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## 1 Introduction

### Professional Details

#### *Professional Details*

- 1.1 My name is Sean Andrew Stephens and I practice as a Group Director of Economics at Ethos Urban Pty Ltd of Level 8, 30 Collins Street, Melbourne VIC 3000.
- 1.2 I hold the degree Economics with Honours from the University of Newcastle. A copy of my CV is attached to this statement.

#### *Area of Expertise*

- 1.3 My area of expertise is urban economics and the assessment of economic impacts on local and regional economies associated with urban development projects, and I have worked in this field since 2000.
- 1.4 An area of special professional activity is retail-economic analysis. This includes the preparation of strategies for metropolitan activity centres, town centres and regions, and the assessment of economic impacts associated with proposed new or expanded retail developments. I have undertaken property and land use assessments nationally for State Government, local Councils and private sector clients.

#### *Instructions*

- 1.5 I have been instructed in this matter by Sarah North of Reeds Consulting.
- 1.6 My instructions in this matter are as follows:
- (a) To review the City of Casey Activity Centres Strategy and provide comment on the content and conclusions;
  - (b) To specifically consider the implications of the Strategy for the Berwick Springs activity centre;
  - (c) To review the proposed changes to the Berwick Springs Activity Centre arising from Amendment C258;
  - (d) To assess whether the proposed Amendment C258 proposes changes which are justified in terms of economic need and strategic land use policy objectives; and
  - (e) To prepare this Expert Witness Statement.

#### *Preparation*

- 1.7 In preparing this statement:
- (a) I acknowledge that, as a witness giving evidence (by report, or otherwise) in a proceeding as an expert, I have a duty to assist the Panel and that this duty overrides any obligation that I may have to any party to the proceeding or to any person who is liable for my fee or expenses in this matter;
  - (b) I have neither received nor accepted any instructions to adopt or reject any particular opinion in preparing this report;

- (c) I have made all the enquiries which I believe are desirable and appropriate and that no matters of significance which I regard as relevant have, to my knowledge, been withheld from the Panel;
- (d) I have considered the relevant documents disclosed by the parties to the proceeding and the documents listed in this report; and
- (e) I was solely responsible for the preparation of this Statement, although had assistance on background tasks by staff members of my firm.

## 2 Casey Activity Centres Strategy

- 2.1 This section of my witness statement considers the Casey Activity Centres Strategy which is the basis for consideration of Amendment C258 to the Casey Planning Scheme. I limit my commentary to the overarching background objectives, analysis and conclusions of the Strategy, as relevant to consideration of Amendment C258.

### Background to Strategy

- 2.2 The (draft) City of Casey Activity Centres Strategy, or (draft) Strategy, was prepared and endorsed by Council in April 2019. Prepared by Council officers, the (draft) Strategy comprises of the main document as well as an Action Plan and Background Paper. The Action Plan summarises key actions arising from the (draft) Strategy in a single succinct document, while the Background paper outlines strategic justification where that is not articulated in the (draft) Strategy itself.
- 2.3 In preparing the (draft) Strategy, Council was also informed by a *“Retail and Other Employment Floorspace Assessment”* report prepared by SGS Economics and Planning in 2017. Although not formally part of the (draft) Strategy, the report prepared by SGS Economics and Planning was clearly an important reference document. I also note the preparation of the (draft) Strategy was supported by a stakeholder consultation program.
- 2.4 The (draft) Strategy is itself an update of previous Strategies prepared in 2006 (adopted and implemented in Planning Scheme through Clause 22.07) and 2012 (adopted although not given effect in Planning Scheme). The key changes relative to previous versions are shown on Page 9 of the (draft) Strategy, and are a sensible summary of the key issues relevant to the update of activity centres policy in the City of Casey.
- 2.5 As such, I believe it is relevant to consideration of the (draft) Strategy that it represents an evolution of long-standing activity centres policy in the City. That is, the (draft) Strategy should not be considered a strategic document built on ‘first principles’ and thus subject to scrutiny on that basis. Rather, the (draft) Strategy is an update and refinement of activity centre policy direction, including many principles and directions already identified, implemented and accepted through previous iterations of the Casey Activity Centres Strategy.
- 2.6 This ongoing evolution of the City of Casey Activity Centres Strategy, in my view, should provide greater certainty to relevant stakeholders that the current (draft) Strategy represents an appropriately robust framework for activity centre planning and development. Particularly given that the Activity Centres Strategy policy is reviewed in an apparent cycle of every seven or so years. This is a best-practice policy review cycle for activity centres, and is particularly appropriate for a municipality such as the City of Casey which is experiencing such rapid urban growth and change.
- 2.7 It is my view that the City of Casey takes seriously, and appropriately resources, activity centre planning and development policy. This is to a level superior to that demonstrated by some other Council’s in which I have worked in metropolitan Melbourne (and elsewhere in Australia).
- 2.8 In this respect, I am supportive of the overarching strategic support provided by the City of Casey to activity centre planning and development, both currently and over the past 15-years. In my view the strong history of engagement on activity centre planning by the City of Casey adds weight to the broad direction contained in the current (draft) Strategy.

