridge Road (subject to request to Minister for planning for interim controls)
 - Victoria Street (subject to request to Minister for planning for interim controls)
 - Queens Parade (introduced as an interim DDO)
 - Johnston Street central and east (introduced as interim DDO and proposed permanent controls).
- For centres without a built form framework, I understand Council has used preliminary estimates of likely building heights.
74. Assumptions with respect to site cover, area for light courts or setbacks, and the ratio of gross floor space to net floor space applied to the remaining 11 activity centres are the same as those used to model capacity for the Johnston Street Activity Centre provided by Larry Parsons. Specifically: site cover for lower levels – 80%; site cover for upper levels – 50%; area for light courts or setbacks – 10%; GFA to NSA ratio – 75%.
75. The RCAC modelling excludes any site in activity centre that have been recently developed, strata-titled, public housing or current used for community uses.

76. The results of this analysis are summarised in the table below. The analysis suggests that, based on planning work that is currently in progress, the total potential capacity for new dwellings across Yarra's Activity Centres is in the order of 32,000 dwellings.
77. I have used the term 'total potential capacity' here as the capacity estimates are based on planning controls that are not as yet adopted but I believe these are a logical benchmark as they represent Council current planning aspirations for each activity centre.

TABLE 3: POTENTIAL CAPACITY ESTIMATES FOR YARRA ACTIVITY CENTRES FROM RCAC MODEL

	Total floor space capacity (sqm)	Employment floor space capacity (sqm) (assuming ground level only is employment)	Residential floor space capacity (sqm) (assuming ground level only is employment)	Dwelling capacity (assuming 80 sqm average dwelling size)
Smith Street	594,405	93,282	501,123	6,264
Victoria Street	556,387	133,315	423,072	5,288
Bridge Road	457,952	109,123	348,829	4,360
Brunswick Street	419,817	84,941	334,877	4,186
Swan Street	390,041	85,563	304,479	3,806
Johnston Street	297,293	53,594	243,699	3,046
Alphington	223,660	35,139	188,521	2,357
Queens Parade	121,956	30,489	91,467	1,143
Nicholson Street	111,156	44,462	66,694	834
St Georges Road	60,851	24,340	36,511	456
Gertrude Street	37,282	14,913	22,369	280
Rathdowne Street	25,930	10,372	15,558	194
Total	3,296,732	719,533	2,577,199	32,215

Source: SGS (2018).

78. The application of the RCAC model to the activity centres other than Johnston Street has not benefits from the same level of detailed built form modelling. The accuracy of the model would be improved with: further refinement of the built form controls; consideration of the preferred floor space mix (residential and non-residential); better information on site amalgamation; consideration of any limitation imposed by heritage; and an understanding of likely off-street parking rates and parking configuration. However, on the basis of the information that was available for the modelling, and with the benefit of advice provided by Mr Parsons in relation to modelling for Johnston Street, I believe the RCAC model provides plausible floor space capacity estimates to inform Council's planning for its activity centres.
- 79. Demand and capacity for housing compared**
80. The estimated dwelling demand of 13,341 dwellings across Yarra is 41% of the estimated potential dwelling capacity in activity centres alone. It is unrealistic to expect all new housing to occur in activity centres. I have assumed that 75% of future dwelling supply might occur in activity centres (that is, a slightly higher proportion than the historic rate of 72% reported in the Yarra Housing Strategy). This equates to 10,006 dwellings, which is 31% of the total estimated potential dwelling capacity in Yarra's activity centres.
81. Although there are no specific dwelling demand figures for the Johnston Street Activity Centre, I provided an earlier rough estimate of demand for the next 15 years of 500 dwellings. This equates to 21% of the estimated dwelling capacity, assuming two levels

of commercial floor space, or 16% of the dwelling residential capacity, assuming commercial floor space at the ground level only.

82. If demand for the next 15 years were to be higher, say 1000 dwellings, this would require 42% of the estimated dwelling capacity, assuming two levels of commercial floor space, or 32% of the dwelling residential capacity, assuming commercial floor space at the ground level only.
83. To provide a further check of the likelihood of dwelling supply meeting forecast demand, I have considered the historic dwelling supply rates for Yarra's activity centres and projected forward over 15 years (2016 to 2031).
84. The table below shows the historic rates of dwelling supply in Yarra's activity centres expressed as the number of net additional dwellings, per hectare of land, per five years. These rates have been calculated using the Housing and Development Data (2016), a data set collected by the Department of Environment, Land, Water and Planning to monitor housing supply. The land area use is the net land area, that is, it excludes land used for roads, railways and major open space.

TABLE 4: HISTORIC RATES OF DWELLING SUPPLY IN YARRA'S ACTIVITY CENTRES

	Net new dwellings per hectare per 5 years		
	Past trend (2004-2010)	Recent trend (2011-2016)	12-year trend (2004-2016)
Johnston Street	0.7	4.4	2.6
Brunswick Street	2.5	7.6	5.1
Swan Street	3.0	7.8	5.4
Queens Parade	2.0	14.5	8.3
Bridge Road	10.5	38.2	24.3
Smith Street	16.1	33.4	24.8
Victoria Street	3.2	49.5	26.4
Area weighted average	6.4	25.8	16.1

Source: SGS (2018) derived from the HDD (2016).

85. The rates cover a wide range from 0.7 to 49.5 dwellings per hectare per five years. It is notable that the rates of dwelling supply in activity centres have increased substantially from 2004-10 to 2011-16. The average for the earlier period is 6.4 dwellings per hectare per five years compared to 25.8 for the latter period.
86. In the subsequent table I have shown the estimated realisation of dwellings in Yarra's activity centres assuming three different average rates of supply: the average rate for the 12-year period from 2004 to 2016 (16.1), the average rate for the 6-year period from 2011 to 2016 (25.8), and a rate that is the average of long- and short-term rates (21.0). All three estimates include the nominated supply rate plus both apartment projects in the development pipeline (identified in the Urban Development Program).

TABLE 5: ESTIMATED DWELLING SUPPLY ASSUMING HISTORIC SUPPLY RATES FOR YARRAS ACTIVITY CENTRES

	Rate of net new dwelling supply		
	16.1 dwellings per hectares per five years (long term average supply rate for Yarra's activity centres)	21.0 dwellings per hectares per five years (average of short and long term rates)	25.8 dwellings per hectares per five years (short term average supply rate for Yarra's activity centres)
All activity centres			
Dwelling supply (2016 - 31)	8,576	10,376	12,177
Potential dwelling capacity	32,215	32,215	32,215
Potential capacity utilised (2016 - 31)	27%	32%	38%
Johnston Street Activity Centre only			
Dwelling supply (2016 - 31)	665	774	883
Potential dwelling capacity	2,376	2,376	2,376
Potential capacity utilised (2016 - 31)	28%	33%	37%

87. Based on the average of the long- and short-term new dwelling supply rates, Yarra's activity centres would provide 10,376 dwellings, which aligns with the notional figure of 10,000 dwellings required in activity centres to meet the overall demand of 13,431 dwellings over 15 years.
88. Based on the short-term average supply rate, Yarra's activity centres would provide 12,177 dwellings, exceeding the notional figure of 10,000 dwellings required in activity centres to meet total demand for 13,431 new dwellings by 2031. At this rate supply in Johnston Street would be 883 dwellings, over 15 years.
89. Based on the long-term average supply rate, Yarra's activity centres would fall short of the notional 10,000 dwellings required. The deficit is approximately 1,500 dwellings. Supply in Johnston Street would however exceed the notional requirement of 500 dwellings.
90. These findings suggest that the required take up rates for Yarra's activity centres to support estimated dwelling demand for the next 15 years are similar to current trends and by no means unprecedented.
91. Under all three scenarios there is ample dwelling capacity to meet demand, with the highest supply rate suggesting that 38% of the potential dwelling capacity in activity centres would be required to accommodate the resulting 12,177 new dwellings.
- 92. Impact of the Amendment on the realisation of residential development**
93. Based on the analysis presented above I am satisfied that there is considerable capacity for new dwellings in both the Johnston Street Activity Centres and across Yarra's activity centres broadly, compared to forecast demand for the next 15 years.
94. The rezoning of land from C2 to C1 proposed by the Amendment will increase opportunities for residential development in Johnston Street and the proposed DDO controls are likely to provide greater certainty for land owners, developers and the community about the preferred built form outcomes.
95. All other things being equal, these changes should increase the rate of residential development in Johnston Street compared to retaining the existing planning regime.
96. Given the likely abundance of capacity across Yarra's activity centres, any increase in residential capacity, such as that proposed in Amendment C220, would not necessarily

generate additional supply. Developers' efforts to realise new housing developments are not just a function of capacity. They are also constrained by the limitations imposed by aggregate dwelling demand, access to development finance and access to appropriately skilled labour.

