

# Melbourne 2030: a planning update

## Melbourne @ 5 million



## Glossary

New Term	Definition
Employment corridor	A corridor that contains and links a number of large employment precincts.
Employment precinct	A location with a large concentration of jobs.
Central Activities District	The highest order activity centres with the greatest variety of uses and functions and the most intense concentration of development.
Growth Areas Infrastructure Contribution	A contribution required from sellers of land in growth areas to provide essential infrastructure needed for new communities.

Only new terms have been highlighted in this update. *Melbourne 2030* provides an extensive glossary of terms.



## Message from the Premier and Minister for Planning

Melbourne is a city full of life. Its strong economic fundamentals and attractive and liveable suburbs give Melbourne a vitality that is drawing more and more new people to our city.

Melbourne also has a proud history in city planning. *Melbourne 2030* is the Victorian Government's plan for managing Melbourne's growth and development. The plan continues to provide a firm foundation on which to build.

The release of *Victoria in Future 2008* with new population projections for the State provides an opportunity to take stock of new trends, re-evaluate and make adjustments.

It allows us to look at the population and settlement projections on which *Melbourne 2030* was based and consider the implications of these new projections for the future shape of Melbourne.

*Melbourne @ 5 million* is designed to provide choice and opportunity for an anticipated future. The exact point in time when we will reach five million people is not certain. What is certain is that it will happen and we need to be ready.

The Brumby Government is updating our plan for the future growth of Melbourne because we want to ensure our liveability and quality of life is preserved and enhanced into the future.

This update has a strong focus on building jobs and services in key Central Activities Districts and employment corridors that are closer to home.

The update also outlines the need to direct future growth to the north and west of Melbourne and to investigate how to extend Melbourne's growth areas. We will also need to continue to support the good work councils are doing in identifying suitable redevelopment sites in the established areas of Melbourne.

We look forward to Melburnians supporting the evolution of our city. This is how we can continue to be the best place to live, work and raise a family.

**John Brumby**  
Premier

**Justin Madden**  
Minister for Planning

# Introduction

This planning update outlines the implications of the *Victoria in Future 2008* growth projections for Melbourne's future settlement pattern and provides essential context for the *Victorian Transport Plan*.

Melbourne is growing and changing. We now know that the city's population will pass the original *Melbourne 2030* population projections before 2020 and is likely to reach five million before 2030. The pace of population and economic growth, combined with the challenges of climate change, housing affordability and transport congestion, collectively influence the shape of Melbourne.

Actively managing Melbourne's growth and change is an important part of Melbourne's future liveability.

## Planning for growth

Released in 2002, *Melbourne 2030* provides a long-term plan for Melbourne and the surrounding region.

*Melbourne 2030* directs growth to activity centres and the five designated growth areas, and identifies 12 green wedges. It also introduced the Urban Growth Boundary as a tool to manage the outward growth of metropolitan Melbourne.

We know that the principles and directions of *Melbourne 2030* are more relevant than ever. The Government's response to the independent audit of *Melbourne 2030* – *Planning for all of Melbourne (May 2008)* – set out a series of commitments and actions to guide the ongoing implementation of *Melbourne 2030*.

This included a commitment to:

**“prepare longer-term plans for Melbourne's growth, informed by the latest population and economic growth forecasts, transport network needs, climate change and other environmental and community needs”.**

*Melbourne @ 5 million* delivers on this commitment. *Melbourne @ 5 million* is an important refinement to some of the key directions of *Melbourne 2030*.

## The Victorian Transport Plan

*Melbourne @ 5 million* has been prepared in consultation with the Department of Transport to ensure that the future shape of Melbourne and Victoria is well serviced by an integrated and modern transport system.

The initiatives and projects in the *Victorian Transport Plan* will be based on the latest population projections from *Victoria in Future 2008* and the planning analysis of Victoria's future settlement patterns contained in *Melbourne @ 5 million*.

## Effect of this update

*Melbourne @ 5 million* provides complementary policy initiatives to the directions of *Melbourne 2030* and the two documents should be considered together.

The policy refinements arising from this update will be incorporated into the Victoria Planning Provisions to ensure the full intent is implemented in the planning system.

## What's new? *Melbourne @ 5 million*

### **A more compact city**

- Designation of six new Central Activities Districts with CBD-like functions.
- Employment corridors to improve accessibility to jobs and services and reduce congestion on the transport network.
- Established areas to accommodate 53 per cent of new dwellings.

### **Better management of growth**

- Growth areas to accommodate 47 per cent of new dwellings.
- Investigation areas in the north and west, with a small proportion in the south east, for potential extensions to the growth areas.

- More efficient use of greenfield land with a target of 15 dwellings per hectare.
- Amendment to the operation of the growth areas infrastructure contribution and the removal of the requirement for the contribution from land included in the Urban Growth Boundary prior to 2005.
- Consideration of the unique green wedge values in the investigation of changes to the Urban Growth Boundary.

### **Networks with the regional cities**

- Efficient and effective links between Melbourne and Victoria's regional centres.
- Regional blueprint to be released in 2009.

### **A greener city**

- Creation of two grassland protected areas in Melbourne's west.







# The growth challenge for Melbourne

## Unprecedented population growth

Government investment in key services for families, our strong economic fundamentals and our reputation as one of the world's most liveable and affordable cities have delivered strong population growth. More people are moving to Melbourne, less are leaving and births have reached record levels.

This presents Melbourne with a number of growth challenges.

Recent analysis of the 2006 Census and Australian Bureau of Statistics information has revealed a higher rate of growth than previously anticipated.

The average rate of population increase in Melbourne's growth areas between 2001 and 2006 has been 4.1 per cent. The current supply of land in the growth areas can continue to meet this demand for up to 10 years.

The average rate of growth in established areas has been 0.9 per cent.

*Victoria in Future 2008* projections indicate that over the **30** years from 2006 to 2036, Victoria will grow by 2.3 million people, with 1.8 million additional people in metropolitan Melbourne and about 477,000 in regional Victoria.

For Melbourne this means the population will reach five million much faster than projected.

An additional 600,000 dwellings will need to be accommodated over the next **20** years of which:

- almost 316,000 dwellings are anticipated to be in Melbourne's established areas, where access to trams and other public transport services will be important; and
- over 284,000 dwellings are anticipated to be in Melbourne's growth areas.

