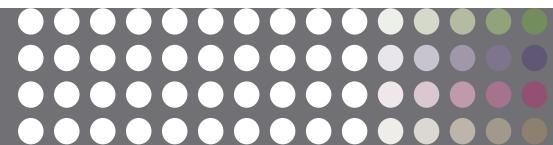




# PLANNING FOR ALL OF MELBOURNE

The Victorian Government response to the *Melbourne 2030 Audit*



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# Premier's and Minister's Foreword

Successful international cities like Melbourne depend on a strong and responsive planning system to manage the challenges of growth.

Successful cities are also those that evolve and respond to the needs of the community.

Since the Victorian Government released its metropolitan planning strategy in 2002, the forces of change have been moving rapidly.

One million more residents are now expected to live in Melbourne about a decade earlier than forecast in 2002.

A growing economy and population boom of Gold Rush proportions is adding pressure to transport and other infrastructure, and the affordability of housing.

Within recent times, climate change has been accepted by governments within Australia and overseas as the greatest environmental, economic and social challenge of our time.

We must ensure our land-use planning system is dynamic and flexible enough to prepare Melbourne for the challenge of a more extreme climate, and to enable Victoria to capitalise on opportunities generated by the emerging climate change economy.

All of these changes have made the original policy principles of *Melbourne 2030* more urgent.

It is now imperative to provide for more housing close to good transport, to balance the locations of jobs and housing, maximise the use of existing infrastructure, protect neighbourhood amenity and preserve green spaces and agricultural opportunities around the city.

Victoria is well placed to meet these challenges: Melbourne is one of the few cities in the world to set an Urban Growth Boundary to help manage the city's growth; Melbourne remains the most affordable city on the east coast because of sound urban planning policies and systems; we have world-first legislation to protect the city's green wedges; we have established the Department of Planning and Community Development to ensure that the needs of the community are at the heart of our urban development planning; and our new housing is environmentally sustainable because we set high environmental benchmarks for water and energy use.

Melbourne is attracting record numbers of new citizens because of our strong economy and reputation as one of the world's most liveable cities. We must now work even harder, together, to protect and build on the qualities that make it so.

In the first five-year Audit of our planning framework, the report of the independent *Melbourne 2030* Audit Expert Group has provided valuable advice and recommendations towards how we will remain a liveable city.



The group's Report pulls together and analyses the ideas of many Victorians on how we can put the principles of good urban planning into practice right across Melbourne's suburbs and neighbouring regions. The Government thanks all those who have provided input to the Audit for sharing their submissions and views.

We will take up many of the Audit Expert Group's recommendations as we move forward with new policies to meet the challenges of climate change, population growth, transport congestion and housing affordability.

The clear message from the Audit is that we must marry the opportunities from this period of strong economic growth with the desires of Victorians to live more sustainably. More action is needed to bridge the policy intentions with on-the-ground actions.

*Planning for all of Melbourne* identifies four priority areas for action as we move forward. These are: planning for all of Melbourne; transport and managing congestion; environmental sustainability and climate change; and managing urban growth and change.

We will focus our efforts on:

- Developing a new planning partnership with clearer State/local government responsibilities.
- Increasing State Government resourcing and coordination of implementation.
- Establishing clear requirements for the amount and diversity of housing growth in each metropolitan municipality.
- Improved activity centre planning.
- More effective community and stakeholder engagement.
- Planning for longer term growth.

The 2008/09 State Budget builds on our substantial investments in sustainably developing Melbourne, with over \$1.6 billion of initiatives to strengthen our planning agenda and deliver on our infrastructure and service commitments.

We thank the members of the Audit Expert Group and all Victorians who have contributed to the Audit which will help us deliver the urban planning reforms Victoria needs.



A handwritten signature of John Brumby.

JOHN BRUMBY MP  
PREMIER OF VICTORIA



A handwritten signature of Justin Madden.

JUSTIN MADDEN MLC  
MINISTER FOR PLANNING





Melbourne is a growing international city with a population that could reach five million people by 2030.

This growth is welcomed by the State Government for the significant new jobs and economic opportunities and vibrancy it brings to our communities. Strong growth provides opportunities to restructure the city and its infrastructure in ways which make it more sustainable for the future. However, growth must be carefully managed so Melbourne remains a liveable, productive and sustainable city – the very qualities that make Melbourne so attractive.

The current period of high population and economic growth is increasing demand for housing, water, power, transport and other infrastructure. Victoria needs to find new ways to manage this growth and increased demand sustainably while reducing greenhouse gas emissions.

**Breaking the link between economic growth and Victoria's levels of greenhouse gas emissions will be fundamental to reducing Victorians' impact on climate change.**

The first five-year Audit of *Melbourne 2030* brings all of these challenges into focus. The Audit Expert Group's report states that:

*"We are convinced that the fundamental principles of Melbourne 2030 are more relevant than ever. This is because of the challenges posed by climate change, traffic congestion, the faster than expected growth of Melbourne's population, and the fact that Melbourne is still an extremely spread-out city. Compared to five years ago, there is now an even greater urgency to implement the many initiatives of Melbourne 2030 if Melbourne's development is to be sustainable and the city is to remain liveable."*

The recently released report by Sir Rod Eddington (*Investing in Transport – East West Link Needs Assessment, 2007*) supports this view, noting that there is "*compelling evidence that more compact, higher density cities can achieve significant economic, social and environmental benefits*" and recommends "*the Government should continue to implement Melbourne 2030 and resist pressures to significantly alter the framework's parameters*".

The Government invited Victorians to have their say on the ongoing development and implementation of the metropolitan strategy through public submissions to the Audit Expert Group (AEG), made up of four independent experts.

More than 200 contributions were received from a range of community groups, public and private sector organisations, and individuals. Ideas raised in submissions, and in meetings and forums were carefully considered by the AEG in preparing its report, and by the Government in providing this response to the Audit.



# AUDIT PROCESS

*Melbourne 2030* includes a commitment to five yearly reviews.

In June 2006, the Minister for Planning announced that an audit of *Melbourne 2030* would focus on:

- Assessing whether new development on the ground reflected the intent of *Melbourne 2030*;
- Assessing whether the first five year implementation program had been completed and its effectiveness; and
- Identifying initiatives to be completed over the next five years to continue effectively implementing *Melbourne 2030*.

*Planning for all of Melbourne* has been informed by a wide range of research, analysis, engagement and input including:

- A stocktake by the Department of Sustainability and Environment (and later the Department of Planning and Community Development) which considered implementation progress, recent trends including 2006 Census data, and the views of key stakeholders. A report titled *Melbourne 2030 Audit: Analysis of Progress and Findings from the 2006 Census* was released.
- More than 200 public submissions and other information provided through meetings and workshops conducted by the independent Audit Expert Group. Organisations and individuals put significant time and thought into submissions and many ideas will be adopted.
- The Report of the Audit Expert Group.

[www.melbourne2030.vic.gov.au](http://www.melbourne2030.vic.gov.au)

With the conclusion of the Audit, it is important for the Government to now move forward with the next stage of action. A wide range of views have been expressed by submitters and stakeholders. Whilst not all ideas can be adopted, many suggestions will be taken up now and in coming years as the Government works with the local government sector, the community and stakeholders to take action.

Managing congestion and providing world-class transport; planning well-connected new communities and providing for more housing near existing transport and services; and increasing the accessibility to quality jobs and services to all residents, are among the key challenges ahead.

The AEG has provided valuable advice in its report back to Government on translating the sound objectives of *Melbourne 2030* into the next stage of implementation.

The Government broadly accepts the advice of the AEG and will take action in four key areas:

## **1. Planning for all of Melbourne**

The State Government will:

- ▶ Establish *Development Assessment Committees*, in partnership with the local government sector, to make planning decisions in relation to areas and matters of metropolitan significance.
- ▶ Prepare integrated infrastructure plans for urban areas experiencing substantial growth and key strategic activity centres to ensure more timely delivery of State and local government investments, overseen by a Cabinet Committee.
- ▶ Establish a new *Melbourne 2030* Implementation Unit in the Department of Planning and Community Development to drive and monitor implementation.
- ▶ 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.
- ▶ Engage communities in planning matters early in the planning process, including piloting a range of community engagement approaches with the local government sector, to involve communities in planning for growth.
- ▶ Establish a Planning and Development Industry Round Table, including planning professionals and the local government sector, to advise the Minister for Planning on continual improvements to the planning system, and hold regular local government forums on urban issues.



# OVERVIEW

## 2. Transport and managing congestion

The State Government will:

- ▶ Identify and implement priority projects under the Government's \$10.5 billion *Meeting Our Transport Challenges* plan to respond to demand.
- ▶ Develop an integrated, longer-term vision for Melbourne's transport system beyond 2035, that helps Victoria meet its greenhouse gas emissions reduction target and builds on the Government's response to the *East West Link Needs Assessment*, due later in 2008.
- ▶ Implement the new \$112.7 million congestion plan, *Keeping Melbourne Moving*, to deliver traffic management and roadwork improvements to alleviate congestion, and deliver new walking and cycling infrastructure to provide more transport choice.
- ▶ Invest \$4 million to plan and protect future major transport routes, and ensure existing public transport services are integrated to provide greater access to employment opportunities.

## 3. Environmental sustainability and climate change

The State Government will:

- ▶ Create financial incentives for the retrofitting of existing residential buildings through the *Victorian Energy Efficiency Target Scheme* to start in 2009.
- ▶ Improve the long-term energy efficiency of Victorian homes, offices and other buildings by promoting higher energy performance requirements.
- ▶ Update policies for the design, construction and retrofitting of buildings, transport systems and other infrastructure and the planning of new and existing suburbs to reflect the latest assessment of climate change risks.
- ▶ Accelerate and extend mapping of important areas of vegetation and habitats in Growth Areas and Green Wedges to avoid, minimise and offset any losses, and integrate planning for biodiversity into precinct structure planning in Growth Areas to provide greater certainty for future development.
- ▶ Diversify our water resources through the initiatives in Victoria's Water Plan and continue to emphasise household and industry recycling and conservation.



## 4. Managing urban growth and change

The State Government will:

- ▶ Support councils to plan for future community needs, by developing clear requirements for the amount and diversity of housing needed in each municipality, taking into account the capacity of each area to accommodate growth and the protection of neighbourhood amenity and the character of streets.
- ▶ Work in partnership with councils to implement new residential zones, with extensive community engagement, to increase certainty for communities and developers about the location of future housing.
- ▶ Introduce a new Activity Centre Zone and simple Development Frameworks to provide greater certainty for communities and developers about the scale of development, public realm improvements, types of uses, and to identify the boundaries of Activity Centres.
- ▶ Continue to streamline planning processes in Growth Areas to fast-track residential development and reduce cost to developers and homeowners.
- ▶ Continue to ensure up to 25 years of land supply for future urban growth (with a minimum of 15 years supply) in areas that are served by major transport infrastructure and close to employment opportunities.
- ▶ Continue to accelerate development in Geelong through fast-track planning for the Armstrong Creek growth area and investing an additional \$32.4 million over four years in central Geelong.
- ▶ Continue to work with councils to develop strategic regional plans that integrate planning for land-use, transport, economic development and community planning for rural and regional Victoria to better manage growth.
- ▶ Maintain the UGB and consider the timing of future UGB changes on the basis of updated forecasts, the development capacity of existing urban areas, longer-term urban growth issues (including future economic and employment opportunities) and transport investment requirements.