97. The distribution of realised residential development may change as a result of the proposed Amendment. That is, more dwellings might be realised in Johnston Street at the expense of other locations in Yarra or other similar housing sub-markets.

98. Demand for commercial floor space

99. The Yarra Spatial Economic and Employment Strategy (SEES) includes employment growth forecasts and estimates of the additional employment floor space required to accommodate this growth.
100. In the SEES employment and employment floor space are described in relation to four broad categories: retail, commercial, institutional and industrial. In my evidence I use the term 'commercial' as inclusive of all four categories.
101. Employment in the City of Yarra is forecast to increase from 98,000 jobs in 2016 to 148,000 in 2031, an additional 50,000 jobs.
102. To accommodate this growth additional employment floor space will be required. It is estimated that Yarra contained 3,590,000 sqm of employment floor space in 2016 and will require 3,860,000 by 2031, an increase of 270,000 sqm.
103. Despite the significant forecast increase in jobs, the net increase in employment floor space is modest as a result of shifts in the type of employment that Yarra will host in the future.
104. The Yarra-wide employment forecasts were distributed to 24 identified employment precincts and dispersed employment (jobs in Yarra but outside the defined precincts). This distribution was informed by the existing employment mix, existing zoning, location, likelihood of growth and change, policy direction and stakeholder consultation.
105. This distribution suggested that demand for commercial floor space in the Johnston Street Activity Centre¹ will increase from 128,210 sqm in 2016 to 134,840 sqm in 2031, an increase of 6,630 sqm.
106. This net increase in floor space demand is the result of a decrease in demand from industrial employment (-6,280 sqm) and a combined increase in demand from retail, commercial and institutional employment of 12,901 sqm of floor space.
107. This increase in employment floor space in the Johnston Street Activity Centre would constitute around 5% of the total increase for the City of Yarra. This suggests the Johnston Street Activity Centre could play a modest although not insignificant role of accommodating employment growth in the next 15 years.

108. Capacity for commercial floor space

109. Estimates of the capacity for employment floor space were also developed for the SEES. These were derived using high-level capacity assumptions, varied by zone and location, to Yarra's employment precincts. The assumptions used are listed in the table below.
110. To estimate employment floor space capacity the area of employment land was multiplied by an estimated 'site cover' percentage (column 3) and the number of

¹ Described in the SEES as Johnston Street East to distinguish it from the section of Johnston between Smith and Nicholson.

storeys (column 4). Site cover refers to the relationship between the net employment floor space and the area of the site.

111. In relation to C1 zoned land, the assumptions imply that the average capacity for employment floor space is two levels with 70% site coverage of net floor space for employment. For example, a site of 1,000 sqm would have capacity for 1,400 sqm ($1000 \times 0.7 \times 2 = 1400$).

TABLE 6: SEES EMPLOYMENT FLOOR SPACE CAPACITY ASSESSMENT ASSUMPTIONS

Zone	Location	Site cover	Average floors of employment floor space	Notes
C1Z	All	70%	2	
C1Z	Botannica Office Park	70%	4	This office precinct supports a higher density of employment compared to Yarra's tradition retail centres.
C2Z	Gipps and Cremorne precincts	70%	3	A higher density of development has been assumed in these key employment precincts.
C2Z	All other C2Z land	70%	2	
MUZ	All	70%	Min. 0.5; Max. 1.0	Assumes some mixed uses zoned areas will lose employment floor space; but will host <i>not less than</i> half of one storey.
IN1	All	70%	1.2	Current average is 1.0. Assumes some opportunity for intensification.
IN3	All	70%	1.2	Current average is 0.9. Assumes some opportunity for intensification.
PUZ2	Public Housing, (Collingwood); University of Melbourne (Burley)	No capacity	No capacity	Assumed no capacity.
PUZ2	Kanga TAFE	70%	2.0	
PUZ2	Carpark, Gym and Police Station (Bridge Road); Fitzroy Public School; Neighbourhood Justice Centre; Melbourne Polytechnic (Collingwood Campus); Collingwood English Language School.	No capacity	No capacity	Assumed no capacity across this range of facilities. Melbourne Polytechnic already quite dense.
PUZ3	St Vincents Hospital	70%	9	Currently supports an estimated average of 6.3 employment floors. Capacity assessment assumes capacity for another 50% growth in floor space.
PUZ3	Aged Care Facility; Riverside House Nursing Home; Thomas Embling Hospital	No capacity	No capacity	Assumed no capacity across this range of facilities.
PUZ4	Queens Pde (com uses on Transport Zone)	70%	0.5	
PUZ6	Yarra City Council (Bridge Road); Collingwood Town Hall; Richmond Rec Centre; Fitzroy Swimming Pool	No capacity	No capacity	Assumed no capacity across this range of facilities.
PUZ7	Fire Station (Church Street)	No capacity	No capacity	Assumed no capacity.
PDZ1	Green Square Development	70%	0.5	Lower employment capacity as mostly residential development
CDZ1	Ikea and Bus. Park	70%	3.3	Currently supports average of 53% and 3.3 employment floors.
CDZ3	Nylex Site	70%	1.0	Assumed one level of employment.

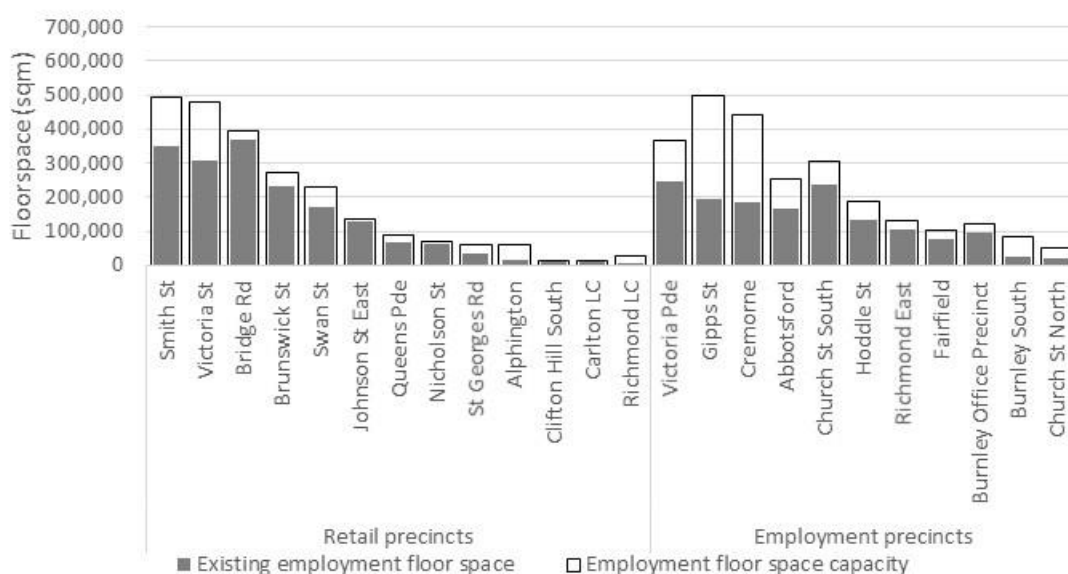
Zone	Location	Site cover	Average floors of employment floor space	Notes
SUZ5	Epworth Hospital	70%	7.0	Currently supports average of 4.8 employment floors
SUZ4	Abbotsford Convent	No capacity	No capacity	Assumed no capacity.