## Strategy Content and Objectives

- 2.9 As is often the case with Activity Centre Strategies (including those I have written in the past), an overarching Vision statement is provided in the (draft) Strategy. This is as follows (Page 11):

*To provide a diverse range of non-residential uses in Casey primarily located within a network of vibrant activity centres, which are thriving economic and social hubs offering convenient access to goods, services, facilities, jobs, and housing.*

- 2.10 The Vision statement appropriately emphasises the important economic context for activity centres, and the role they play in delivering access to a range of goods, services and facilities. It is also a clear objective of the Strategy, directly stated in the Vision, that activity centres are a focus for non-residential activities.
- 2.11 I note that analysis by SGS Economics and Planning as background to the (draft) Strategy indicates that approximately 39% of the jobs located in the City of Casey are located in activity centres (Strategy Page 9). This further emphasises the economic importance of activity centres to the local economy in an outer-urban context such as the City of Casey, and the need for a supportive investment environment to be delivered.
- 2.12 The general structure of the (draft) Strategy is as follows:
- **Chapter 1: Introduction.** Background context to the development of the (draft Strategy) including the latest policy inputs from the State Government and local planning policies.
  - **Chapter 2: A Citywide Network of Activity Centres.** Provides a wide-ranging discussion on the role and function of activity centres, and the overarching rationale for applying a centres hierarchy. The concept of Aspiring Centres and the classification of Berwick Springs as a Medium Neighbourhood Centre is introduced in this Chapter.
  - **Chapter 3: The Economic Engines of Casey.** Provides a contextual overview of the economic importance of activity centres to the City of Casey, including consideration of demographic factors, retail trends and other real-world influences on current and future activity centre development outcomes.
  - **Chapter 4: Great Places for People.** Considers matters relevant to activity centres from a design and social engagement perspective,
  - **Chapter 5: Development Assessment.** Provides a set of assessment criteria to guide Council decision-making in relation to activity centre planning and development. The criteria are applied across a Development Assessment Matrix which identifies the relevant assessment framework for proposals.
- 2.13 Although in specific terms, the (draft) Strategy has a structure which is different to that applied in many other Centre Strategies, the overall content of the document is relatively conventional when considered in its entirety.
- 2.14 The key element missing from the (draft) Strategy relative to other comparable examples is a detailed economic assessment of retail and other land uses associated with activity centres, and the results of a community and stakeholder consultation program. However, these economic analysis and consultation elements are provided in other supporting documents which inform the (draft) Strategy.

- 2.15 A total of 16 Objectives are identified in the (draft) Strategy. Each objective is supported by a set of Strategies which are either specific policies or directions, or an overarching principle to guide decision making.
- 2.16 It is not necessary for me to summarise each Objective and their supporting Strategies in detail. However, I do make the following general comments:
- The Objectives 1 to 4 appropriately establish a hierarchy of centres as the primary policy tool to guide the location and nature of development.
  - In relation to Neighbourhood Centres, Objective 4 (S 4.1) emphasises the need for appropriate planning controls to support development of vibrant mixed-use centres. Further, the importance of neighbourhood centre growth and development is emphasised (S 4.3) along with the need for an increased non-retail component (S 4.4). I am in strong agreement with these directions.
  - Objective 4 (S 4.4) seeks to avoid standalone supermarkets. This is a slightly strange inclusion as this is not specifically an issue I see as relevant to a neighbourhood centre environment, but rather one more relevant to out-of-centre development outcomes. Further, development of standalone supermarkets are not a common contemporary development outcome in any instance, with the very occasional exception of some ALDI stores.
  - Objective 4 also identifies Berwick Springs as a Medium Neighbourhood Activity Centre and supports a process of consolidation with Eden Rise with a view to being a single Major Activity Centre. I discuss this in detail later in this witness statement.
  - Objective 6 provides a structured approach to Restricted Retail Precincts and makes it clear that core retail activities are discouraged from these areas.
  - Objective 8 is very clear in emphasising the need for sufficient land to be provided for activity centres, with appropriately supportive policy settings to encourage appropriate development (including non-retail, supermarkets etc).
  - Objective 9 appropriately identifies the principle of net community benefit as the overarching assessment principle.
  - Objective 11 seeks to maximise the employment contribution of activity centres, which I consider a critical policy objective. To some degree, I do consider some of language in support of this objective related to non-retail development to be overly prescriptive and unlikely to be implementable in commercial terms at least for at least the near future (say, next 5 years). However, I also strongly support other strategies related to this Objective, including the need to speed up the review and delivery of planning scheme changes required to support appropriate development outcomes (S 11.5 to 11.7).
  - Objective 12 on supporting the economic viability of centres I also support strongly in principle. However, it must be emphasised that the Objective relates to the functional viability of centres and the centres hierarchy overall. It would be both incorrect and counter-productive to the strategic intent of the (draft) Strategy to interpret this Objective 12 as seeking to maximise the economic return of centre owners and their tenants.
  - Objectives 13 to 16 relate to centre design and mix of non-retail/commercial functions encouraged in activity centres. Again, these Objectives and supporting strategies have my general support.
- 2.17 Overall, it is my view that the above Objectives represent a sensible, robust and considered basis for the (draft) Strategy. The Objectives appropriately reflect the importance of activity



centres, the function of the centres hierarchy and the need for timely implementation of planning policies in order to allow desired development outcomes to be delivered. I further endorse the use of the (draft) Strategy as an important component of wider economic development objectives, and support for local employment opportunities.