## Linking transport, jobs and land use planning

Recent transport modelling, combined with the population and household projections, demonstrate that Melbourne's transport performance is greatly affected by journey to work patterns. These patterns are driven by the distribution of jobs relative to where people live.

In 2006, 1.86 million people had jobs in Melbourne. This is expected to grow to nearly 3 million by 2036.

Most of these jobs are located in central and inner Melbourne with a jobs ratio of more than 3 local jobs for every resident of working age. This ratio drops to 0.7 in Melbourne's west and 0.8 in Melbourne's east.

The current city structure contributes to employment pattern differences across Melbourne. The inner area has a high proportion of office and specialised service jobs while employment on the fringe is more skewed to retail, community service and industrial jobs.







As the metropolitan area continues to grow, more people in the growing outer areas will be required to commute lengthy distances to work. Access to the inner and middle areas will become more and more congested.

Research shows that people are willing to spend up to 45 to 60 minutes each way commuting to and from work. An increasing number of people already spend longer than this to reach their workplace. Government planning and transport policy should seek to reduce these commuting times as much as possible.

This pattern of commuting has environmental consequences. Demand for travel is forecast to steeply increase, with cars and trucks likely to remain the primary mode of transport. The challenge to reduce greenhouse gas emissions is significant.

There is an emerging employment precinct around the Monash/Kingston area and potential for significant jobs growth in the growth area councils such as Hume, Wyndham and Casey. In the west of Melbourne a high proportion of people have jobs in central and inner Melbourne placing pressure on the transport system in this area.

It is unlikely, however, that the distribution of jobs will change enough to make a difference to travel demand without Government intervention.

The provision of more jobs outside central Melbourne will be a major focus of future policy development in partnership with business and local government in coming years.

## Limits to settlement

Over the next 15 to 25 years sustainable options for further outward expansion in the Casey-Cardinia growth area will come to an end, given 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).

The landscape and economic values of the Mornington Peninsula are also highly prized by the community and protected by Government policy.

There will remain an ongoing demand for additional houses in the south-east despite the diminishing land supply. Lessons learned from closing off the former eastern growth corridor where redevelopment ‘jumped back’ towards Box Hill, suggests that new development opportunities are most likely to be sought in the corridor between Caulfield and Dandenong.

Planning for the Wyndham growth area is constrained by large remnant grassland areas. The Government is committed to the creation of two large areas as grassland protected areas.

The resolution of these biodiversity and settlement issues will influence the location of transport corridors.

# Moving to a multi-centre city

A refined settlement pattern is needed to ensure that Melbourne remains liveable as our population approaches five million.

The shape of Melbourne's metropolitan development, with a strong central city and a widespread network of activity centres and suburban industrial areas, has served the community relatively well until now. It will not, however, operate as effectively for a population of five million people and more.

A refinement of the settlement pattern for metropolitan Melbourne is required to accommodate the higher level of growth and manage its impacts – particularly as we adjust our lives to the reality of climate change.

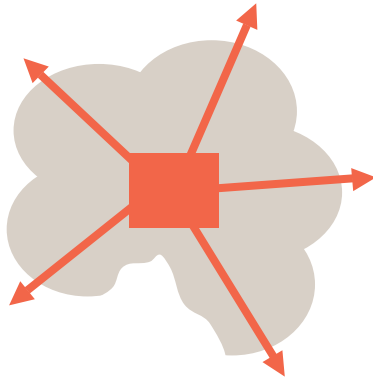
The imbalance between the location of jobs and where people live is increasing congestion on the transport networks in the inner and middle suburbs. The predominance of single direction travel during morning and evening peaks congests roads and public transport. Outer suburban dwellers experience long commute times and are much more likely to use cars as their primary means of travel.

Placing greater emphasis on urban renewal and employment locations in established areas (not just the CBD), and maintaining an adequate supply of land for new communities, will assist in keeping housing affordable while alleviating pressure on our transport system.

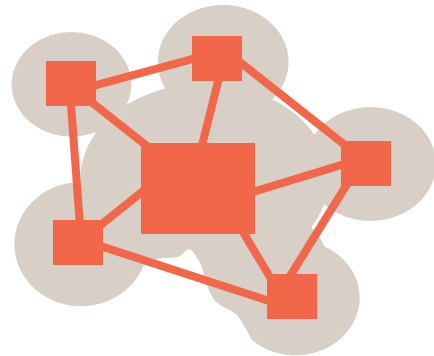
Outward growth also needs to become even more efficient in the use of land and infrastructure.



## Single Centre vs Multi-Centre City Structure



**One Major Centre**  
'Monocentric'



**Multiple Major Centres**  
'Polycentric'

We need a 'multi-centre' city structure that builds on the principles and directions of *Melbourne 2030* but acknowledges the need for a better distribution of jobs and activity, so that Melburnians can work closer to where they live.

Moving from one CBD to a number of CBD-like centres will reduce congestion and enable people to spend less time commuting to and from work and more time with their family.

The settlement structure needed to deliver these outcomes will have the following characteristics:

- **several large centres** with employment as a key focus rather than one dominant Central Business District;
- **employment corridors** with multiple employment opportunities along a selected number of high capacity public transport corridors;

- **targeted redevelopment** to increase levels of housing and employment in established areas close to where people reside, particularly where the tram network can support this level of change; and

- **new sustainable communities** that provide jobs and housing in growth areas in the north and west, recognising the diminishing options in the south east.

Delivering this new structure will require planning for the connectivity, capacity and functionality of the transport system, particularly in the west of Melbourne.

This settlement structure will continue to be supported by the wider network of activity centres as designated in *Melbourne 2030*.





# Central Activities Districts

Several designated centres will be the focus of a substantial proportion of future employment growth and public investment.

Six new Central Activities Districts will provide:

- similar services and functions to central Melbourne, such as commercial, retail, highly specialised personal services, entertainment, education, government and tourism;
- significant employment concentrations;
- high quality, well designed, living and working urban environments.

The following centres will be promoted as Central Activities Districts in the hierarchy of centres in *Melbourne 2030*. Government will focus planning and investment in six Central Activities Districts:

- Box Hill
- Broadmeadows
- Dandenong
- Footscray
- Frankston
- Ringwood

The future development of Central Activities Districts in Victoria's major provincial cities will be an issue considered as part of our regional blueprint.

