

The Hon. Matthew Guy MLC
Minister for Planning
Department of Transport, Planning and Local Infrastructure
Level 7, 1 Spring Street
MELBOURNE VIC 3000

30 August 2013

Dear Minister,

As you will be aware the Ministerial Advisory Committee for the Metropolitan Planning Strategy has been advising you on the preparation of the new strategy since May 2012. Since then the MAC has participated in an extensive community engagement and stakeholder consultation process with a wide range of individuals, organisations and authorities about their ideas, aspirations and priorities in terms of the content of the new MPS.

As a result of these consultations and drawing on the extensive expertise of the members of the MAC, as well as national and international research, we now provide you with a copy of a draft MPS which we believe would leave an enduring legacy of initiatives and projects over the next 30-40 years which would secure Melbourne's future as a highly liveable, productive and affordable metropolis. As importantly, the MAC is of the opinion that our advice to you over the last 16 months is underpinned by international best practice in strategic planning for a large metropolis in an increasingly competitive global environment.

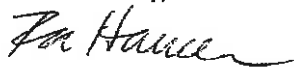
We believe our draft reflects much of what we have heard stakeholders convey to us verbally and in written submissions, abides by the nine principles which have had resounding public support as a result of feedback on our Discussion Paper and delivers on an inclusive and bold vision for our great city.

It is our understanding that the view of the Government on the required actions and initiatives is considerably different from the MAC's final version of a draft strategy. We have also consistently expressed concerns about the quality, relevance and obvious errors in the maps and other graphics in the Department's draft. I am happy to elaborate further on our concerns but it is clear to the MAC that the content of the Department's draft MPS is drifting away from the MAC's version.

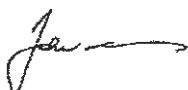
In attaching a copy of our advice to you in the form of a draft MPS the members of the MAC believe they have completed their role and the future of the strategy is now in the hands of the State Government to deliver to the people of Melbourne. We of course accept that this is the Government's strategy. Members of the MAC have requested there be no mention of them in the draft and final MPS such as in the messages from Ministers and the Premier in the foreword of the document. As chairperson of the MAC I am happy to discuss with you the reasons for this request.

Now that our role has concluded, the members of the MAC thank you and your government for the opportunity to participate in the preparation of the new MPS and we wish you all the best with this very important project.

Yours faithfully,



Professor Roz Hansen
Chairperson



Professor John Stanley



Chris Gallagher



On behalf of Bernard Mc
Namara (as overseas)



Tony Nicholson

Attachment: MAC's version of the draft MPS (without the foreword, graphics, maps, photos etc)

**MINISTERIAL ADVISORY COMMITTEE'S
VERSION OF A DRAFT METROPOLITAN
PLANNING STRATEGY FOR MELBOURNE
TO THE YEAR 2050
DATE: AUGUST 2013**

This version of the draft Metropolitan Planning Strategy (MPS) is the version that the Ministerial Advisory Committee for the MPS endorsed in August 2013. It does not include the Foreword messages from the Premier and relevant Ministers; the maps, diagrams, vox pops quotes or relevant case studies and break out boxes that assist in explaining the text. The Ministerial Advisory Committee has expressed concerns about the accuracy or relevance of some of the maps, diagrams etc. to members of the MPS team at DTPLI.

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INTRODUCTION

As a world class city, Melbourne will become the city of opportunity and choice.

(THIS IS THE PROPOSED NEW VISION STATEMENT)

The city we enjoy today did not come about by accident. Melbourne has been shaped by the foresight and planning of earlier generations. We can see the legacy of their vision in the vibrant places we value, and the liveable communities we participate in every day.

But we cannot plan the city of the future with yesterday's thinking. As our city grows and develops, we need to plan for, and manage, growth. We must do so in ways that respond to long-term patterns of economic, social and environmental change, that enhance Melbourne's liveability, and that capitalise on opportunities to strengthen our productivity and competitiveness.

This Draft Metropolitan Planning Strategy is a vision for Melbourne. It is an evidence-based plan designed to guide Melbourne's housing, commercial and industrial development through to 2050. It seeks to integrate long-term land use, infrastructure and transport planning to meet the population, housing and employment needs of the future.

The Draft Strategy is fundamentally about providing certainty for residents and businesses. It does this by outlining the Victorian Government's long-term plans for where it will develop future infrastructure and transport, and by providing clarity for residents about where there can be future housing development and employment opportunities.

WHAT MELBURNIANS HAD TO SAY

Since May 2011, the Ministerial Advisory Committee for the Metropolitan Planning Strategy has engaged with members of the public, business groups, government departments and agencies, local governments and community organisations to seek their advice about the contents of the Draft Strategy. Building on preliminary consultations, the Minister for Planning released the committee's public discussion paper *Melbourne, let's talk about the future* in October 2012. The discussion paper proposed nine strategic principles to inform discussion about Melbourne's future, and the development of a metropolitan plan.

Consultations were undertaken through a range of public events and opportunities for people to engage in discussion and provide input. These included a Plan Melbourne website, YouTube channel, Facebook page and Twitter account, and a public survey undertaken through Melbourne's major newspapers. These activities culminated in a major community forum in March 2013, at Docklands, with more than 1000 Melburnians participating in person or online in a day-long program of expert-led discussions and workshop sessions about Melbourne's future. The committee's consultations generated 598 submissions, and thousands of individuals provided input through surveys, forums and community discussions.

From these inputs, the following themes emerged to inform development of the Draft Strategy¹.

- People would like to see the unique character of their neighbourhoods preserved. Melburnians value access to open space including parklands and reserves within their local communities.
- Public transport is a clear priority and the Strategy should encourage cycling and walking.
- There is overwhelming support for education and health services to be located within 20 minutes of all households.
- People support increased density where there is existing infrastructure and activity. However, a variety of housing types needs to be established across all areas, to meet the needs of different demographic groups.
- Employment opportunities should be decentralised to create more local jobs in different parts of Melbourne.
- We need to build and retro-fit more environmentally friendly houses and buildings. There needs to be more emphasis on generating our own energy, and on water reuse.
- Stronger partnerships between local governments, industry and the community sector are needed, to create more-effective funding, finance and delivery models. Partnerships must be based on a clear vision of community benefits, and partners must understand their roles and responsibilities.
- People broadly support the vision of a polycentric city with connections to regional Victoria, but transport links between major centres will be essential.
- Melbourne in 2050 will be inclusive, and accepting of change. Community engagement will be central to decision-making. Melbourne's uniqueness will have been nurtured and we will have protected what is best about our city.
- People like the neighbourhoods they live in and value the multicultural character of Melbourne, both in the CBD and in local communities.