- 2.18 Although a small number of the strategies identified in support of the Objectives I consider either unnecessary or overly prescriptive, this is a matter of professional opinion. I do not believe that any minor disagreement on the nuance of strategic policy in any way undermines the fact that the (draft) Strategy is appropriate for adoption as the strategic guide for planning and development of activity centres in the City of Casey.
- 2.19 With some limited exceptions, the (draft) Strategy is a performance-based strategic document. That is, it lays out the overarching policy objectives and activity centre development expectations of Council, although leaves the detailed implementation to local policy and the consideration of future planning applications. This is both appropriate for an Activity Centres Strategy, and particularly so for a rapidly evolving urban growth area such as the City of Casey.
- 2.20 In my view, activity centre policy is a vitally important tool for land use planning. However, an overly prescriptive approach using highly targeted and unnecessarily prescriptive policy tools can significantly undermine the benefits such a policy seeks to achieve. I am pleased to see that the (draft) Strategy generally achieves the right balance between policy guidance and flexible delivery. This is with knowledge and reference to the comments on floor space targets made by DELWP in relation to Amendment C258 on 12 September 2019, and with which I agree.
- 2.21 It is important to recognise that it is the strategic directions of the (draft) Strategy which are of most relevance to the community interest and Amendment C258. I do not believe that it is useful, or relevant, to find minor matters of disagreement in the (draft) Strategy or supporting materials, and use this as the basis for objecting to the overall strategic framework.

## **Retail and Other Employment Floorspace Assessment**

### ***Context for the (draft) Strategy***

- 2.22 The *Casey Activity Centres: Retail and Other Commercial Floorspace Assessment* was undertaken by SGS Economics and Planning to inform the development of the (draft) Strategy. I henceforth refer to this document as the SGS Report.
- 2.23 It is my understanding that the SGS Report is strictly a background document which informed the preparation of the (draft) Strategy, and is not formally part of the policy framework.
- 2.24 This is in contrast to the preparation of other Activity Centre Strategies, including those I have prepared in the past, where the background economic analysis is formally part of the Strategy document itself. In these circumstances, the analysis is undertaken simultaneously and in a manner directly integrated with the formulation of the policy framework.
- 2.25 To be fair to the SGS Report and the (draft) Strategy, it is clear that both were being prepared concurrently and that both processes had a clear degree of integration. However, this is not to the extent that has occurred in most Activity Centre Strategies I have been

involved in or reviewed. Though, I am aware of examples where this separation of the Strategy and background analysis has occurred on a similar basis to the (draft) Strategy.

- 2.26 In this instance, that the economic analysis is a more contextual background document does not mean this is a weakness of the (draft) Strategy.
- 2.27 For an individual Activity Centres Strategy, it is the nature of the policy framework itself that determines the level of background analysis that is appropriate, and the way in which this analysis should be undertaken.
- 2.28 For example, a very robust analytical framework carefully tailored to respond to individual issues is required where a Strategy is making highly specific and detailed policy decisions relating to individual centres. Alternatively, such a tailored analysis may be required where a Strategy is concurrently considering both a strategic matters and specific unresolved local level issues.
- 2.29 However, where a Strategy is primarily focussed on a strategic framework across a municipality, the background economic analysis is appropriately more general and contextual in nature. This is particularly where the Strategy is itself an evolution of existing policies rather than fresh 'first principles' policy review.
- 2.30 I consider the (draft) Strategy to be a document which is primarily focussed on delivering an overarching strategic framework for activity centres in the City, rather than one that seeks to resolve detailed centre-specific matters.
- 2.31 Again, this is not a weakness of the (draft) Strategy, but rather a strength. This is because consistent attention to, and evolution of, activity centre planning in the City of Casey means that detailed centre-specific guidance is simply not required by this (draft) Strategy.
- 2.32 In my opinion if the (draft) Strategy was to provide detailed centre-specific planning, it would unnecessarily duplicate and complicate the many relevant existing local policies and PSPs. Further, it would be inappropriate for the (draft) Strategy to deal with fine grained planning issues more appropriately considered in detail through a permit application or rezoning process, or alternatively the formulation of new or revised local policies.
- 2.33 It is with this context in mind that I consider the background analysis by SGS Economics and Planning, as identified in the *Casey Activity Centres: Retail and Other Commercial Floorspace Assessment*.

### **Overview of Analysis and Conclusions**

- 2.34 The SGS report in Chapter 3 provides what I consider to be a useful context for the update to the Activity Centres Strategy for the City of Casey. Within the commentary:
- The regional context for Casey is identified
  - The historic and more contemporary economic drivers for the City are discussed
  - Some relevant economic and land use development trends for activity centres (including housing) are identified
  - The contemporary policy context is described, noting many of the policies identified are new or have been revised since the preparation of the previous 2012 Strategy

