BACKGROUND PAPER 1

MANAGING GROWTH

INFRASTRUCTURE FOR MELBOURNE’S OUTER SUBURBS

DECEMBER 2015
The world’s most liveable city is growing fast.
That’s great for our economy, but it also poses challenges.
We have to deliver services and infrastructure to keep up with the growth – especially in the booming outer suburbs.
That’s what Managing Growth is all about.
We are creating a new approach to planning for Melbourne’s liveability and Melbourne’s future.
It’s about government, councils, developers and the community working together to provide the things people need, when and where they need it.
This includes new kinders, schools and hospitals, roads that can cater for the traffic, and better public transport from the outset.
Our Government is also providing $1 billion in extra funding for vital new infrastructure projects and services across the outer suburbs.
We have a plan to keep our city liveable and manage the growth in Melbourne’s suburbs – and we’re getting on with it.

The Hon. Richard Wynne MP
Minister for Planning
## MANAGING GROWTH

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Melbourne’s population is growing rapidly and is expected to reach as much as 7.7 million by 2051. Population growth is currently fastest in Melbourne’s outer suburbs, which are projected to accommodate almost half of metropolitan Melbourne’s new housing requirements over the next decade.

These communities face some of Victoria’s greatest infrastructure challenges and recent delivery of infrastructure and community services has failed to keep pace with demand.

With additional people moving to these locations with new houses, and physical and social infrastructure required, there are opportunities to maximise the benefits of coordinated infrastructure delivery. Coordinated and integrated sequencing of funds and infrastructure from the different levels of government, partner agencies and the private sector is a priority.

Managing Growth sets out what the Andrews Labor Government is doing to manage growth by enabling the provision of critical community infrastructure in Melbourne’s outer suburbs.

We are ensuring delivery of key infrastructure and services to Melbourne’s outer suburbs and will improve delivery through:

- better coordination of future funding between state and local government through the development of local infrastructure delivery plans
- better planning for growth
- increased State Government investment as provided by the 2015-16 Victorian Budget.

Changes are being implemented through the:

- update of Plan Melbourne
- establishment of Infrastructure Victoria to provide independent advice about Victoria’s long-term infrastructure needs
- legislative reforms to developer contributions to simplify and speed up the processes
- review of changes to green wedge planning controls
- review and implementation of the new residential zones
- legislation to enable the Victorian Civil and Administrative Tribunal (VCAT) to consider the weight of objections to development proposals
- legislation to permanently fix the current urban growth boundary
- review of current policies affecting housing affordability.
$1 billion was allocated in the 2015-16 Victorian Budget for new investment in the outer suburbs and growth areas across transport, health, education and community facilities. This includes the new $50 million Interface Growth Fund for community facilities in the interface council areas.

There is a need for better models for coordinating infrastructure across government. We will investigate the option of local infrastructure delivery plans and options for how forward planning for infrastructure is undertaken. These will ensure timely delivery of infrastructure as new communities develop. The development of this type of plan will assist government to identify infrastructure requirements and potential funding sources. They will draw on infrastructure needs identified through precinct structure plans and the discussions on development contributions for each growth corridor.

The growth issues faced by outer suburban councils need to be addressed in a way that is relevant to those municipalities. Different parts of the state face different issues with urban growth and renewal. The Government acknowledges that different approaches need to be developed while ensuring an equitable support to all local communities.

A pilot project has been developed to help inform the most effective way of investigating the form of local infrastructure delivery plans. The pilot will be undertaken through 2016 in a partnership with the City of Melton, government and relevant agencies to ensure an integrated response to local infrastructure needs. The pilot will align with work being done by Infrastructure Victoria, the review of Plan Melbourne and other key government coordinating activities. Following completion of the pilot an evaluation of its processes and application to the Melton area or other interface council areas will be undertaken.

We are planning for the long-term liveability of Melbourne’s outer suburbs – and we are getting on with it.
The forecast of strong population growth highlights the attractiveness of Victoria as a place to live. Melbourne’s metropolitan area is currently home to around 4.4 million residents and its population is estimated to reach 5.5 million people within 10 years, and as much as 7.7 million by 2051. Metropolitan Melbourne accounts for approximately three quarters of state population.

Liveability underpins Melbourne’s international reputation as a great city. This reputation is supported by its diverse culture, outstanding schools and universities, new jobs and quality services.

Population growth is currently fastest in Melbourne’s outer suburbs. Although the pattern of new development is shifting towards the inner and middle suburbs, Plan Melbourne projected the outer suburbs would accommodate around 50 per cent of metropolitan Melbourne’s dwellings over the next decade. This is currently being reviewed. The long term delivery to 2051 has been identified in Plan Melbourne and is illustrated below.

**Figure 1:** Projections of the location for Melbourne’s new housing to 2051
*Source: Plan Melbourne, May 2014*
Population growth creates opportunities, but also puts pressure on Victoria’s economic and social infrastructure. Our transport and planning systems should provide Melburnians with choices about where they live and help them to access their workplace while leaving time for community life. Quality schools and hospitals need to be easily accessible.

The recent delivery of infrastructure and community services has not matched the changes in where people live and work.