MELBOURNE'S GROWTH-LED TRANSFORMATIONS

In the 177 years since it began as a settlement on the banks of the Yarra River, Melbourne has undergone a series of growth-led transformations. Each one of these transformations has left lasting impacts on the city's landscape, structure and identity.

Melbourne's early structure and character were defined during the Gold Rush of the 1850s, which saw our city's population triple within a decade. That era left the city a legacy of elegant Victorian buildings, the notable 'Hoddle Grid', distinctive boulevards and high streets, civic recreational facilities, and expansive inner city parks and gardens.

In the early 20th century, Melbourne expanded with the development of mass transit train and tram systems. Mechanised transport enabled middle class residents to escape the crowding and congestion of the city centre for the space and greenery of the suburbs. Melbourne's distinctive shopping strips were established at this time.

¹ Ministerial Advisory Committee for the Metropolitan Planning Strategy for Melbourne 2012, Melbourne, let's talk about the future, DTPLI, Melbourne

The next period of major growth came after the Second World War, when the rise of the private car, investment in road capacity, better access to housing finance and a shift in manufacturing to outer fringes of the city led to Melbourne's geographic expansion and suburbanisation.

In the past two decades our city has again undergone another significant period of growth and urban transformation. While we have seen the regeneration of the city centre accompanied by high-density housing in Southbank and Docklands, and further gentrification of the inner suburbs and emergence of apartment style living on the central city fringe, we have also seen rapid outer suburban development.

MELBOURNE TODAY

Melbourne is a large metropolis of 4.25 million people. It spans nearly 10,000 km² and includes 31 local government areas². Melbourne is home to nearly three-quarters of all Victorians. For the year ended 30 June 2012, Melbourne had the largest population growth of any Australian city (77,200 people), followed by Greater Perth (65,400) and Greater Sydney (61,300).

Melbourne has a labour force of 2.3 million people³, with jobs widely distributed across the metropolitan area. In 2011, 14 per cent of jobs were located in the CBD, Docklands and Southbank areas⁴. The remainder were located broadly, including in several large and vibrant suburban Activity Centres, in knowledge- and employment clusters anchored by tertiary education and medical institutions, and in industrial precincts and areas around the city's principal airport and port facilities.

Melbourne has a range of assets and competitive advantages which drive our city's current success and will be the foundations of its medium- and long-term future. They include the following.

A productive and vibrant Central City with room to grow – Melbourne is an internationally recognised city with strong global business, educational, cultural and sporting connections. The City of Melbourne has the eighth-fastest population growth of all Australian local governments and has seen the creation of over new 80,000 jobs in the last decade. One of Melbourne's competitive advantages is the amount of land available for redevelopment in strategic Central City locations, with the potential to create well-located and attractive mixed-use neighbourhoods.

A diverse industry base – Following the opening up of the Australian economy to greater global competition in the 1970s and 1980s, Melbourne has progressively transitioned from an inwardly focused manufacturing economy to a globally focused, knowledge-based service economy. Through this transition, Melbourne has diversified its base of employment-generating, industries which have helped strengthen the resilience of the city's labour market to external shocks and structural adjustment pressures.

An educated, flexible and multicultural workforce – In a globalised economy, there can be no greater asset for a city than the diversity and skills of its population. Melbourne has a highly educated and well-trained workforce⁵ and is one of the world's most harmonious and culturally diverse cities. With its people coming from more than 200 countries, speaking more than 230 languages and following more than 130 religious faiths, Melbourne is well-equipped to engage in

² A small part of the metropolitan Melbourne boundary also covers part of Mitchell Shire.

³ Australian Bureau of Statistics 2013, 6291.0.55.001 – Labour Force, Australia, Detailed – Electronic Delivery, Apr 2013

⁴ Australian Bureau of Statistics 2011 Census of Population and Housing. Defined as the Melbourne Statistical Area Level 2 – SA2, Docklands SA2 and Southbank SA2

⁵ NATSEM calculations from the Australian Bureau of Statistics Survey of Education and Work, ABS Cat No. 6227.0, 2011

global markets across the world.

Liveable neighbourhoods and suburbs – Melbourne provides a very high-quality of life for its residents, with good-quality housing, education, transport, community, public safety, health and environmental services provided in most parts of the city. Melbourne is a city of suburbs, with their own distinctive character. Our suburbs range from vibrant, higher-density inner-urban areas that offer a rich variety of cultural, entertainment and sporting attractions to low-density, family-friendly suburbs with good access to schools, retail precincts and community facilities. Together, they create an accessible and inclusive city with living options that cater to people at all life stages.

An integrated and high-capacity transport system – Melbourne's transport system includes modern port, airport, road, rail, tram, bus and cycling infrastructure. It has an extensive freeway and arterial road network. Its rail network provides good radial access to the Central City and major centres in the suburbs, and the tram system is the largest in the world. Melbourne's port is Australia's busiest and is closely linked to national road and rail networks. Our two main airports are curfew-free, and expanding.

An internationally recognised university sector – Melbourne is home to a number of world-ranked universities and leading educational and research institutions. These include the Melbourne, Monash and Latrobe universities; Burnet Institute; Walter and Eliza Hall Institute; Baker Research Institute; and the Australian Synchrotron. These institutions are fundamental to the city's ability to compete in a global economy, attract investment, and provide the skill base for future growth in our knowledge-based industries.

A clean environment and valuable natural assets – Melbourne's clean air, water quality, tree coverage and marine and river health contribute significantly to the city's liveability. From the mountain ash forests of the Yarra Ranges to the wetlands on its coastline, Melbourne and its immediate surrounds are home to a rich array of iconic natural features, productive farmland, animal and plant habitats and biodiversity. These assets provide a wealth of ecological, health and recreational benefits to residents and are central to Melbourne's attractiveness to overseas visitors and investors.

The nation's sporting, arts and cultural capital – Melbourne is internationally recognised as the world's best sports city in our population category⁶⁶. It is home to an array of world-class sporting and cultural facilities, including the MCG, Melbourne Park, National Tennis Centre, Ngargee (Arts Precinct) and Melbourne Museum. We have created one of the world's most admired calendars of major events which includes iconic events such as the Australian Open, White Night Melbourne, Melbourne Fashion Festival, Melbourne Food and Wine Festival, Formula 1™ Australian Grand Prix, Melbourne Winter Masterpieces, AFL Grand Final Season, Australian Motorcycle Grand Prix, Australian Masters (golf), Melbourne Cup Carnival, and the Boxing Day Test (cricket).