Source: SGS (2018) SEES.

112. Although more intense built form might be proposed in C1 zone areas, it was assumed that any additional floor space would be residential and unlikely to provide additional capacity for employment.
113. For C2 zoned land similar assumptions were applied to estimate employment floor space capacity, with the exception of the Gipps Street and Cremorne precincts, where an average of three storeys was used.
114. At the time these assumptions were made (early 2016), there was limited evidence of demand for taller and more intensive development on C2 zoned land (e.g. office buildings greater than 2 storeys). However, I note that since this capacity analysis was prepared there have been a number of planning applications for multi-storey office developments on C2 zoned land in Yarra. This suggests there is now an appetite for these larger commercial buildings.
115. One 9 storey office development has been approved at 80-90 Johnston and 53-63 Sackville Streets (9 storeys) and another is proposed at 122 Johnston Street (7 storeys). These may indicate interest in multi-level office developments in Johnston Street. Alternatively, they could be more speculative in nature, with a view to seeking a subsequent approval for residential development, assuming the zone changes foreshadowed in the Johnston Street Local Area Plan would eventually be implemented.
116. In light of this emerging trend the two and three storey assumptions used in the capacity analysis for C2 zoned land could be on the low side.
117. The SEES included a qualification in relation to the capacity assessment that warrants repeating as a reminder of the limitation of estimating capacity using broad assumptions, as opposed to detailed precinct-specific analysis:

“It should be noted that the capacity estimates presented here assume all sites are redeveloped to the average parameters described in (the table above). Not all sites will be redeveloped within the timeframe of this Strategy. Moreover, those sites that are developed might achieve higher or lower densities than the averages assumed. The exercise of estimate floor space capacity should therefore be treated as indicative only, however it is a logical process for assessing capacity. In the charts that follow the estimated floor space capacity is shown as a range from 10% below the theoretical capacity estimate to 10% above the theoretical capacity estimate. This range is intended to suggest the capacity estimates should be thought of as being accurate within a range, rather than a definitive value.”
118. Notwithstanding these caveats, the total estimated capacity for employment floor space in Yarra was 4.9 million square metres.
119. The chart below shows the distribution of capacity across 24 employment precincts. It also shows estimated employment floor space in 2016. All precincts have some capacity for additional employment floor space. However, in general, the Activity Centres (designated 'Retail precincts' on the left in the chart) have less available capacity (indicated by the size of the white area) when compared to the 'Employment precincts'.

FIGURE 1. SEES EMPLOYMENT FLOOR SPACE ESTIMATES: EXISTING VS CAPACITY



Source: SGS (2018) SEES.

120. The estimated employment floor space capacity of the Johnston Street Activity Centre is 138,000 sqm.

121. The Residential Capacity in Activity Centres model, described above, estimated the capacity for employment floors space at 107,188 sqm, assuming the lower two levels of the podium are occupied by employment uses.

122. The difference between these two estimates comes down to the assumptions used to estimate employment floor space capacity. The SEES method used 70% site coverage as the ratio between site size and net employment floor space. The RCAC model used a series of assumption to arrive at an effective ratio of site area to net employment floor space of 56% (90% site cover – 10% for setbacks of light wells = 80% x 75% NSA:GFA = 0.56). The RCAC employment floor space capacity estimate is therefore less than the SEES estimate.

123. Capacity and demand for employment floor space compared

124. The estimated employment floor space in 2016 of 3.59 million sqm accounts for 70% of the total Yarra-wide capacity estimate of 4.9 million sqm. The 2031 forecast employment floor space estimate of 3.9 million sqm would account for 79% of total employment floor space capacity.

125. This comparison suggests that Yarra's capacity for growth in employment floor space exceeds forecast demand.

126. For the Johnston Street Activity Centre, the estimated employment floor space in 2016 was 128,210 sqm or 93% of the capacity. The 2031 forecast employment floor space estimate of 134,840 sqm would account for 98% of total employment floor space capacity.

127. This finding reflects the fact that the assumed capacity for the precinct in the SEES (2 storeys at 70% site cover for C1 and C2 zoned land) is close to the floor space provided by the existing built form.

128. Compared to the RCAC model employment floor space capacity estimate of 107,188 sqm, the forecast demand to 2031 of 134,840 sqm is 126% of the capacity.

129. These comparisons suggest that Johnston Street is somewhat constrained in terms of employment floor space capacity relative to forecast demand.
- 130. Impact of the Amendment on the realisation of commercial development**
131. The Amendment would result in 4.8 Ha of land that is C2 zoned land rezoned to C1. New development in the C1 zone can be entirely commercial or predominantly residential with employment uses at the ground level only.
132. Without the Amendment C2 zoned sites on Johnston Street might accommodate multi-level commercial development as this would constitute the highest and best use for that zone. As noted above, there is evidence of multiple multi-storey commercial buildings being proposed in Yarra on land zoned C2.
133. Recent development trends suggest that when C1 zone land in activity centres is redeveloped residential floor space is maximised as this is most profitable land use. The Amendment could therefore result in a reduction in the realisation of commercial development in Johnston Street, if new development on rezoned land provides less commercial floor space than would have been provided if the land had retained a C2 zoning.
134. Alternatively, the Amendment could be a catalyst for renewal of the Activity Centre making it more appealing as a location for higher density employment uses.
135. The proposed DDO suggests the ground and first floor of new developments should be constructed with floor to ceiling heights that allow for non-residential uses. Where this occurs, there may be opportunities for employment uses to replace residential uses (and vis versa), should the need arise.
136. The Johnston Street Economic Advice, prepared by SGS in 2015, concluded that a change from C2Z to C1Z would be more-or-less neutral in terms of employment outcomes. In that study it was estimated that the C2 zoned land, if rezoned to C1 and redeveloped, would provide 32,000 sqm of ground level employment floor space, a reduction from the (then) current figure of 37,000 sqm (a 15% loss). However, a reduction in the average floor area per job would mean that the total employment would be 1067 jobs, a slight increase from the (then) current figure of 995 jobs.
137. Considering these facts, it difficult to form a definitive view about whether the Amendment would increase or decrease the realisation of commercial development in Johnston Street activity centre.
138. If the Amendment were to result in a reduction in the realisation of commercial development in Johnston Street I would not view this as a critical failing. The employment capacity analysis presented above suggests Yarra has other employment precincts with considerable capacity for growth. These precincts might accommodate any un-met demand from Johnston Street as well as displaced employment uses. The Easey Street and Gipps Street precincts in particular are in close proximity to Johnston Street.
139. For example, the capacity analysis undertaken for the SEES estimates that the Gipps Street Precinct has a total capacity for 496,000 sqm of commercial floor space based. Forecast growth for that precinct would see 270,680 sqm of commercial floor space realised: 55% of the estimated capacity. There is therefore additional capacity in Gipps Street to absorb additional commercial demand if required.
- 140. Response to submissions on the Amendment**
141. My review of submission was limited to those requesting a change of zone and one submission in relation to the policy on non-residential uses above ground level.