*Planning for all of Melbourne* sets out a framework for action over the next five years and beyond. The Government's response is not about a fixed point in time or a certain trigger in population levels, but putting in place a series of steps to ensure Melbourne continues to grow and prosper in a balanced way.

The pace at which steps are taken will be linked to the pace of growth.





# 1. PLANNING FOR ALL OF MELBOURNE

Melbourne today is a large, complex and interconnected urban region: decisions made in one part of the city generate demands and impacts in others. This is especially the case with respect to transport infrastructure investments and major development decisions.

The Victorian Government has a clear and overarching responsibility to plan for all of Melbourne. This includes balancing local and broader regional interests when major planning and infrastructure decisions are made. Melbourne and the surrounding region will continue to be among the fastest growing urban areas in Australia over the next 20 to 30 years.

The pace of population and economic growth, combined with the challenges of climate change and growing transport congestion, mean that Melbourne is at a significant juncture in its development. The decisions taken now will shape our city's future and influence our quality of life for decades to come. State and local governments share a critical responsibility to manage future housing, economic growth and infrastructure needs in a sustainable way.

The Government accepts the advice of the AEG for a stronger partnership with the local government sector and more effective community engagement to meet the challenges ahead.

Key challenges arising from the Audit are:

- ▶ To increase the opportunities for stronger partnerships between State and local government for strategic planning, decision-making and implementation.
- ▶ Strengthening arrangements within State Government to coordinate and resource the implementation of *Melbourne 2030*.
- ▶ Looking beyond a 2030 planning horizon to develop a longer-term metropolitan planning framework (30+ years) to guide public and private development activity and investment.
- ▶ Engaging and securing the support of the Commonwealth Government to ensure a national and regional focus on urban growth and its effective management.
- ▶ Effectively engaging local communities, councils and key stakeholders on urban planning issues, and building understanding and ownership of the planning challenges ahead, to help make decisions involved in managing growth and responding to climate change.



# PLANNING FOR ALL OF MELBOURNE

## PRIORITY ACTIONS AT A GLANCE

The Government will:

- ▶ Establish *Development Assessment Committees*, in partnership with the local government sector, to make planning decisions in relation to areas and matters of metropolitan significance.
- ▶ Prepare integrated infrastructure plans for urban areas experiencing substantial growth and key strategic activity centres to ensure more timely delivery of state and local government investments, overseen by a Cabinet Committee.
- ▶ Establish a new *Melbourne 2030* Implementation Unit in the Department of Planning and Community Development to drive and monitor implementation.
- ▶ 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.
- ▶ Actively support councils to engage effectively with their communities during development of strategic plans, such as local housing strategies or activity centre structure plans, and implementation of the new residential zones.
- ▶ Engage communities in planning matters early in the planning process, including piloting a range of community engagement approaches with the local government sector, to involve communities in planning for growth.
- ▶ Establish a Planning and Development Industry Round Table, including planning professionals and the local government sector, to advise the Minister for Planning on continual improvements to the planning system, and hold regular local government forums on urban issues.

## A new State–Local Government partnership for major planning decisions

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* respond to this recommendation from the independent *Melbourne 2030* Audit Expert Group.

#### **Imperative 1 – Responsibility for implementation (AEG Recommendation 3.1.1)**

That the State Government creates new governance arrangements to ensure the responsibility, authority and visible leadership to oversee and coordinate the implementation of *Melbourne 2030*. These arrangements will need support from State Government at the highest levels.

A refreshed planning partnership between State and local government is needed to respond to the challenges we face. This must include more opportunities for State and local governments to reach joint decisions.

### ***Decision-making for areas and matters of metropolitan significance***

Currently, the Victorian planning system provides no alternatives beyond planning permit decisions being made by either councils or the Minister for Planning. There is no ‘third way’ arrangement where the State and local governments can partner in making significant decisions in places of shared State-local interest that have an impact on the wider region.

A ‘One Stop Shop’ partnership approach to decision-making has been successfully trialled in Dandenong, and more recently in Footscray. Under this model, the Minister for Planning is responsible for planning decisions, supported by a Partnership Committee that includes the council. This new approach has shown benefits, however it still relies on the Minister ‘taking over’ the responsibility from a council. There is no ‘third way’ available.

Building on the successful elements of this model, the Government will:

- ▶ Establish *Development Assessment Committees* (DACs), in partnership with the local government sector, to make planning decisions in relation to areas and matters of metropolitan significance.



# PLANNING FOR ALL OF MELBOURNE

The Government will consult with the local government sector on the implementation and operation of DACs before they are established.

Each DAC will comprise an independent chair, mutually agreed between the State Government and the local government sector, in consultation with the relevant councils; two standing State Government nominees; and two local government nominees.

DACs will initially be introduced to make planning permit decisions in a number of more 'market ready' Transit Cities and Principal Activity Centres. DACs will progressively be introduced across all 26 Principal Activity Centres and sites of metropolitan significance.

When fully introduced, 3 to 5 DACs will operate in the metropolitan area grouped on sub-regions of councils. Local government nominees will rotate on and off DACs to ensure representation from the municipality in which an application was based.

The operation of DACs will be assessed within five years. Once established, the Minister for Planning will have the option of giving some of the Minister's current responsibilities in places of regional or metropolitan significance to a DAC.

Government will work with the local government sector and the planning and development industry to develop criteria setting out:

- ▶ which areas and matters will be considered as having state, regional or metropolitan significance;
- ▶ circumstances in which the Minister for Planning will determine whether a matter or area is of State, regional or metropolitan significance and the decision-making arrangements that will apply.



## State Government leadership, coordination, resourcing and monitoring

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* respond to this recommendation from the independent *Melbourne 2030* Audit Expert Group.

#### **Imperative 2 – Adequate and ongoing funding (AEG Recommendation 3.1.2)**

That the State Government ensures sufficient resources are allocated to the implementation of *Melbourne 2030*.

This could be done by:

- Adopting a multi-year plan to finance implementation.
- Revising budget processes to align resources to agreed *Melbourne 2030* implementation actions.
- Identifying current and anticipated infrastructure requirements and ensuring funds are allocated to address these over the long term (60-90 years).
- Investing in improvements to community infrastructure and services in areas accommodating significant levels of growth in population and employment.
- Consolidating current work to ensure that before any sale of State Government land or assets is carried out, full consideration is given to opportunities to use publicly owned land for public benefits, such as social housing or community facilities. Disposal of land should occur on terms that produce the greatest overall community benefit.

The Government has improved coordination and decision-making to manage Melbourne's growth through the establishment of the Department of Planning and Community Development (DPCD), the Growth Areas Authority (GAA) and the role of Executive Director Integrated Transport Planning in the newly created Department of Transport.

Substantial resources have been committed to the implementation of *Melbourne 2030* across multiple portfolios since it was released in 2002, including:

- ▶ More than \$40 million to directly assist councils with planning and on the ground improvements, and support for precinct structure planning for new suburbs.
- ▶ Over \$400 million through the Transit Cities program to revitalise major suburban and regional centres.



# PLANNING FOR ALL OF MELBOURNE

- ▶ \$6 billion over 10 years for public transport improvements in metropolitan Melbourne as part of the \$10.5 billion *Meeting Our Transport Challenges*.
- ▶ Record investment in new schools, hospitals, recreational facilities, parks, justice and community facilities to service both new and existing suburbs.

The 2008/09 State Budget builds on these significant investments with:

- ▶ \$1.4 billion for transport projects
- ▶ \$88.7 million additional funds for urban renewal initiatives
- ▶ \$23.6 million for planning initiatives
- ▶ \$86.2 million for affordable housing initiatives
- ▶ \$83.6 million for environmental initiatives

The Government will:

- ▶ Prepare integrated infrastructure plans for urban areas experiencing substantial growth and key strategic activity centres to ensure more timely delivery of State and local government investments, overseen by a Cabinet Committee. These will inform departmental forward plans (which set medium-term priorities) and guide State and local government infrastructure spending decisions.
- ▶ Establish a new *Melbourne 2030* Implementation Unit in the DPCD to drive and monitor implementation.

The recent establishment of DPCD and the commitment to create a new *Melbourne 2030* Implementation Unit is expected to achieve similar objectives to the AEG's proposal to create a new authority to implement M2030.

Budget decisions will continue to be taken in light of *Melbourne 2030* and other Government strategies, having regard to population growth projections and the frameworks provided by departmental forward plans. The time horizon of departmental forward plans varies depending on the nature of the infrastructure and services covered.

The AEG's proposal for a mandatory requirement for all forward plans to include a 60-90 year outlook is considered impractical as the technology and costs to deliver infrastructure and services may change significantly over such a long timeframe.



## *Monitoring outcomes and policy refinement*

### **Related AEG Recommendation**

The Government's commitments and directions in *Planning for all of Melbourne* respond to this recommendation from the independent *Melbourne 2030* Audit Expert Group.

### **Monitoring Melbourne 2030 (AEG Recommendation 7)**

That an outcomes-based monitoring framework for *Melbourne 2030* be developed that will provide information to decision-makers and stakeholders.

This should:

- Assess progress in moving towards *Melbourne 2030* outcomes.
- Assess the effectiveness of *Melbourne 2030* implementation.
- Provide a basis for adjusting the implementation of *Melbourne 2030* and updating the Plan in the future.

That the State Government commissions an independent assessment of progress towards completing implementation actions for *Melbourne 2030* as part of the next five-year audit.

There has been an annual process to audit progress across Government with the implementation of initiatives identified in the first five-year *Melbourne 2030* Implementation Program. There has also been some monitoring of outcomes through, for example, the *Urban Development Program* which tracks development activity and land supply and demand.

The Government recognises the need to develop a more extensive knowledge base to support future reviews and policy development.

The Government will:

- ▶ Develop a broad-based *Melbourne 2030* monitoring framework to support the Government's evaluation, reviews and policy development.

Targeted policies to bridge gaps will also continue to be developed. The immediate priorities are the current review of retail planning policy, and the development of new policies regarding building and planning responses to climate change. The Government will also consider options for the disposal of surplus government land.