MELBOURNE'S GROWING PRESSURES

Melbourne's growth in population has not been without cost. Over the past decade, the city has added over 600,000 new residents, almost 60 per cent of whom made their home in the outer suburbs. This rate and pattern of growth has placed strains on the city's infrastructure and service systems and is increasingly responsible for issues which, if left unchecked, will undermine the city's liveability and competitiveness over the coming decades. These are some of the issues.

Changing demographics - Our population is ageing with the number of people over the age of 65

⁶⁶ Herald Sun, 28 April 2012 "We're sports champion city again"

years increasing and the number of people of working age likely to decline in the years ahead. This means that standard forms of housing will not be suitable for all of our population. It will also mean the city's task of caring for aged people grows. For family members who take on the roles of caring for younger and aged family members, there will be a challenge in being able to move quickly and efficiently between this and other responsibilities, including work places.

Congestion – Melbourne's transport infrastructure and services are under increasing pressure, with congestion increasing on road and public transport systems during peak periods. Congested transport networks adversely affect productivity, efficient freight movement, energy use, greenhouse gas emissions and people's quality of life. Parts of the road and rail networks are already at or near capacity and our bus system is underdeveloped.

Affordability – As competition for housing increases, areas close to the city have become increasingly unaffordable for middle- and low-income households wanting to buy or rent. In future, we will need to provide a better range of affordable housing options close to the Central City and other major areas of employment so that low- and middle-income workers have more choices about how close they live to where they work.

Accessibility – As the city grows, newer areas on the suburban fringe often develop before infrastructure and services are provided. Their distance from the Central City and the more-developed middle suburbs means that residents can have less access to employment, services and recreation than those who live closer in. While everyone recognises that new communities take time to form, it is important for all Melburnians to have access to health, education, public transport, retail and community facilities and services. These must be established for suburban-fringe communities as early as possible. Affordable living is becoming a real concern for many Melburnians, especially for residents living on the urban fringe faced with increasing petrol prices and limited access to jobs and services close to home.

Low urban density – Melbourne's urban footprint is one of the largest in the world. But its population is smaller than many cities with comparable, even smaller, land areas. The typical residential density in Europe is 250 net dwellings per hectare; in Melbourne it is 12 net dwellings per hectare. Ours is a low density suburban city. In recent years, Melbourne's outer suburbs have become some of the fastest growing municipalities in Australia⁷. To accommodate the significant population growth forecast for the years ahead, Melbourne needs a strategy that encourages a gradation of urban densities and fosters more diversity and choice in the housing sector, closer proximity to public transport, greater utilisation of available urban infrastructure and access to a wide range of services and jobs closer to home.

Climate change – There is a near-universal scientific consensus that our climate is constantly changing, due to a wide range of human and natural factors. In recent years, we have seen more frequent bushfires, heat wave events, significant flooding and storms. We need to plan to make Melbourne and its hinterland more adaptive and resilient to natural disasters. To move Melbourne towards a low-carbon future we will need to shift to low-emission transport modes, green our suburbs and implement other resource and urban management initiatives. All these will require us to plan the city in different ways.

Rural encroachment – As Melbourne develops and grows, people move further out to find affordable and enjoyable living options within commuting distance of the city. This puts pressure on

⁷The four LGAs with the highest growth rates in the year ending June 2011 are all located on our city's urban fringe: Wyndham (7.8%), Cardinia (5.9%), Melton (5.6%), and Whittlesea (5.6%).

Melbourne's surrounding rural areas to provide for larger urban settlements Locking in an urban boundary for metropolitan Melbourne will help protect the agricultural, environmental, tourism and other key functions of the peri-urban area for future generations to enjoy.

MELBOURNE IN 2050

Melbourne will be a very different city by 2050. Given our rapid growth over the past decade and future projections of natural population increase and migration, it's imperative that we plan for a bigger city in the years ahead. How much bigger Melbourne becomes will be influenced by such factors as the proportion of population growth we can attract to our regional cities as part of our State of Cities approach for Victoria. This is our opportunity to take control of our destiny by planning the city's growth and development in a responsible and better integrated way. Only if we rise to this challenge can we ensure that the benefits of growth are shared by all, and that Melbourne's liveability is secured well into the future.

By 2050, Melbourne will be a busier and more populous place. It will have grown by two and half million to three million people. We will require over one million more dwellings than exist today. Melbourne's overall population is ageing — as it is in all Australian cities — so we will need our city to become more aged-friendly. At the same time, while the population as a whole is getting older, the school age population is projected to grow by about a quarter of a million by 2050. That means we will need to build several hundred new schools. And we will have to build them in a more cost-efficient and spatially planned manner.

While ageing often leads to changed household arrangements, growth is anticipated in all types of households — families with children, couples without children, single person households and other household types. We will need to provide a greater variety of housing. Enabling people to up-size or down-size as their housing needs change over time will alter our housing densities and increase choice in the market, especially at the neighbourhood level.

The lives people live and the types of jobs they do will be affected by changes in science, technology, communications, energy and culture, and in ways that are difficult to predict. For that reason alone, planning Melbourne's future will need to be an ongoing and adaptable process.

To provide work for this much larger population, something like 1.3 to 1.6 million new jobs will need to be created in Melbourne. Business and knowledge services (including financial and insurance, professional, scientific and technical services) are expected to become increasingly important drivers of Melbourne's prosperity⁸. It is likely we will see more people stay longer in the workforce, with good access to jobs and education driving social and economic participation.

Employment forecasts indicate that jobs will be generated in a broad range of industries located across Melbourne, with around 40 per cent of employment growth anticipated in the Central Subregion and adjacent inner suburbs.

While Melbourne is increasingly recognised internationally as a business services city, other sectors remain central to Victoria's economic performance. Substantial growth is projected in four industries in particular: Health Care and Social Assistance; Professional, Scientific and Technical Services; Education and Training; and Retail Trade. Tourism, which supports growth across a range of sectors, will also be a major driver of export and employment growth.