Melbourne has a strong history of strategic planning. A succession of documents have set out a strong framework for development (notably, Plan Melbourne (2014); Melbourne @5 million (2008); Melbourne 2030 (2002)).

The state planning system controls development approvals, with the requirements for each area defined through growth corridor plans, framework plans, precinct plans and site specific planning.

The development of new communities is not just about roads, pipes and engineering but also includes the planning for services for communities which have just established or are yet to arrive.

The funding of the ongoing operation of services and infrastructure is a key function of government across a number of departments: Treasury, Health and Education and the Department of Economic Development, Jobs, Transport and Resources have significant roles. Local government, developers, the building industry, local communities and employers and designers all contribute to the quality of our urban environment.

**ADDRESSING GROWTH PRESSURES IN THE OUTER SUBURBS**

The Andrews Labor Government is delivering core services and infrastructure that keep pace with the needs of rapidly growing suburbs, to support social wellbeing and economic opportunity for all. The 2015-16 Victorian Budget included a number of investments and policy changes that will make a big difference for the outer suburbs.

This strategy comprises three key elements:

1. **Coordinated funding**

Future funding will be better coordinated through developing local infrastructure delivery plans. These plans will be the result of close collaboration between state and local governments and will identify funding from all sources – developers, local, state and Commonwealth governments – to plan for timely delivery of local infrastructure as new communities develop.

The process for calculating developer contributions is being reformed and simplified in line with the outcome of an extensive consultation process. The opportunities for value capture in the development of new infrastructure will be considered, to create win-win results for developers and the community.

2. **Better planning for growth**

A number of policy changes and shifts in priorities are proposed to improve the way new communities are planned, and to identify the funding options for how new infrastructure will be provided. We will develop a pilot local infrastructure delivery plan in partnership with the City of Melton, one of Australia’s fastest growing municipalities.

The City of Melton pilot will be a priority for the Government for 2016, with an evaluation of its processes and utility to be reported to government by the Department of Environment, Land, Water and Planning.
3. Increased State Government investment

The 2015-16 Victorian Budget delivers around $1 billion in funded commitments for the outer suburbs, mostly in transport, health and education. This includes the new $50 million Interface Growth Fund for community facilities in the interface council areas.

The government will deliver up to $1.1 billion in this budget, including some funds identified over the term of government. Projects include:

- $500 million for outer suburban roads
- $400-600 million for the Mernda rail extension, due to be completed in 2019.

The Growth Areas Infrastructure Contribution (GAIC) had a balance at June 2014 of $61.8 million and has projected receipts of around $400 million by 2019. The use of this GAIC funding will be considered in future budget processes.
GROWTH AREA AND INTERFACE MUNICIPALITIES

Figure 2: Melbourne’s Outer Suburbs (showing the Interface Councils, Growth Areas, Green Wedges and the Peri-Urban Councils)
Source: Metropolitan Planning Authority (MPA), May 2015
Melbourne’s Outer Suburbs and Green Wedges Explained

The various similar terms being used are defined as follows for this report:

The **Outer Suburbs** generally includes those developed areas, broadly beyond the Metropolitan Ring Road areas, more than 25 km from the CBD in the east and more than 15 km in the west.

Melbourne’s **Growth Areas** originally fell within six municipalities – Cardinia, Casey, Hume, Melton, Whittlesea and Wyndham. The southern part of Mitchell Shire has been added so Beveridge and Wallan now lie within the Urban Growth Boundary. The Growth Areas are the parts of these municipalities within the Urban Growth Boundary. The undeveloped parts of the Growth Areas have been broken up into over 100 Precincts, each of which has or will have a Precinct Structure Plan prepared. The Growth Areas are defined in the *Planning and Environment Act 1987*.

The **Interface Councils** comprise the Growth Area Councils plus the municipalities of Nillumbik, Yarra Ranges and Mornington Peninsula. These municipalities have challenges of their own in providing services to mixed urban and rural communities with changing demographics.

The **Green Wedges** are those areas of these municipalities that lie outside the Urban Growth Boundary and are within the Metropolitan Fringe Planning Schemes. These cover the Interface Councils plus parts of Brimbank City Council, Frankston City Council, Greater Dandenong City Council, Hobsons Bay City Council, Kingston City Council, Knox City Council, Manningham City Council and Maroondah City Council. The Green Wedges are defined in the *Planning and Environment Act 1987*.

Melbourne’s **Peri-Urban regions** comprise the hinterland municipalities beyond the interface councils. They include Bass Coast, Surf Coast, South Gippsland, Baw Baw, Murrindindi, Mitchell, Macedon Ranges, Moorabool and parts of Golden Plains and Greater Geelong lying north of Geelong.
In response to the challenges of urban growth the Andrews Labor Government is improving forward planning for infrastructure funding.

New infrastructure is usually paid for by a combination of several sources as illustrated in Figure 3. These include the State and Commonwealth Governments, Councils, the GAIC and Interface Growth Fund, Development Contribution Plans (DCPs), and Open Space Contributions as part of the planning scheme.

In addition, there are a wide range of other potential funders and private partners for projects. Figure 3 illustrates the range of sources that contribute to different types of infrastructure.