- A summary of the key issues appropriate to consider in the new Strategy are identified (and with which I generally agree).
- 2.35 In Chapter 4, the economic importance of activity centres in the City of Casey is identified. An estimated 39% of jobs are estimated to be located in activity centres, in a City where the local labour force has a high degree of outflow to jobs primarily located elsewhere in metropolitan Melbourne.
- 2.36 I am in strong agreement with both the SGS report and the (draft) Strategy that the economic context of the City of Casey places particular emphasis on the role of activity centres as a source of investment and jobs. This is both currently and in the future.
- 2.37 As is typical for economic analysis supporting an Activity Centres Strategy, the SGS report provides:
- An audit of existing floorspace across the centres hierarchy (Chapter 4)
  - A review of current development proposals and currently proposed/planned activity centres (Chapter 4)
  - An assessment of demographics and population trends/forecasts, including by small area (Chapter 5)
  - Retail spending forecasts for residents (Chapter 5)
  - An assessment of current and forecast spending flows into and outside the City, i.e. so-called captured and escape spending (Chapter 5)
  - Forecast retail floorspace demand/requirements (Chapter 5)
  - A reconciliation of floorspace demand with a defined activity centres hierarchy in order to identify, at least at a conceptual level, of the proposed hierarchy is appropriate in meeting forecast need (Chapter 6).
- 2.38 Overall, the above elements represent a relatively conventional and accepted analytical framework for input to an activity centres strategy.
- 2.39 I also note that the SGS report provides a specific analysis of activity centre 'floorspace capacity' (Chapter 5), which is intended as a means of assessing the extent to which in practical terms centres can accommodate future floorspace demand and growth. This is a useful inclusion as it allows for a further level of conceptual testing of the degree to which the centres hierarchy can accommodate forecast floorspace demand growth.
- 2.40 It is important to emphasise that this is testing of floorspace capacity at a conceptual level. The SGS report clearly and correctly states that (Page 66):

*It should be noted that forecasting employment is complex and there can be many plausible scenarios. The prime purpose of forecasting employment in this Assessment is to inform floorspace needs and centre roll out. As such, a slightly optimistic, yet largely recent trend based forecast was developed. This is different to more 'aspirational employment targets' which should still be developed and pursued to help drive transformative change across the municipality.*

- 2.41 I consider it unfortunate the SGS report does not make a similar observation in the body of the report in relation to the retail floorspace forecasts (Chapter 5) and the so-called “Optimal Roll Out by Centre” allocations made in Chapter 6. By their very nature these floorspace forecasts can also only be considered conceptual in nature. Their purpose is to test and refine policy scenarios based on a realistic scenario of future development, not to be a specific forecast of expected actual outcomes.
- 2.42 However, it is also true that SGS report never purports for the retail floorspace forecasts to be the basis for specific targets or allocations, either by centre or across the hierarchy, to be sought by policy. Further, this concession on the indicative nature of the floorspace forecasts is made in Appendix H.
- 2.43 As such, unless any Objective or supporting strategy identified in the (draft) Strategy is clearly at odds with, or is undermined by, the analysis contained in the SGS report, any critique of the background analysis is of academic interest rather than of practical relevance to the Strategy and its implementation.
- 2.44 In my view, the SGS report analysis appropriately identifies:
- Rapid growth in population within the City of Casey and the pressures this will generate for the timely delivery of an appropriate range and scale of supporting retail and other facilities
  - Changes in strategic policy relevant to activity centres arising out of Plan Melbourne and other new or revised policies since the previous 2012 Activity Centres Strategy
  - The need for a review of the hierarchy of centres operating in the City of Casey
  - Indicating the aspirational nature of some activity centres through the hierarchy with the sensible identification of new activity centres (such as Berwick Springs) and the future ‘promotion’ of some centres in the hierarchy to reflect future requirements (such as the future Berwick South activity centre including both Eden Rise and the Berwick Springs centres).
- 2.45 I do not agree with all aspects of the SGS report analysis, such as the use of a retail gravity model. Further the definition of retail floorspace includes hospitality uses such as pubs and clubs, as well as other selected land use categories, which may fall in the retail premises definition in the VPPS, although are not typically considered a retail industry use in contemporary economic analysis. This makes easy comparison of the SGS report analysis with benchmarks and analytical tools typically used by my office (and many other industry colleagues) more difficult and beyond the scope of this witness statement.
- 2.46 Notwithstanding this, I believe that considered in its full context the SGS report provides an appropriate background to the (draft) Strategy.