# PLANNING FOR ALL OF MELBOURNE

## Planning for longer-term growth

The Government agrees with the AEG and the recently released report by Sir Rod Eddington that the principles and directions of *Melbourne 2030* remain directly relevant to the challenges facing Melbourne and that the urgency of implementation has increased.

Melbourne is now growing at a rate of around 1,200 people per week, with the metropolitan population forecast to reach 4.5 million by 2020, about a decade earlier than previously forecast.

Higher growth forecasts bring forward the need to undertake longer term planning, to look beyond the population and housing scenarios considered in 2002. Melbourne is likely to become a city of 5 million people by 2030, and housing preferences will change as the population grows and ages.

The Government will:

- ▶ 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.

This work will be led by DPCD and the newly-established Department of Transport, ensuring close links between transport and land-use planning, and will include engagement with the local government sector and key stakeholders.

## National context – need for Commonwealth support

The Government supports a national and regional focus on urban growth and its effective management through long-term planning and investment. Urban infrastructure is critical to national outcomes such as addressing constraints on economic and export growth, productivity growth and environmental sustainability goals.

The Government will work closely with Infrastructure Australia to develop a strategic blueprint for easing urban transport congestion and addressing the State's long-term infrastructure needs.

The Government will:

- ▶ Work with the Commonwealth on national priorities for urban infrastructure, in the context of decisions on migration levels, lifting the capacity of the economy, transport network investments (via AUSLINK) and fiscal policy.
- ▶ Continue to work through Infrastructure Australia and the Council of Australian Governments (COAG) on housing affordability, infrastructure and other urban growth issues.



## Engaging effectively with the local government sector, stakeholders, industry and the community

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* respond to this recommendation from the independent *Melbourne 2030* Audit Expert Group.

#### **Imperative 3 – Communicating and building support (AEG Recommendation 3.1.3)**

Broaden support for *Melbourne 2030*'s implementation by developing a stronger partnership with local government and all sectors of the community to work together towards a more sustainable city.

There are two immediate opportunities to make this happen:

- Undertake new community engagement programs to focus on climate change adaptation.
- Involve communities in decisions on the application of the new residential zones.

The AEG advised that there is a need to increase community understanding and ownership of the challenges and necessary trade-offs.

The Government agrees that effective engagement with communities and stakeholders will be critical if realistic responses to the complex challenges we face are to be developed. The responsibility for effective engagement does not rest solely with State or local government – it is a shared responsibility.

Since the Audit commenced, the Government established DPCD in August 2007 to '*lead and support the development of liveable communities*' through:

- ▶ **Improved planning and design for sustainable communities** – which emphasises the importance of well designed and sustainable built environments and coordinated planning.
- ▶ **Better access to housing, infrastructure, jobs and services** – which emphasises the importance of affordable living, employment opportunities and good services.
- ▶ **Increased opportunities for participation** – which emphasises the importance of social capital, governance, diversity and inclusion.



# PLANNING FOR ALL OF MELBOURNE

DPCD is uniquely positioned to drive a new approach to community engagement in partnership with the local government sector. The Department's *Framework for Community Engagement* builds on the International Association for Public Participation Spectrum, and will guide the Government's approach to engagement regarding planning matters.

Engagement will include:

- ▶ **Informing** - providing information to assist in understanding problems, alternatives and approaches.
- ▶ **Consulting** – seeking feedback on analysis, alternatives or decisions.
- ▶ **Involving** – working together to better understand and consider issues, concerns and aspirations.
- ▶ **Collaborating** – partnering to develop alternatives and identify preferred solutions.
- ▶ **Empowering** – supporting key stakeholders to take responsibility for developing proposals and providing advice.

Building on the clear advice of the AEG, local communities and stakeholders will be given greater clarity about:

- ▶ Where, when and how they can engage.
- ▶ The nature of the engagement (i.e. whether it is to inform, consult, involve, collaborate or empower).
- ▶ Likely timelines and how input will feed into future actions.

To be most effective, communities need to be engaged in planning matters early in the planning process when plans for future needs are being prepared, and when the rules for developments are being set. This will allow communities to focus their energy on helping to set clear development outcomes that better reflect their aspirations, reducing the need to focus on the detail of every development that is then proposed.

Communities and stakeholders will then have greater certainty about how local areas will develop in the future, allowing for more streamlined planning permit decision-making processes.



The Government will:

- ▶ Actively support councils to engage effectively with their communities during the development of strategic plans, such as local housing strategies or structure plans, and implementation of the new residential zones.
- ▶ Make available more up-to-date information to help local communities understand issues, choices and trade-offs, and to have informed input. This will include information to improve understanding of how providing more housing close to public transport, shops and jobs can contribute to environmental and affordability outcomes.
- ▶ Engage communities in planning matters early in the planning process, including piloting a range of community engagement approaches with the local government sector, to involve communities in planning for growth.

Priorities for community engagement in partnership with councils include:

- ▶ Development of housing strategies to determine how future growth requirements will be accommodated and where future housing needs can best be met.
- ▶ Introduction of the new residential zones to put in place the rules for housing developments to meet future needs.
- ▶ Development of activity centre structure plans.

In undertaking pilot projects with councils, the Government will support the use of a wide range of mechanisms – such as community forums, design workshops, and focus groups – to ensure meaningful community engagement. The pilot projects will consider different approaches for the development of housing strategies and introduction of the new residential zones, and sharing the outcomes of these pilots with all councils.

Formal engagement with key stakeholders from the planning and development industry, including the local government sector, is also important.

The Government will:

- ▶ Establish a Planning and Development Industry Round Table, including planning professionals and the local government sector, to advise the Minister for Planning on continual improvements to the planning system, and hold regular local government forums on urban issues.





SOUTHERN CROSS STATION

## 2. TRANSPORT AND MANAGING CONGESTION

Land-use development and transport planning are inextricably linked. The form of our urban environment has a direct impact on the cost of providing transport services and infrastructure. Likewise, the public transport system and road network shapes our city, determining where and how we live, work, learn and play.

In 2006, the Government released the \$10.5 billion *Meeting Our Transport Challenges* package of initiatives to build better transport connections, deliver major improvements to public transport, and to link long-term planning for Victoria's transport system with planning for our metropolitan area, regional centres, and local communities.

Since then, Melbourne's economic activity and population has continued to grow, contributing to increased transport demand and congestion on parts of the public transport system and the metropolitan road network. There is also increased demand for freight and commercial transport.

The Government broadly accepts the advice of the AEG to more actively integrate transport and land-use planning and development activities, and implement the *Victorian Freight Network Strategy* and a *Port Environs Framework* for the Port of Melbourne when completed.

Key challenges arising from the Audit are:

- ▶ Planning for Melbourne's long-term transport needs.
- ▶ Improving integration of transport and land-use planning.
- ▶ Planning for Victoria's growing freight needs.
- ▶ Providing more transport choice.
- ▶ Managing the road network and reducing congestion.

# TRANSPORT AND MANAGING CONGESTION

## PRIORITY ACTIONS AT A GLANCE

The Government will:

- ▶ Identify and implement priority projects under the Government's \$10.5 billion *Meeting Our Transport Challenges* plan to respond to demand.
- ▶ Develop an integrated, longer-term vision for Melbourne's transport system beyond 2035 that helps Victoria meet its greenhouse gas reduction target and builds on the Government's response to the *East West Link Needs Assessment*, due later in 2008.
- ▶ Implement the new \$112.7 million congestion plan, *Keeping Melbourne Moving*, to deliver traffic management and roadwork improvements to alleviate congestion, and deliver new walking and cycling infrastructure to provide more transport choice.
- ▶ Invest \$4 million to plan and protect future major transport routes, and ensure existing public transport services are integrated to provide greater access to employment opportunities.
- ▶ Work towards development of a new *Victorian Freight Network Strategy*, and a *Port Environs Framework* for the Port of Melbourne.
- ▶ Accelerate the planning and delivery of new or upgraded transport infrastructure and services to meet increased levels of demand on existing public transport services.
- ▶ Accelerate the planning and delivery of extensions to the public transport network to meet the needs of planned new communities in Growth Areas.

## Planning for Melbourne's long-term transport needs

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030 Audit Expert Group*.

#### Transport and freight (AEG Recommendation 4)

That the State Government actively integrates transport planning with land use planning and development.

This can be done by:

- Developing capacity and structure for major transport infrastructure developments, in synchronisation with land use planning, with a 30 to 90 year lead-time.
- Setting targets and implementing programs for reduction in car use as a complement to the target of 20 per cent of motorised trips being made by public transport by 2020.
- Prioritising actions to support a rapid modal shift over the next five years from car to public transport – tram, train and/or bus – and walking and cycling.

As the AEG Report notes, economic and population growth have impacted significantly on transport demand and led to increasing levels of congestion on parts of our public transport and metropolitan road networks.

Building new transport infrastructure to respond to growth requires long-term planning and significant public investment. It is therefore critical that State and local governments continue to plan for the future and develop integrated infrastructure plans for urban areas experiencing growth. This will enable more timely delivery of State and local government investment, and support the long-term efficiency and effectiveness of our transport network beyond 2035.

The Government is closely monitoring the outcomes of *Meeting Our Transport Challenges* initiatives to ensure they inform future project priorities and reflect changing service requirements, such as high public transport patronage, and road congestion.

The Government is planning the development and possible extension of the Principal Public Transport Network and the Principal Freight Network in the Growth Areas with the GAA to cater for increasing journeys to the jobs, services and activities of central Melbourne, as well as more dispersed travel and employment patterns in middle and outer areas.

# TRANSPORT AND MANAGING CONGESTION

Planning for Melbourne's long-term transport needs is also critical to the development of the Government response to the *East West Link Needs Assessment*.

The Government will:

- ▶ Develop an integrated, longer-term vision for Melbourne's transport system beyond 2035 that helps Victoria meet its greenhouse gas emissions reduction target and builds on the Government's response to the *East West Link Needs Assessment*, due later in 2008.
- ▶ Invest \$4 million to plan and protect future major transport routes, and ensure existing public transport services are integrated to provide greater access to employment opportunities.

## Improving integration of transport and land-use planning

Since the *Melbourne 2030 Audit* commenced in 2006, the Government has taken significant action to improve integration of land-use development and transport planning through better coordination and engagement between all levels of government, the community and industry.

The recent creation of the Department of Transport indicates the Government's commitment to the delivery of public transport improvements that increase network capacity and address record growth in patronage. The new Department will have a strong focus on integration through the position of Executive Director, Integrated Transport Planning, which will have responsibility for developing the Government's response to the *East West Link Needs Assessment*.

In addition, in late 2006 the Director of Public Transport became a referral authority under the *Planning and Environment Act 1987* for major residential, retail, commercial, office and industrial developments, and this is helping integrate land-use and transport planning at the local level.