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* Developers can deliver infrastructure from DCPs or GAIC through Works in Kind agreements.
1 Open Space Contributions can be provision of land or cash offset.
*Council preschools/early childhood facilities are sometimes located on new school sites.

Figure 3: Sources contributing to different types of infrastructure
Source: MPA, May 2015
The Victorian Government provides funding from a range of sources, and makes grants to councils and communities across Victoria through various programs. The Commonwealth Government is a partner in some of these programs, and has other programs that provide funds to local government directly. Examples of council projects across Victoria funded by the Victorian Government include:

- Schools and kindergartens, and early childhood facilities
- Living Libraries
- Communities Facility Fund (Aquatic centres, sports centres and local sports facilities grants)
- Community Support Fund projects
- Arts facilities
- Bike path programs.

The government is keen to promote shared facility arrangements between schools and local communities to get better use from investments in libraries, sports facilities and community meeting spaces, out-of-school hours centres, and other community centres.

**Interface Growth Fund – ($50 million)**

A new contestable grant fund has been created for community infrastructure projects in the interface council areas, with a $50 million initial allocation. This will be available for contributions towards Council initiated projects which address key missing elements in the community facilities available in underserviced areas.

The 2015-16 fund has been launched and 26 projects funded in the first round of applications.

Proposed grants were assessed against a range of criteria for essential infrastructure set out in the Interface Growth Fund Guidelines.
Growth Areas Infrastructure Contribution ($400 million to be accrued by 2019)

The Growth Areas Infrastructure Contribution (GAIC) began operation on 1 July 2010 and applies to growth area land brought into the Urban Growth Boundary in 2005-2006 or 2010 and now zoned for urban development. The GAIC assists in funding essential State infrastructure in the growth areas. The charge is up to $107,440 per hectare which represents a small part of the typical increase in land value and is intended to contribute around 15 per cent of the cost of the State infrastructure needed to develop a new community.

The revenue is paid equally into two funds:

- the Building New Communities Fund is used for State funded infrastructure including regional libraries, community centres, walking and cycling infrastructure and other major recreation facilities
- the Growth Areas Public Transport Fund which is set aside to pay for major public transport projects.

In total, the GAIC was expected to generate around $2 billion over its 20 year life as the areas to which it applies are progressively developed. After six years, this forecast seems to be on track with the pace of receipts picking up in the coming decade.

Amendments in 2011 made generous provisions for the liability for the GAIC to be deferred and hence a large slice of the funds will only become available after development has commenced in a growth precinct. GAIC receipts to 30 June 2014 totalled $68.3 million with $223.9 million in deferred payments which are shown in the state’s balance sheet as a tax receivable.

Limited commitments totalling $14.2 million were made from these funds by the previous government. The receipts and expenditure are reported each year in the Annual Reports of the MPA and the Department of Environment, Land, Water and Planning with the breakdown given by growth corridor, as required by legislation.

As development progresses, the revenue over the five years to June 2019 will be considerable and a higher proportion of this is expected to be received in cash. The current estimate is shown in Figure 4 (this will vary according to the pace of development).

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Figure 4: Forecast GAIC revenue and receipts ($ million)
Source: Department of Treasury and Finance

The government is considering a new framework for the most efficient allocation of these funds.
Development contributions

Developers make an important contribution to the overall cost of new communities. They also provide for open space requirements and in cases where endangered species are potentially impacted, fund protection measures or offsets through DCPs. These contributions are estimated to be over $6 billion over the next 20 years.

Legislation has been passed to reform and simplify the development contributions system, to cut the time taken to finalise these plans. Extensive consultation has occurred on these changes over the past two years. These reforms had broad support, but no legislation was passed by the previous Government.

A formal consultation process has been established to set the base and the indexation rates. It is anticipated that the reforms should be able to come into effect from 1 January 2016.

Residential infrastructure charges infill and greenfield, 2009-10

$’000s per dwelling

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<td>Adelaide</td>
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Figure 5: Productivity Commission comparison of Developer contributions

Source: Productivity Commission Research Report Volume 1, page 212

The Productivity Commission published detailed research in 2011 looking at the economic basis for developer charges and the comparative assessment of how they have been applied in different states. Figure 5 is taken from this report and shows the large advantage that Melbourne had in lower charges – less than half those in Brisbane and a third those applied in Sydney. The Melbourne charges have increased since this period but are still lower than other states.

INFRASTRUCTURE PLANNING PILOT FOR MELTON

The timely delivery of infrastructure is important as Melbourne grows. We are investigating options about the best way to coordinate planning and delivery across government. As a pilot, the development of a comprehensive plan showing the range of state and local infrastructure planned for our growing suburbs will help decision makers, communities and growth area developers. A local infrastructure plan is one approach and would help map out investments and delivery that will be needed over the coming years.

A pilot prepared with the City of Melton will assist in our developing a suitable model. The unique challenges presented in each location will need to be assessed and the partnership project with City of Melton will help identify and inform our investigations into the most effective and efficient way to identify and plan for long term infrastructure delivery. It will also be informed by the work of Infrastructure Victoria and the refresh of Plan Melbourne. The Government will consider the form of local infrastructure delivery plans or other mechanisms and approaches after a rigorous evaluation of the pilot.