142. Submission 2 – prepared by Matrix Planning on behalf of owners of 140A Johnston Street and 95-97 Sackville Street – objects to the local policy and DDO clauses that encourage the provision of floor to ceiling height that will accommodate commercial development on the first floor. Furthermore, the submission objects to a perceived requirement to provide for non-residential uses at ground level on Sackville Street.
143. My understanding of the local policy and DDO is that they do not have the effect of restricting or prohibiting residential development on the ground or first floor. They are discretionary controls intended to promote flexibility and adaptability in new development.
144. Several submitters raised objections in relation to the lack of proposed re-zoning of particular parcels, suggesting that their land, or adjacent land to the land holdings should be rezoned to C1 from C2, or in one case, from the General Residential Zone.
145. Submission 11 – from the owner of three sites at 329 Johnston Street, 236 Nicholson Street and 37 Hunter Street – argues that the two southern most sites, which fall outside the area considered in the Amendment, should also be rezoned to C1.
146. Submission 13 – from SJB on behalf of the owner of 436-438 Johnston Street – argues that this property should be included in the Amendment and rezoned from C2 to C1. The site currently hosts a four and five storey commercial building.
147. Submission 16 – from Urban Planning Mediation on behalf of the owner of 8-10 Johnston Street – submits that sites on the southern side of Sackville Street between Wellington and Smith Streets should be included in the Amendment and rezoned from C2 to C1. The submission cites character, amenity, lot consolidation, vehicular access and basement parking arrangements as justifications for the application of a consistent zoning across this particular street block. I have not assessed the merits of the arguments made in relation to these particular issues.
148. Submission 18 – from Insight Planning Consultants on behalf of the owner of 40 Johnston Street and 35-37 Sackville Street – argues a similar proposition to submission 16, suggesting the extent of the area rezoned to C1 be extended north to Sackville Street between Smith and Wellington Streets. In this case the submitters land holdings span land proposed to be rezoned C1 and land which is proposed to remain C2.
149. My analysis of capacity and demand described above found that the Johnston Street Activity Centre has ample capacity to accommodate forecast dwelling demand, as do Yarra's other activity centres. Furthermore, it is possible that the currently proposed zone changes from C2 to C1 will result in a reduction of total employment floor space in the Johnston Street Activity Centre.
150. I am therefore not persuaded that any additional land needs to be rezoned to C1.
151. In relation to representations made for zone changes to sites on southern side of Sackville Street between Wellington and Smith Streets, I note that this area has been consistently designated as an employment precinct through a series of publically exhibited strategic studies.
152. In the 2012 Business and Industrial Land Strategy (BILS), Easey Street was designated as a 'Core Industrial and Business Node', while the adjacent block to the immediate north of Johnston Street was designated as a 'Business Strip'. That Strategy recommended both areas retain their existing employment zoning, which were, at that time, a mix of B2 and B3 zones.
153. The Johnston Street Local Area Plan (adopted in 2015) describes Easey Street Precinct as a "smaller, but important commercial area" and goes on to say that "Preserving existing employment and business generating areas and precincts is an important consideration in the future planning of the area. A number of emerging professional, creative and knowledge based sectors will seek commercial spaces in these areas in

future." The precinct, which includes those lots on the south side of Sackville Street between Smith and Wellington Streets, was identified as an area for "increased commercial activity" on the "Areas of change" map on page 43 of the Plan. Under the heading of "Land use" in the Plan, the following strategy is included: "Strengthen the commercial role of the Easey Street Precinct ... and encourage further concentration of office and commercial uses within the precinct that foster the knowledge and creative sectors, including creative spaces and artist studios."

154. In the Yarra Spatial Economic and Employment Strategy (exhibited in 2017 and finalised in 2018), the section concerned with the "Johnston Street East Emerging Activity Centre" includes the following commentary: "C2 zoning is to be retained in the Easey Street precinct to support the retention and intensification of existing employment uses".
155. Given this consistent position in support of the retention of employment use in the Easey Street precinct, of which the lots of the southern side of Sackville between Smith and Wellington are a part, it would appear inappropriate to depart from this long-held strategy.
156. I note that the Johnston Street Local Area Plan uses the terms 'stagnant' to describe commercial activity on C2 zoned land. However, since this plan was prepared, I believe the prospects for redevelopment of C2 land have vastly improved as evidence by recent office development proposals on well located C2 zoned sites.
157. I do not believe that the issues raised in the submissions cited above provide compelling reasons to make changes to the Amendment.

158. Activity Centres Pilot Project reports

159. I have been asked to comment on the recently published findings of the Department of Environment, Land, Water and Planning's Activity Centres Pilot Project, to the extent that they are relevant to Amendment C220.
160. The Key Findings report (DELWP, 2018) discusses the use of preferred and mandatory height controls in activity centres.
161. In relation to preferred maximum height controls, the report finds that such controls "are generally an effective tool" in activity centres.
162. In relation to mandatory maximum height controls, the report finds that they "do not necessarily inhibit development and can deliver clarity, certainty and consistency in outcomes".
163. I concur with the findings. Furthermore, I believe that there is a case to be made for more widespread use of mandatory height controls in activity centres, where these controls have been informed by sound strategic planning work in relation to preferred built form outcomes, development feasibility (physical and financial), the resulting floor space capacity, and demand forecasts.
164. The primary reason for limiting the use of mandatory maximum height controls is to maximise development opportunities.
165. In the context of the Johnston Street Activity Centre, and Yarra more generally, where there appears to be considerable capacity for new development relative to demand, realising additional development opportunities (e.g. extra building height) on individual sites above the mandatory maximum heights will bring limited benefit to the broader community.
166. On the other hand, increased "clarity, certainty and consistency in outcomes" are likely to have considerable social benefit.

167. Greater certainty around 'development rights' (that is, the quantum of floor space that can reasonably be anticipated on an individual site) is also beneficial to land owners and developers generally and would likely improve the efficiency of transactions of development sites.
168. Avoided delays, less resource intensive planning assessments, and reduced litigation in relation to planning permits application would be a further benefit of the increased certainty that would flow from the wider application of mandatory planning controls.
169. In summary, I believe there are a number of benefits of mandatory controls, and, where the capacity for development under mandatory controls exceeds demand, there are limited benefits in providing additional development opportunities *if* this comes at the expense of clarity and certainty. These matters might be borne in mind by the panel in its consideration of the utility of the proposed mandatory controls in Amendment C220.
170. I also note that the Key Findings report, drawing on the analysis undertaken by Essential Economics in the 'Refresh' report, shows the City of Yarra as falling within the region where apartment developments in activity centres are likely to be viable (as indicated by the map of page of the Key Findings report).
171. It also note that the Refresh report suggests the 'dead zone' of development feasibility, previously identified as apartment developments between 6 to 10 storeys, is now confined to activity centres further from the CBD. This would suggest that the proposed scale of apartment development in the Johnston Street Activity Centre is likely to be financially viable.
- 172. Conclusion**
173. I conclude that the Amendment is likely to result in increase in the capacity for housing in the City of Yarra, increase residential development activity in the Johnston Street Activity Centre, which will in turn contribute to the renewal of the Activity Centre. Although there is a risk the commercial floor space might be displaced from Johnston Street, I am satisfied there are appropriate alternative locations in Yarra that Council intends to retained for employment uses. On this basis, I support the Amendment.