### 3 Berwick Springs Activity Centre

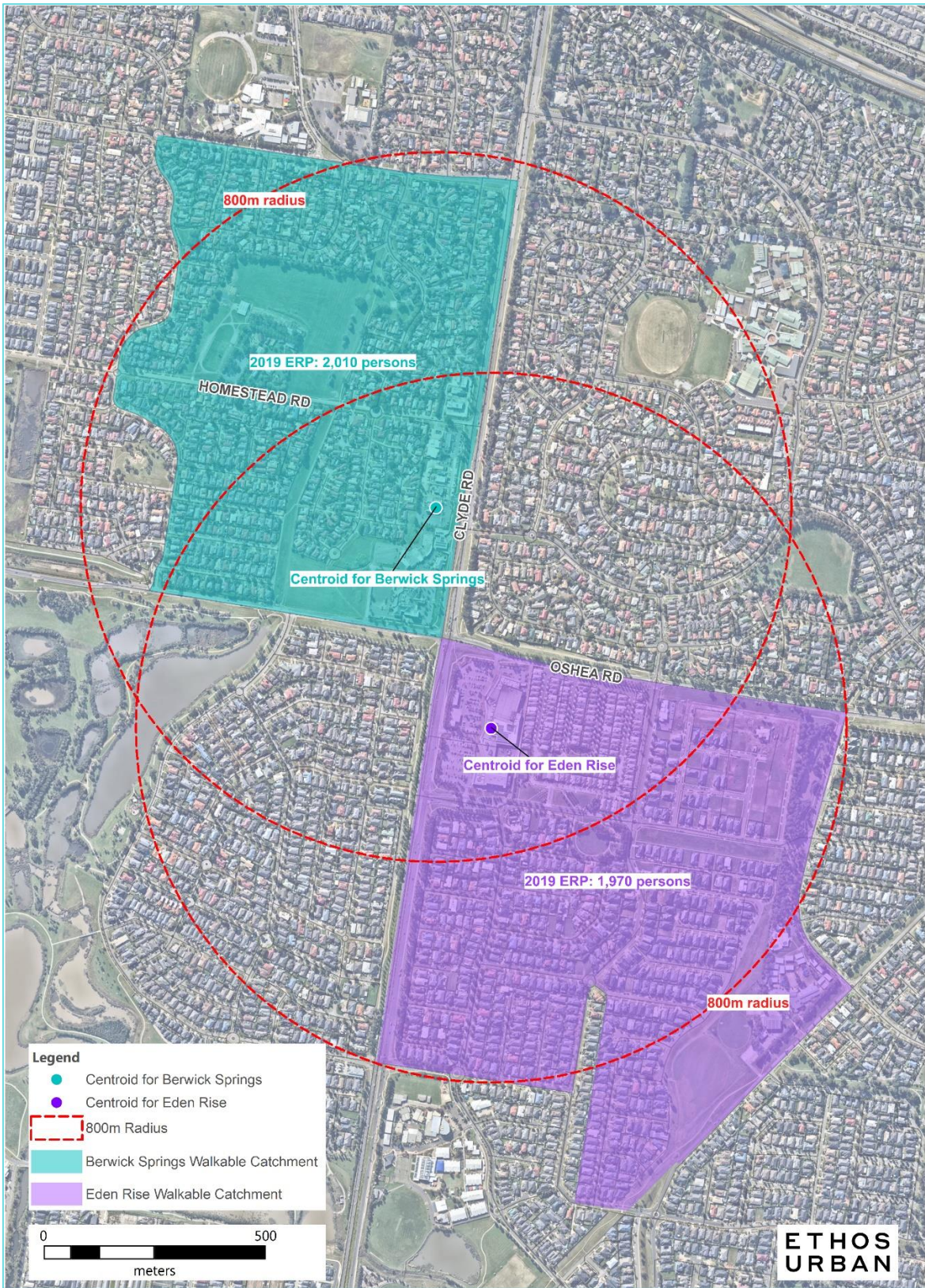
- 3.1 This Chapter of my witness statement considers the Berwick Springs Activity Centre, as identified in the (draft) Strategy, including its planning and development context.

#### Locational Context

- 3.2 Located on the north-west corner of Clyde Road and Greaves Road is what is termed in the (draft) Strategy as the Berwick Springs activity centre. This centre classification is new for Berwick Springs, with the previous versions of the Strategy not formally identifying an activity centre at this location. Note that I make no distinction with the land owned by Kameel Pty Ltd when considering the wider Berwick Springs activity centre.
- 3.3 In indicative terms and with deference to any future strategic policy outcome, the Berwick Springs activity centre can be considered to include land on the western side of Clyde Road north of Greaves Road and extending north to Homestead Road. This can also potentially, and in my view probably should, include land north of Homestead Road occupied currently by uses including Hungry Jacks and a car wash (the so-called Clyde Corner development).
- 3.4 Berwick Springs is prominently located with respect to surrounding road networks, with Clyde Road carrying approximately 32,000 vehicles per day past the site. Clyde Road forms a key north-south connection linking to Casey Hospital, the Princes Freeway and Princes Highway. Greaves Road/Oshea Road is also an important east-west road link and is expected to undergo a significant upgrade in the near future to accommodate current and anticipated traffic flows.
- 3.5 Land to the north and west of Berwick Springs is residential in nature, although includes numerous community infrastructure including child care, parks and the Old Cheese Factory.
- 3.6 Immediately south-east of Berwick Springs is the Eden Rise activity centre. This is effectively the Eden Rise Village Shopping Centre which is a free-standing shopping centre anchored by a large Coles supermarket.
- 3.7 Although both Eden Rise and Berwick Springs are physically close, in a practical sense the functional relationship between them is constrained by the significant volumes of traffic and width of the road corridors on Clyde Road and Greaves Road/Oshea Road. To some limited degree residents north-west of the Clyde Road intersection are more likely to use facilities in Berwick Springs, relative to residents to the south-east.
- 3.8 For this reason, it is notable that the walkable catchment within 800 metres of Berwick Springs located north-west of the Clyde Road intersection (2,010 persons) is almost exactly equal to the comparable area located south-east of the intersection from Eden Rise (1,970 persons). This is in fact a conservative assessment for Berwick Springs based on the available ABS statistical boundaries, as shown in Map 3.1.
- 3.9 The balance of land surrounding both Berwick Springs and Eden Rise to the north-east and south-west is residential in nature, with the Berwick Springs Wetland and Berwick Town Drain forming a notable physical feature to the south-west and west. In the north, the Princes Freeway, Casey Hospital, Chisholm TAFE and adjacent rail corridor are also significant features.



