

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.

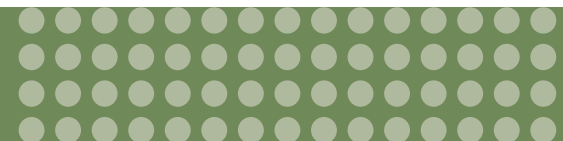
The Victorian Government has a clear and overarching responsibility to plan for all of Melbourne. This includes balancing local and broader regional interests when major planning and infrastructure decisions are made. Melbourne and the surrounding region will continue to be among the fastest growing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



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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.

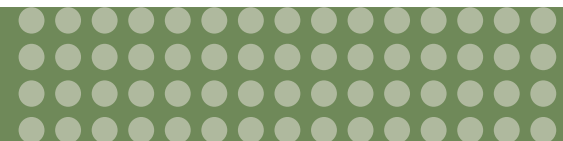
Decision-making for areas and matters of metropolitan significance

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.



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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.

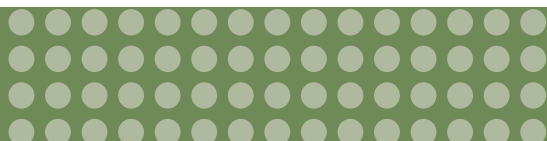
DACs will initially be introduced to make planning permit decisions in a number of more 'market ready' Transit Cities and Principal Activity Centres. DACs will progressively be introduced across all 26 Principal Activity Centres and sites of metropolitan significance.

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*.

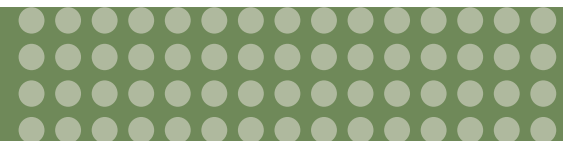
This could be done by:

- 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.



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- ▶ \$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

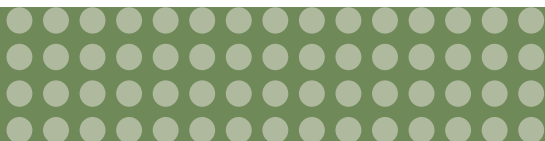
The Government will:

- ▶ 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.

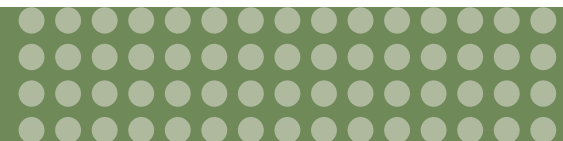
There has been an annual process to audit progress across Government with the implementation of initiatives identified in the first five-year *Melbourne 2030* Implementation Program. There has also been some monitoring of outcomes through, for example, the *Urban Development Program* which tracks development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



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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.

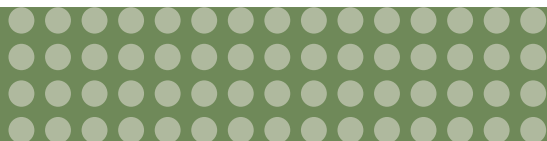
National context – need for Commonwealth support

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:

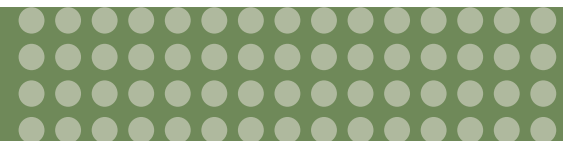
- Undertake new community engagement programs to focus on climate change adaptation.
- Involve communities in decisions on the application of the new residential zones.

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.



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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:

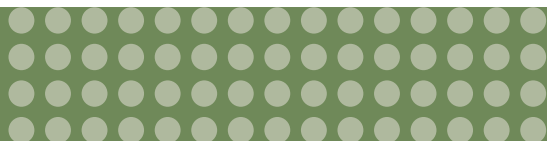
- ▶ **Informing** – providing information to assist in understanding problems, alternatives and approaches.
- ▶ **Consulting** – seeking feedback on analysis, alternatives or decisions.
- ▶ **Involving** – working together to better understand and consider issues, concerns and aspirations.
- ▶ **Collaborating** – 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.

