

PART 1: SETTING THE SCENE

1. INTRODUCTION

This report sets out the Victorian Government's proposals to:

- > Revise Melbourne's Urban Growth Boundary and designate land for development;
- > Plan the alignments of the Regional Rail Link (west of Werribee to Deer Park) and the Outer Metropolitan Ring / E6 Transport Corridor; and
- > Define the boundaries and management of grassland reserves in Melbourne's west.

The purpose of this report is to explain the rationale for these proposals in order to seek public feedback.

This report has been approved for public consultation by the:

- Acting Secretary of the Department of Planning and Community Development;
- Secretary of the Department of Transport;
- Acting Secretary of the Department of Sustainability and Environment; and
- Chief Executive of VicRoads.

It contains the findings of an Inter-Departmental Taskforce (the Taskforce) established to oversee the review of Melbourne's Urban Growth Boundary and the implementation of integrated land use and transport initiatives in Melbourne's new growth areas.

The Taskforce was formed in December 2008 after the Government's release of three key statements: *Melbourne 2030: a planning update – Melbourne @ 5 million*; *The Victorian Transport Plan* and *Freight Futures: Victorian Freight Network Strategy*.

The findings are based on information provided by Victorian Government departments, agencies and specialist consultants, as well as submissions made to the first round of public consultation by councils, land owners, development industry representatives and the wider community.

1.1 OBJECTIVES

The objectives are to:

- > Ensure Melbourne's outward growth occurs in a sustainable way by addressing the future settlement, employment and transport needs of Melbourne, having regard to the directions and policies of *Melbourne 2030*, *Melbourne @ 5 million*, *The Victorian Transport Plan* and *Freight Futures*.
- > Define a revised Urban Growth Boundary to manage the growth of Melbourne's metropolitan urban area.
- > Define alignments for the Regional Rail Link (west of Werribee to Deer Park) and the Outer Metropolitan Ring / E6 Transport Corridor.

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- > Inform the planning of other long term transport infrastructure projects required to support future growth in population and the way goods are moved across the metropolitan area.
 - > Identify opportunities for improving environmental outcomes within Melbourne's growth areas and protecting the values of adjoining green wedges including designating permanent grassland reserves in Melbourne's west.
 - > Provide certainty to local communities, developers and other investors about future development in the growth areas.

1.2 WHY THE URBAN GROWTH BOUNDARY NEEDS TO CHANGE

Melbourne's population is growing fast and will be home to five million people earlier than previously anticipated. *Melbourne @ 5 million* updates the metropolitan strategy: *Melbourne 2030: Planning for sustainable growth* and identifies the need to accommodate an additional 600,000 new dwellings in Melbourne over the next 20 years.

Of the new dwellings required, it is anticipated that 316,000 dwellings will be accommodated in the established areas and 284,000 dwellings will be accommodated in the growth areas of Melbourne. However, the existing growth areas are not large enough to accommodate all of these new dwellings required along with the employment, infrastructure and services needed for creating new sustainable communities.

A diversity of housing options and a strong pipeline of new land promote competition and choice for home buyers and help to maintain housing affordability. A combination of urban consolidation and greenfield development will be required to accommodate Melbourne's population growth.

The Government has committed to changing the Urban Growth Boundary only in response to compelling circumstances including updated population forecasts, the development capacity of existing urban areas, longer term growth issues and transport investment requirements.

The projected population growth and the need to provide enough land in the growth areas to maintain an adequate and competitive land supply to meet future housing needs are the compelling circumstances as to why, in *Melbourne @ 5 million*, the Government announced a process for reviewing the location of the Urban Growth Boundary around Melbourne's growth areas in 2009.

1.3 BASIS FOR THE TRANSPORT CORRIDORS

The Government has prepared a long term plan for managing Victoria's transport needs. In December 2008, along with *Melbourne @ 5 million*, the Government released two key transport planning documents: *The Victorian Transport Plan* and *Freight Futures: Victorian Freight Network Strategy*.

These documents identify a range of initiatives for improving people's transport choices; people's access to jobs and to other important destinations across the metropolitan area; and for improving the movement of freight. This includes two major projects: the Regional Rail Link and the Outer Metropolitan Ring / E6 Transport Corridor.