The *Precinct Structure Planning Guidelines* for Growth Areas are also being refined to ensure improved integration of transport and land-use planning. Other arrangements such as the proposed *Public Transport Guidelines for Land-Use Development* may need to be refined or new models developed in consultation with the GAA and the local government sector as the Government continuously seeks to improve integration of transport and land-use planning.

The Government is also undertaking a review of transport legislation, with reform intended to provide for improved coordination of transport and land-use planning. The review is well advanced with legislation proposed for 2008.

## Planning for Victoria's growing freight needs

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030 Audit Expert Group*.

#### Transport and freight (AEG Recommendation 4)

That priority is placed on completing and implementing the *Victorian Freight and Logistics Strategy* (started in 2002) and the *Port Environs Plan for the Port of Melbourne* (announced in 2004).

This would include:

- Potential for increasing rail freight.
- Identifying land for inter-modal hubs, to allow for freight redistribution.
- Clearly designated freight corridors, directing freight traffic away from sensitive areas, for more effective timing and allocation of road usage.
- Integrating freight considerations into all levels of transport and land use planning – including new growth areas.

It is estimated that by 2020, the city's road freight task will increase by more than 50%. There is also likely to be a four-fold increase in the number of containers handled by the Port of Melbourne by 2031.

Acknowledging these challenges, the Government shares the view expressed in the AEG Report that the development of freight infrastructure and strategy requires very long-term thinking and strong collaboration between State, local and Commonwealth governments. The proposed *Victorian Freight Network Strategy* will look to respond by identifying the economic, land-use and transport implications of planning road, rail, sea and air freight corridors, linkages, routes, and places; and improving their connectivity with key regional, interstate and international links.

The strategy will consider the long-term development of the Port of Hastings as a secondary port to absorb the overflow from the Port of Melbourne, and build on the opportunities for a more defined network of freight routes and places. This strategy is due to be considered by Government in the second half of 2008.

The draft *Port Environs Framework* for the Port of Melbourne is also expected to be considered by Government in the second half of 2008.

The Government will:

- ▶ Work towards development of a new *Victorian Freight Network Strategy*, and a *Port Environs Framework* for the Port of Melbourne.

# TRANSPORT AND MANAGING CONGESTION

## Providing more transport choice

Significantly reducing private car use and providing more transport choices for commuters are key objectives of the Government's transport policies and will help Victoria meet its goal of reducing greenhouse gas emissions.

Public transport will continue to be the principal mode of travel for commuters to inner and central Melbourne, and programs that help people switch to public transport will continue. People have significantly changed their transport choices in the last two years due to a number of possible reasons including increased petrol prices, removal of metropolitan Zone 3 and reductions in V/Line fares, and the introduction of free travel on metropolitan trains before 7am.

As the AEG Report notes, walking and cycling also provide important transport choices and contribute to congestion relief, especially for journeys to work in major employment centres such as the CBD, and for travel to and from schools and tertiary institutions.

Currently, more trips (52%) take place by walking than any other mode in inner Melbourne – especially the CBD. In middle, outer and fringe areas the mode share is much lower, with only 17% walking.

Between 2001 and 2006, cycling to work in the City of Melbourne increased by 74%. This rapid growth is likely to continue, however, cycling still accounts for only 1.4% of trips across Melbourne, and only 2.5% of trips within the inner area.

Walking and cycling are clearly transport choices with capacity to grow and this will be encouraged with continued investment in walking and cycling infrastructure.

The Government is injecting more than \$6 billion of new funding over the 10 years from 2006 for public transport, walking and cycling improvements in the metropolitan area. Behavioural change and information provision campaigns that encourage walking, cycling and use of public transport, such as *TravelSmart* and the *Local Area Access Program*, are also being continued or expanded.

The Government will:

- ▶ Identify and implement priority projects under the Government's \$10.5 billion *Meeting Our Transport Challenges* plan to respond to demand.
- ▶ Invest \$28.2 million as part of the *Keeping Melbourne Moving* plan to encourage walking and cycling to work by further developing the bicycle and pedestrian network to provide more transport choice.
- ▶ Accelerate the planning and delivery of new or upgraded transport infrastructure and services to meet increased levels of demand on existing public transport services.
- ▶ Accelerate the planning and delivery of extensions to the public transport network to meet the needs of planned new communities in Growth Areas.

## Managing the road network and reducing congestion

According to the Victorian Competition and Efficiency Commission, road congestion is costing the Victorian economy between \$1.3 billion to \$2.6 billion a year (*Making the Right Choices: Options for Managing Transport Congestion*, VCEC, March 2007). Areas likely to experience high levels of congestion are central and inner suburbs, some outer suburbs and some parts of the freeway network.

The majority of journeys to work are undertaken in a car or on road-based public transport. Urban road freight movements also compete for road space with private vehicles and road-based public transport, and are affected by congestion levels with a consequent economic cost.

An integrated approach to managing services and infrastructure is required to best manage congestion. Making the most efficient use of existing road space is critical, particularly during the peak periods, including providing greater priority to trams and buses on key routes to increase the capacity of the on-road public transport system and encourage and support behavioural change among commuters.

The Government recently announced a new \$112.7 million congestion plan, *Keeping Melbourne Moving*, which aims to ease congestion in the short term. Key aspects of this plan are to extend and standardise clearway times on key public transport routes to improve traffic flow during peak times; extend the targeted tram and bus priority program to improve the flow of road based public transport; expand VicRoads' Rapid Response Service to arterial roads to clear broken-down vehicles and other lane blockages; and provide more information to motorists to help them make smart travel choices.

The Government is also delivering the *Congestion Improvements Program* (\$30 million over three years) through VicRoads, which began in 2007. The program is targeting parts of the arterial road network that are strategically important and are currently experiencing significant congestion.

The Government is continually developing new road and public transport projects and programs to alleviate congestion across the network. These include the *ThinkTram*, *SmartBus* and *Bus Priority* programs; Tullamarine Freeway/Calder Interchange; the Monash Freeway – CityLink – Westgate Freeway project; the opening of EastLink; improvements on the AusLink network such as bypasses of Deer Park, Pakenham and Craigieburn; and walking and cycling programs.

The Government will:

- ▶ Implement the new \$112.7 million congestion plan, *Keeping Melbourne Moving*, to deliver traffic management and roadwork improvements to alleviate congestion.



### 3. ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

The impacts of climate change are now being seen around the world.

The CSIRO has found that Victoria is already experiencing warming and projections show that Victoria is expected to warm at a rate slightly faster than the global average, especially in the north and east. The past decade has been exceptionally dry in much of Victoria, with average rainfall across metropolitan Melbourne 14% below the long term average. In the medium-term, temperatures will almost certainly continue to rise due to emissions that have already occurred, but reductions made now will lower the risks in the longer term.

The Government agrees with the AEG that urgent action is needed to increase the environmental sustainability of Melbourne in the face of climate change. The need to develop a broad-based discussion of the likely consequences of climate change and the choices available to the community is also supported. This has already begun with the Premier's recent Climate Change Summit and the development of a Green Paper/White Paper on climate change.

Integrated land-use and transport planning will be important to sustaining biodiversity across our metropolitan area, managing waste and water resources, and reducing Victoria's greenhouse gases at a time when the State's economic and population growth is driving up demand for energy, water and other resources.

Planning also plays a vital role in minimising the exposure of new developments and infrastructure to the effects of climate change, such as rising sea-levels and extreme weather-related events.

The Audit has indicated a clear need to:

- ▶ Drive significant reductions in greenhouse gas emissions from energy use in the built environment and transport.
- ▶ Make Melbourne, the surrounding cities and towns, and critical infrastructure more resilient to climate change impacts.
- ▶ Support development and use of renewable resources, recycling and re-use of resources, the efficient use of water, and protect water supply catchments.
- ▶ Manage urban development to avoid or minimise impacts on native flora and fauna, and link and protect areas of high environmental value.

# ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

## PRIORITY ACTIONS AT A GLANCE

- ▶ Audit existing strategies and policies as part of a Green Paper/White Paper on Climate Change to ensure Victoria's policy settings are right for preparing industries, households and communities for the necessary change to a carbon-constrained economy.
- ▶ Develop a Victorian transport energy strategy to complement the Victorian Government's Green Paper/White Paper on Climate Change from 2009-10 onwards.
- ▶ Improve the long-term energy efficiency of Victorian homes, offices and other buildings by promoting higher energy performance requirements.
- ▶ Create financial incentives for the retrofitting of existing residential buildings through the *Victorian Energy Efficiency Target Scheme* to start in 2009.
- ▶ Facilitate investment in renewable energy infrastructure, and develop more targeted incentive and rebate programs.
- ▶ Ensure that land-use planning supports emissions reduction through the uptake of energy efficient and renewable energy options for the built environment (including through the design and location of buildings and activities and the design of subdivision layout).
- ▶ Update policies for the design, construction and retrofitting of buildings, transport systems and other infrastructure and the planning of existing and new suburbs to reflect the latest assessment of climate change risks.

## ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE PRIORITY ACTIONS AT A GLANCE

- ▶ Accelerate and extend mapping of important areas of vegetation and habitats in Growth Areas and Green Wedges to avoid, minimise and offset any losses, and integrate planning for biodiversity into precinct structure planning in Growth Areas to provide greater certainty for future development.
- ▶ Review the implementation of the *BushBroker* program to ensure it continues to meet Government and stakeholder needs.
- ▶ Investigate options for establishment of a grassland reserve network to the west of Melbourne to protect high value areas and significant threatened native species.
- ▶ Work with councils and State agencies to identify opportunities to establish biodiversity areas/corridors on public and private land (such as along rivers and creeks) using the recently completed new biodiversity mapping.
- ▶ Increase diversion of materials from landfill and reduce greenhouse gas emissions from waste, through the *Metropolitan Waste Resource Recovery Strategic Plan* to be released in mid 2008, noting that consultation is underway on the draft Plan released in April.
- ▶ Continue to encourage water sensitive urban design in new developments, such as the use of third-pipe water systems, along with other measures to reduce Melbourne's water usage by 30% by 2015 on a per capita basis and increase water recycling to 20% by 2010.

# ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

## Reducing greenhouse gas emissions

Reducing greenhouse gas emissions is imperative over the next 20 years to avoid dangerous levels of climate change.

The challenge is great given energy consumption in Victoria has doubled since 1973, and demand for electricity is increasing by approximately 2% per year.

Transport is the second largest category of greenhouse gas emissions, contributing about 16% of Victoria's total emissions, and emissions are growing rapidly as a result of population and economic growth.

The Government has commissioned an extensive review of the greenhouse gas emission reduction options across the entire Victorian economy. This modelling work shows that there is considerable potential to reduce emissions in the short, medium and long-terms, and that all sectors of the economy can contribute, including reduced energy use in buildings and transport. Better planning will be important in delivering many of these opportunities for emission reductions.