Each centre will differ in role, catchment and opportunities; however, all are of State and metropolitan significance. The Government will tailor its support for each centre appropriate to its circumstances, and the type of support will change over time.

## What are Central Activities Districts?

Central Activities Districts will provide:

- Significant CBD-type jobs and commercial services;
- A strong and diverse retail sector;
- Specialised goods and services drawing on a large regional catchment;
- Significant opportunities for housing redevelopment in and around these centres;
- High levels of accessibility for walking, cycling, public transport or car by being located at a junction in the Principal Public Transport Network; and
- Vibrant centres of community activity with a range of public facilities.

### Refined policy

*Melbourne 2030* provides for a network of activity centres of varying roles and functions to allow for their orderly planning and development.

The scale of growth now anticipated suggests a need for six designated Principal Activity Centres to be reclassified as Central Activities Districts.

These centres come into the typology of centres as follows:

- Central Activities District
- Principal Activity Centre
- Major Activity Centre
- Specialised Activity Centre
- Neighbourhood Activity Centre.

The six new Central Activities Districts will be the focus of Government planning to help cater for and sustainably manage the anticipated scale of growth and change.



Dandenong is already receiving significant Government assistance with its planning as well as direct investment in development and this will continue. Additional investments in Footscray, Broadmeadows, Box Hill, Ringwood and Frankston will occur to facilitate land assembly, infrastructure development and private investment.

The scale of development will require close attention to the transport needs of these centres and their surrounding regions and to the connections between Central Activities Districts along employment corridors. Attention will also be paid to the community infrastructure required to support higher population levels.

Investments in Central Activities Districts will build on the achievements of the Transit Cities program which has served as the initial demonstration program for transit oriented development.

Activity centres not designated as Central Activities Districts will remain eligible for Government investment and support through programs such as Creating Better Places and the Expert Assistance Program.

Existing commitments to regional transit cities will continue.

## Employment corridors

Central Activities Districts will be supported by employment corridors that link activity centres, universities, research and technology precincts, medical precincts, and areas with high employment.

Employment corridors will:

- provide for substantial increases in employment, housing, education and other opportunities along each corridor and better link them through improved transport connectivity;
- link the growing outer areas to a greater choice of jobs, services and goods in the corridors; and
- provide transport networks that allow circumferential, in addition to radial, movements.

Three employment corridors will be given priority attention by the Government through this process:

- Avalon Airport to Werribee, Melton, Melbourne Airport and Donnybrook (Hume-Mitchell);
- Caulfield to Dandenong; and
- Monash University/Chadstone to Box Hill, Austin Hospital and Bell Street.

Improving the distribution of employment in and closer to the growth areas will help reduce congestion, particularly in the west, and achieve social objectives by providing more equitable access to employment.







The growth areas need to provide significant local employment opportunities and in some areas, provide large scale industrial or other more regional employment generators.

The Government will work with the business community and local Government to:

- examine the corridors in detail to determine areas (parts of corridors/precincts) and sites with redevelopment opportunities;
- produce a plan for each employment corridor (or part of a corridor) that sets out the desired development outcomes, the public realm improvements required, and any infrastructure needs; and
- review and where necessary change planning controls to facilitate the desired outcomes.

Other employment corridors including Ringwood to Box Hill and Hawthorn, and Melton to Sunshine and North Melbourne, are also important for the future development of Melbourne and will evolve over time.

## Werribee Employment Precinct

The Werribee Agriculture and Food Technology Precinct is the largest undeveloped piece of land owned by the Government in the metropolitan area. The 925 hectare precinct is currently home to a number of research and development organisations, including Food Science Australia, and small campuses of Melbourne University and Victoria University of Technology.

Recognising the importance of encouraging more jobs in the west of Melbourne, the Government will expand the vision for this precinct, building on the emerging technology precinct to provide a larger number and of jobs across a wider range of industries and sectors, required for the growing western suburbs.

The future mixed use Werribee Employment Precinct will provide more job opportunities closer to where people live so there is less need to travel into the city for work. This will help to reduce congestion on the roads and CBD public transport services. The precinct will showcase sustainable design with an emphasis on water, energy and transport efficiency.

The Department of Planning and Community Development, in partnership with the Department of Innovation, Industry and Regional Development and VicUrban, will finalise a Development Strategy for Stage 1 of the Werribee Employment Precinct in 2009.





# Strategic expansion of Melbourne

## Established suburbs

Over the next 20 years, the established suburbs are projected to accommodate a higher number of households than anticipated by *Melbourne 2030*.

To manage this growth and preserve liveability, the focus will be on locating more intense housing development in and around activity centres, along tram routes and the orbital bus routes on the Principal Public Transport Network, in areas close to train stations and on large redevelopment sites.

Designated heritage buildings and precincts will continue to be protected and high standards of urban design will be expected.

More intensive development will occur along major public transport services in the inner Melbourne area, like the tram network. These will provide significant opportunities for more affordable housing on 'market friendly' development sites.

In *Planning for all of Melbourne*, the Government committed to supporting councils to meet the challenges of providing more housing in established areas. Six pilot projects will collect information on demand for housing and development trends. They are currently scoping the availability and limitations of infrastructure and development opportunities in local areas. Lessons learned will be applied across all of Melbourne.

## Pilot Project - Inner North Sub-Region

The Inner North Sub-Region of Melbourne takes in the southern part of the Cities of Moreland and Darebin. It is an area rich in public transport and local amenities and has vibrant activity centres within 10 kilometres of the city. House prices and demand for new housing are increasing in the area and traditional manufacturing jobs are giving way to more in the service sector.

The Department of Planning and Community Development is working collaboratively with the Councils to help the sub-region reach its full potential. This includes:

- freeing up surplus industrial land which is located in and around activity centres;
- exploring whether more housing can be accommodated along transport corridors and where there are opportunities for high quality medium to high density housing developments; and
- improving public spaces to help stimulate private investment as well as to show that the area is changing for the better.

## Growth Areas

Higher growth will also occur in our designated growth areas. The growth areas are projected to increase by 284,000 dwellings over the next 20 years.

In the long term, there will be comparatively little land supply for development in Melbourne's south-east. The focus of future growth will need to shift from the south-east to the north and the west of Melbourne.

With rapid population growth, assessments show the available greenfield land supply is below the Government's policy threshold of supply and that a review of the Urban Growth Boundary is needed.