1.3.1 REGIONAL RAIL LINK

The Regional Rail Link is a 50 kilometre railway connection from west of Werribee to Southern Cross Station which will link the Melbourne-Geelong railway from west of Werribee to Southern Cross Station via the Melbourne-Ballarat railway, connecting at Deer Park. It delivers improved regional network outcomes and provides an opportunity for enhanced local passenger services. The Regional Rail Link received \$3.2 billion in the 2009 Federal Budget.

The Regional Rail Link will provide more frequent and reliable regional rail services, remove the bottlenecks where country trains reach the metropolitan network, and boost the capacity of the metropolitan rail system.

Once complete, the Regional Rail Link will:

- > Deliver capacity for an extra 9,000 regional and suburban passengers every hour;
- > Double the capacity of the regional rail commuter network when new carriages are taken into account;
- > Allow regional trains from Geelong, Ballarat and Bendigo to run express into Melbourne without being caught behind suburban trains; and
- > Free up critically needed space for additional suburban services on the Werribee, Sunbury and Craigieburn lines.

The Regional Rail Link - west of Werribee to Deer Park is one section of the overall Regional Rail Link project. The other section will use the existing rail corridors between Southern Cross Station and Deer Park.

The Regional Rail Link is therefore a critical consideration in planning for future urban development in the growth areas west of Melbourne.

1.3.2 OUTER METROPOLITAN RING / E6 TRANSPORT CORRIDOR

The Outer Metropolitan Ring / E6 Transport Corridor is a long term transport project that is a key part of the Government's proposed Principal Freight Network being established to manage the significant increases expected in the volume of freight and people moving around Victoria.

It is a 70 kilometre long corridor that is intended to link Werribee, Melton, Tullamarine and Craigieburn/Mickleham and connect to the proposed E6 Transport Corridor, which links Donnybrook to the Metropolitan Ring Road at Thomastown.

The Outer Metropolitan Ring / E6 Transport Corridor aims to:

- > Provide a high speed road and rail transport link for freight and people;
- > Enhance connectivity between key international transport hubs such as Melbourne Airport, Avalon Airport and the Port of Geelong;
- > Improve access to the proposed Donnybrook/Beveridge Interstate Rail Terminal;
- > Serve as an important route to interstate and major regional destinations;
- > Link outer metropolitan communities to major employment areas in the north and west of Melbourne; and
- > Improve access in this major employment corridor which includes Avalon Airport, Werribee, Melton, Melbourne Airport and Donnybrook.

The Principal Freight Network also includes establishing a new interstate intermodal terminal near Beveridge and the development of metropolitan freight terminals to service key industrial precincts to the west and south-east of Melbourne.

The location of the Outer Metropolitan Ring / E6 Transport Corridor and freight terminals are important considerations in defining the revised Urban Growth Boundary.

1.4 DELIVERING SUSTAINABLE COMMUNITIES

The outward expansion of Melbourne and the planning of major transport corridors must occur in a sustainable way. This Review provides an economic, social and environmental rationale for the locations of Melbourne's new Urban Growth Boundary, Outer Metropolitan Ring / E6 Transport Corridor and Regional Rail Link (west of Werribee to Deer Park).

It specifically addresses the need to:

- > Plan for the future employment needs of growth area communities;
- > Deliver adequate infrastructure to service new communities; and
- > Minimise the impact of urban development on Melbourne's green wedges.

1.4.1 IMPROVING EMPLOYMENT OPPORTUNITIES

The current city structure contributes to differences in employment patterns across the metropolitan area, with inner areas providing the highest job density. Historically, communities in outer Melbourne have experienced high levels of population growth and low levels of employment growth. In outer western Melbourne particularly, there is a gap between local labour supply and employment opportunities which has resulted in longer commuting times to places of work.

The strong growth of jobs in the inner area means that the transport system must provide for increasing numbers of journeys to work from widely dispersed residential areas to a relatively small central core, which is becoming increasingly congested. Remedying this congestion through new infrastructure is expensive and difficult as the transport networks run through relatively dense urban areas.

The concentration of jobs in the inner region also increases the economic and social costs to employees, who more often will be living in the outer and fringe areas of Melbourne.

In response, the Victorian Government has developed a range of initiatives that will change the city's settlement structure, including the designation of six large Central Activities Districts and a number of employment corridors.

An important objective is to improve the distribution of jobs so that people can work closer to where they live - to reduce congestion on roads and trains, provide more equitable access to employment, and reduce impacts on the environment.

In revising Melbourne's Urban Growth Boundary it is important that sufficient land is allocated in appropriate locations for a range of local and regional employment uses.

