20 March 2018

Ms Kate Morris
Chair of Fishermans Bend Planning Review Panel
Planning Panels Victoria

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Fishermans Bend Expert Witness Report Follow-up
Reliance Restricted

Hi Kate,

Please see below the points that we were required to address following yesterday’s hearing.

► Amended version of ‘Table One’ to include Scenario 3 for Site 1

<table>
<thead>
<tr>
<th>Site</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
<th>Change (%) (Scenario 1 - Scenario 2)</th>
<th>Change (%) (Scenario 1 - Scenario 3)</th>
<th>Change (%) (Scenario 2 - Scenario 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site 1</td>
<td>$7,850,734</td>
<td>$7,547,198</td>
<td>$3,675,000</td>
<td>-3.87%</td>
<td>-53.19%</td>
<td>-51.31%</td>
</tr>
<tr>
<td>Site 2</td>
<td>$19,104,207</td>
<td>$17,912,581</td>
<td>N/A</td>
<td>-6.24%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Site 3</td>
<td>$34,592,377</td>
<td>$31,885,949</td>
<td>N/A</td>
<td>-7.82%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Site 4</td>
<td>$39,988,604</td>
<td>$36,057,510</td>
<td>N/A</td>
<td>-9.83%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

► I have confirmed the below - Clarification of roles and who is providing the instructions:

  o **The Minister for Planning** has appointed an advisory committee, the “Fishermans Bend Planning Review Panel” (the Panel);

  o **Harwood and Andrews** represents the Minister for Planning. We are called upon in full to provide evidence on behalf of the Minister for Planning;

  o We have a paramount duty to the Panel and not to the party retaining the expert;

  o We have an overriding duty to assist the Panel;

  o The Panel are able to rely on our Report.

► Metropolitan Planning Levies:

  o **What metropolitan levies were taking into account?**
    You must pay a levy on certain planning permit applications to accommodate Melbourne’s rapid growth, it’s used to fund "Plan Melbourne". [https://www.sro.vic.gov.au/metropolitan-planning-levy](https://www.sro.vic.gov.au/metropolitan-planning-levy) / The MPL is $1.30 for every $1000 of the estimated cost of the development. We did not ascribe a separate cost items rather consider it to be reflected as a **portion of the planning cost within the model**. Not considered to be material i.e. for a $30 million dollar construction cost the levy amount would equate to circa $39k.

    o **Where were these sourced from?**
      SRO website (as above).
Contamination Allowance:

- What allowance was made for contamination in the model?
  $50 per sqm of site area, assumed similar ground conditions to docklands (assuming low risk to human health). Equates to $30/m$ of soil disposed off-site to landfill and $20/m^2$ for any commercial / residential areas on the ground floor.

- Why?
  This is how the market would likely approach it when costing without the benefit of detailed environmental advice given the historic use of the land in the area, we took a worst case scenario assuming commercial / residential ground floors uses.

- Where was this amount sourced from?
  Relied upon email advice from our in-house Climate Change and Sustainability Services Team.

Please do not hesitate to contact me, should any of the above not be clear.

Yours sincerely

Luke Mackintosh
Partner