A strong pipeline of new land will promote competition and choice for home buyers and will also help maintain housing affordability in Melbourne – with Victoria having the most generous incentives in place for first home buyers of newly constructed homes.

New communities need to be planned and designed to be of sufficient population size within service catchments to support and sustain the levels of new infrastructure, services and jobs residents now expect. To enable this, the Government will:

- encourage average overall residential densities in the growth areas to be a minimum 15 dwellings per net developable hectare. This target reflects ongoing development trends in growth areas which has seen residential densities increase to around 12 dwellings per hectare today with many new estates already pushing towards the preferred minimum of 15;
- lead the Precinct Structure Plan process to ensure the coordinated and efficient delivery of infrastructure; and
- re-affirm its *Melbourne 2030* commitment to growth areas being served by high capacity public transport.

These changes to the settlement pattern of Melbourne will influence the future planning for a range of physical and community services.





## Investigation Areas

Areas to be considered for inclusion within the growth areas are designated Investigation Areas on the accompanying maps.

The proposed Investigation Areas are larger than required to provide for a meaningful consideration of constraints such as floodways and quarries. Such areas will ultimately be precluded from development.

### Melbourne west

#### **Melton-Caroline Springs Growth Area**

The investigation area is located between Melton township and Caroline Springs.

Decisions about the key transport infrastructure for this region in the future will have a strong influence on the structure of new communities as well as the location of land for new employment.

Investigation Area: 11,524 ha  
Minimum Required: 4,080 ha

### Melbourne west

#### **Wyndham Growth Area**

The Wyndham investigation area is constrained by significant western grasslands classified as critically endangered by the Commonwealth.

Investigation Area: 8,351 ha  
Minimum Required: 5,375 ha

### Melbourne north

#### **Hume-Mitchell-Whittlesea Growth Area**

In Whittlesea, the focus of investigation will be on areas to the north of 'Epping North'. The native red gum forests will be among the issues considered.

In Hume, a major focus of investigation will be on areas in northern Hume and southern Mitchell Shire to take advantage of the existing road and rail corridors and major opportunities for new employment and freight/logistics functions.

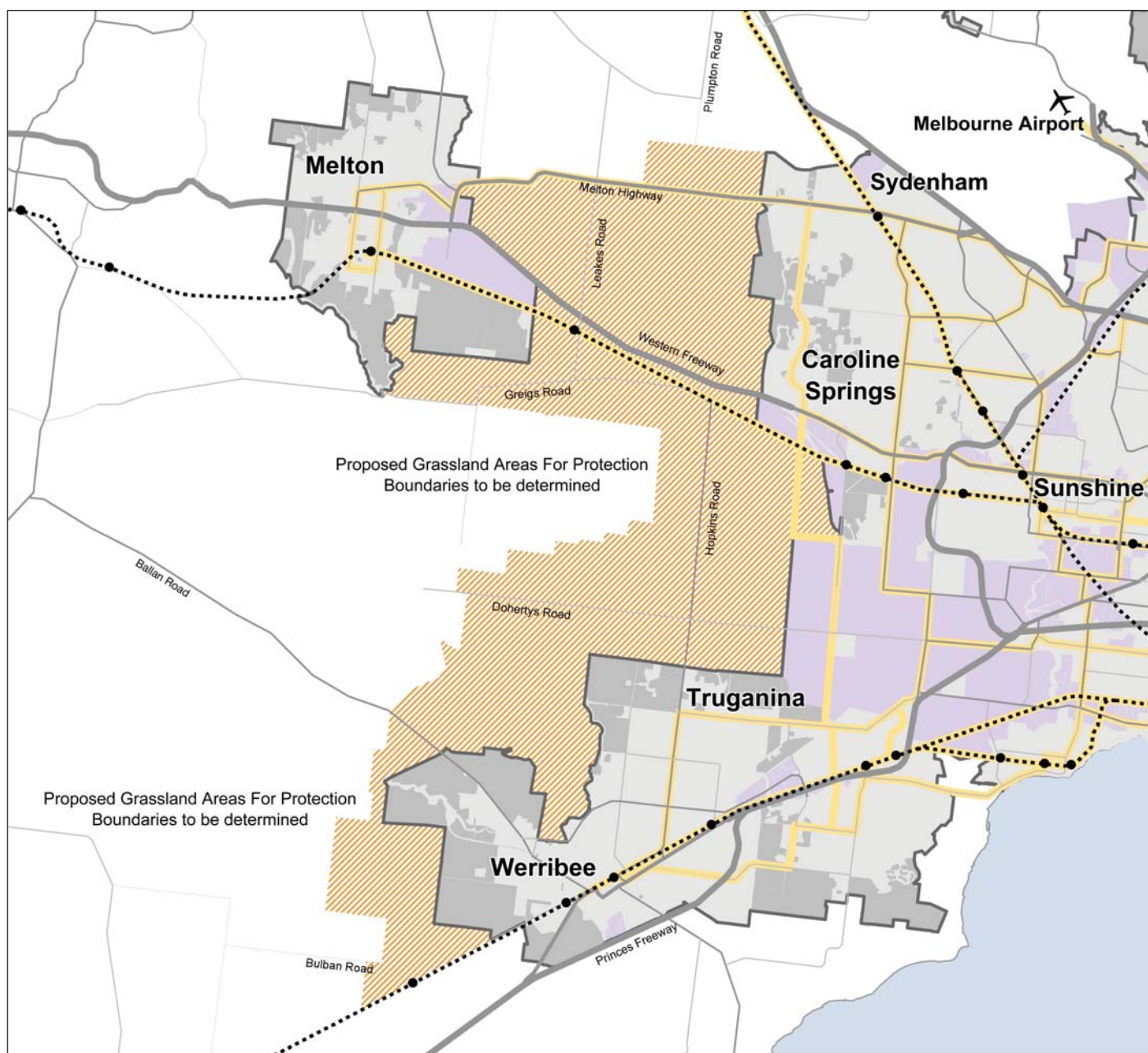
Investigation Area: 25,385 ha  
Minimum Required: 10,500 ha

### Melbourne south east

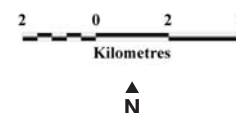
#### **Casey-Cardinia Growth Area**

The investigation area identified south-east of Cranbourne is the last remaining area that can be sustainably developed in the Casey-Cardinia growth area. Care must be taken to ensure that new areas can be developed with little or no detrimental impact on the water quality of Western Port.