APPENDIX A:

PLANNING PANELS VICTORIA

EXPERT WITNESS DECLARATION

a) The name and address of the expert

Andrew Frank Spencer

SGS Economics & Planning Pty Ltd

Level 14, 222 Exhibition Street

Melbourne

b) The expert's qualifications and experience

Bachelor of Science (Geography) University of New South Wales, 2001

Bachelor of Arts (Comparative Development) University of New South Wales, 2001

Master of Urban Design, Sydney University, 2009

Master of Analytics, RMIT University (in progress)

c) The expert's area of expertise to make the report

Andrew is an urban planner and urban designer with expertise in urban economics. Andrew's career spans 18 and a half years in consulting and public sector roles. Andrew has been responsible for preparing a wide variety of economic appraisals including feasibility studies, cost benefit analyses and policy advice on development contributions and value capture. Andrew has prepared a range of urban capacity studies and employment land studies for Council's and state government in New South Wales and Victoria over the past 10 years.

d) Other significant contributors to the report and where necessary outlining their expertise

None.

e) Instructions that define the scope of the report

My instructions in this matter were provided in writing by Harwood Andrew Lawyers, acting on behalf of Yarra City Council (see Appendix C).

f) The facts, matters and all assumptions upon which the report proceeds

All these matters are detailed in my evidence statement.

g) Reference to those documents and other materials the expert has been instructed to consider or take into account in preparing the report, and the literature or other material used in making the report

All these matters are detailed in my evidence statement.

h) Provisional opinions that have not been fully researched for any reason (identifying the reason why such opinions have not been or cannot be fully researched)

These matters are detailed in my evidence statement.

i) Questions falling outside the expert's expertise and also a statement indicating whether the report is incomplete or inaccurate in any respect

None.

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

Name: Andrew Spencer

Date: 9 October 2018

APPENDIX B: CV

Andrew Spencer

Associate

Bachelor of Science (Geography) (UNSW)

Bachelor of Arts (Comparative Development) (UNSW)

Master of Urban Design (Sydney University)

Master of Analytics (in progress) (RMIT)

Andrew's expertise spans strategic planning, urban design and urban economics, with 18 and a half years experience in both consulting and public sector roles.

Andrew has been responsible for preparing a wide variety of economic appraisals includes feasibility studies, cost benefit analyses and policy advice on development contributions and value capture. Andrew managed cost benefit analyses of two key policy initiatives for the Victorian State Government: the Better Apartment Design Standards and the proposed changes to the built form controls and value capture arrangements for central Melbourne (City of Melbourne Planning Scheme Amendment C270). Both projects demonstrated a net community benefit as a result of these policy initiatives.

Andrew has also contributed to a range of employment land studies in New South Wales and Victoria over the past 10 years. Recent projects have included the West Melbourne Structure Plan for the City of Melbourne (2017), the Spatial Economic and Employment Strategy for the City of Yarra (2018) and the Gordon and Mephan Precinct Framework Plan for Maribyrnong City Council.

Andrew has taken lead roles in numerous housing policy projects in Victoria and New South Wales, including the Housing Capacity Assessment project, undertaken for the Victorian State Government. This project examined Melbourne's existing urban areas to understand the potential housing supply under existing policy settings.

In 2015 Andrew was seconded to the NSW Department of Planning and the Environment to assist in the development of Sydney's six District Plans. This role involved close liaison with departmental staff over a period of several months to collate various data sources into a unified set of long term housing projections.

Andrew was a central part of the team that delivered the influential State of the Market report for Landcom in New South Wales. This project involved analysis of the housing market and development conditions within the established areas of metropolitan Sydney. Research was undertaken to investigate barriers to infill housing supply in the metropolitan area and to identify the potential role for the government's development agency to unlocking housing supply in policy preferred locations.

Andrew also led a project for AHURI and the Residential Development Council which helped them gain a broader understanding of the issues affecting the performance of Australia's capital cities in achieving infill housing targets. Andrew conducted research to deepen the evidence base on factors that influence infill housing supply. The research used an Investigative Panel process designed to interrogate a specific question through direct engagement between expert panel members.

Other commission have included an assessment of options for funding affordable housing for the NSW Department of Premier and Cabinet, a wide range of site specific and strategic

feasibility assessment assignments for Councils in Victoria and New South Wales, and the preparation of policy advice and expert evidence.

Andrew has close ties with Melbourne University where he has taught planning theory and urban design studies. He contributed to 'Transforming Housing' a major research project on affordable housing, preparing a research paper on a range of planning mechanism that support social and affordable housing, including densities bonuses, value capture and inclusion housing policies.

Prior to working for SGS, Andrew held roles at the NSW Department of Urban Affairs and Planning, the Urban Design Advisory Service, HASSELL, COX Architecture, and the NSW Cities Taskforce.

Selected project experience:

Employment land studies

- Spatial Economic and Employment Strategy – City of Yarra (2018)
- Industrial land analysis for new zones – Launceston City Council (TAS) (2017)
- West Melbourne Structure Plan – City of Melbourne (2017)
- Peer review of Southport Priority Development Area Development Scheme – City of Gold Coast (2014)
- Implications of VPP employment zone changes – City of Yarra (2012)
- Strathfield Economic Land Use and Employment Study – Strathfield Council (NSW) (2009)
- Housing and Employment Study – City of Canada Bay (NSW) (2008)
- Strategic Planning Study – City of Botany Bay (NSW) (2007)

Capacity studies

- Residential Capacity in Activity Centres model, 2018, City of Yarra, Melbourne
- Monash Housing Capacity Assessment – Monash City Council (2016)
- Peer review of City of Yarra Capacity testing methodology, 2014, City of Yarra, Melbourne
- Housing Capacity Assessment, 2010, Department of Planning and Community Development Melbourne
- Housing Capacity Assessment Pilot Project Melbourne, 2009, Department of Planning and Community
- Housing and Employment Capacity Study, 2008, City of Canada Bay, Sydney
- Housing Capacity Study, 2007, City of Botany Bay, Sydney

Housing studies

- Cessnock Housing Study – Cessnock City Council (2016)
- Ballarat Infill Housing Study – Ballarat City Council (2014)
- Lower Hunter Urban Renewal framework – DP&I (NSW) (2013)
- State of the Market Report – Urban Growth NSW (2012)

Cost benefit analysis

- Economic Analysis of Apartment Design Policy – Department of Planning (WA) (2018)
- Passenger Rail Improvements Economic Analysis – Greater Shepparton Council (2017)
- Central City Built Form Review (Am C270) – DELWP (2016)
- Increased greenfield minimum densities – cost benefit analysis – DELWP (2016)
- South Road Expressway Alignment Study – DIPTI (South Australia) (2015)

Feasibility studies

- Moonee Ponds Activity Centre feasibility analysis – Moonee Valley Council (2018)
- Housing Market Review – Penrith City Council (NSW) (2017)
- Impact of affordable housing and development contribution on development feasibility – Department of Planning and Environment (NSW) (2017)

Development contributions and value capture

- Impact of regional greenfield ICP levies – DELWP (2018)
- Peer review of ICP levy method and rates – DELWP (2016)
- Bankstown to Liverpool corridor: value capture options – Transport for NSW (2016)
- Funding options for CBD public realm improvements – City of Adelaide (2014)

Economics aspects of design

- Valuing urban design on the Gold Coast – Gold Coast Council (2017)
- Better Apartments economic appraisal – DELWP (2016)
- Benefits of Wayfinding – City of Melbourne (2015)

Car parking

- Impact of Paid Parking on the Viability of Activity Centres – City of Yarra
- Cash-in-lieu of parking for sustainable transport – Moonee Valley City Council
- Paid Parking Policy - City of Port Phillip
- Economic impacts of removing parking charges - City of Greater Geelong