## *Driving emissions reductions*

The Government has already:

- ▶ Set a target to reduce overall greenhouse gas emissions from 2000 levels by 60% by 2050.
- ▶ Set a target of a 10% reduction in household emissions by 2010.
- ▶ Mandated a minimum of 10% renewable energy use in Victoria by 2016.
- ▶ Introduced a new *Feed-in Tariff Scheme* to encourage more households to install solar photovoltaic systems.
- ▶ Strongly supported the introduction of a national emissions trading scheme as the most effective mechanism for influencing investment decisions across the economy to achieve emission reductions.

The Government will:

- ▶ Facilitate investment in renewable energy infrastructure, and develop more targeted incentive and rebate programs.
- ▶ Audit existing strategies and policies as part of a Green Paper/White Paper on Climate Change to ensure Victoria's policy settings are right for preparing industries, households and communities for the necessary change to a carbon-constrained economy.

## *Building energy efficiency*

In 2005, Victoria was the first State in Australia to introduce the '5 Star' standard into Building Regulations. Over 100,000 new homes have now been built to the '5 Star' standard, with around half of these incorporating solar hot water systems to reduce greenhouse gas emissions. The '5 Star' standard for thermal building fabric has now been extended to home alterations and additions.

The Government will:

- ▶ Improve the long-term energy efficiency of new Victorian homes, offices and other buildings by promoting higher energy performance requirements.
- ▶ Create financial incentives for the retrofitting of existing residential buildings through the *Victorian Energy Efficiency Target Scheme* to start in 2009.
- ▶ Increase the Government's use of Greenpower to 25% and reduce overall energy use in Government buildings by 20% below 2000 levels by 2010.

## *Land-use and transport*

Land-use planning guides urban form, street and neighbourhood layout, solar orientation of lots, diversity of development and building type. All these factors influence the amount of energy used to run a home or building, and the choices we make on whether to walk or drive to the local shops. Practical transport choices must also be supported by infrastructure improvements in the metropolitan area that encourage walking, cycling and use of public transport.

The Government will:

- ▶ Develop urban design standards that build on the 'Neighbourhood Principles' in *Melbourne 2030* to promote walkable and less car-dependent communities in both existing and newly developing areas.
- ▶ Ensure that land-use planning supports emissions reduction through the uptake of energy efficient and renewable energy options for the built environment (including through the design and location of buildings and activities and the design of subdivision layout).
- ▶ Develop a Victorian transport energy strategy to complement the Victorian Government's Green Paper/White Paper on Climate Change from 2009-10 onwards.
- ▶ Consider bio-fuels and electricity from renewable sources for the transport sector where this will reduce greenhouse gas emissions.

# ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

## *Engaging with the local government sector, stakeholders and communities*

The Government recognises the importance of engaging key stakeholders and the broader community to enable the appropriate application of climate change information to decision-making. The Government works collaboratively with councils across the State through the *Victorian Local Sustainability Accord*. The Accord aims to strengthen cooperative efforts between the two levels of government in the delivery of local and state-wide sustainability objectives.

The Government will:

- ▶ Provide new regional climate change projections and information on coastal vulnerability to support engagement and decision-making at local and regional levels.
- ▶ Support pricing regimes and rebate programs that give Victorians an incentive to save resources and reduce energy and water consumption.
- ▶ Produce energy efficient home designs that are affordable to the average family through the *Sustainable Affordable Housing Design Project*.
- ▶ Invest in local government sector initiatives to mitigate climate change and address sustainability, through the *Victorian Local Sustainability Accord*.
- ▶ Work with councils to overcome barriers to investment in energy efficient public lighting.

## Adapting buildings and infrastructure to climate change

Strategic, long-term planning will play a vital role in minimising the exposure of buildings and infrastructure to the effects of climate change.

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030 Audit Expert Group*.

#### Working towards sustainability (AEG Recommendation 5.1)

That the State Government and local government take urgent action to increase the environmental sustainability of metropolitan Melbourne.

This can be achieved by:

- Developing strategies for addressing climate change mitigation and adaptation through a broad-based discussion of the likely consequences of climate change and the choices available to us as a community.
- Establishing benchmarks and targets for reduced greenhouse gas emissions, use of potable water and recycled water, and waste minimisation.
- Informing the public about full-cost pricing and user-pays policies for services such as waste disposal, water, energy and road use to ensure that those who use scarce resources or contribute to global warming are responsible for the associated costs.
- Strengthening demand management mechanisms for energy and water, including building on the existing five star energy rating to create higher energy rating standards for new residential developments and to introduce them for commercial development.

### Coastal areas

The coast is an area of particular risk. The Government is undertaking the *Future Coasts* program (due to be completed by 2009), a major research project to assess the vulnerability of Victoria's coastal zones (including metropolitan Melbourne's coastal zones) to climate change risks such as storm events, sea level rise, coastal inundation, erosion, flooding and salt water intrusion. The project will help improve planning for the location and design of future coastal development and associated infrastructure.

The Government will:

- ▶ Apply the findings of the *Future Coasts* program in the development of a coastal response plan.

# ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

## *Bushfire prone areas*

Climate change will mean drier conditions for Victoria, and ultimately increased risk of bushfires. In 2003 and 2006 Victoria experienced two of the worst bushfire seasons in a century.

Development at the fringe of Melbourne and surrounding regions will be at increased bushfire risk, as bushfire seasons lengthen and average rainfall levels decline.

The Government will:

- ▶ Review the policies, regulations and guidelines applying to the location and design of new fringe settlements or extensions to existing settlements in fire prone areas to improve safety.
- ▶ Complete a review of the *Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations* to consider the implications for construction of buildings in bushfire prone areas.

## *Urban infrastructure*

Climate change is also likely to affect a wide range of urban infrastructure through increased rates of deterioration or direct structural damage through higher temperatures and humidity, stronger winds and greater risk of subsidence and flooding. This could include buildings and other urban facilities such as roads, bridges, tunnels, airports and ports, sewer and drainage pipelines and electricity transmission lines.

The Government will:

- ▶ Update policies for the design, construction and retrofitting of buildings, transport systems and other infrastructure and the planning of new and existing suburbs to reflect the latest assessment of climate change risks.
- ▶ Incorporate climate change risk assessment and responses into Victoria's planning system through the strengthening of existing policy and new planning policies and tools where required.
- ▶ Revise the *Precinct Structure Planning Guidelines*, used by the GAA to guide the planning and design of new communities, to address a range of climate change risks such as longer and more intense bushfire seasons and more extreme flood events.

## Sustaining biodiversity

Continuing rapid urbanisation has the potential to decrease both the quantity and quality of native flora and fauna habitat.

Approximately 7% of the area within Melbourne's Urban Growth Boundary (UGB) in which new development is occurring is covered by retained native vegetation. Changes have been made to the way the Government's Native Vegetation Framework is applied within the UGB to reduce uncertainty and address concerns about impacts on land development while ensuring that there are improved outcomes for biodiversity.

The Framework will apply at the Precinct Structure Plan (PSP) stage of growth area planning with Native Vegetation Precinct Plans (NVPP) being prepared in parallel with and incorporated into the approved PSP. This revised approach will be constantly monitored to ensure it meets both industry needs and Government objectives with respect to development and biodiversity management.

The *BushBroker* program, which facilitates the buying and selling of offsets for any native vegetation once approval has been granted for clearing, reduces compliance costs for developers and provides sellers of offsets an income stream for protecting and managing native vegetation on their properties.

The Government will:

- ▶ Work with the local government sector to prepare guidelines to assist councils to fully address biodiversity and ecosystem health outcomes through Municipal Strategic Statements and other planning mechanisms.
- ▶ Accelerate and extend mapping of important areas of vegetation and habitats in Growth Areas and Green Wedges to avoid, minimise and offset any losses, and integrate planning for biodiversity into precinct structure planning in Growth Areas to provide greater certainty as to future development.
- ▶ Investigate options for establishing a grassland reserve network to the west of Melbourne to protect high value areas and significant threatened native species.
- ▶ Work with councils and State agencies to identify opportunities to establish biodiversity areas/corridors on public and private land (such as along rivers and creeks) using the recently completed new biodiversity mapping.
- ▶ Review the implementation of the *BushBroker* program to ensure it continues to meet Government and stakeholder needs.

# ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

## Managing waste and water resources

### *Waste reduction*

By 2014, the Government's *Towards Zero Waste* strategy aims to cut waste generation by 12% (1.5 million tonnes a year); recover 75% of solid waste for reuse, recycling and/or conversion to energy; and reduce 2003 levels of littering by 25%.

While the targets are for the State, metropolitan Melbourne's role is significant because it is the source of some 70% of waste generated in Victoria and is home to three-quarters of resource recovery and reprocessing activity.

The Government will:

- ▶ Increase diversion of materials from landfill and reduce greenhouse gas emissions from waste, through the *Metropolitan Waste Resource Recovery Strategic Plan* to be released in mid 2008, noting that consultation is underway on the draft Plan released in April.
- ▶ Work through the Metropolitan Waste Management Group to increase opportunities for councils to achieve economies of scale in the provision of waste services, in particular, through planning and procuring services on a metropolitan-wide basis.
- ▶ Examine ways to improve recycling services in multi-storey development.

### *Water conservation and water quality*

The demand for water in urban areas will continue to grow as the population increases but the ability to divert more water from catchments and rivers is limited. Many rivers have reached or exceeded their limits for providing water for consumption. Climate change is likely to reduce the water yield from our catchments even further.

*Our Water Our Future: The Next Stage of the Government's Water Plan* will reduce the vulnerability of our cities and towns in the face of drought and the challenge of climate change, by diversifying our water sources and using what we have more wisely.

The Government will:

- ▶ Construct a new desalination plant to provide water for Melbourne and its surrounding cities and towns. The plant will generate up to 150 billion litres of water per year and be completed by the end of 2011.

## ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

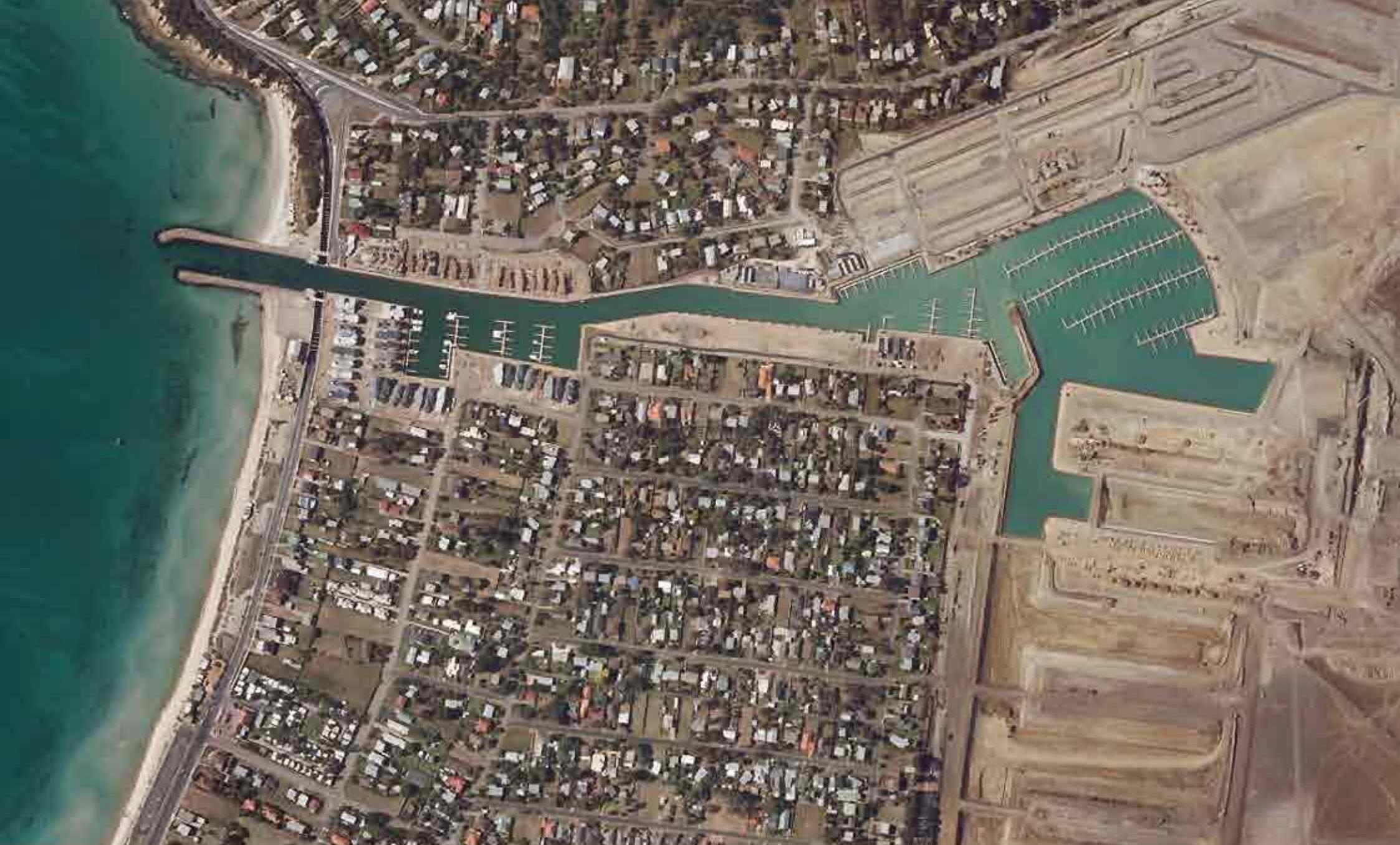
- ▶ Expand Victoria's Water Grid by constructing the Sugarloaf Pipeline which will transfer up to 75 billion litres of water saved from the vFood Bowl Modernisation Project to Melbourne. This project will be completed by the middle of 2010.
- ▶ Upgrade Melbourne's Eastern Treatment Plant to produce up to 100 billion litres of tertiary treated recycled water, which may be appropriate for non-potable residential, industrial, agricultural and environmental uses, by the end of 2012. The possibilities for using this water are being considered in a business case which will be completed by the end of 2008.
- ▶ Continue water conservation measures such as the *Water Smart Gardens and Homes Rebate Scheme* which contribute to Melbourne households using water more wisely and efficiently by providing a range of rebates for rainwater tanks, grey water systems and dual flush toilets.
- ▶ Continue to encourage water sensitive urban design in new developments, such as the use of third-pipe water systems, along with other measures to reduce Melbourne's water usage by 30% by 2015 on a per capita basis and increase water recycling to 20% by 2010.

In Melbourne Water's operating area, 28% of rivers and creeks are in good or excellent condition, 25% are in moderate condition, and 47% per cent are in poor or very poor condition. Generally, the condition of rivers and creeks closer to the city worsen due to run-off from buildings and roads, loss of vegetation, and litter.

Port Phillip Bay has been assessed as being in fair to good health across key indicators in the *State Environment Protection Policy* and other environmental measures. Western Port, however, is a stressed ecosystem and faces on-going threats due to human activity (both farming and urban development).

The Government will:

- ▶ Review the current measures used to control sediment or nutrient release during construction or agricultural activity that could be linked to potential pollution of Western Port and Port Phillip Bays, and the streams and rivers feeding them.



## 4. MANAGING URBAN GROWTH AND CHANGE

Rapidly changing demographics, shifting global markets and the indiscriminate impacts of climate change all make planning for all of Melbourne a significant and ongoing challenge. Good planning policies can help keep new and established communities strong, healthy and safe in the face of significant change.

Strong communities are those that are welcoming and diverse and provide opportunities for residents to participate in a broad range of activities and be involved in the decisions that affect them. Strong communities also have the facilities and essential infrastructure they need to provide access to jobs, opportunities for people to age in place, and a range of well-located and affordable housing choices.

Good urban planning is required to provide sufficient areas for residential and employment growth in both new and established areas. The quality and sustainability of development in Growth Areas must continue to improve, while change must be carefully managed in established suburbs to retain and enhance Melbourne's highly valued liveability.

The Government generally accepts the recommendations of the AEG regarding the management of urban growth and change, and will address them through a range of actions.

The Audit has indicated a clear need to:

- ▶ Protect neighbourhood amenity and increase certainty about the scale, location and form of future development in established residential areas.
- ▶ Provide for more new housing close to existing public transport, shops and jobs in response to higher growth, climate change and the growing importance of sustainable transport and housing affordability issues.
- ▶ Improve planning and development approvals processes in activity centres and strategic redevelopment sites.
- ▶ Make the best use of land and improve housing choices in Growth Areas by increasing diversity of housing types, and planning in a more coordinated way for new services, facilities and open space in new communities.
- ▶ Retain the Urban Growth Boundary as a growth management tool, while continuing to maintain a long-term supply of development land.
- ▶ Plan for growth in regional areas around Melbourne.
- ▶ Provide ongoing protection of environmental values of Melbourne's Green Wedges, while fostering appropriate economic uses.
- ▶ Improve planning support for economic development and maintain land for current and future employment in established areas and Growth Areas.
- ▶ Ensure residential aged care facilities can be developed more easily, responding to rapidly changing demographics including the ageing population.
- ▶ Reform Victoria's statutory planning system to support effective delivery of strategic policy, reduce complexity and increase certainty.



# MANAGING URBAN GROWTH AND CHANGE

## PRIORITY ACTIONS AT A GLANCE

The Government will:

- ▶ Support councils to plan for future community needs, by working with councils to develop clear requirements for the amount and diversity of housing needed in each municipality, taking into account the capacity of each area to accommodate growth and protect neighbourhood amenity and the character of streets.
- ▶ Work in partnership with councils to implement the new residential zones, with extensive community engagement, to increase certainty for communities and developers about the location of future housing.
- ▶ Provide an additional \$27.3 million to expand the \$400 million Transit Cities program to revitalise suburban centres by creating affordable housing close to public transport and improved access to jobs.
- ▶ Introduce a new Activity Centre Zone and simple Development Frameworks to provide greater certainty for communities and developers about the scale of development, public realm improvements, land uses, and to identify the boundaries of Activity Centres.
- ▶ Work with inner city councils to agree on priority actions for the next five years to implement the *Inner Melbourne Action Plan* to strengthen the liveability, attractiveness and prosperity of inner Melbourne.
- ▶ Continue to streamline planning processes in Growth Areas to fast-track residential development and reduce cost to developers and homeowners.

## MANAGING URBAN GROWTH AND CHANGE PRIORITY ACTIONS AT A GLANCE

- ▶ Continue to ensure up to 25 years of land supply for future urban growth (with a minimum of 15 years) in areas that are served by major transport infrastructure and close to employment opportunities.
- ▶ Maintain the UGB and consider the timing of future UGB changes on the basis of updated forecasts, the development capacity of existing urban areas, longer-term urban growth issues (including future economic and employment opportunities) and transport investment requirements.
- ▶ Work with the Commonwealth Government on the development of a new *National Affordable Housing Agreement* and build the capacity of the not-for-profit, social housing sector to provide more affordable housing opportunities for Victorians.
- ▶ Finalise the *Retail Policy Review* guiding the planning, development and investment of retail activity and begin implementation in 2009, in consultation with the local government sector and stakeholders.
- ▶ Continue to accelerate development in Geelong through fast-tracking planning for the Armstrong Creek growth area and investing an additional \$32.4 million over 4 years in central Geelong.
- ▶ Continue to work with councils to develop strategic plans that integrate planning for land-use, transport, economic development and community planning for rural and regional Victoria in order to better manage growth.
- ▶ Ensure that the importance of providing for aged care facilities is reflected in land-use planning strategies.



# MANAGING URBAN GROWTH AND CHANGE

## Providing for housing close to public transport, shops and jobs

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030 Audit Expert Group*.

#### **The established suburbs (AEG Recommendation 3.2.4)**

That the State Government gives a high priority to encouraging new residential development in the established suburbs of Melbourne, while maintaining their liveability.

This can be assisted by:

- Establishing household growth targets for each municipality, in collaboration with local government and communities.
- Finalising and introducing the residential zones to provide greater certainty concerning anticipated built form outcomes and the degree of change likely in established areas.
- Assisting local government to identify 'substantial change', 'incremental change' and 'limited change' areas, in consultation with communities.
- Improving open space provision and services in line with population increases.

Encouraging more housing in locations close to public transport and other services has long been bipartisan planning policy. This will remain important if the housing needs of new and existing Melburnians are to be met in a sustainable way, and to reduce pressure for development in areas with constraints such as heritage, special vegetation or which are remote from infrastructure.

The Government accepts the advice of the AEG that "it is not unrealistic for planning schemes to provide more choice of housing and maintain liveable neighbourhoods." This will, however, require careful planning by councils, in consultation with communities and stakeholders.

### Support councils to plan for future community needs

Councils and the State Government have a shared responsibility to plan for future community needs. The State Government's role is to set the overall vision, to support councils by providing clearer policy guidance for local planning, and then to streamline approval processes once community engagement has occurred.



Setting clearer requirements for the amount and diversity of housing growth in each municipality will ensure that all areas accommodate the future needs of their local communities and a fair share of Melbourne's future growth. This will assist councils and communities to effectively plan and support a more competitive housing market, and in turn contribute to improved housing affordability.

The Government will:

- ▶ Support councils to plan for future community needs, by developing clear requirements for the amount and diversity of housing needed in each municipality, taking into account the capacity of each area to accommodate growth and the protection of neighbourhood amenity and the character of streets.
- ▶ Provide clearer guidelines for municipal strategic planning, including the need for housing to be diverse, affordable and close to public transport.