Investigation Area: 5,560 ha  
Minimum Required: 2,900 ha





**Melbourne West**



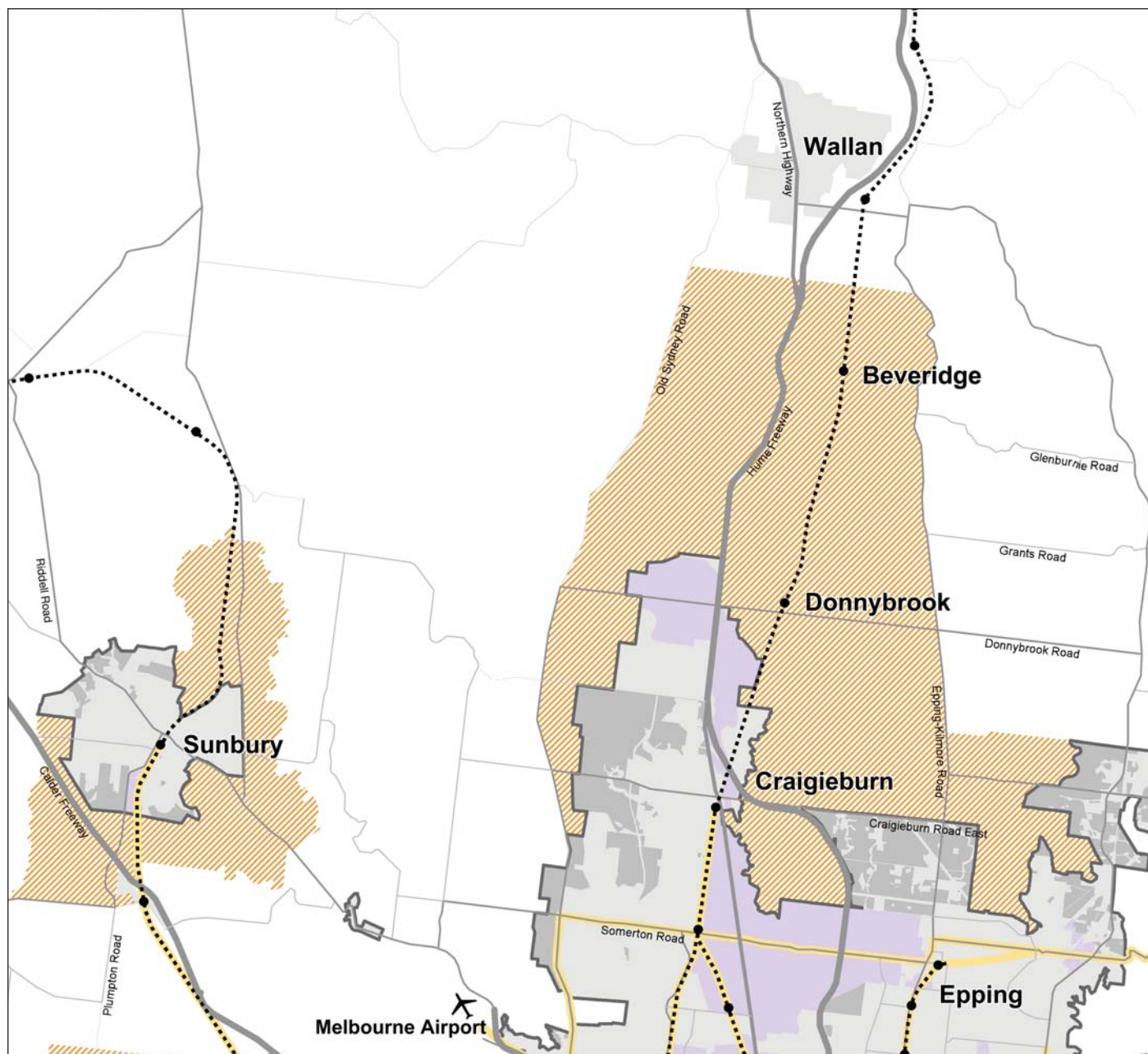
**Legend**

-  Investigation Area
-  Existing Urban Area
-  Growth Area Development Land Within UGB
-  Major Employment Area
-  Principal Public Transport Network
-  Urban Growth Boundary