Teaching and research

- Development economics and finance – 2018 (UNSW)
- Architectural Professional Practice – 2017 (RMIT)
- Transforming Housing – 2016 (Melbourne University)
- Planning Theory and History – 2011 to 2013 (Melbourne University)
- Economies of City and Regions – 2012 (Melbourne University)
- Housing intensification and multi-dwelling housing typologies – 2009 (Masters Dissertation, Sydney University)

Expert evidence experience (Planning Panels Victoria and other hearings):

- City of Maribyrnong Amendment C143: Gordon and Mephan Street structure plan
- City of Monash Planning Scheme Amendment C125: new residential zones and development standard (2016)
- Moonee Valley Planning Scheme Amendment C132: Moonee Ponds Activity Centre Parking (2016)
- Flemington Hill and Epsom Road Advisory Committee: Evidence on on municipal boundaries, development contributions and open space (2015)

Publications:

- Spiller, M., Mackevicius, L. and Spencer, A. (2018) *Development contributions for affordable housing: theory and implementation*. SGS Economics and Planning Occasional Paper.
- Spiller, M., Fensham, P. and Spencer, A. (2017) *Value capture through development licence fees*. SGS Economics and Planning Occasional Paper. ()
- Spencer, A. (2015) *Land capture, value sharing and inclusionary housing policies: Options for increasing the supply of affordable housing in Melbourne*. Prepared for Transforming Housing research project, Melbourne University.
- Sheko, S., Martel, A. and Spencer, A. (2015) *Policy, Planning and Financing Options for Affordable Housing in Melbourne*. Prepared for Transforming Housing research project, Melbourne University.
- Schmahmann, L., Gill, J. and Spencer, A. (2015) *Urban or suburban? Examining the density of Australian cities in a global context*. State of Paper presented at the State of Australian Cities Conference, Australian Cities Research Network.

APPENDIX C: INSTRUCTIONS

Our ref: 5TXP:7CMM 21601027
Contact: Thomas Patereskos
Direct Line: 03 9611 0146
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18 September 2018

Andrew Spencer
SGS Economics & Planning

By email: ASpencer@sgsep.com.au
cc: LPike@sgsep.com.au

Subject to legal professional privilege

Dear Andrew,

Amendment C220 to the Yarra Planning Scheme – Johnston Street, Collingwood and Abbotsford

We act on behalf of Yarra City Council (**Council**) in relation to Amendment C220 to the Yarra Planning Scheme (**Amendment**). The Amendment was subject to exhibition in late 2017.

The Amendment applies to land in Precincts 1 and 2 (**Precinct**) as identified in the Johnston Street Local Area Plan (**Plan**).

Amendment C220 is strategically supported by the Plan, which was adopted by Council in December 2015. The Plan sets out a vision for the future of the precinct, covering the area around Johnston Street from the Yarra River to the east, through to Smith Street in the west. The Plan recommends creating a diverse mix of activity, with commercial uses generally at street level, and residential uses at upper levels to make the area more vibrant and accessible.

The Amendment proposes to make changes to the Yarra Planning Scheme including to:

- rezone properties within the Commercial 2 Zone and General Residential Zone to the Commercial 1 Zone;
- apply the Design Development Overlay (**DDO15**) to the Subject Land;
- introduce a new MSS section and policy at Clause 21.12;
- apply a new Heritage Overlay precinct (HO505 Johnston Street East) (**HO505**);
- insert a new reference document at Clause 21.11 titled Heritage Gap Study: Review of Johnston Street East, March 2016 within clause 22.02 - Development Guidelines for Sites Subject to the Heritage Overlay;
- amend the schedule to Clause 43.01 (Heritage Overlay); and
- apply the Environmental Audit Overlay to sites being rezoned from the Commercial 2 Zone.

Submissions closed on 18 December 2017.

We have been instructed to seek if you are in a position to provide expert economic advice for the purpose of assisting us in providing legal advice to Council in respect of the Amendment.

Instructions

You are requested to:

1. review this letter and the enclosed brief of documents;

2. advise if you would be in a position to provide economic evidence on behalf of Council at the Planning Panel hearing in support of the Amendment either as per the Council's preferred form of the Amendment (see tabs 18-19) or with any changes you consider necessary in order for you to support the Amendment;
3. provide a fee proposal to provide an expert economic review and advice in relation to an evaluation of the Amendment including to:
 - 3.1 discuss the impact of the proposed Amendment on residential and commercial development within the City of Yarra and the Johnston Street Precinct including:
 - 3.1.1 identifying the projected demand for residential and commercial development within the City of Yarra and the Johnston Street Precinct;
 - 3.1.2 whether the Amendment if approved would impact upon the realisation of housing growth rates within the City of Yarra and the Johnston Street Precinct, and if so, how;
 - 3.1.3 whether the Amendment if approved would impact upon the realisation of commercial growth rates within City of Yarra and the Johnston Street Precinct, and if so, how;
 - 3.2 review relevant submissions lodged in response to the Amendment and your response to them (we will inform you shortly of relevant submissions to respond to);
 - 3.3 prepare an expert witness statement (if requested);
 - 3.4 present evidence on Council's behalf at the hearing (if requested).

Capacity information

Larry Parsons of Ethos Urban is undertaking the urban design review. With the firm Urban Circus, he has created a 3D model of the study area which is available to you for inspection by appointment.

Ethos Urban can provide gross floor areas within the modelling per precinct along Johnston Street in Precincts 1A-D and 2A-F and can outline the assumptions made regarding the modelling (ie. floor to ceiling heights).

You are requested to obtain and review this information to assist you.

You are requested to outline in your report any assumptions that you make about the rate of build out of the Johnston Street Precincts 1 and 2, and the basis of those assumptions.

Fee proposal

Your fee proposal should allow for one meeting at a CBD venue (approximately 2 hours) and set out the details of any persons nominated to assist you in relation to the Panel.

If the information provided in your brief of documents is not sufficient to enable you to determine a position, please let us know and we will seek instructions to obtain further information.

Subject to our client accepting your fee proposal and further instructions, your work and advice in respect of item 3.1 and 3.2 above should be completed and received by **25 September 2018**.

Panel hearing dates

The following Panel hearing dates have been set for this Amendment:

- Directions Hearing on 18 September 2018;
- Panel hearing commencing on 16 October 2018 for up to 3 weeks.

Subject to our client accepting your fee proposal and further instructions, we ask that you tentatively allocate the **dates of 17-22 October 2018** in your calendar for the Panel hearing.

Expert evidence is anticipated to be circulated on **9 October 2018**.

We have enclosed a copy of the Planning Panels Victoria Guide to Expert Evidence in your brief of documents in the event you are instructed later to prepare an expert witness statement.

Amendment C220 Authorisation

Your attention is drawn to the conditional authorisation for the Amendment which specifies to Council that it may consider the following:

In locations where discretionary controls are applied, Council could nominate both a preferred maximum height and an absolute mandatory maximum height and outline the requirements which must be met to enable development to exceed the preferred maximum height.

On the back of this authorisation, Council has been invited (and has agreed) to be part of a pilot project that explores the notion of providing more (built form) certainty in planning controls for activity centres. It is on this basis that the Amendment has been created and exhibited in its current form. Based on feedback from DELWP, it is speculated that Practice Note 60 – Height and Setback Controls for Activity Centres (PPN60) will be modified at some time this year.

Yarra Amendment C237 (Interim Controls)

On 2 March 2018, Yarra Planning Scheme Amendment C237 was gazetted. This Amendment introduces built form controls for part of the Johnston Street Activity Centre by introducing Design and Development Overlay Schedule 15 (DDO15) and applies the Heritage Overlay to the Johnston Street East Precinct (HO505) on an interim basis until 31 December 2019.

Permit maps and plans

Council has prepared maps of current and approved permits on the Precinct. The permit application or endorsed plans are included in your brief.