⁸ DPCD based on unpublished data from Deloitte Access Economics projections and extrapolated to 2050

OUR STRATEGIC PLANNING PRINCIPLES

A truly visionary planning strategy must be based on clear principles and goals. Nine strategic principles underpin our vision for Melbourne to the year 2050. Set out in the Discussion Paper, *Melbourne let's talk about the future*, these principles have been strongly endorsed by those who responded to the Discussion Paper and now are central to this Draft Strategy.

Principles 1 to 5 identify what people most value about Melbourne. Principles 6 and 7 address the broad spatial framework at both the metropolitan and local levels. The last two principles, Principles 8 and 9, focus on what needs to be done to make the Strategy's vision a reality.

PRINCIPLE 1: A DISTINCTIVE MELBOURNE

Melbourne, as it grows, will maintain its tradition of creating memorable spaces, great buildings and vibrant streets. We can maintain and strengthen our city's distinctive identity and unique sense of place by preserving our heritage, attracting the best of modern architecture and urban design, extending our mosaic of green spaces and protecting our bay, waterways and natural areas.

PRINCIPLE 2: A GLOBALLY CONNECTED AND COMPETITIVE CITY

Melbourne is inextricably linked to the global economy through trade, people and the flow of information and ideas. Building a stronger and more resilient economy, capitalising on our competitive advantages and entrepreneurial potential, and investing in important city-shaping infrastructure will position our city to become a smarter, more innovative place to do business. Consolidating our reputation as one of the world's most liveable cities and a preferred destination for many tourists, cultural events and business conferences will enrich our future as a truly international city.

PRINCIPLE 3: SOCIAL AND ECONOMIC PARTICIPATION

Melbourne will provide opportunities for all citizens to participate in the workforce, build good lives and prosper. By improving access to good education, fostering social connections, supporting positive ageing and building more of the right types of housing closer to jobs, our city's productivity and standard of living will improve for everyone.

PRINCIPLE 4: STRONG AND HEALTHY COMMUNITIES

Melbourne will become a city of diverse, healthy and cohesive communities with a choice of housing that meets the needs of different types of households. Creating neighbourhoods that are safe, walkable and well-serviced, and that offer ready access to open space and healthy food, is an important investment in the health and well-being of all Melburnians.

PRINCIPLE 5: ENVIRONMENTAL RESILIENCE

Melbourne and its surrounding areas are blessed with a diversity of environmental features and valuable natural resources. Protecting our rich biodiversity and green natural spaces will help maintain a healthy environment. Making the transition to a low-carbon city and adapting to changes in climate will require re-engineering our city's form and structure to be more energy efficient and resilient. We must encourage greater use of active transport modes, and recycle and reuse our resources in a more sustainable and responsible manner.

PRINCIPLE 6: A POLYCENTRIC CITY LINKED TO THE REGIONAL CITIES

Melbourne will develop as a polycentric city. The broader metropolitan area will accommodate a larger Central City, a limited number of national employment and innovation clusters and a

network of regional service centres and higher order activity centres. Social and economic links between Melbourne and regional cities will grow stronger. By building a 'state of cities' across Victoria that is better connected and supported by investment in infrastructure, we can expand Victorians' choices about where they live and work.

PRINCIPLE 7: LIVING LOCALLY—A '20-MINUTE CITY'

Melbourne will transform to become a city of many 20-Minute neighbourhoods. Creating accessible, safe and attractive local areas where people can meet most of their needs will make Melbourne a healthier, more inclusive place to live. People have more time to do more of the things they enjoy when there is a range of services and job opportunities close to home. We must identify the most suitable locations for more housing, people and jobs so that Melbourne can become a city of affordable, liveable and sustainable neighbourhoods.

PRINCIPLE 8: INFRASTRUCTURE INVESTMENT THAT SUPPORTS BALANCED CITY GROWTH

Melbourne will continue to invest in new city-shaping and community-building infrastructure. At the same time, we will increase the economic benefits of our existing infrastructure, where it is appropriate to do so. A 'pipeline' of projects and other initiatives that are prioritised, sequenced, funded and delivered over the life of the Strategy will support sustainable development and drive productivity. By investing in new infrastructure that unlocks development and land-use opportunities and creates better places we can ensure that our city grows in a balanced and integrated way.

PRINCIPLE 9: LEADERSHIP AND PARTNERSHIPS

Melbourne will continue to rely on effective governance, strong leadership and collaborative partnerships. Strong working relationships between all spheres of government, the public and private sectors and the wider community will ensure that we all share the benefits and responsibilities of putting our plans into practice. Effective implementation arrangements that are clear and coordinated across all government agencies and local councils are crucial. These will need to be accompanied by further regulatory reform if we are to capitalise on the opportunities and support investment in our city's future.

KEY CONCEPTS FOR PLANNING MELBOURNE'S FUTURE

The Draft Strategy's evidence base includes commissioned research and expert advice about Melbourne's future development challenges and opportunities. This evidence provided some major strategic insights that informed the Draft Strategy's vision and shaped its Directions and Initiatives. These are some of them.

A STATE OF CITIES

Capital cities play a significant role within state economies as service hubs and export gateways for regional businesses. In turn, regional centres that are well-connected and within viable commuting distance of capital cities offer attractive housing and employment opportunities, and so relieve pressures on capital cities by absorbing some of their growing population.

Victoria's long-term prosperity will be supported by investments that accelerate the growth of regional Victoria and enable it to be better-integrated with Melbourne, and with national and international markets. It is important to improve regional city connections and, integrate metropolitan and regional planning, and facilitating regional towns and cities to be affordable,

attractive and vibrant places to live and work. This will help ensure that future population growth is not concentrated in Melbourne alone, but distributed across the state for the benefit of all Victorians. Creating a State of Cities will require a focus on strengthening regional city economies to help re-balance population growth between Melbourne and regional centres.

A POLYCENTRIC CITY

How and where we expand our city matters. Successful, modern cities like Melbourne all have long-term spatial planning frameworks that guide the location of housing, industry, open space and services, in order to maximise the city's efficiency, productivity and liveability. These frameworks seek to distribute housing and employment in ways that minimise transport demand; improve the efficiency of freight movement; and improve people's access to quality housing, employment, education, services, shopping, friends and family, and recreational and cultural opportunities.

Historically, Melbourne developed as a monocentric city: a city with a high-density commercial core surrounded by suburbs and linked by a radial public transport system. However, our city is slowly taking a more polycentric urban form: one with an expanded Central City with major centres that support concentrated employment and business activity. A subregional city structure is emerging in Melbourne, in which some areas have higher job densities than others. Fostering a polycentric city is the best way to share the benefits of growth equitably, and to extend the opportunities of Melbourne's Central City to the broader metropolitan area. A polycentric city can also drive increased productivity by reducing cost of commuting for residents and businesses.