For further information refer to the Discussion Paper on Employment.

1.4.2 PROVIDING INFRASTRUCTURE TO GROWTH AREA COMMUNITIES

Finding the most efficient way to use and augment existing infrastructure including transport, water, drainage, power, and sewerage is critical to determining where growth should occur. Typically this means greenfield extensions of Melbourne need to be adjacent to existing urban development and build on existing or already planned infrastructure networks. The most important principle is to ensure new areas are planned around existing or potential high capacity public transport corridors.

To ensure new growth areas are adequately serviced with infrastructure, a new Growth Areas Infrastructure Contribution will apply to all land that was brought into the Urban Growth Boundary in 2005, and land designated for urban development that is brought within the Urban Growth Boundary as a result of the current review. The contribution will only contribute part of the cost of providing infrastructure and services in growth areas. The majority of funds will continue to be required from the State and Council budgets. The Victorian Government also intends to reform local infrastructure charges in the growth areas.

1.4.3 PROTECTING AND ENHANCING MELBOURNE'S GREEN WEDGES

The ability to expand the metropolitan area is constrained by a range of natural features and by values given to the natural and built environment by the community.

Melbourne is surrounded by 12 non-urban areas known as green wedges. These green wedges provide important protection to areas of environmental or scenic sensitivity and are strategic locations for uses that need separation from residential areas such as intensive agricultural uses and quarries.

In the past, limits to outward growth have been placed in a number of green wedges such as the Dandenong Ranges, Yarra Valley and the Mornington Peninsula. The values of these green wedges have been acknowledged and measures taken to ensure their proper planning and management for non-urban purposes.

As outlined in *Melbourne @ 5 million*, the Government remains committed to protecting Melbourne's green wedges and sets out future priorities for their management. It has acknowledged that any change to the Urban Growth Boundary may impact on the green wedges and that there are limits to Melbourne's settlement patterns.

The capacity for further growth in the Casey-Cardinia growth area in the south-east of Melbourne is limited because of physical and environmental constraints including:

- > Koo Wee Rup swamp and floodplain;
- > Western Port 'Ramsar' wetlands (to be protected from urban stormwater run-off); and
- > Foothills of the Dandenong Ranges (fire prone and of scenic and environmental value)

These major limiting factors were signalled in *Melbourne 2030* in 2002: 'Eventually the focus of growth will need to shift from the south-east to the north and west' and reiterated in *A Plan for Melbourne's Growth Areas* in 2005: 'There are severe limits to additional growth in Casey-Cardinia and in most of the south-eastern region of Melbourne beyond 2030'.

There are environmentally significant features present in other green wedges of Melbourne that affect the planning of new communities and transport corridors. For instance, the expansion of Wyndham and Melton growth areas is constrained by large remnant grassland areas of national significance.