Other work

Larry Parsons of Ethos Urban is undertaking the urban design review. With the firm Urban Circus, he has created a 3D model of the study area which is available to you for inspection by appointment.

Michael Eaddy of MEL Consultants is preparing a desktop wind analysis.

Bruce Trethowan of Trethowan Architecture is reviewing the heritage context of the amendment and the proposed controls.

David Barnes of Hansen is providing planning expert advice.

A Spatial and Economic Strategy (SEES) was presented to Council for adoption on 4 September 2018 and is included in your brief.

On 4 September 2018, a report on the draft Yarra Housing Strategy was presented to Council to outline feedback received by the community and stakeholders, consider changes to the Yarra Housing Strategy, and to consider adopting the final Yarra Housing Strategy. Following adoption of the final version of the Yarra Housing Strategy by Council, it will be part of an Amendment to the Scheme, introducing a new local housing planning policy in the Planning Policy Framework to reflect the key strategies outlined in the Yarra Housing Strategy. The amendment would also include the Housing Strategy as a reference document in the Scheme.

A Residential Capacity in Activity Centres Report and Yarra Office Demand Study are also included in your brief which are Council internal documents used to assist in the preparation of other reports or studies.

Fees

We request that you provide us with a fee proposal for the above work for approval by Council by **19 September 2018**.

Please send your fee proposal and any invoicing addressed to:

City of Yarra
c/o Harwood Andrews
By email to: tpatereskos@ha.legal

Legal Professional Privilege

We confirm that your professional opinion is sought in the context of our providing legal advice to Council in relation to the Amendment. Our advice, and your advice by virtue of your being engaged by us, attracts legal professional privilege. Council is therefore not required to disclose any advice provided by you to any other party unless that legal professional privilege is waived.

To ensure that legal professional privilege is maintained, we confirm that you should not advise anyone, other than Council or Harwood Andrews, that you have been requested to provide expert advice in relation to this matter. We will notify you if legal professional privilege is waived in respect of your advice.

Next steps

We have provided you with an electronic copy only of the brief of documents at this stage. The brief of documents can be accessed at:

<https://spaces.hightail.com/receive/Wifsxytpt9>

Please advise if you would like us to provide a hard copy.

If you have any queries or require any further information in order to prepare and provide us with a fee proposal, please contact Thomas Patereskos on 9611 0146 or Greg Tobin on 5225 5252.

We otherwise look forward to receiving your fee proposal at your earliest opportunity.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Greg Tobin', with a stylized loop and a long horizontal stroke extending to the right.

Greg Tobin
HARWOOD ANDREWS

Encl. Index to Brief of Documents

Index to Brief of Documents

Yarra Amendment C220
Johnston Street, Collingwood and Abbotsford

Document		Date
A. Authorisations		
1.	Council meeting regarding JSLAP Implementation – Proposed Amendment C220: a. Agenda extract [excludes attachments] b. Minutes	17 May 2016
2.	Minister for Planning authorisation to prepare the Amendment	8 March 2017
3.	DELWP letter invitation to Activity Centre Pilot Program	12 July 2017
4.	Council meeting regarding Amendment C220 – Johnston Street Rezoning and DDO Proposal (Revised Amendment for Exhibition): a. Agenda extract with attachments: 1) Amendment C220 Condition authorisation letter 2) Amendment C220 Draft DDO15 Johnston Street 3) Amendment C220 Johnston Street Clause 21.11 4) Amendment C220 Background Analysis (part 1) 5) Amendment C220 Background Analysis (part 2) b. Minutes	31 October 2017
B. Amendment C220 exhibited documents (exhibited on 16 November 2017)		
5.	Explanatory report	
6.	Instruction sheet	
7.	Clauses and schedules: <ul style="list-style-type: none"> Clause 21.11 – Reference Documents Clause 21.12 – MSS Policy Clause 22.02 – Heritage Policy Clause 43.01s – Schedule to Heritage Overlay Clause 43.02s – Schedule 15 to Design and Development Overlay Clause 81.01s – Incorporated Documents 	
8.	Map sheets: <ul style="list-style-type: none"> Yarra Zone map 6 Yarra Zone map 6_7 Heritage Overlay map 6 Deleted Heritage Overlays map 6 Yarra DDO map 6 Yarra DDO map 6_7 Environmental Audit Overlay map 6 Environmental Audit Overlay map 6_7 	
9.	Incorporated documents <ul style="list-style-type: none"> City of Yarra Review of Heritage Overlay Areas 2007 Appendix 8 	revised November 2017
10.	Supporting documents, clauses and schedules in track changes format	
C. Johnston Street Local Area Plan (JSLAP)		
11.	Johnston Street Local Area Plan with attachments: a. Appendix A - Policy Basis b. Appendix B - Built Form Analysis and Recommendations c. Appendix C - Trenerry Crescent d. Appendix D - Economic Advice	December 2015

12.	Council meeting regarding JSLAP - Consideration of Submissions and Final Version of the Plan: a. Agenda extract [excludes attachments] b. Minutes	1 December 2015
D. Heritage Gap Study		
13.	Johnston Street East Heritage Study	April 2016
E. Submissions		
14.	28 submissions received in response to the Amendment	November/December 2017
15.	Council's summary table of submissions	July 2018
16.	Map of submitters	
F. Yarra Amendment C237 (Interim Controls)		
17.	Amendment documents including: a. Explanatory report b. Instruction sheet c. List of amendments d. Clauses and schedules e. Map sheets f. Approved incorporated documents g. Track changes format h. Reasons for Intervention Approval	2 March 2018
G. Council's preferred Amendment (Post-exhibition)		
18.	Council Meeting Agenda extract regarding Amendment C220 – Consideration of Submissions with attachments: a. Attachment 1: Letter of Conditional Authorisation b. Attachment 2: Summary of Submissions and Officers Response to Submissions c. Attachment 3: Post Exhibition DDO15 (track changes included) d. Attachment 4: Post Exhibition DDO15 (clean version) e. Attachment 5: Clause 21 Policy f. Attachment 6: Map g. Attachment 7: Planning Practice Notes 59 to 60	21 August 2018
19.	Council Meeting Minutes	21 August 2018
H. Council Strategies and Studies		
20.	Draft Yarra Spatial Economic and Employment Strategy prepared by SGS	August 2018
21.	Council meeting regarding the Spatial Economic and Employment Strategy: a. Agenda with attachments b. Minutes	4 September 2018
22.	Draft Yarra Housing Strategy	August 2018
23.	Council meeting regarding the Yarra Housing Strategy: a. Agenda with attachments b. Minutes	4 September 2018
24.	Residential Capacity in Activity Centres prepared by SGS [not formally adopted by Council]	June 2018
25.	Yarra Office Demand Study prepared by Urban Enterprise [not formally adopted by Council]	February 2018
I. Panel documents		
26.	Letter to Council from Panels confirming appointment of Panel with attachments:	28 August 2018

	a. Instrument of Appointment b. Checklist for Planning Authorities and Responsible Authorities	
J. Permit maps and plans		
27.	Map of permit applications and proposals	12 September 2018
28.	Table of permit information	12 September 2018
29.	Permit application or endorsed plans in precinct	
K. VCAT decisions considering Amendment C220		
30.	Gurner 23-33 Johnston Street Pty Ltd v Yarra CC [2018] VCAT 794	23 May 2018
31.	Pelican Capital 5 Pty Ltd v Yarra CC (Corrected) [2018] VCAT 12	17 January 2018
32.	Zero Nine JV (Abbotsford) Pty Ltd v Yarra CC [2017] VCAT 2121	21 December 2017
L. PPV Guide to Expert Evidence		
33.	Guide to Expert Evidence	April 2017

Our ref: 5TXP:8CLQ 21601027
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3 October 2018

Andrew Spencer
SGS Economics & Planning

By email: ASpencer@sgsep.com.au
cc: LPike@sgsep.com.au

Subject to legal professional privilege

Dear Andrew,

Amendment C220 to the Yarra Planning Scheme – Johnston Street, Collingwood and Abbotsford

We continue to act on behalf of Yarra City Council (**Council**) in relation to Amendment C220 to the Yarra Planning Scheme (**Amendment**).