The pilot plan will involve close consultation with Melton council and will draw on the infrastructure needs identified through Precinct Structure Plans (PSPs) and the negotiations over the DCPs for the growth corridor. It will identify the infrastructure requirements and potential funding sources over the life of the development and will be developed by the government and the City of Melton, with full input from all relevant state agencies.

Figure 6: Urban Growth Corridor – Melton
Source: MPA, May 2015
THE MELTON PILOT PROJECT

The City of Melton is one of the fastest growing municipalities in Australia. The City’s total population was estimated at 127,350 in 2014 – almost entirely in the fully developed areas of Melton and Caroline Springs.

This population is projected to increase by 60 per cent over the next 10 years to 206,042, as new communities are established in the 24 precincts being planned. In the long-term, the population could treble by the time the Melton corridor reaches full development, making it larger than Canberra today.

There are around 100,000 lots to be created in the new development areas – with about a third of these already provided for by planning scheme amendments implementing the eight completed PSPs. Another third are being planned now.

As the City of Melton grows, there will be a need to invest in key economic and social infrastructure for the municipality. This includes public transport, local roads and connections to support and facilitate investment, especially for jobs. The government will undertake a pilot project, working with relevant departments and the City of Melton Council, to create a local infrastructure delivery plan.
The Andrews Labor Government recognises the importance of having the best planning system possible to respond to Melbourne’s growth. A refresh of Plan Melbourne and improved planning processes, such as the review of the new residential zones, and working directly with local government on issues such as the local infrastructure delivery plan pilot will ensure that planning processes are continually being improved. The planning and land use system needs to be able to respond to new challenges of accelerated levels of growth, with infrastructure delivery, housing affordability and an ability to capture the true community value of development. Increased efficiencies in land data and Land Victoria processes will also be identified.

**A RESPONSIVE PLANNING SYSTEM**

The Government is taking a number of actions to reform the planning system so that it works for everyone. These reform actions include:

- **Plan Melbourne Refresh**
  The government is giving Plan Melbourne a ‘reboot’ to ensure it delivers the kind of city the community needs. The updated plan is expected to be incorporated into the planning scheme in the first half of next year.

- **Green Wedges**
  The government will review recent changes to the green wedge zones, to ensure these important areas are properly protected. Protecting agricultural uses in a sustainable rural environment and clarifying land uses in the peri-urban area are also priority tasks.

- **Review of the implementation of the new residential zones**
  The government is conducting a review to examine the flaws in the previous process and recommend best practice consultation and the role of the Minister, councils and the community in the planning process.

- **VCAT Objections**
  The government has legislated to ensure that VCAT will have regard to the number of objectors to a planning application when considering whether it may have a significant social effect.

- **Regional Growth and Jobs**
  Plan Melbourne recognises the importance of promoting strong population growth in regional Victoria. Regional Growth Plans have been developed to set out a land use framework for growth in each region. There are important relationships between Interface and Peri-Urban Councils and the regional towns and cities that lie further away.
• **Urban growth boundary**
  
The Urban Growth Boundary defines the edge of metropolitan Melbourne’s urban footprint. It has been extended several times since its first introduction in 2002 to take into account population pressures. The physical extent of Melbourne, its urban edge infrastructure (including the alignment of the Outer Melbourne Ring Road), as well as the environmental values of the green wedges mean that further expansion cannot be supported. Given Melbourne’s low population density on international comparisons, the government believes Melbourne’s boundary should now be fixed, with future growth managed within the boundary.

The government will introduce legislation to permanently fix the current boundary.

**THE LONG TERM INFRASTRUCTURE CHALLENGE**

In the long term, there is no doubt about the huge scale of the infrastructure needed to support and manage the projected growth identified in *Plan Melbourne*. If growth is slower, this infrastructure will be required over a longer time frame, but the plans need to be in place.

There are significant costs to the Victorian Government in the development of new urban areas which do not include the costs and works paid for by the developer in providing services, such as roads and minor parks. Nor do they include “backlog” works in existing developed areas, major freeways or public transport upgrades that happen to be in growth areas. Major works like the Melbourne Metro being delivered in central Melbourne but provide substantial benefits for travellers across the network are also part of the Government’s commitment to growing our new communities.

The infrastructure investment made in the *2015-16 Victorian Budget* totals $56 billion. New projects provide a Total Estimated Investment (TEI) of between $20.9 to $23.9 billion. This compares to a total of only $53.6 billion over the last three years.
Housing affordability

A range of housing choices across Melbourne is essential to accommodating a growing population and providing everyone with access to social and economic opportunity. Balanced housing development, between the urban fringe and the middle and inner areas, will require strategic planning by the State and a supportive stance from local councils.

Lots in Melbourne growth areas are 20 per cent cheaper than those in Sydney, a difference largely due to greater land supply, a more competitive market and lower developer contributions. This is a significant economic edge gained through the policies implemented since *Melbourne @ 5 Million* was adopted in 2008.