Housing growth requirements will:

- ▶ Be developed in consultation with councils.
- ▶ Take account of up to date forecasts of housing need and the capacity of each area to accommodate growth.
- ▶ Inform future reviews of Municipal Strategic Statements, local planning schemes and planning for activity centres and strategic redevelopment sites.
- ▶ Play a key role in the application of the new residential zones, as the primary mechanism to increase certainty about the scale, location and form of residential development. In applying the new residential zones, future housing needs in each municipality will need to be provided for.

The Government will:

- ▶ Work in partnership with councils to implement the new residential zones, with extensive community engagement, to increase certainty for communities and developers about the location of future housing.



# MANAGING URBAN GROWTH AND CHANGE

## *Activity Centres and strategic redevelopment sites*

### **Related AEG Recommendations**

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to these recommendations from the independent *Melbourne 2030 Audit Expert Group*.

#### **Metropolitan activity centres (AEG Recommendation 3.2.3)**

That the State Government establishes a new entity or new administrative arrangements to facilitate the rapid and focused development of a small number of selected principal or major activity centres and the metropolitan Transit Cities, and considers revised planning responsibilities for these centres.

That the State Government provides continued financial support and expert assistance to local government for planning and development of other principal and major activity centres, along with neighbourhood activity centres.

Principal and Major Activity Centres as well as other large, well located strategic redevelopment sites, are the intended focus of major change. They need to accommodate significant levels of residential development, to help take the pressure off more established residential areas. They need also to provide locations for jobs and services easily accessible to surrounding populations by public transport, walking and cycling.

The Government accepts the advice of the AEG to focus resources in a more targeted way on a small number of Principal and Major Activity Centres and designated Transit Cities.

The Government will:

- ▶ Provide an additional \$27.3 million to expand the \$400 million Transit Cities program to revitalise suburban centres by creating affordable housing close to public transport and improved access to jobs.
- ▶ Prioritise other targeted assistance to Activity Centres that have high development potential and are 'market ready'.
- ▶ Introduce a new Activity Centre Zone and simple Development Frameworks to provide greater certainty for communities and developers about the scale of development, public realm improvements, land uses and to identify the boundaries of Activity Centres.
- ▶ Release a new *Planning Practice Note for Activity Centre Structure Planning* in 2008 to make structure plans more concise and ensure more effective community engagement.



Currently, a wide mix of zones are routinely used in Activity Centres that provide for different uses and varying levels of notice and review rights. Overlays are also imposed on top of zones including heritage overlays, design development overlays, development plan overlays, significant building overlays and development contribution plans.

To simplify planning in centres, the Government proposes a new flexible Activity Centre Zone, accompanied by a Development Framework fully tailored to each centre.

The explicit purpose of the Activity Centre Zone will be to implement activity centre policy and encourage a wide mix of uses and developments. Development Frameworks will be based on individual structure plans which have been developed with high levels of community input.

The Government expects Development Frameworks will specify the boundary of the centre, any sub-precincts, opportunities for improvements to the public realm, and provide direction on the scale, including height, of future development appropriate to individual centres. In introducing the new Activity Centre Zone and Development Frameworks into planning schemes, the priority will be the 26 Principal Activity Centres (which include Transit Cities).

Although the focus in the short-term will be on facilitating development in Principal Activity Centres and Transit Cities, ongoing support will be provided for councils to develop the wider network of activity centres. This will be achieved through programs such as the \$13.5 million *Creating Better Places* program and the \$3 million *Expert Assistance Program*, as well as assistance with development facilitation from the Priority Development Panel and other Government resources.

Neighbourhood activity centres also provide more modest opportunities for housing and commercial growth. There are around 900 neighbourhood centres in Melbourne, many of which are served by public transport and local convenience shops, reducing the need for travel and allowing shorter car trips. In most centres, three to four storey development could be accommodated, except where more significant 'one-off' development opportunities or local constraints require a different approach.



# MANAGING URBAN GROWTH AND CHANGE

## The Inner Melbourne Region

### Related AEG Recommendations

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to these recommendations from the independent *Melbourne 2030 Audit Expert Group*.

#### **Central and inner Melbourne (AEG Recommendation 3.2.2)**

That the State Government places a high priority on resourcing the planning, infrastructure and community services necessary to improve the jobs–housing balance within inner Melbourne.

That the State Government develops a strong partnership with the inner Melbourne councils to provide financial support and coordination to assist them to implement the *Inner Melbourne Action Plan*, including the proposal to accommodate more than 90,000 additional dwellings in inner Melbourne by 2030.

As evidenced by the planning work undertaken by inner regional councils to plan for growth, inner Melbourne has the capacity to accommodate significant housing and commercial growth.

The State Government is working in partnership with inner region councils to advance the *Inner Melbourne Action Plan*. This was developed by the inner region councils and is a model for regional cooperation among councils. Departments are working on a range of inner region planning, transport and water projects to improve the liveability of inner Melbourne.

The Government will:

- ▶ Work with inner region councils to agree on priority actions for the next five years to implement the *Inner Melbourne Action Plan* to strengthen the liveability, attractiveness and prosperity of inner Melbourne.



## Planning and servicing new communities in Growth Areas

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030* Audit Expert Group.

#### Growth Area planning (AEG Recommendation 3.2.5)

Ensure that Growth Area planning delivers sustainable new communities that can support public transport, minimise car dependence, provide local employment opportunities and conserve scarce resources such as water and energy.

Achieving this aim will be assisted by:

- Substantially increasing overall residential densities in growth areas.
- Providing greater variety in lot sizes and dwelling types.

Developing environmentally, economically, and socially sustainable new communities in Melbourne's five designated Growth Areas is a high priority and has involved substantial effort in the first five years of *Melbourne 2030*.

Development at the fringe of Melbourne will continue to be significant even with an increase in the amount of growth accommodated in established areas. Greater diversity of housing and more dwellings per hectare of land are being delivered by the development industry in response to changes in market demand. These trends will be further encouraged to provide greater housing choice, make better use of land within the UGB and assist in the provision of new transport and services.

The Government expects the number of dwellings per hectare of new development in Growth Areas will continue to increase. For precincts which are currently being planned the aim should be to achieve an average of 15 dwellings per hectare (net). Precinct Structure Plans will be expected to demonstrate that they have made provision for a variety of housing types and for future increases in housing diversity as new communities mature and additional housing choices are required.

The Growth Areas Authority (GAA) was established in 2006 to facilitate integrated planning for new communities and the more timely delivery of infrastructure and services. The GAA is overseeing a new, more streamlined planning process that will cut the time it takes to prepare land for development by more than 12 months. It includes rezoning land to a new Urban Growth Zone and improving the quality of strategic planning for infrastructure, jobs and housing choice in 37 new communities.



# MANAGING URBAN GROWTH AND CHANGE

The Government will:

- ▶ Direct the Growth Areas Authority to ensure that all 37 Precinct Structure Plans currently being developed for land within the UGB are completed within the next four years.
- ▶ Direct the Growth Areas Authority, jointly with the Department of Planning and Community Development, to conduct an independent land capability assessment to establish more precisely the actual amount of land that is developable, and which would be reflected in the annual report of the *Urban Development Program*.
- ▶ Continue to streamline planning processes in Growth Areas to fast-track residential and commercial/industrial development and reduce cost to developers and homeowners.
- ▶ Strengthen *Precinct Structure Planning Guidelines* to improve the quality of new developments and include investment plans for supporting infrastructure to be delivered in step with development.
- ▶ In Growth Areas, encourage councils and government agencies to prioritise infrastructure to support development.

## Housing affordability

Housing affordability, whether buying or renting, has generally declined across Australia in the last nine years. The drivers of decreasing housing affordability include increased demand for housing, easily accessible finance and strong growth in disposable incomes. The State Government's ability to affect housing affordability outcomes is limited but important. The main areas of State Government contribution include effective management of land supply, planning system efficiency, timely information on housing demand and supply, and investment in social housing.

### *Land supply and the Urban Growth Boundary*

The Urban Growth Boundary (UGB) was introduced in 2002 as an urban management tool to help manage the outward growth of Melbourne. The Government accepts the advice of the AEG that the UGB should be maintained, and only be altered when compelling circumstances arise.

Maintaining land supply in Melbourne's Growth Areas has been an important factor in keeping Melbourne's housing relatively affordable, compared to most other mainland capital cities. Land as a proportion of new house and land price remains lower in Melbourne than for Australia's five largest cities and has remained relatively stable. The most affordable housing in Melbourne is still located on the fringe and adjoining suburbs.



## Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030* Audit Expert Group.

### 3.2.6 The Urban Growth Boundary

Retain and strengthen the Urban Growth Boundary, while ensuring that an appropriate supply of development land is maintained over time in Growth Areas.

This can be achieved through:

- Maintaining the UGB without alteration for at least the next five years, unless compelling circumstances arise.
- Developing a clear and transparent process for future reviews of the UGB.
- Ensuring that infrastructure providers can identify long-term requirements, beyond the current planning horizon.
- Reviewing the application of the Native Vegetation Framework within the UGB to ensure that it is not impacting adversely on achievement of 'compact city' objectives and the supply of development land within the boundary.

Increases in population forecasts and demand from increasing numbers of households will put pressure on the existing land supply. DPCD is preparing revised *Victoria in Future* (VIF) population projections based on the 2006 Census and current trends in population growth and land supply and demand. This is due to be completed later in 2008.

The Government will:

- ▶ Continue to ensure up to 25 years of land supply for future urban growth (with a minimum of 15 years) in areas that are served by major transport infrastructure and close to employment opportunities.
- ▶ Maintain the UGB and consider the timing of future UGB changes on the basis of updated forecasts, the development capacity of existing urban areas, longer-term urban growth issues (including future economic and employment opportunities) and transport investment requirements.

As recommended by the AEG, any changes to the UGB in Growth Areas need to be consistent with *Melbourne 2030* planning principles and ensure that:

- ▶ Long-term infrastructure requirements can be met.



# MANAGING URBAN GROWTH AND CHANGE

- ▶ Changes respond to the *Melbourne 2030* objectives for the efficient management and provision of land supply, focus outward growth into corridors best served by transport and infrastructure, protect environmental and economic assets in green wedges, and are likely to have a positive influence on housing affordability.

## *Planning reforms*

An efficient statutory planning system is an important factor of housing affordability. Improving access to zoned land supplies and reducing unnecessary delays for development, can keep downward pressure on house and land prices.

The Government's streamlining of planning processes for residential development in Growth Areas, improved Activity Centre planning, and designated areas for change in established areas, will help maintain a competitive housing market and protect Melbourne's affordability advantage over other capital cities.

## *Information*

Councils play an important role in providing for housing diversity and affordability. Government will support Councils in developing effective local housing strategies based on accurate information. An important contribution to monitoring of housing trends is the Government's *Urban Development Program*.