Map 3.1 Walkable Catchment from Berwick Springs and Eden Rise



Source: MapInfo, Nearmap and ABS Estimated Resident Population

## Berwick Springs Overview

- 3.10 Berwick Springs is currently within the General Residential Zone. However, in my opinion this planning zone is in no way a reflection of the significant role that Berwick Springs serves in providing an existing range of retail, commercial and community uses and functions.
- 3.11 As shown in Map 3.2, the Berwick Springs activity centre includes a diverse mix of uses extending over 500 metres along the western side of Clyde Road. This includes uses such as the large and prominent Zagames Berwick Hotel, through to fast food outlets, medical, child care and a veterinary hospital. These are uses which are allowable under the General Residential Zone.
- 3.12 The growth and development of the mix of uses currently operating in Berwick Springs can in one sense be considered an ad hoc outcome over a number of years, although one that had underlying strategic support in documents such as the Cell T Development Plan and previous versions of the Activity Centres Strategy.
- 3.13 However, in reality the development which has occurred at Berwick Springs is an appropriate response to the growth in demand for a wide range of retail and commercial functions in the surrounding region. This has occurred on the edge of a designated centre (Eden Rise) which simply lacks the physical ability to accommodate the range and scale of uses now operating at Berwick Springs.
- 3.14 Strategically, I see no specific locational advantage that Eden Rise has over Berwick Springs which provides it with a preference or dominance in terms of the operation of retail, commercial and community-based activities. Indeed, it could be argued that the more fine grained built-form of Berwick Springs has some advantages for some members of the community, while other members of the community might prefer a more traditional shopping centre environment such as provided at Eden Rise. This is certainly evident with the successful operation of gyms, convenience retail and other elements at both locations.
- 3.15 From an operator perspective, it is also quite clear that strong demand exists to locate at Berwick Springs, as is evidenced by the current uses located on-site. It is also my understanding through guidance from Kameel Pty Ltd that in the past few years considerable interest has been shown in a location at Berwick Springs by tenants including:
- A major supermarket operator signed an agreement subject to planning approval; now expired due to the length of time required to prepare and implement (draft) Strategy although still subject to ongoing commercial discussions
  - A major discount pharmacy operator
  - Various fresh food and grocery retailers
  - Various convenience retail operators (newsagency etc)
  - Numerous medical, para-medical and allied health providers
  - Restaurant, café and takeaway food outlets.



Map 3.2 Berwick Springs and Eden Rise Overview



Source: Ethos Urban with MapInfo and Nearmaps



- 3.16 Further, I am also informed that Kameel Pty Ltd has actively considered the potential to accommodate office and residential uses on their land in Berwick Springs, and believe that such an outcome is likely to be achieved as soon as practicable subject to appropriate planning support being provided. This outcome is generally consistent with my own expectations observing development trends in rapidly developing regions of outer Melbourne, including the Cranbourne and Pakenham corridors.

***Berwick Springs Activity Centre Status***

- 3.17 At present, I estimate that the Berwick Springs activity centre contains approximately 9,000m<sup>2</sup> of retail and commercial leasable floorspace. This includes approximately 3,500m<sup>2</sup> of retail floorspace as I (and other retail analysts) typically define the industry.
- 3.18 In this context, it is quite clear that the lack of an activity centre classification for Berwick Springs is untenable in current circumstances. In all functional aspects Berwick Springs operates as a de-facto activity centre, and the lack of appropriate recognition of this is related to the current zone that applies rather than any practical purpose. A full recognition of activity centre status at Berwick Springs will allow for a more diverse range of uses to be developed, unlock investment potential and enhance opportunities for community access to a range of facilities.
- 3.19 It is both appropriate (and overdue) recognition of the function of Berwick Springs as an activity centre which is incorporated in the (draft) Strategy, and I strongly endorse its inclusion in the centres hierarchy serving the City of Casey.
- 3.20 In view of the scale of the Berwick Springs centre, and the additional opportunities for development which are available, the Medium Neighbourhood centre classification identified in the (draft) Strategy is appropriate if Berwick Springs is to be considered in isolation.
- 3.21 Classification of Berwick Springs as a Medium Neighbourhood Centre has the potential to immediately generate benefits for the community in terms of:
- Providing enhanced certainty to stakeholders on the nature, scale and mix of uses which are supported at Berwick Springs
  - Allow for timely planning and implementation of an appropriate development framework for Berwick Springs
  - Accommodate investment, business development and new employment at Berwick Springs
  - Facilitate appropriate public investment in support infrastructure and other practical support for a designated activity centre.
- 3.22 I also note that the (draft) Strategy identifies the potential for both Berwick Springs and Eden Rise to form a combined Major Activity Centre. This 'Aspiring' major activity centre status is reflected in the Strategy as a future objective of policy, rather than an action to be implemented now as a means of facilitating the development of a Major activity centre over coming years.
- 3.23 In principle, this Major activity centre status makes sense. In combination, both Eden Rise and Berwick Springs have the capability to achieve the land use mix and scale identified as generally consistent with Major Activity Centre status within the (draft) Strategy. In

combination, both areas comprise approximately 14.3 hectares which is more than sufficient to allow for range and scale of uses consistent with a Major activity centre.