INFRASTRUCTURE-LED TRANSFORMATION

Melbourne has many good examples of large-scale infrastructure and urban renewal projects creating transformative changes that leverage a broad range of economic, social and environmental benefits. City Link, the City Loop, Southbank, Docklands and the Western Ring Road have all been instrumental in transforming our city and enhancing its efficiency and investment appeal.

When governments successfully transform their cities through investment in new infrastructure, they plan from the outset for the best public outcomes—new jobs, more housing choices, greater accessibility and sustainability, new open space and facilities—and require new, large-scale infrastructure to deliver them. They establish a pipeline of large-scale infrastructure projects that link to a city plan and can be delivered as and when budgetary and market conditions permit. They are also devising increasingly sophisticated approaches to private sector involvement in the design, construction and funding of this infrastructure, and new ways of sharing costs more equitably.

There is a key message from Australian and international experience: major urban renewal projects provide one of the few opportunities cities have to simultaneously solve past problems, renew and update critical infrastructure, and add new value to the liveability and economic vitality of cities. Maximising the value leveraged from them is dependent on inclusive planning approaches that engage a broad range of local citizens, firms, developers and government agencies in identifying opportunities at the design stage.

BETTER USE OF EXISTING ASSETS

Successful cities respond to growth constraints by making better use of what they already have. This includes redeveloping underutilised and well-located urban areas to house more people and create opportunities for new investment in businesses and services. Smart technologies can improve the load capacity and efficiency of existing transport, water, waste and energy infrastructure in

established urban areas. Doing more with what we have also involves planning for population growth by designating urban renewal sites that are co-located with existing and planned infrastructure. We will reap substantial productivity and environmental benefits if more Melburnians can live closer to where jobs are.

PLACE-MAKING AND THE IMPORTANCE OF GOOD DESIGN

Successful international cities are increasingly focussing on place-making as a way of extracting full benefit from urban renewal and growth area development. Place-making is an inherently local process that is underpinned by collaborative planning and good urban design. Place-making strategies create the conditions in which investment can be coordinated between governments and the private sector to generate broad benefits in large-scale urban renewal and growth area developments. This requires effective governance processes that can identify opportunities to deliver a range of economic, social and environmental benefits at the design stage, and the establishment of frameworks for coordinated planning and investment.

20-MINUTE NEIGHBOURHOODS

'20-minute neighbourhoods' are places where you have access to local shops, schools, parks, jobs and a range of community services within a 20-minute walk, cycling or public transport trip from your front door. Creating a city of 20-minute neighbourhoods relies on creating the market size and concentration that can support a broad range of local services and facilities. Closely aligned with this concept is the idea of the 'healthy city' – one in which people are encouraged to be more physically active, and are able to access fresh food and improve their social connections by visiting local shops, parks and community facilities.

Some areas in Melbourne already deliver a 20-minute neighbourhood experience. In many inner suburbs, for instance, residents are within walking distance of many services and have good access to public transport. Newer suburbs in Melbourne's growth areas (such as Selandra Rise in Casey and Riverwalk Town Centre in Wyndham) have been planned to be pedestrian-friendly, active communities. However, Melbourne has communities that are not 20-minute neighbourhoods, and need infrastructure and services to become so.

DIVERSITY AND CHOICE

To manage population growth, many cities are working to diversify their housing markets and encourage more people to live closer to where they work. This includes using ex-industrial sites, and land in and around Activity Centres, for medium- and higher-density mixed-use developments. Successful examples include East Village in London—which was designed and constructed as the 2012 Summer Games Olympic Village—and our own Docklands. These show that it's possible to increase the quantity, improve the quality and expand the diversity of new housing. In doing so, we transform existing urban areas to be more sustainable, liveable and attractive for both new and established residents.

Our challenge is not simply to increase the quantity of housing to cater for the needs of our population, but to increase the diversity of dwelling types to achieve a better match between peoples' needs and housing supply. Our housing market also needs to provide more affordable housing, social housing and improved public housing, and all these forms must be integrated into our urban fabric.

TRANSITION TO A MORE SUSTAINABLE CITY

In response to increasing energy, water and waste costs, and to the increasing impacts of a changing climate, cities around the world are working to becoming more sustainable and resilient. Innovative metropolitan planning approaches include creating more compact cities; making better use of transport infrastructure; greening metropolitan areas; creating more open space; reforming energy and water supply and use; conserving biodiversity; improving building design; and encouraging active forms of transport, such as walking and cycling.

More compact cities have reduced travel distances. Walking and cycling are made easier, and public transport services can be provided more cheaply. A future Melbourne with a polycentric structure, a fixed urban boundary and a limited number of major employment nodes would produce lower greenhouse gas emissions. But we need to do more than that: we also need to reduce Melbourne's heat island effect. Embarking on an urban forest strategy to green our metropolis and create more open space will be an important part of the transition to a low carbon city.

GOOD GOVERNANCE AND STRONG PARTNERSHIPS

Successful international cities emphasise well-designed, clear and inclusive governance processes that allow the widest possible range of voices to be heard, have strong local leadership, and have collaborative partnerships that focus on outcomes. Good governance processes harness local innovation, create opportunities for local advocates and neighbourhood-based participation, and strengthen social networks and bonds. They assign responsibility to the right people and organisations, and give them the power and freedom to act. Sometimes, it's about governments getting out of the way, so that the creativity and energy of the community has room to thrive.

KEY ELEMENTS OF THE DRAFT STRATEGY

The Draft Strategy outlines our long-term plan to accommodate Melbourne's future growth in population and employment. The diagram on Page xx summarises the key elements of the Draft Strategy. It includes:

- A long-term Vision Statement for Melbourne.
- Nine Strategic Principles.
- Nine Goals derived from the strategic principles that reflect the views of people who joined in the consultations, as well as commissioned research and expert advice about the factors that support competitive, liveable and sustainable cities in the 21st century.
- A number of Directions which summarise what we will need to focus on to achieve each Goal under the Draft Strategy.
- Initiatives under each Direction which spell out the actions the Government will take in the immediate (0 to 4 years), short term (2017-2025) and medium term (2025 – 2050).