Indeed, Melbourne is once again the strongest market for greenfield development in Australia, with the most sales. As shown in Figure 7, Melbourne’s median lot price is also significantly lower than most major Australian cities.

**Australian Cities – Median Lot Price for Vacant Services Lots in Greenfield Areas**

<table>
<thead>
<tr>
<th>Australian Cities</th>
<th>Median Lot Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney/Wollongong/Newcastle</td>
<td>$285,000</td>
</tr>
<tr>
<td>Canberra</td>
<td>$280,500</td>
</tr>
<tr>
<td>Perth</td>
<td>$260,000</td>
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<tr>
<td>Brisbane/Sunshine Coast/Gold Coast</td>
<td>$250,000</td>
</tr>
<tr>
<td>National Median</td>
<td>$248,822</td>
</tr>
<tr>
<td>Melbourne</td>
<td>$210,000</td>
</tr>
<tr>
<td>Adelaide</td>
<td>$158,500</td>
</tr>
</tbody>
</table>

*Figure 7:  Australian Cities – Median Lot Price for Vacant Serviced Lots in Greenfield Areas*  
*Source: MPA analysis of CKC Research & National Land Survey Program, April 2015*
Land supply
The government will undertake a broader review of current policies affecting housing affordability, including taxation, regulatory settings and the suite of grants and concessions available to different categories of property purchasers. The review will guide future reforms to improve housing affordability for all Victorians.

Since 2006, over 50 PSPs have been prepared, delivering over 150,000 fully planned lots, or 12 years of supply, to come on to the market in a structured sequence. By comparison, Sydney has a land supply of around 10,000 lots at a higher cost than Melbourne.

Taking the politics out of infrastructure planning and delivery
The government is committed to delivering the infrastructure required to preserve Victoria’s liveability and enhance productivity. A new independent, expert body, Infrastructure Victoria, will provide independent advice about Victoria’s long-term infrastructure needs. Projects Victoria will oversee the implementation of infrastructure projects to enable their delivery on time and on budget.

Planning ahead
The government will continue to work with the communities of the outer suburbs. The Metropolitan Planning Authority is the relevant agency working with local councils to develop Precinct Structure Plans (PSPs) for the declared growth areas. PSPs identify the planning needs of new residential and employment precincts on previously undeveloped land, and include broad infrastructure plans – but without a timeframe and funding strategy for the delivery of this infrastructure. Preparation of Precinct Structure Plans are well advanced across Melbourne’s growth areas (see pages 22-23).

Supporting local business and communities
The government will consider options to support local business communities who work together to invest in services, activities and assets for their collective benefit. This will include a review of legislative and practical barriers to establishing Business Improvement Districts, which have been a successful model in several overseas jurisdictions. The government will work closely with local government in undertaking this work.
Over 150,000 fully planned lots

PRECINCT STRUCTURE PLANS*

MAY 2015

Figure 8: Status of Melbourne’s PSPs

MANAGING GROWTH – INFRASTRUCTURE FOR MELBOURNE’S OUTER SUBURBS
The level of urban growth occurring at the edge of Melbourne requires a strong commitment to infrastructure and service provision. The 2015-16 Victorian Budget delivers a record investment in the outer suburbs and growth areas across transport, health, education and community facilities.

Public transport and road infrastructure are supported across the outer metropolitan area with projects such as the Western Ring Road (M80) Upgrade and the Mernda Rail Extension.

Significant investment in hospitals and health services includes: expansions of existing hospitals such as the Casey Hospital, the Angliss Hospital and the new Joan Kirner Women’s and Children’s Hospital at Sunshine.

Nine new schools will be completed in 2017-2018 in the growth corridors and 22 outer suburban schools are earmarked for upgrades to ensure these facilities keep pace with growth and change. $50 million has been provided for upgrading kinders with a grant process for both major and minor building works accessible to outer suburban councils. The TAFE Rescue Fund is flowing and Tech Schools are coming back.

INCREASED INVESTMENT IN TRANSPORT

Removing 50 of our most dangerous and congested level crossings and building Melbourne Metro will revolutionise Melbourne’s train network, allowing faster, more frequent and more reliable services from the outer suburbs.

The government’s investment in the Cranbourne-Pakenham Rail Upgrade will see the introduction of a dedicated fleet of high capacity trains accompanied by the removal of the nine level crossings between Caulfield and Dandenong.

Public transport

Specific public transport upgrades in the outer suburbs include:

- $9 million to fast track design and commence land acquisition for the $400-600 million Mernda Rail Extension project. The funding for commencement of construction will be delivered in future budgets. Once completed, the Mernda Rail Extension will cater for significant growth in population in the Whittlesea corridor.

- $15 million for new bus infrastructure.

- A further $85 million in operating spending to improve bus networks, mostly in Melbourne’s growth areas. These will be improved by adding more routes, expanding others, restoring services and fixing missing links.

- The new Melbourne Metro Rail Project will also assist outer suburban residents with improved commuting to the central city from Wyndham and Sunbury in the north-west and Casey and Cardinia in the south-east.
• The Regional Rail Link has enabled several improvements: increased frequency of V-Line and Metro services and improved timetabling, new stations at Wyndham Vale and Tarneit, and improved bus connections.