The Government will:

- ▶ Continue to support planning for affordable housing in local communities by providing councils with information and policy advice about housing trends and data on housing affordability.

## *Social housing*

Public and community-managed social housing plays an important role in providing affordable housing to low income and disadvantaged Victorians.

Over the period 2002-2007 the Victorian Government has committed capital investments of more than \$1.4 billion in social housing. A further \$510 million was invested in the 2007-2008 State Budget. The Government has also established new Housing Associations to help increase the supply of affordable housing through property development, property management and tenancy support. There are now seven registered Housing Associations undertaking this work.



## Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030 Audit Expert Group*.

### Affordable Housing (AEG Recommendation 6)

That the State Government, in consultation with local governments, the development industry, and other stakeholders, establishes targets for social housing assistance and prepares a multi-sector funding strategy to engage the Commonwealth Government in addressing housing affordability.

Associated actions include:

- Victoria actively participating in developing a national framework for action on affordable housing – taking advantage of the incoming Commonwealth Government's declared commitment to social inclusion.
- Setting and monitoring targets for housing assistance at local and metropolitan levels.
- Investigating, prioritising and implementing mechanisms to mitigate the increase in housing costs, with consideration given to the use of 'inclusionary zoning' to provide a component of affordable housing in new developments.
- Enhancing the capacity of not-for-profit and cooperative housing associations to deliver and manage affordable housing.

The Government will:

- ▶ Provide funding during 2008-09 to purchase or construct new public housing properties, predominately in Transit Cities, and to purchase land in Transit Cities for development by Housing Associations to deliver new affordable homes.

### Commonwealth – State collaboration

Tackling the issue of housing affordability requires coordinated action between State and Commonwealth governments. The Victorian Government will join with other states and territories to:

- ▶ Negotiate a new *National Affordable Housing Agreement* with the Commonwealth Government.
- ▶ Work with the Commonwealth Government to progress new strategies to improve housing affordability, including the new *National Rental Affordability Scheme* and the *Housing Affordability Fund*.



# MANAGING URBAN GROWTH AND CHANGE

## Supporting economic growth and local jobs

### Related AEG Recommendation

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030 Audit Expert Group*.

#### Encouraging a diverse economy (AEG Recommendation 3.2.1)

That the State Government develops a metropolitan economic development and employment strategy to support *Melbourne 2030* and improve the range of employment opportunities available across the metropolitan area.

Important considerations include:

- The future location of Government employment in metropolitan Melbourne and its potential to stimulate development of key activity centres.
- Opportunities to encourage the private sector to provide for office-based jobs in activity centres.
- The potential to reduce the pressure on the transport system by developing new employment concentrations in or close to centres on the Principal Public Transport Network.
- The need to improve equity of access to a range of employment opportunities.
- Retention of appropriate land in inner Melbourne to cater for new industrial, service and employment uses.
- Review of industrial and business zones to ensure that they cater effectively for high technology activities that may combine office uses and manufacturing.

The Government's Economic Statement, *Victoria: Leading the Way*, provides an economic development framework with actions to drive new investment, stimulate the creation of new jobs, lower costs and support increased exports. The Audit has highlighted a need to better understand the changing nature of economic activity and improve forecasting of future employment patterns and distributions. The challenge is to create an environment for continued jobs growth given Melbourne's accelerated population growth and the changing nature of economic activity.

The Government will:

- ▶ Provide for future employment land in Growth Areas and established areas to support economic growth and provide for jobs closer to where people live. This will be done through precinct structure planning, activity centre planning, and planning for housing growth, noting the particular pressures on employment land in inner Melbourne.



- ▶ Work with councils to finalise structure planning for Specialised Activity Centres and ensure the protection of their special economic functions as the highest priority.
- ▶ Undertake land-use analysis and planning policy development leading to a review of planning schemes to ensure they reflect emerging economic activity and needs.
- ▶ Ensure that State significant industrial areas can grow to provide for Melbourne's future industrial needs.
- ▶ Finalise the *Retail Policy Review* guiding the planning, development and investment of retail activity and begin implementation in 2009, in consultation with the local government sector and stakeholders.

## Growth outside the existing metropolitan urban area

### *Green Wedges*

#### **Related AEG Recommendation**

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030* Audit Expert Group.

#### **Green wedges (AEG Recommendation 5.2)**

That the State Government gives higher priority to enhancing the contribution of green wedges to the sustainability and liveability of Melbourne.

Means by which this can be achieved include:

- In implementing the Green Wedge Management Plans, ensure that controls on the use of land recognise the inherent differences in the nature and capability of land within each green wedge.
- Developing appropriate incentives and programs of assistance to landowners to manage and maintain this important metropolitan resource.
- Ensuring that tourist and recreational developments in green wedges are only approved where they support *Melbourne 2030*.

The Government introduced world-first legislation to protect Melbourne's green wedges and is working with councils and other agencies to complete management plans for Melbourne's 12 Green Wedges.



# MANAGING URBAN GROWTH AND CHANGE

It is important to build a clear understanding of the values and roles of each green wedge area and recommend management priorities and techniques for their sustainable use and protection.

The Government will:

- ▶ Allocate 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. An additional \$0.7 million over 2 years has been allocated from 2008-09.
- ▶ Ensure planning scheme controls continue to deliver the intent of Green Wedge policy.
- ▶ Establish a high-level whole-of-Government mechanism to help clarify management priorities of departments and agencies and to coordinate implementation actions for each Green Wedge.

## *Growth beyond Melbourne*

### **Related AEG Recommendation**

The Government's commitments and directions in *Planning for all of Melbourne* address and respond to this recommendation from the independent *Melbourne 2030 Audit Expert Group*.

### **Networks with the regional cities (AEG Recommendation 3.2.7)**

That the Victorian Government initiate, with some urgency, discussion with the Commonwealth and other state governments regarding the need for developing a long term national urban development strategy, in order to address the challenges faced by both capital and provincial cities.

This could be introduced through the regular meetings of the Council of Australian Governments (COAG).

Regional Victoria has grown strongly in recent years with the highest growth focused on Geelong, Ballarat, Bendigo and Latrobe Valley. These cities, particularly Geelong, are experiencing accelerated growth demand, putting pressure on land supply and housing affordability. The Government acknowledges the need to assist councils in planning for and managing that growth.

A further strategic planning priority is to work with councils on the periphery of Melbourne (the 'peri-urban' region) where there is growing pressure to manage growth and development sustainably.



The Government will:

- ▶ Accelerate development in Geelong through fast-tracking planning for the Armstrong Creek growth area and investing an additional \$32.4 million over 4 years in central Geelong.
- ▶ Continue to support regional Transit Cities and urban renewal project initiatives.
- ▶ Continue to work with councils to develop strategic regional plans that integrate planning for land use, transport, economic development and community planning for rural and regional Victoria in order to better manage growth.

## **Building stronger, healthier and safer communities**

### ***Open Space***

As Melbourne's population grows it is essential that adequate space is available for sport and active and passive recreation close to where people live. Adequate, well located and useable open space is required for recreation, conservation and catchment management in all new communities.

The Government will:

- ▶ Direct the Growth Areas Authority, working with councils, Sport and Recreation Victoria, Parks Victoria, Melbourne Water and the Department of Sustainability and Environment, to develop open space plans for each Growth Area, including the opportunity for multiple uses of undeveloped land.
- ▶ Actively encourage shared ovals between schools and local communities.
- ▶ Provide clearer guidance in planning schemes for the quantity and quality of open space.

### ***Co-location and multi-use services and infrastructure***

Co-location of services and infrastructure allows more people to benefit from community assets.

The Government is improving planning of multi-use community facilities (such as children's services, schools, community health centres) in both established and Growth Areas. This will lead to better quality and a better range of community facilities, and more flexibility to provide for changes in demand as communities grow.



## MANAGING URBAN GROWTH AND CHANGE

Through the *Metropolitan Health Strategy*, the Government is also investigating how to better address health issues and gaps, including services and infrastructure, better integrated planning and new delivery models. Pilot projects have been started in the North and West and Southern Metropolitan Health regions.

As our population ages, services will be needed in both new and established areas for older Victorians to know they will be cared for close to their local community.

The Government will also:

- ▶ Ensure an appropriate area of land is set aside for education that is co-located with public open space and community activity centres in planning for Growth Areas to provide a focal point for new communities.
- ▶ Pursue co-location and shared use of facilities at existing schools in established areas as part of the modernisation of every Victorian school.
- ▶ Publish guidelines on shared use facilities to assist schools and councils and consider an online *Community Infrastructure Directory* that identifies the location of community infrastructure.
- ▶ Ensure that the importance of providing for aged care facilities is reflected in land use planning strategies.



## Planning reform initiatives

Continuous improvement of the planning system is needed as new issues emerge, technology changes and policy changes in response to economic, demographic, environmental and social trends.

### *Making local policy stronger*

In early 2007, the Government set up an expert working group to recommend improvements in the operation of local planning policy. The group found that while Victoria's planning system overall is robust, policy in planning schemes has become complicated and unclear. Implementation of priority actions from the *Making local policy stronger* report is now occurring through:

- ▶ The release in February 2008 of a discussion paper on the new residential zones.
- ▶ The appointment of an expert group to oversee the process of revising the *State Planning Policy Framework*.
- ▶ The establishment of a Planning Policy Technical Committee to provide support, resources and assistance to councils to make local policy stronger.
- ▶ A pilot restructure of the *Local Planning Policy Framework* with 15 volunteer councils.

### *Cutting Red Tape in Planning*

The Government will implement the remaining recommendations from the *Cutting Red Tape in Planning* report, with an expert Panel to review the *Planning and Environment Act 1987* and report back by the end of 2008 with a view to having a new Act ready for presentation to Parliament in 2009.

The Government will:

- ▶ Make policy more relevant to local decision-making and make it easier to write, implement and review local planning policies.
- ▶ Review the *Planning and Environment Act 1987* to streamline Growth Area planning processes and strengthen certainty and timeliness.



## ACKNOWLEDGEMENTS

The Government wishes to thank all those who contributed their time and expertise to the *Melbourne 2030* Audit process and the development of *Planning for all of Melbourne*.

The Government wishes to thank all councils that have embraced the principles and directions of *Melbourne 2030* and have committed themselves to its implementation over the past 5 years.

The Government expresses particular gratitude to Professor Rob Moodie and the other members of the independent Audit Expert Group, Michael Wright QC, Mr David Whitney and Dr Ann McAfee, for their significant contribution and advice on how Government and the wider community might best address the many challenges faced by a modern international city.

The Government also thanks individuals and organisations who made submissions to the AEG or participated in workshops and forums. All have provided invaluable assistance to the development of the Audit Expert Group's report and recommendations, and the development of *Planning for all of Melbourne*.