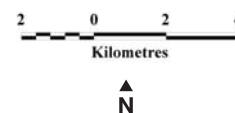
-  Major Road
-  Rail Line / Station

**Melton-Caroline Springs Growth Area**  
Investigation Area: 11,524 ha  
Minimum Required: 4,080 ha


**Wyndham Growth Area**  
Investigation Area: 8,351 ha  
Minimum Required: 5,375 ha





**Melbourne North**



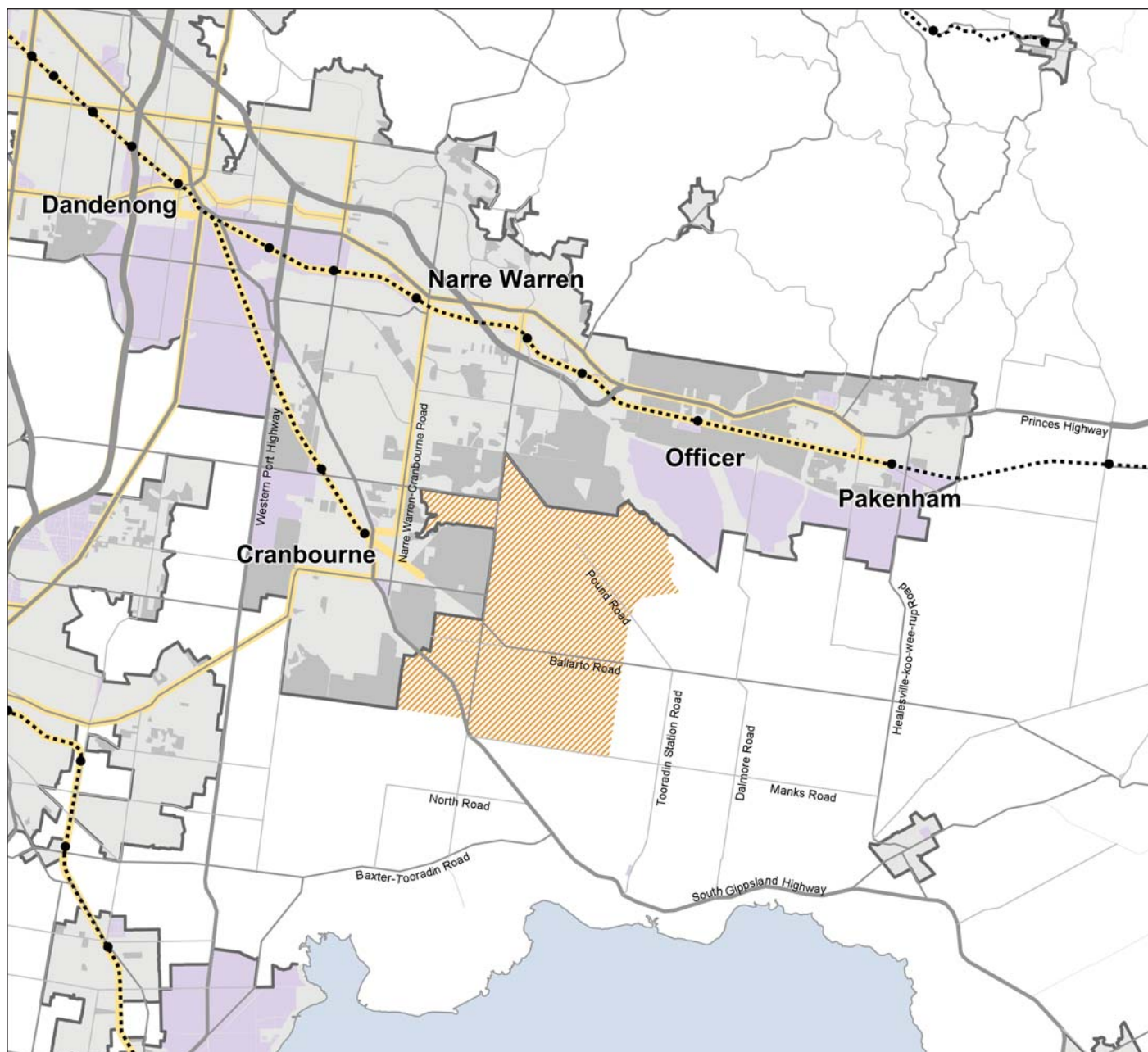
## Legend

-  Investigation Area
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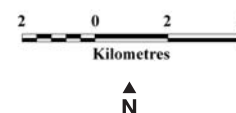
-  Major Road
-  Rail Line / Station

**Hume-Mitchell-Whittlesea Growth Area**  
Investigation Area: 25,385 ha  
Minimum Required: 10,500 ha







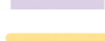





**Melbourne South-East**



**Legend**

- |   |   |  |                     |
|---|---|--|---------------------|
|  | Investigation Area                      |  | Major Road          |
|  | Existing Urban Area                     |  | Rail Line / Station |
|  | Growth Area Development Land Within UGB | <b>Casey-Cardinia Growth Area</b>  |                     |
|  | Major Employment Area                   | Investigation Area: 5,560 ha   |                     |
|  | Principal Public Transport Network      | Minimum Required: 2,900 ha   |                     |
|  | Urban Growth Boundary                   |  |                     |



## Planning the green wedges

Melbourne is surrounded by 12 non-urban areas known as green wedges.

Green wedges provide important protection of areas of environmental or scenic sensitivity and strategic locations for uses that require separation from residential areas and agricultural purposes.

*Melbourne 2030* always contemplated the need for areas adjacent to growth areas to be considered for future urban use. In this circumstance the preparation of Growth Area Framework Plans were seen as the appropriate way to resolve any tensions.

The proposed Investigation Areas may impact on the green wedges. The extent of this impact is, however, unclear until the Urban Growth Boundary review process is finalised. The process will highlight the unique features and values of individual green wedges that need to be protected.

Government remains committed to protecting green wedges and in *Planning for all of Melbourne* set out future priorities for their management:

- Additional resources to complete the 12 Green Wedge Management Plans within agreed timeframes and reach an appropriate balance between central coordination and resourcing and local input;
- Planning scheme controls that continue to deliver the intent of green wedge policy; and
- A high-level whole-of-Government mechanism to help clarify management priorities of departments and agencies to coordinate implementation actions for each green wedge.



# Getting the right infrastructure in place

A major challenge for the growth areas is how to fund the infrastructure needed in new growth areas to ensure communities have adequate access to public transport and other services.

The current Development Contribution Plan mechanism is complex to administer and does not provide flexibility for setting priorities for expenditure on infrastructure in growth areas.

In 2005 the Government released *A Plan for Melbourne's Growth Areas* which included a requirement for a State infrastructure contribution to be paid by land owners in growth areas.

The Government has decided to amend this policy to ensure the operation of the infrastructure contribution is simpler, fairer and is charged at an earlier stage in the development cycle.

The 2005 policy will also be amended to remove the requirement for a contribution from land inside the Urban Growth Boundary prior to 2005.

The Government will continue to meet the majority of the costs of State infrastructure. However it is also important that landholders, who enjoy substantial windfall gains as a result of changes to the Urban Growth Boundary, also contribute fairly.

Land which is brought into the Urban Growth Boundary, which can be zoned and developed for urban purposes, increases significantly in value, delivering a windfall gain for landholders. This reflects the fact that it will be developed in the future and the corresponding expectation that infrastructure will be provided.

## Growth Areas Infrastructure Contribution

The Government will implement in an amended form the 2005 policy decision to introduce a State infrastructure contribution. The Growth Areas Infrastructure Contribution will apply from December 2008 but take effect from 2009 following the passage of necessary legislation and the finalisation of the new Urban Growth Boundary.

All land that was brought into the Urban Growth Boundary in 2005, and land identified in the Investigation Areas and subsequently included in the Urban Growth Boundary will be liable for the contribution. There will be no liability for land in the Investigation Areas that is not included in the Urban Growth Boundary. Land brought in prior to 2005 is now excluded.

The Growth Areas Infrastructure Contribution will be charged on a per hectare basis and will be incurred on the first property transaction on either the sale or subdivision of the land.

The Growth Areas Infrastructure Contribution is payable only once - all subsequent sales of the land will not attract a further Contribution.