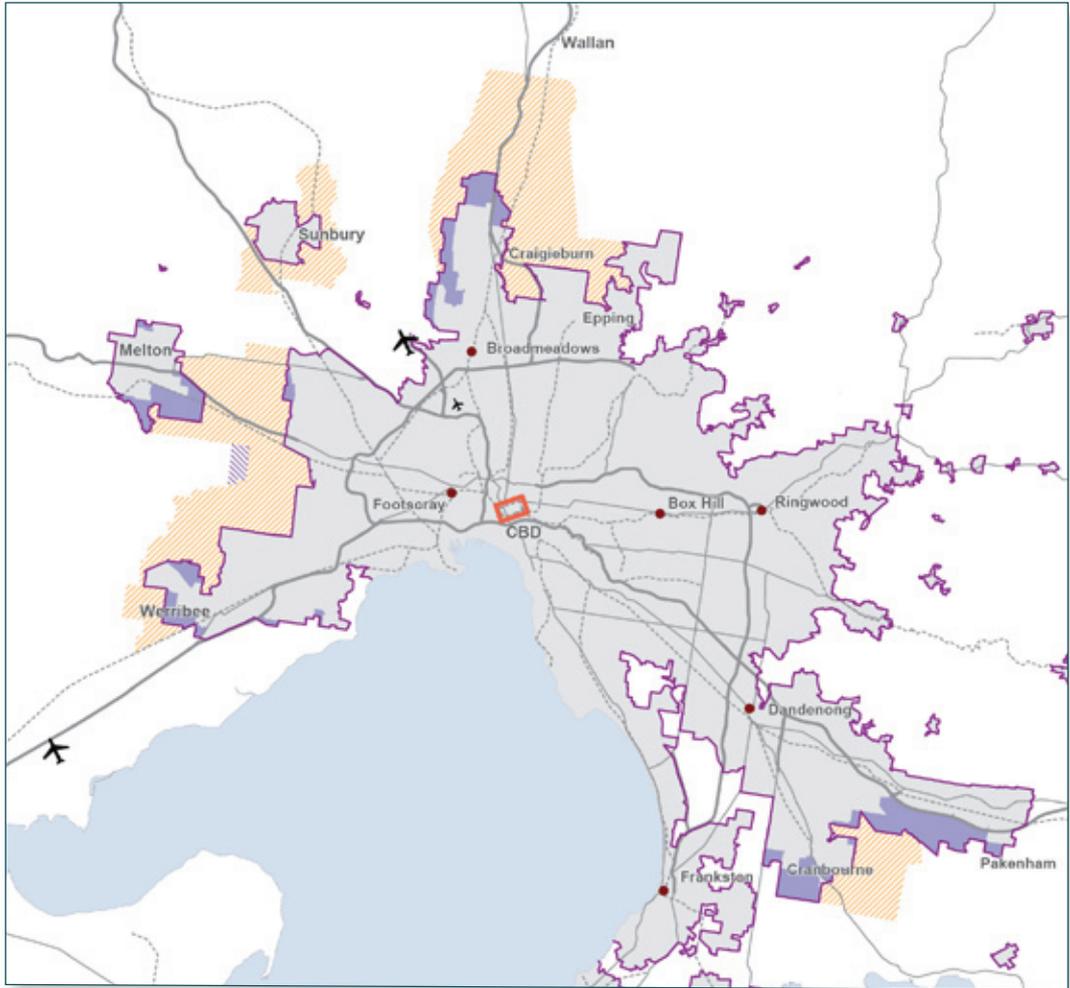
Given these constraints, *Melbourne @ 5 million* designated four Investigation Areas to consider expanding the Urban Growth Boundary to Melbourne's west (Wyndham and Melton-Caroline Springs growth areas), north (Hume-Mitchell-Whittlesea growth area) and in a much smaller area in the south-east (Casey-Cardinia growth area). It also identified proposed grassland areas for protection in Melbourne's west.

In May 2009, the Victorian Government changed the boundary of the Investigation Area to Melbourne's west because of field investigations identifying the presence of nationally listed Volcanic Plains Grasslands east of Troups Road, Melton.

This report sets out the results of reviewing the Investigation Areas and includes maps showing the proposed new Urban Growth Boundary, the preferred alignments of the Regional Rail Link and Outer Metropolitan Ring / E6 Transport Corridor and the areas for the proposed grassland reserves.

2. NEXT STEPS

CONTEXT MAP



- Land added inside UGB since 2005
- Area within UGB prior to 2005
- Investigation Area for potential inclusion within revised Urban Growth Boundary
- Extension of Investigation Area
- Central Business District (CBD)
- Urban Growth Boundary
- Freeway
- Highway
- Rail line
- Airport
- Central Activities Districts



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2.1 PUBLIC CONSULTATION

The Victorian Government is now seeking public feedback on:

- Melbourne’s revised Urban Growth Boundary and the land designated for development.
- An alignment for the Outer Metropolitan Ring / E6 Transport Corridor.
- An alignment for the Regional Rail Link (west of Werribee to Deer Park).
- The boundaries and management of proposed grassland reserves in Melbourne’s west.

Public feedback is also sought on the findings set out in the *Strategic Impact Assessment Report for Environment Protection and Biodiversity Conservation Act, 1999*.

Before a final decision is made, the Victorian Government will consider all submissions received. The Commonwealth Government Minister for the Environment, Heritage and the Arts will be advised of the detail of submissions received regarding the strategic assessment of matters of national environmental significance.

The results of the first round of public consultation that was conducted from December 2008 to February 2009 has informed the findings of the Taskforce.

2.2 ENVIRONMENTAL IMPACT ASSESSMENTS

A proposal to undertake any action that could have a significant impact on matters of national environmental significance requires approval from the Commonwealth Government. Under section 146 of the *Environment Protection and Biodiversity Conservation Act, 1999* the Victorian Government has entered into an agreement with the Commonwealth Government to undertake a strategic assessment of the likely impact of expanding Melbourne’s Urban Growth Boundary and delivering the related major transport projects on matters of national environmental significance.