• Construction of the much delayed station at Caroline Springs commenced in August this year.

• The $50 million Homesafe trial of 24 hour public transport services on weekends will commence on New Year’s Eve 2015. The trial will include services on Friday and Saturday nights on all Metro lines.

**Western Ring Road (M80) Upgrade ($300 million)**

Victoria and the Commonwealth have each committed to contribute $150 million for the next stage of the M80 Upgrade, for additional lanes and installation of traffic management technology from Sunshine Avenue to the Calder Freeway. This will provide relief for another important section of this critical road.

**Arterial road duplications**

Initial funding totalling $42 million has been allocated for various arterial road duplications including starting on four major projects:

• $20.5 million to commence the duplication on Thompsons Road between Lyndhurst and Cranbourne in Melbourne’s south east. The government has also committed to removing the Thompsons Road level crossing.

• Funding has been allocated to plan for works on the Yan Yean Road duplication between Diamond Creek Road and Kurraj Road, Plenty.

• Funding has been allocated to plan for the upgrade to Bolton Street in Eltham, including investigation of options to widen and formalise turning lanes between Main Road and Bridge Street and improvements to footpaths.

• A funding arrangement with the Commonwealth is being sought to enable the O’Herns Road interchange on the Hume Freeway to proceed quickly.

The government has committed a total of $321.2 million to complete the delivery of these roads over four years.
Upgrading congested intersections

$24.3 million has been allocated to upgrade 12 congested intersections, primarily in the outer suburbs.

- Narre Warren-Cranbourne Road and Princes Highway, Narre Warren
- Princes Freeway and Clyde Road, Berwick
- Frankston-Dandenong Road / Thompsons Road, Carrum Downs
- Nepean Highway, Karen Street and Bay Road, Cheltenham
- Warrigal Road and North Road, Oakleigh
- Burwood Highway and Holland Avenue, Burwood
- Maroondah Highway / Oban Road, Ringwood
- Dalton Road / Childs Road, Epping
- Kings Road / Taylors Road, Delahey
- Derrimut Road / Leakes Road, Tarneit
- Palmers Road-Dunnings Road, Point Cook
- Princes Highway and Forsyth Road, Hoppers Crossing

Another $13.3 million has been committed to implementing integrated transport systems technology on key arterials serving the outer suburbs. This will enable greater use of traffic signal technology, ramp metering, remote monitoring and other technology to smooth traffic flow and respond faster when incidents occur.

The removal of 50 level crossings will progressively improve flows across the metropolitan road network.

The Better Roads for More Communities: Road Surface Replacement Program will see additional funding for road surface replacement in Melbourne’s outer suburbs and in regional Victoria. This will reduce the level of deterioration of road surfaces and will support economic and social activities in these areas.

The government is committed to spending $500 million over the next four years from the Better Roads Victoria Trust Fund on outer suburban arterial roads in order to address backlogs in road repairs and upgrades.
OUR HEALTH HUB NETWORK

The Victorian Government is committed to ensuring that Victorians can get the health services they need, in the communities they live in; because patients who can be treated in the community, should be treated in the community.

Planning for expanded capacity for community health and welfare services will be a key part of the planning for new communities in the Interface Council areas. The government will invest $34 million to boost healthcare in the community:

- $21 million expansion of the Melton Health Hub to provide a major one stop shop for health services.
- $8 million new Pakenham Community Health Hub.
- $5 million towards planning and development for new health hubs in the northern suburbs and Frankston and Ringwood.

These health hubs will add to the existing network of health hubs in Cranbourne, Sunbury, Melton, Craigieburn and Lilydale.

The services offered vary between each centre but include community based specialised medical and allied health services such as dialysis, chemotherapy, day surgery, outpatient appointments, radiology, pathology, GP services and pharmacy.

INCREASED INVESTMENT IN HEALTH

An additional $2.1 billion is being provided for the Victorian health system to build new hospitals, expand existing facilities, reduce wait times and provide a boost to health services.

This includes more than $560 million for new capital health projects, including around $411 million to expand key hospitals in a ring around Melbourne:

- $106.3 million Casey Hospital expansion, enabling it to deliver more services to this fast growing area. A new acute inpatient tower will be built, four new operating theatres, a new surgery recovery centre, and 96 extra beds including an intensive care unit.
- $20 million Angliss Hospital intensive care unit and short stay unit will be established in Ferntree Gully. This will provide 20 beds to cater for patients needing urgent care, improving capacity of other hospital clinical services and reducing emergency department treatment times.
• The $200 million Joan Kirner Women’s and Children’s Hospital in Melbourne’s west to deliver 237 beds, 39 special care nursery cots, four theatres and additional clinics.

• $85 million Werribee Mercy Hospital acute health services expansion that will include six additional operating theatres and support services, and 64 new inpatient beds (including eight critical care beds).

Figure 8: Health Hubs
Source: MPA, May 2015
INCREASED INVESTMENT IN EDUCATION

A record $567.6 million is being invested in school capital programs to upgrade and rebuild school facilities across Victoria. Nearly half of this will be spent in Melbourne’s outer suburbs where there is a backlog in the provision of new schools.