For any land brought into the Urban Growth Boundary in or after 2009, the proposed contribution will be set at \$95,000 per hectare. This will be indexed annually from 2010 using a published Construction Cost Index approved by the Treasurer.

For land that was brought into the Urban Growth Boundary in 2005, the contribution will be \$80,000 per hectare, as announced in *A Plan for Melbourne's Growth Areas* (2005), and will be similarly indexed.





The contribution will not be required for land that was inside the Urban Growth Boundary prior to 2005. This is a change from the originally announced policy to ensure land is brought onto the market as quickly as possible.

Removal of the contribution from land inside the Urban Growth Boundary pre-2005 represents a \$546 million saving in development costs, covering well over 60,000 new homes that will be built over the next 10 years. In general, land brought within the Urban Growth Boundary in 2009 is unlikely to be developed for another 10 to 20 years.

The Growth Areas Infrastructure Contribution will be collected by the State Revenue Office and accounted for by the Growth Areas Authority. All of the funds raised by the contribution will be used to provide vital infrastructure and oversee development in the growth areas of Melbourne.

The Growth Areas Infrastructure Contribution will be utilised in the following way:

- 50 per cent will be allocated to partially offset the costs of important infrastructure projects in the growth areas; and
- 50 per cent will be paid into a new Growth Areas Development Fund as well as going towards the costs of the Growth Areas Authority.

The Government will work with local governments in the growth areas to establish the Growth Areas Development Fund. Modelled on the successful Regional Infrastructure Development Fund the fund will provide financial assistance for capital works in the growth areas. The criteria for the application of funds will be finalised in consultation with local governments with a focus on projects supporting economic and community infrastructure in the growth areas.

Local governments in the growth areas will be encouraged to work with the Growth Areas Authority and will be able to apply for funds under the Growth Areas Development Fund.

The Growth Areas Infrastructure Contribution will only contribute to part of the cost of providing infrastructure and services in growth areas. The majority of funds will still continue to be required from the State and Council budgets.

## Local infrastructure charges

Councils presently require local infrastructure charges to offset the costs for local roads, parks and community facilities. The lack of consistency, transparency and flexibility in local charges currently creates uncertainty for the development industry.

The Government intends to reform local infrastructure charges in the growth areas and will consult early in 2009 with growth area councils and the development industry to develop a new system.



Photograph © Misheye



# Regional Victoria

Melbourne sits within a strong network of regional cities and towns. Communication and transport links with regional Victoria underpin Victoria's economy and have been strengthened in recent years by investment in Regional Fast Rail and significant freight improvements.

## Planning strategically for regional growth

While this update focuses on metropolitan Melbourne, it is important to recognise that regional Victoria will continue to grow strongly and is projected to grow by approximately 477,000 people between 2006 and 2036. The distribution of this growth is projected to be:

- *Geelong, Ballarat and Bendigo:* approximately 40 per cent of regional Victoria's population growth is expected to occur in Geelong, Bendigo and Ballarat, representing a significant increase in population for each of these cities.
- *Areas near Melbourne:* a significant proportion of regional Victoria's population growth is also projected to occur in the shires around Melbourne.
- *Lifestyle locations:* there is likely to be ongoing growth in popular locations such as coastal areas, the alps and along the Murray River.

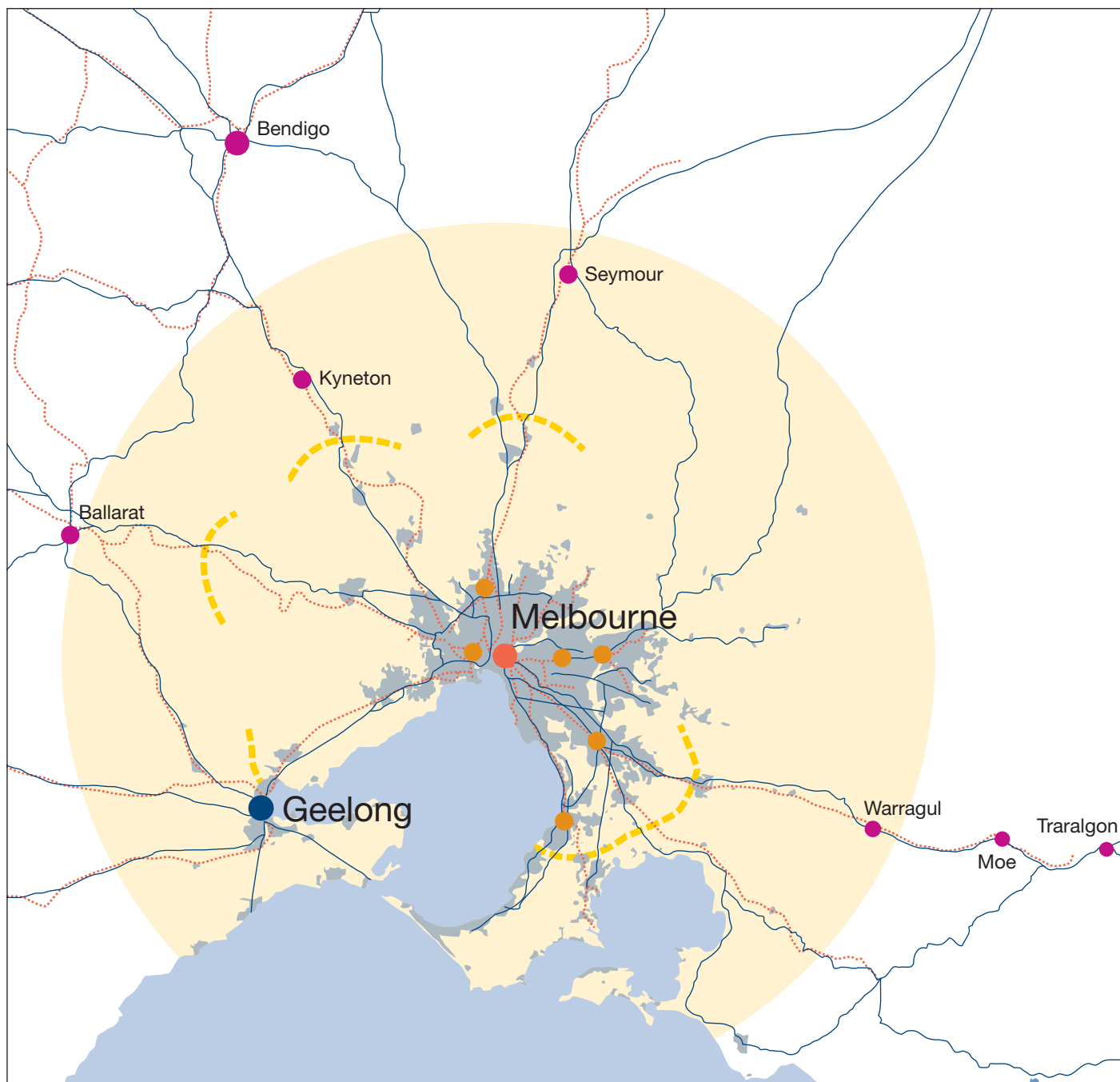
Through the Ministerial Taskforce on Regional Planning, the Government will develop a long-term blueprint for the sustainable growth of regional Victoria, setting a broad framework for the future development of productive, liveable and sustainable regional communities.