- 3.24 Further, Major activity centre status is also justified on the basis of the fact that a centre of this scale and role has the potential to more effectively 'bridge' the gap across the Clyde and Greaves Road/Oshea Road corridors. Although intensive integration and cross use of facilities across the road corridors is unlikely whatever the activity centre status applied, Major activity centre status across both Berwick Springs and Eden Rise has the potential to generate additional synergies and development than if both centres retain a separate status.
- 3.25 It is certainly not unusual for Major activity centres to be located across both sides of significant road or other physical barriers. The most relevant nearby example being the Berwick Major Activity Centre.
- 3.26 In this respect, I question whether the (draft) Strategy is overly tentative in relation to Major activity centre status. I see no community dis-benefit associated with applying such a status now, and am of the view that an immediate classification of Major activity centre will facilitate development outcomes consistent with the broad objectives of the (draft) Strategy more quickly.

## **Economic Performance and Outlook**

### ***Eden Rise***

- 3.27 Notwithstanding the demonstrated demand by a range of uses to locate in the Berwick Springs activity centre, it is also true that the adjacent Eden Rise centre also performs an important role in meeting community need for a range of retail and complementary uses.
- 3.28 I note that on their website, the Pask Group describe Eden Rise as:  
*"one of Victoria's most successful neighbourhood shopping centres."*  
  
([www.https://www.nevpask.com.au/project/eden-rise-shopping-centre/](https://www.nevpask.com.au/project/eden-rise-shopping-centre/) accessed 1 June 2020)
- 3.29 This is also reflected in my own observations over many years of relatively high levels of customer visitation. The Coles supermarket is a very large store, which I understand has a significant role in supporting online sales, as well as providing a comprehensive supermarket offer for day-to-day customers. An ALDI store also further strengthens the ability of Eden Rise to meet grocery and convenience retail needs.
- 3.30 Approximately 35 specialty stores are located in the centre, excluding car park pad sites and commercial uses. Based on a recent site visit, two specialty shops are currently vacant. The southern end of Eden Rise is the focus for non-retail medical, para-medical and commercial uses, with a service station and motor mechanic on pad sites.

### ***Economic Outlook***

- 3.31 Given that the population of the region surrounding both Eden Rise and Berwick Springs has experienced consistent population growth over the past 20-years, it should be of no surprise that both Eden Rise and Berwick Springs are successful locations for a mix of retail and commercial uses.

- 3.32 In the near future, additional population growth will also occur associated with development of at least 800 lots in proximity to the Berwick Town Drain (west of Berwick Springs), while almost immediately east of Eden Rise additional 100+ lots are being developed off Cresthaven Boulevard.
- 3.33 Further east and south, substantial future population growth is also anticipated as urban development proceeds in the Minta Farm, Pound Road, Clyde North and Thompsons Road PSP areas.
- 3.34 It is important to recognise that the expectations of the State Government for population growth in the City of Casey to 2036 are 25% higher in the most recent Victoria in Future 2019 projections, relative to the previous Victoria in Future 2016 projections. In this respect, a future Major Activity Centre comprising both Berwick Springs and Eden Rise can be expected to be trading in an environment of ongoing population and demand growth for the foreseeable future.
- 3.35 Although new centres can be expected to be delivered over time to meet demand generated by this urban growth, the strategic location of Eden Rise and Berwick Springs at the prominent corner of key north-south and east-west road links will remain relevant. It is this locational advantage which will support the growth and evolution of a mix of retail, commercial, community and residential uses, notwithstanding changes in the surrounding centres hierarchy.
- 3.36 For example, I note the Minta Farm PSP to the east was not explicitly considered in the SGS report. However, the status of the proposed centre is appropriately considered in the strategic framework identified in the (draft) Strategy.
- 3.37 The edge of the Minta Farm PSP area is some 1.5km to the east of Eden Rise. According to the recently finalised Minta Farm PSP, the proposed population is conservatively estimated at 8,500 new residents with approximately 11,000 jobs primarily concentrated in new business and commercial precincts.
- 3.38 A Local Town Centre (LTC) is proposed in a central location to the PSP area, on the interface with the significant areas of employment land proposed to the north and east. The PSP is clear that this town centre has a role in serving the worker population of the adjacent employment land, in addition to meeting resident needs.
- 3.39 I am not currently aware of any concerns being raised in relation to the impact of the Minta Farm PSP on the role and function of Eden Rise and Berwick Springs during either the original PSP process or the implementation of Amendment C228.
- 3.40 As such, it is evident to me that the classification of Berwick Springs as an activity centre:
- Is justified in terms of the current role and function of the site, and this has been the case for some time
  - Has been reflected in strong levels of tenant demand and regular usage by the general community
  - That this demand growth can be anticipated into the future in association with both local housing growth as well as increased population levels across the wider region

- That an appropriate consideration of Berwick Springs as an activity centre in no way undermines the viability, role and function, or future development potential of, the Eden Rise Centre nor any other centre, existing or proposed
- Is the appropriate precursor to the future creation of a Berwick South major activity centre including both Berwick Springs and Eden Rise.