In addition suburbs that developed in the 60s and 70s now have ageing schools. Many schools are struggling to keep up with student growth demand – meaning our classrooms are crowded and resources are over stretched.

The Government recently announced a Public Private Partnership preferred bidder, which will build and open 15 new schools to be completed in 2017 or 2018 – nine of which are in the growth corridors.

• Casey Central East Primary School
• Heather Grove Primary School in Clyde North
• Cranbourne South West Primary School
• Pakenham South West Primary School
• Epping North Primary School
• Mernda South Primary School
• Mernda Central Prep-Year 12 (including P-6 and 7-12 components)
• Point Cook South Prep-Year 9

Another urgently needed new school at Craigieburn North West has been funded for a traditional design and construct contract. In addition, two new schools will be funded to enable construction to be completed:

• Hazel Glen College (Stage 3 and 4)
• Tarneit Prep-Year 9 (Stage 2)

Land will be purchased for four schools to be funded in future budgets:

• Taylors Hill Senior School
• Davis Creek Primary School
• Edgars Creek Secondary School
• Gum Scrub Creek Primary School
The following schools in the outer suburbs and growth areas will be funded for school modernisation projects:

- Boronia Heights Primary School
- Cranbourne Secondary College
- Dandenong High School
- Emerald Secondary College
- Greensborough Secondary College
- Hampton Park Primary School
- Lyndale Secondary College
- Mill Park Heights Primary School
- Monbulk College
- Monterey Secondary College
- Mullauna Secondary College
- St Helena Secondary College
- Sunbury College
- The Basin Primary School
- Wallan Secondary College
- Werribee Secondary College
- Yarra Junction Primary School

$10 million for Stage One of the Maroondah regeneration project will see the next stage of works proceed this year for Ringwood Secondary College, Norwood Secondary College and Mullum Primary School.

The $10 million School Improvement Program will assist a number of schools with grants of up to $1 million including at least four outer suburbs schools:

- Berwick Fields Primary School
- Frankston Primary School
- Moorooduc Primary School
- Mooroolbark East Primary School

Other education funding in this budget that is benefiting the outer suburbs includes:

- **Tech Schools** ($125 million): Planning works will be undertaken to establish 10 Tech Schools, including in Casey, Wyndham, Yarra Ranges, Whittlesea, Monash and Banyule. Focusing on local industries, they will be open to secondary school students from across each region.

- **$10 million fund** for improved access and equipment for students with disabilities.

- **Relocatable classroom program**: New demountable classrooms will be provided to relieve pressure at schools which have grown beyond their capacity in recent years.

- **Asbestos removal**: $27 million of capital funding has been allocated to audit schools and remove asbestos from buildings and another $15 million in operating to retire old portable buildings. The balance of the $100 million committed funds will be delivered in future budgets.

- **Independent school capital works**: $120 million over four years has been allocated to assist Catholic and Independent schools across Victoria with the cost of building new schools in high-growth areas and upgrading facilities in existing schools.
Kinders and Early Childhood Learning

The 2015-16 Victorian Budget provides $50 million statewide over four years for building and upgrading kinders and children’s centres. This will include major and minor building projects including multi-service children’s hubs, new early learning centres and extensions and upgrades to existing centres. It is important that assessment of co-location options between schools, kindergartens and early childhood learning facilities and community facilities be undertaken early in the planning stages.

An ability to address a variety of local provision requirements and needs through flexible and adaptive facility use is an important consideration. The assistance from other sectors, such as the private providers of long day care services and facilities are also important to the range of services possible within a community.

The desirability of co-locating children’s services with primary schools is a key factor in planning for new schools. Discussions are concluding for each of the new primary schools being delivered in 2017 and 2018 under the Public Private Partnership with decisions made regarding co-location opportunities.

New guidelines for this program have been released. Because it is being funded over four years, there is a greater capacity to plan ahead and deliver funds in the year they will be needed to match growth. Planning for children’s services will be an important aspect of the proposed local infrastructure delivery plans.

Technical education

- TAFE Rescue Fund: The TAFE Rescue Fund is supporting TAFEs to deliver courses relevant to the communities they serve and improve their financial position. In particular, the Fund is supporting reopening closed TAFE campuses, upgrading buildings and workshops and providing support to help TAFEs become more financially sustainable.

INVESTING IN COMMUNITY AND EMERGENCY SERVICES

- Ambulance services have been boosted by $99.1 million to improve ambulance response times and give paramedics the resources they need.
- Fire services will be boosted by 450 additional firefighters. This will have particular benefits for those areas of the outer suburbs served by the CFA. A further $50 million has been allocated to boosting fuel reduction and planned burning with a focus on bushfire prevention near residential areas.
• **Mernda Police Station**: The $15 million Mernda Police Station will be built in a prominent Mernda location, which will assist in creating a safer community for the growing areas of Mernda and Doreen.