As part of the initiative, the Government will undertake extensive research to develop a comprehensive picture of the major challenges facing regional communities.

The Government will also assist communities in the development of regional and local plans, presently at different stages of completion. This will ensure there is a coordinated approach to manage growth and better align planning activities across all levels of government.

The final blueprint to be released in 2009 will provide the policy direction for future Government investment and programs in regional Victoria.





**Melbourne and Regional Centres**



**Legend**

- |   |  |
|---|--|
| <span style="display: inline-block; width: 20px; height: 10px; background-color: yellow; border: 1px solid black;"></span> 100km from Melbourne | <span style="display: inline-block; width: 10px; height: 10px; background-color: red; border-radius: 50%;"></span> Melbourne CBD                   |
| <span style="display: inline-block; width: 20px; height: 10px; background-color: lightgrey; border: 1px solid black;"></span> Urbanised area    | <span style="display: inline-block; width: 10px; height: 10px; background-color: orange; border-radius: 50%;"></span> Central Activities Districts |
| <span style="display: inline-block; width: 20px; border-bottom: 2px solid blue;"></span> Highway  | <span style="display: inline-block; width: 10px; height: 10px; background-color: blue; border-radius: 50%;"></span> Geelong                        |
| <span style="display: inline-block; width: 20px; border-bottom: 2px dotted red;"></span> Rail line  | <span style="display: inline-block; width: 10px; height: 10px; background-color: pink; border-radius: 50%;"></span> Regional city/town             |
| <span style="display: inline-block; width: 20px; border-bottom: 2px dashed yellow;"></span> 1 hour travel approximation                         |  |

## Managing growth and change in areas surrounding Melbourne

The area within about 100 km of Melbourne has strong ties to Melbourne's economy – for people working in Melbourne, for businesses with markets in Melbourne, and in support for local tourism and other economic activities brought to the area by the population of Melbourne.

Growth pressure is being experienced in this area and needs to be carefully managed. A set of criteria will be developed to guide settlement planning within 100 kilometres of Melbourne.

This work will build on a number of current projects the Government is progressing with local government to deal with development issues in peri-urban and regional areas. The criteria will be developed for Government's consideration in 2009.

Discussions will be held with relevant local councils about the process, content and ultimate use of these guidelines in the planning system.

### Case study Armstrong Creek, Geelong

Geelong is Victoria's second largest city and is enjoying significant growth due to the size and diversity of its local economy, a coastal location and unique identity. Geelong is also close to Avalon airport which is increasing its role in providing domestic flights and emerging as an important employment precinct for the region.

The City of Greater Geelong, in partnership with Government, has developed a strategic plan – G21 – and is working on a series of measures to make Geelong an even more attractive location for residents.

This includes planning for a new growth area known as Armstrong Creek.

The Armstrong Creek urban growth area will be developed into a sustainable community that sets new benchmarks in urban development.

Natural and cultural features will be protected and enhanced to create a distinct urban character. Armstrong Creek will become a highly sought-after location for living, working and recreation, forming an attractive addition to Geelong.



# Where to from here?

This update is an important complementary document to *Melbourne 2030* and will be relevant to planning by all levels of Government and to future investment decisions.

## Our ongoing commitments

Much of the work currently being undertaken by both State and local governments will continue to be important to managing growth in metropolitan Melbourne. This work includes:

- The preparation of precinct structure plans by the Growth Areas Authority and growth area councils;
- The preparation of structure plans for Principal and Major Activity Centres. These plans are vital management tools for local governments; and
- The identification of housing growth requirements developed cooperatively with local governments taking into account each area's capacity to accommodate growth.

## Establishing the Central Activities Districts

The Government will work with local governments and the business community to identify appropriate planning, governance and investment opportunities in each of the six new Central Activities Districts.

## Developing employment opportunities

The Government will work with the business community and local governments to examine the employment corridors and identify redevelopment opportunities, produce a plan for each employment corridor and review relevant planning controls.

## Reviewing the Urban Growth Boundary

Detailed planning for each new growth area will occur in 2009 to determine the precise changes to the Urban Growth Boundary.

The following process is proposed:

### **January – March 2009**

Detailed planning;

### **April – May 2009**

Public consultation;

### **June – September 2009**

Minister for Planning will consider submissions received on proposed boundary changes and approve revised Urban Growth Boundary for presentation to both Houses of Parliament for ratification.

## Future changes to the Urban Growth Boundary

Future changes to the Urban Growth Boundary will be assessed based on criteria that the Government has adopted to help determine whether and when changes may be required.

Any reviews to determine future changes to the Urban Growth Boundary should ideally be linked with the census cycle, the preparation of new population projections and any five yearly reviews of *Melbourne 2030*. This does not mean the Urban Growth Boundary will change every five years.

The criteria are:

- The need to maintain an adequate and competitive land supply to meet future housing needs – including redevelopment and greenfields sites.
- The consideration and analysis of:
  - current population projections;
  - the development capacity of existing urban areas to accommodate projected growth;
  - longer-term urban growth issues such as economic and employment opportunities; and
  - transport investment requirements.

## Funding for infrastructure

In mid 2009, the Growth Areas Infrastructure Contribution will be formally introduced, through legislative change.

Consultation about reform of local infrastructure charges will commence in early 2009, with the intention of introducing any recommended changes at the same time as the introduction of the Growth Areas Infrastructure Contribution.



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