Background

We refer to our letter of instruction to you dated 18 September 2018.

This letter provides you with supplementary instructions and raises a number of further issues for your consideration.

Capacity Figures Johnston St – Council's Preferred DDO15

In our letter dated 18 September 2018, we referred to the fact that Ethos Urban could provide gross floor area per precinct along Johnston St.

We note your email dated 26 September 2018 in which you sought information in order to update the SGS capacity modelling for Johnston St (**attachment 1**).

We confirm that Mr Parsons from Urban Ethos responded to that email (**attachment 2**).

In response to your query about whether 80% is an appropriate assumption (gross to net floor area), Urban Ethos have advised that, based upon a review of local permits, an assumption of 75% efficiency (GFA to NSA) is more appropriate.

In response to your query about how parking should be treated, we respond as follows. Planning permit applications will be assessed against the existing clause 52.06 provisions and the MSS and local policies. Whether or not parking would be provided in the basement or at grade or above, the extent of ground floor allocated for access and the car parking rate are all matters that would be assessed on a case by case basis. Please make your own assumptions about car parking, having regard to those instructions. Please also ensure that your report notes the limitations of your analysis having regard to the uncertainties associated with this issue.



Ethos Urban have now prepared the capacity figures for each Johnston Street sub precinct, based upon the Council's preferred version of DDO15 (as per its resolution dated 21 August 2018) (**attachment 3**).

We are instructed by Ethos Urban that:

1. The Modelled GFA figures are taken from the model precinct-by-precinct, with levels 1&2 (non-residential) separated from upper levels (residential).
2. Ethos Urban have assumed 10% loss for light courts/ setbacks (ie. 90% of modelled GFA is shown).

Ethos Urban has also advised that the height and coverage figures are averages and they have been provided to assist with your assumptions.

Take Up Rates

We understand that the SGS report "Residential Capacity in Activity Centres" report dated June 2018, referred to in our initial brief to you, uses trend estimates to identify future take up rates for development. In particular, it states that the results are based upon the following assumption (among others):

Future take up rate of residential development based on UDP2017 data (in the short term) and housing trends from the last 5 years to estimate the medium and long term.

As you are aware, the Amendment proposes to rezone some of the land in the Johnston St precincts from the Commercial 2 Zone to the Commercial 1 Zone. Council assumes that the rezoning will trigger development proposals in those areas. In those circumstances, please give consideration to the take up rate for the land proposed for rezoning, in circumstances where the historical rate may no longer reflect the future take up rate.

If you require any information from council officers in order to assist you to determine a suitable rate, please let us know as soon as possible by contacting Thomas Patereskos on 9611 0146 or Greg Tobin on 5225 5252.

Yours faithfully,



HARWOOD ANDREWS

Encl.

JOHNSTON STREET - CAPACITY ESTIMATES UNDER COUNCIL EXHIBITED AND PREFERRED C220 CONTROLS – 1 OCT 2018 / ETHOS URBAN USING URBAN CIRCUS MODEL													
SUB-PRECINCT	1A	1AA	1AAA	1B	1C	1D	2A	2B	2C	2D	2E	2F	TOTAL GFA
APPROX PODIUM COVER	90%	90%	90%	90%	90%	90%	90% 5 levels	90% 5 levels	90% 5 levels	90% 5 levels	90% 5 levels	90% 5 levels	
APPROX UPPER COVER	60%	70%	60%	60%	60%	50%	60%	60%	70%	70%	60%	60%	
AVERAGE PODIUM HEIGHT	3 levels	3 levels	3 levels	3 levels	3 levels	3 levels	3 levels	3 levels	5 levels	5 levels	5 levels	5 levels	
AVERAGE OVERALL HEIGHT Inc podium	6 levels	8 levels	9 levels	7 levels	6 levels	5 levels	5 levels	5 levels	10levels	8levels	7 levels	6 levels	
MODELLED GFA (90%) LVs1&2 (Preferred)	29,390	5,940	3,280	18,390	6,360	14330	7060	2270	10,180	27000	12,860	16,730	153790
MODELLED GFA (90%) LVs 1&2 (Exhibited)	29350	6120	3280 (treated as separated site)	16000	6290	14100	6960	2260	10180	27170	12820	17960	152490
MODELLED GFA (90%) UPPER LEVELS (Preferred)	39,140	12,100	11,300	26,900	11,450	12,680	6,420	2,350	30,550	54,090	21010	22360	250350
MODELLED GFA (90%) UPPER LEVELS (Exhibited)	48290	12750	11300 (treated as separated site)	29400	7590	13560	8510	2250	30270	57540	18025	25100	264590
NOTES	Modelled GFA has deducted 10% in all cases for probable light courts or setbacks / All figures are GFA; NSA likely to average 75% of GFA												

Our ref: 5TXP:8CLQ 21601027
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3 October 2018

Andrew Spencer
SGS Economics & Planning

By email: ASpencer@sgsep.com.au
cc: LPike@sgsep.com.au

Subject to legal professional privilege

Dear Andrew,

Amendment C220 to the Yarra Planning Scheme – Johnston Street, Collingwood and Abbotsford

We continue to act on behalf of Yarra City Council (**Council**) in relation to Amendment C220 to the Yarra Planning Scheme (**Amendment**).

Background

We refer to our letters of instruction to you dated 18 September and 3 October 2018.

This letter provides you with further supplementary instructions and raises a number of further issues for your consideration.

Findings of the Activity Centre Pilot Program and Changes to Planning Practice Notes

The Department of Environment, Land, Water and Planning (**Department**) has updated the webpage '[Better height controls in activity centres](#)'.

A Key Findings Report has been released that details findings from the Activity Centre Pilot Program. The pilot program investigated how planning controls could be used to provide greater clarity and certainty about development heights in activity centres.

It has informed updates to Planning Practice Note 60: Height and setback controls for activity centres. Minor updates have also been made to Planning Practice Note 58: Structure planning for activity centres and Planning Practice Note 59: The role of mandatory provisions in planning schemes.

The Department's webpage also includes research undertaken and has made available supplementary studies. Your attention is particularly drawn to the following two reports:

1. The report entitled *Viability of High Density Residential Development in Activity Centres, Refresh* prepared by Essential Economics Pty Ltd and dated September 2018 (**Refresh Report**).
2. The report entitled *Monitoring Land Use Planning Outcomes: Assessment of Local Economic Impacts of Increased Residential Development in Activity Centres* prepared by Essential Economics Pty Ltd dated February 2018.



Instructions

You are instructed to review the Department's webpage and the **attached** material included in the webpage as part of the preparation of your expert witness statement.

Your attention is drawn to the two reports prepared by Essential Economics which were prepared as part of the pilot program. You should consider these reports as relevant and, in particular, to consider any implications of the Refresh Report on the viability of mid-rise (5-10 storey) development as contemplated by the Council's preferred DDO15 in the Johnston St precinct.

If you require any further information, please let us know as soon as possible by contacting Thomas Patereskos on 9611 0146 or Greg Tobin on 5225 5252.

Yours faithfully,

A handwritten signature in black ink that reads "Harwood Andrews". The script is cursive and fluid.

HARWOOD ANDREWS

Encl.



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