## 4 Consideration of Amendment C258

- 4.1 Amendment C258 seeks to translate the intent of the *City of Casey Activity Centres Strategy 2019* into the Casey Planning Scheme.
- 4.2 I note that Amendment C258 does not propose to implement a rezoning of the Berwick Springs centre, nor immediately classify both Berwick Springs and Eden Rise as a Major activity centre. Both of these outcomes remain subject to further consideration and scrutiny in subsequent planning processes.
- 4.3 In my view, it is the validity and appropriateness of the strategic intent of Amendment C258 which is the relevant consideration. Matters relating to detailed implementation on a centre-by-centre basis are neither relevant, nor serve any planning purpose or public interest.
- 4.4 As such, in my opinion the (draft) Strategy is an appropriate basis to guide activity centre planning and development in the City of Casey. This is appropriately reflected in updates to the Casey Planning Scheme, as proposed, and which includes the classification of Berwick Springs as a Medium Neighbourhood centre.
- 4.5 In no way does such a classification for Berwick Springs undermine the role and function of Eden Rise, which will continue to operate successfully and continue to grow and evolve over time. I see no strategic or economic reason why the identification of Berwick Springs activity centre undermines any other relevant objective of Local or State planning policy.
- 4.6 It is important that the commercial interests of individual property owners are subservient to the broader objectives of activity centre policy. Even where uses may locate at Berwick Springs which might otherwise locate at Eden Rise, this would be with the achievement of a net community benefit and does not preclude Eden Rise from achieving other development outcomes over time.
- 4.7 It is my view that Amendment C258 is appropriate in its current form, and is consistent with the achievement of a net community benefit as is relevant to my own expertise.
- 4.8 In the interpretation of Amendment C258, I encourage Council to consider a fast track of Major Activity Centre status across both Berwick Springs and Eden Rise, as a means of facilitating investment, business opportunity, employment and economic activity.

## 5 Summary of Opinions

- 5.1 The (draft) Strategy represents an evolution of long-standing activity centres policy in the City of Casey. That is, the (draft) Strategy is not a strategic document built on 'first principles' and thus subject to scrutiny on that basis. Rather, the (draft) Strategy is an update and refinement of activity centre policy direction, including many principles and directions already identified, implemented and accepted through previous iterations of the Casey Activity Centres Strategy.
- 5.2 It is my view that the City of Casey takes seriously, and appropriately resources, activity centre planning and development policy. This is to a level superior to that demonstrated by some other Council's in which I have worked in metropolitan Melbourne (and elsewhere in Australia).
- 5.3 On an overall basis, I believe that the strategic framework laid out by the (draft) Strategy is appropriate and strategically justified. This strategic justification includes the background economic assessment prepared by SGS Economics and Planning which, considered in its full context, provides an appropriate background to the (draft) Strategy.
- 5.4 I estimate that the Berwick Springs activity centre contains approximately 9,000m<sup>2</sup> of retail and commercial leasable floorspace. It is clear that the lack of an activity centre classification for Berwick Springs is untenable in current circumstances, as in functional terms that is exactly what is operating from the site, notwithstanding the current planning controls.
- 5.5 The classification of Berwick Springs as an activity centre in the (draft) Strategy is both strategically sound and overdue. An activity centre classification will be to the benefit of the community and consistent with relevant planning objectives relating to retail and commercial activity. Significant economic benefits are associated with the more diverse range of uses and investment unlocked at Berwick Springs through formal recognition as an activity centre.
- 5.6 I am of the professional opinion that the aspiration for both Berwick Springs and Eden Rise to integrate as a Major activity centre is appropriate and justified in both economic and strategic terms. That this combination of Berwick Springs and Eden Rise in a Major activity centre is more around strategic outcomes rather than physical integration (at least in the near term) does nothing to undermine the merit of this outcome as identified in the (draft) Strategy. Major activity centre status would simply reflect the scale and mix of uses across the combined centre, and allow for a more coherent planning and development outcome. The potential for Eden Rise to continue growing and evolving in the future is not undermined by either activity centre status for Berwick Springs, nor inclusion within a combined Major activity centre.

### Declaration

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



Sean Andrew Stephens  
Group Director Economics  
**Ethos Urban**  
2 June 2020

## **6 ATTACHMENT: Sean Andrew Stephens CV**

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## Sean Stephens

Group Director, Economics — B.Econ (Hons)



Sean has over eighteen years' experience in undertaking economic assessments associated with urban development projects and economic development.

Sean has an Honours Degree in Economics from the University of Newcastle. He is a member of the Victorian Planning and Environmental Law Association (VPELA) and the District Council of the Urban Land Institute (ULI).

He has particular expertise in undertaking market assessments, location analysis and impact assessments for retail and commercial developments, and brings a detailed knowledge of the Australian property market to projects.

Sean is a property economist with experience working on a diverse range of projects across Australia for high profile clients. He has worked on market feasibility assessments for major retail developments and also provides strategic property advice to property owners, industry and government departments and agencies.

Sean's relaxed manner and extensive industry knowledge means that he is in demand as a conference speaker. He also delivers tailored presentations and workshops to large groups in the public and private sector.

As an experienced urban economist, Sean is regularly asked to appear in an expert witness capacity in planning and legal forums across Australia.

Jurisdictions in which Sean has provided expert witness services include:

- ACT Supreme Court
- Land and Environment Court (NSW)
- Planning and Environment Court (QLD)
- Planning Panels (VIC)
- VCAT (VIC)
- Environment, Resources, Development Court (SA)
- SA Licencing Court
- WA Liquor Commission
- Tasmanian Planning Commission
- Tasmanian Magistrates Court (Administrative Appeals Division).

Sean has also presented at numerous conferences and industry events across Australia and overseas.

A particular focus of Sean's work is providing client advice which adds value to decision-making and incorporates leading practice urban development principles. This capability has been developed through a genuine passion for urban economics and understanding the importance of taking a highly practical and tailored approach to analysis.