THE MAC BELIEVES THE TIMEFRAMES SHOULD BE ALTERED AS OTHERWISE THE PLAN STILL HAS THE MAJORITY OF INITIATIVES IN THE NEXT 4 YEAR FORWARD ESTIMATES CYCLE. THIS WILL BECOME VERY ONEROUS FOR GOVERNMENT TO DELIVER SO WE SUGGEST THE FOLLOWING TIMELINES:

- SHORT TERM: 2014 – 2024
- MEDIUM TERM: 2025- 2035

- **LONG TERM: 2036-2050**

The final chapter is devoted to the key challenge of implementation. It brings all the Directions and Initiatives of the Draft Strategy together within a prioritised and sequenced program.

Because cities are dynamic, evolving places as well as incubators for innovation, we will need to review our Strategy regularly. For that reason, the Implementation chapter also explains how we can monitor and refresh the Strategy over time, and includes a set of indicators and measures to assess our progress and performance.

THE PROPOSED NEW VISION STATEMENT: AS A WORLD CLASS CITY, MELBOURNE WILL BECOME THE CITY OF OPPORTUNITY AND CHOICE

GOALS AND DIRECTIONS				
STRATEGIC PRINCIPLES	JOBS AND INVESTMENT	HOUSING	NEIGHBOURHOODS	TRANSPORT
A DISTINCTIVE MELBOURNE	PHOTO	PHOTO	PHOTO	PHOTO
A GLOBALLY CONNECTED AND COMPETITIVE CITY	CREATE A CITY STRUCTURE THAT DRIVES PRODUCTIVITY, ATTRACTS INVESTMENT, SUPPORTS INNOVATION AND CREATES MORE JOBS.	PROVIDE A DIVERSITY OF HOUSING IN DEFINED LOCATIONS TO CATER FOR DIFFERENT HOUSEHOLDS AND INCOME GROUPS, AND CLOSE TO JOBS AND SERVICES.	CREATE SAFE, ATTRACTIVE AND SUSTAINABLE NEIGHBOURHOODS WHICH PROMOTE HEALTHY LIFESTYLES AND GOOD ACCESS TO LOCAL SERVICES AND JOBS.	IMPROVE PRODUCTIVITY AND PARTICIPATION THROUGH AN INTEGRATED MULTI-MODAL TRANSPORT SYSTEM CONNECTING PEOPLE TO JOBS AND SERVICES AND GOODS TO MARKETS.
SOCIAL AND ECONOMIC PARTICIPATION	DIRECTION 1.1 Deliver a new city structure to accommodate employment and residential growth. DIRECTION 1.2 Plan for the expanded Central City to become Australia's largest commercial and residential centre by 2030. DIRECTION 1.3 Provide land supply for employment growth. DIRECTION 1.4 Enable an investment pipeline of transit-oriented development and urban renewal.	DIRECTION 2.1 Balance population growth to achieve a more sustainable future. DIRECTION 2.2 Deliver more housing closer to jobs and public transport. DIRECTION 2.3 Build a good housing legacy for Melbourne's future. DIRECTION 2.4 Facilitate the supply of more social and affordable housing. DIRECTION 2.5 Promote greater innovation in the housing market.	DIRECTION 3.1 Create a city of 20-Minute neighbourhoods. DIRECTION 3.2 Create neighbourhoods that support healthy lifestyles. DIRECTION 3.3 Deliver social infrastructure to support strong communities. DIRECTION 3.4 Involve communities in the delivery of local parks and green neighbourhoods.	DIRECTION 4.1 Transform the transport system to support a more productive central city. DIRECTION 4.2 Improve access to job-rich areas across Melbourne and strengthen transport networks in existing suburbs. DIRECTION 4.3 Improve transport infrastructure and services in Melbourne's newer suburbs. DIRECTION 4.4 Improve local transport options to increase social and economic participation. DIRECTION 4.5 Improve the efficiency of freight networks while protecting urban amenity. DIRECTION 4.6 Increase the capacity and accessibility of ports, interstate rail terminals and airports.
STRONG AND HEALTHY COMMUNITIES				
ENVIRONMENTAL RESILIENCE				
A POLYCENTRIC CITY LINKED TO THE REGIONAL CITIES				
LIVING LOCALLY – A 20-MINUTE CITY				
LEADERSHIP AND PARTNERSHIPS				

THE PROPOSED NEW VISION STATEMENT: AS A WORLD CLASS CITY, MELBOURNE WILL BECOME THE CITY OF OPPORTUNITY AND CHOICE

GOALS AND DIRECTIONS					
ENVIRONMENT	WATER, ENERGY AND WASTE	PLACE AND IDENTITY	STATE OF CITIES	IMPLEMENTATION	
PHOTO	PHOTO	PHOTO	PHOTO	PHOTO	
PROTECT OUR NATURAL ASSETS AND ENSURE A SUSTAINABLE AND MORE RESILIENT ENVIRONMENT IN THE FACE OF A CHANGING CLIMATE.	INTEGRATE THE PLANNING OF WATER, ENERGY AND WASTE MANAGEMENT SYSTEMS IN A MORE EFFICIENT AND SUSTAINABLE MANNER.	CREATE QUALITY URBAN ENVIRONMENTS ACROSS MELBOURNE THAT SUPPORT OUR CITY'S SOCIAL, CULTURAL AND ECONOMIC ACTIVITY AND BUILD ON MELBOURNE'S LEGACY OF DISTINCTIVENESS AND LIVEABILITY.	MAXIMISE THE GROWTH POTENTIAL OF VICTORIA BY DEVELOPING A STATE OF CITIES WHICH DELIVERS CHOICE, OPPORTUNITY AND GLOBAL COMPETITIVENESS.	REALISE OUR STRATEGY BY IMPLEMENTING ITS DIRECTIONS AND INITIATIVES THROUGH NEW PLANNING GOVERNANCE ARRANGEMENTS, PLANNING REFORMS AND ADEQUATE FUNDING.	
DIRECTION 5.1 Reduce the consequences of extreme climate events and related environmental risks. DIRECTION 5.2 Protect and restore natural habitats. DIRECTION 5.3 Enhance the food production capability of Melbourne and its non-urban areas. DIRECTION 5.4 Improve noise and air quality to improve human and environmental health.	DIRECTION 6.1 Integrate water cycle management to deliver sustainable and resilient urban development. DIRECTION 6.2 Protect our significant water and sewerage assets. DIRECTION 6.3 Reduce energy consumption and transition to clean energy. DIRECTION 6.4 Reduce waste and get value from waste.	DIRECTION 7.1 Create more great places throughout Melbourne. DIRECTION 7.2 Build on Melbourne's cultural leadership and sporting legacy. DIRECTION 7.3 Respect our heritage as we build for the future. DIRECTION 7.4 Achieve and promote design excellence. DIRECTION 7.5 Make our city greener.	DIRECTION 8.1 Re-balance Victoria's population growth. DIRECTION 8.2 Integrate metropolitan, peri-urban and regional planning implementation. DIRECTION 8.3 Improve connections between cities.	DIRECTION 9.1 Drive delivery and facilitate action. DIRECTION 9.2 Better align infrastructure delivery and growth. DIRECTION 9.3 Make more efficient use of existing resources. DIRECTION 9.4 Open up new funding sources. DIRECTION 9.5 Monitor progress and outcomes.	