The benefit of conducting a strategic assessment at this early stage is that it enables national environmental matters to be considered at a regional level rather than at a more site specific planning level. This facilitates more efficient decision-making and brings into consideration an appreciation of impacts on the wider environment.

The strategic assessment applies to the following:

- > The designation of areas for future urban development within an expanded Urban Growth Boundary as proposed in the *Melbourne @ 5 million* report (2008);
- > The Outer Metropolitan Ring Transport Corridor and its extension into the E6 Transport Corridor; and
- > The Regional Rail Link Corridor (west of Werribee and Deer Park).

The strategic assessment also applies to areas inside the existing Urban Growth Boundary that are to be subject to the Victorian Government's precinct structure planning process. This includes precincts where a planning scheme amendment to facilitate the precinct structure plan has not commenced exhibition under ss17- 19 of the *Planning and Environment Act, 1987* by 26 May 2009.

Following public consultation, the Victorian Government will provide an action plan for mitigating the likely impact of development on matters of national environmental significance to the Commonwealth Government for approval.

This will enable the Victorian Government to make its decision on the precise changes needed to Melbourne's Urban Growth Boundary and the preferred alignments for the Regional Rail Link and Outer Metropolitan Ring / E6 Transport Corridor with greater confidence.

The Regional Rail Link (west of Werribee to Deer Park) and the Outer Metropolitan Ring / E6 Transport Corridor project proposals have been referred to the Minister for Planning under the *Environment Effects Act, 1978* and decisions will soon be made as to whether further environmental impact assessments of the effects of project works are required. It is also possible that other major urban development and infrastructure projects (within the proposed new Urban Growth Boundary) put forward in the future may be subject to assessment under the *Environment Effects Act, 1978*.

2.3 GOVERNMENT APPROVAL

An amendment to the *State Planning Policy Framework* and affected council planning schemes is required to change the Urban Growth Boundary and protect land for the future development of the transport corridors and Regional Rail Link, as well as for the western grassland reserves.

Land that is considered suitable for development and brought into the expanded growth areas is likely to be designated Urban Growth Zone, consistent with the intent of growth area planning.

Appropriate planning controls will be given to land designated for the proposed transport corridors and to land identified as unsuitable for urban development. Land may be considered unsuitable for development due to a range of reasons such as being in a floodway, having valuable landscape features, containing significant biodiversity areas, and/or being earmarked for major infrastructure.

The re-zoning of land within the new Urban Growth Boundary will occur at the same time the boundary is introduced.

Under the *Planning and Environment Act, 1987*, the Minister for Planning is required to seek ratification by both Houses of Parliament of any change to the Urban Growth Boundary.

Approval and ratification of the amendment will only occur after the Commonwealth Government has endorsed the urban development program and approved the actions resulting from the strategic assessment of national environmental matters.

2.4 PREPARATION OF GROWTH AREA FRAMEWORK PLANS

Following approval of the revised Urban Growth Boundary, Growth Area Framework Plans will be prepared for each of the expanded growth areas. Growth Area Framework Plans provide the regional policy direction in which planning urban growth occurs. They show the broad land use patterns, transport networks, regional open space, major waterways and areas of potential environmental sensitivity.

The process will be jointly led by the Department of Planning and Community Development and the Growth Areas Authority with involvement by Victorian Government departments and agencies and growth area councils. There will be an opportunity for the public to comment on the draft plans.

The timetable for preparing the Growth Area Framework Plans will be determined once the new Urban Growth Boundary has been confirmed. Once developed, the Plans will be submitted to the Minister for Planning for approval and incorporated into affected planning schemes.

2.5 PREPARATION OF PRECINCT STRUCTURE PLANS

In order for development to occur, a Precinct Structure Plan must be incorporated into the local planning scheme to guide the use and development of land in the precinct over the longer term.

Precinct Structure Plans set the future structure for a new suburb. They provide more detail on the land uses defined by the Growth Area Framework Plan by identifying housing yields and the location of neighbourhood activity centres, local employment, parks, community facilities and services. They will therefore provide the basis for confirming the precise boundaries of land deemed to be suitable for urban development and for addressing how environmental issues will be managed.

The Growth Areas Authority will oversee and work with councils, Government departments and agencies, land owners, developers and communities to prepare Precinct Structure Plans for land within new growth areas.

For further information refer to the Precinct Structure Planning Guidelines.

FIGURE 2: PLANNING PROCESS