• **Community Infrastructure grants**

  The Community Infrastructure Fund provides grants for community projects to create liveable communities and neighbourhoods. The Minister for Planning has recently allocated $1.4 million in funding set aside in 2014-15 to several councils and charities. The recipients include:

  • The Caroline Chisholm Society will receive $950,000 to build a community services hub in partnership with the City of Moonee Valley.
  
  • The City of Wyndham will receive funding for their East Werribee Justice Precinct planning ($30,000).
  
  • The City of Hume will get funding for their Health and Community Precinct planning ($45,000).
  
  • The City of Brimbank and the City of Melton will each receive funding to commence public realm and streetscape works for their communities ($200,000 each).

• **Sporting Facilities**

  Demand for new sporting and recreation facilities is high in the Interface Council areas, driven by the family demographics of growing communities. The government has allocated $100 million for new sporting facilities, which is allocated through a number of grant programs.

  These funds are important for supplementing the funding available from Council resources and developer contributions.

• **Jobs**

  • **Premier’s Jobs and Investment Fund (PJIF)** is about creating jobs and building competitive industries. PJIF provides $508 million investment (inclusive of $60 million for the Start Up initiative) to lift Victoria’s productivity by:

    • creating high skilled, high wage jobs
  
    • improving our competitive advantage through increased global engagement, and attracting targeted local and foreign investment in the State.
  
  • **Melbourne’s North Innovation and Investment Fund ($10.6 million)** will continue to assist local economies experiencing structural adjustment and provide for new job opportunities. The program provides grants to attract new business activity and employment to Melbourne’s north.

• **Open Space in the Growth Corridors**

  Melbourne has a rich heritage of regional parks on its urban fringe. Large areas of the Dandenongs and Mornington Peninsula were protected as National Parks, to which many Metropolitan and Reservoir Parks were later added.

  Port Phillip Bay and Western Port also both provide coastal parks and beaches that attract many thousands of visitors for relaxation and water sports.

  These parks are now well connected by a network of shared use trails and a huge range of specialised facilities. They serve a critical function to protect natural habitats and preserve endangered species.
With growing evidence that access to parks is important for people’s physical and mental health, it is critical that all Victorians can access these benefits.

Our commitment to the principles of environmental justice means we want to address the current imbalance in the distribution of parks. We want the growth corridors of the north and west to enjoy the same ease of access as the east and south east regions do today.

For this reason a commitment was made in 2009 as part of Melbourne @ 5 Million to create six new outer urban parks.

So far three of these parks have opened their gates, but progress over the last four years has been slow.

- **Toolern Regional Park** – Stage 1 is a 130 hectare regional park managed by Parks Victoria, with fences, paths and minor visitor facilities. The Toolern Creek Park Masterplan sets out the overall concept for the completed park, which will be delivered over more than a decade as Toolern Vale develops as a new community.

- **Craigieburn grasslands** – An existing conservation reserve managed by Parks Victoria requiring additional funding for management and facilities.

- **Werribee River Regional Park** – The park is managed by Parks Victoria on land transferred from Melbourne Water along the Werribee River, south of Werribee as far as the Bay. It is open for public access and a Strategic Management Plan is being developed.

Three other parks remain in the planning phase. The boundaries for these parks will be determined in the respective Precinct Structure Plans.

- **Werribee Township Park** – This will run along the banks of the Werribee River, north west of Werribee and generally lies in the Ballan Road and Riverdale PSPs.

- **Kororoit Creek Park** – This protects the Kororoit Creek, west of Caroline Springs and north of Rockbank.

- **Cardinia Creek Parklands** – A linear strip of parklands along the Cardinia Creek, stretching from Berwick in the north to Officer in the south. Land for the northern section of the park has been acquired and is an existing reserve being managed by Parks Victoria.

Funding for development of the parks over a period of years will come from a mix of open space developer contributions, the Metropolitan Parks levy and State Government funding. Factoring in this capital requirement will be a key part of the proposed local infrastructure delivery plans.
• **Melbourne Strategic Assessment**

Melbourne’s growth corridors include a number of important areas of high conservation value. These include the remaining areas of native grasslands and woodland as well as habitat for endangered species such as the Matted Flax-lily, Spiny Rice-flower, Growling Grass Frog, Southern Brown Bandicoot and Golden Sun Moth.

Melbourne’s growth planning includes an overarching strategy for the protection of biodiversity. The Biodiversity Conservation Strategy and the Melbourne Strategic Assessment processes provide certainty for biodiversity protection, certainty for developer land allocation and certainty for the extent of the land to be developed for urban use. The strategy provides an efficient process which also assists the development industry. The approach involves a high level strategic assessment of the impact of a proposed development on species of plants and/or animals. Impacts are considered in accordance with State and Commonwealth requirements at a broad geographic and ecological level. Land reserves necessary to protect threatened species are set aside. Developers have certainty with respect to the assessment and reserve requirements as early as possible in the planning process. Land for reserves are provided at a functional scale for the identified species and impacts.

Progress on the establishment of biodiversity reserves which provide protection for species has been slower than expected, with current expenditure of approximately $5 million a year. To date, about 7 per cent (1,044 ha) of the 15,000 ha Western Grassland Reserves has been secured. A plan for the grassy eucalypt woodland will also be developed.