JOBS AND INVESTMENT

Create a city structure that drives productivity, attracts investment, supports innovation and creates more jobs.

MELBOURNE'S CHANGING ECONOMY

This Metropolitan Plan focuses on the importance of land use strategies to generate jobs and investments. These in turn become the key drivers of Melbourne as a competitive global city.

As Melbourne grows to be a city of around 6.5 million people by 2050, it is expected to add about 1.2 million new jobs⁹. Figure 3, Page XX shows Melbourne's population and growth projections.

Melbourne's economy has changed significantly in the last 20 years, with industries changing in their relative economic prominence. Globalisation, the growth in Asia's wealth, technological advances and population ageing are just some of the forces for change. These forces will continue to drive growth in the services sector and in knowledge-intensive activities across the economy.

Business services (such as the industry sectors of professional services and finance) now generate a greater share of employment and economic output than they did in the past. In 2010–11, business services industries contributed 18 per cent of Gross State Product, and employed over 355,000 Victorians, up from around 240,000 in 2000–01. Map 4 pg. 30 Figure 4 pg. 30

Population-related services (such as healthcare and education) are growing in their employment share. Health is now the largest single employing industry, with over 330,000 jobs in 2010–11. Employment in education has increased 44 per cent in the last ten years, and education has become a major service export, with international education valued at \$4.6 billion in 2010–11. Tourism is worth \$15.9 billion to the Victorian economy, provides 204,000 jobs and is the State's second-largest export. Manufacturing continues to play a very significant part in the economy, but plays a smaller role in employment due to globalisation and technological changes. Its share of output is declining, relative to other industries. The freight and goods-handling industries are growing, as we import more. Melbourne's freight activities—importing, exporting and distributing goods—are projected to grow by over 55 per cent 2020.

The National Institute of Economic and Industry Research (NIEIR) has analysed links between Melbourne's future spatial economic structure, accessibility and productivity. This analysis has indicated the critical importance of growth in high technology activities for productivity growth and the dominant role that the central area plays in this regard. Extending the catchment size of clusters of high technology activity will assist their further growth. This will be maintained by strengthening links to a globally competitive central city.

The structure of our city must evolve to maximise the productivity benefits from clustering of knowledge-based activities while also ensuring that there is a range of employment opportunities accessible to people across the whole city. Delivering an integrated transport network that supports clustering and employment accessibility is critical to achieving these outcomes. This Strategy responds to these factors and the challenges facing our city by establishing a structure for

⁹ Based on Department of State Development, Business and Innovation Employment Projections, 2013

Melbourne that is aligned with the emerging structural economic changes that supports global competition for labour and investment and positions Melbourne as Australia's pre-eminent freight hub, services sector and knowledge economy. The critical productivity role of the Central City is recognised and the Strategy targets a small number of other clusters for strong growth. This enables productivity levels to remain high and spreads growing economic opportunities widely across the city. High quality transport links are vital to achieving these outcomes.

These trends are forecast to continue in coming decades (See Figure 4, Page 30).

CHANGING LOCATIONS OF ECONOMIC ACTIVITY

Melbourne's 2 million jobs are distributed across the metropolitan area, with 14 per cent located in the CBD, Docklands and Southbank, and one in five jobs within the City of Melbourne. In 2012, the City of Melbourne contributed about 29 per cent of Melbourne's total economic output, up from 22 per cent in 2001¹⁰.

Industries such as personal services, healthcare and retail tend to grow where the population is growing. Other industries have particular location preferences, based on efficiency and profitability, and these preferences shape Melbourne's urban structure.

Knowledge-based industries are clustering in more defined locations in Melbourne. For example, professional services and finance industries are concentrated in the Central City, where they benefit from being close to clients, have better access to workers, and are able to share ideas and knowledge. Other knowledge-based industries are growing in high-tech precincts around the city, in medical research, biotechnology, advanced manufacturing and pharmaceuticals.

Transport, warehousing, manufacturing and wholesale trade industries have different locational needs, determined by efficient supply chains, access to customers and suppliers, land availability and main road access. These industries were historically located near the Port of Melbourne (in the inner suburbs) and are now concentrating in outer industrial areas in the west, north and south-east where they can access large tracts of competitively-priced land with good access to transport infrastructure. Map 4, Page 30 shows the growth in business establishments for selected industries across Melbourne.

Increasingly, suburban centres are attracting office, retail, services and entertainment businesses by virtue of their location, economic activity, competitive land values and existing links to clients, customers, workers and supply chains.

Like the Central City, these areas offer jobs in high-productivity industries which are not competitor jobs to those in the Central City, so growth in these areas does not detract from Central City growth. Employment in these areas is primarily in research, biotechnology and high-end manufacturing.

Because they are located in the suburbs, they also increase access to work in middle and outer Melbourne, minimise the amount of travel to work, and help grow human capital across Melbourne. They may also generate spin-offs and innovations that can attract more commercial activity to the area, and support the development of small-to medium enterprises. For all of these reasons, the Draft Strategy is a plan to support the growth of these employment clusters, as well as of the Central City.

Other parts of Melbourne have large or growing numbers of jobs and businesses. The expansion of existing Metropolitan Service Centres, and the development of new ones, will provide a range of service jobs in the subregions and will be supported by key public assets such as health and

¹⁰ Advice from National Institute of Economic and Industry Research, 2012-13

education facilities. A major new transport gateway at the Port of Hastings, intermodal terminals and a possible new south-east airport would improve the number and type of jobs in the subregions. Ensuring an adequate supply of well-located industrial land in growth areas will provide employment opportunities in the industrial sector.

Map 5 pg. 32 & 33

A NEW GEOGRAPHY FOR JOBS AND PRODUCTIVITY

Map 5 shows the 2050 urban structure that is best aligned with future changes in the economy, maximising jobs, productivity and liveability. The urban structure for Jobs and Investment will be underpinned by the following key components:

- An expanded Central City that will provide significant investment opportunities to attract highly skilled labour, grow knowledge-intensive activities and tourism. This will see the Central City become the largest economic precinct in Australia, accommodating at least 1 million residents and 1 million jobs.
- Two curfew free international airports, with a possible third airport in the South East, which will help to underpin the regional economy and ensure Melbourne is Australia's tourism capital.
- Port, road and rail infrastructure which enhances Melbourne's role as Australia's premier freight hub.
- National employment and innovation clusters that open up investment and job growth in new locations to support the rapidly growing knowledge economy and provide a cluster of economic activity required to support our subregional economies.
- A limited number of metropolitan service centres that provide alternative locations for service sector growth at a subregional level. Stronger policy mechanisms have been developed to identify where locating key public sector jobs can influence growth.
- Health and community wellbeing precincts and education precincts, in recognition of their significant projected employment growth and role in driving service sector job growth, particularly in outer areas of Melbourne.
- Strengthened links to Regional Cities, given that their economies are becoming increasingly integrated with Melbourne's service sector and knowledge-intensive activities, with a weakening relationship with their respective hinterlands.
- Supporting job opportunities within the peri-urban areas of Melbourne, to drive investment in alternative energy, tourism, recreation, waste management and agribusiness.

Table 1 shows Melbourne's proposed Spatial Framework.

Table 1 pg. 34

Map 6 pg. 34

TABLE 1: MELBOURNE'S SPATIAL FRAMEWORK

TYPE	RATIONALE	LOCATION
Expanded Central City	To allow the continued growth of knowledge-intensive and high-skilled firms to locate in the Central City while continuing to be a major area for tourism, retail, residential, entertainment and cultural activities.	Existing: CBD, Southbank, Docklands Future: Fishermans Bend, City North, E-Gate, Arden-Macaulay, Dynon and Federation Square East.
National Employment and innovation Clusters	To improve access to a diversity of employment opportunities, including knowledge jobs in designated precincts around Melbourne and to improve access for Melburnians. To improve the potential to grow business activity (therefore jobs) of national significance including the potential for business to leverage off their export and innovation potential to grow jobs in other industry sectors. They are mixed use centres and, with the exception of Dandenong South, will include residential development.	Existing: Monash, Parkville, Dandenong South. Emerging: LaTrobe, Sunshine, East Werribee.
Metropolitan Service Centres	To maximise access to goods and services in a limited number of major centres with good public transport networks. These centres will play a major service delivery role including Government health, justice and education services, providing a diverse range of jobs, activities and housing for a subregional catchment.	Existing: Dandenong, Footscray, Fountain Gate/Narre Warren, Epping, Sunshine, Ringwood, Broadmeadows, Box Hill and Frankston. Emerging: Toolern, Donnybrook.
State Significant Industrial Precincts	To ensure there is sufficient strategically located land available for major industrial development linked to the principal freight network and transport gateways. They will be protected from inappropriate development to allow continual growth in freight, logistics and manufacturing investment.	Southern Industrial Precinct, Western Industrial Precinct and Northern Industrial Precinct.
Transport Gateways	To secure adequate gateway capacity for moving passengers and freight in and out of Victoria by designating ports, airports and interstate terminals. They will be protected from incompatible land uses but adjacent complementary uses will be encouraged.	Existing: Port of Melbourne, Port of Hastings, Melbourne Airport, Avalon Airport. Future: South East Airport investigation, Beveridge Interstate Freight Terminal, Western Interstate Freight Terminal.
Activity Centres	To provide access to a wide range of goods and services in centres that are planned and managed by local government. The centres will have jobs and vibrant local economies. Some will serve larger subregional catchments.	All former Principal and Major Activity Centres are now to be referred to as Activity Centres. See Maps 26, 27, 28, 29 and 30 - Activity Centre locations in the Central, Western, Northern, Eastern, and Southern Subregions.
Health and Education Precincts	To improve access to health and education services and to improve job choices in these industries for Melburnians. As significant generators of activity and visitation, these	Deakin University (Burwood), Alfred Medical Research and Education Precinct (Prahran), Monash University

	precincts will support ancillary health and education, retail, commercial, accommodation, services, housing and public transport. They may anchor Activity Centre development, particularly in growth areas. In growth areas, Activity Centres will be the priority location for these facilities.	and Casey Hospital, Berwick. Others to be determined through development of sector specific spatial policies.
Urban renewal sites including Transit Oriented Development	To take advantage of underutilised land close to jobs, services and public transport infrastructure to provide new housing, jobs and services.	See Map 8 - Potential Urban Renewal Precincts Close to Public Transport corridors and TODs.
Neighbourhood Activity Centres	To provide access to local goods and services.	Designated and managed by Local Government.

START BREAKOUT BOX ON NATIONAL EMPLOYMENT AND INNOVATION CLUSTERS

NATIONAL EMPLOYMENT AND INNOVATION CLUSTERS

National Employment and Innovation Clusters are designated geographic concentrations of interconnected businesses and institutions that make a major contribution to the national economy and Melbourne's positioning as a global city. Six places have been identified that provide, or have the potential, to provide high job concentrations in suburban locations; three exist now and three are designated as emerging due to their potential and geographic opportunity. Each cluster is different, but together, they will play an important role in the shape of the city along with the expanded Central City and the Metropolitan Service Centres.

END BREAKOUT BOX ON NATIONAL EMPLOYMENT AND INNOVATION CLUSTERS

MELBOURNE'S SUBREGIONS

As Melbourne grows, it will be increasingly valuable to plan at a sub-metropolitan scale. This will help achieve a better balance between jobs and population growth across the city, and provide a regional basis for collaboration with (and between) local governments. The Government will work with five groupings of local governments with common issues and interests, travel patterns and economic flows, to establish five metropolitan subregions: Central, Western, Northern, Southern and Eastern¹¹.

The subregions will collectively plan for jobs and investment, as the region grows. By 2050, each subregional economy will be shaped by over 1 million people, providing critical mass for stronger economic performance and integration across the subregions.

Each subregion will be anchored by a National Employment Cluster, leverage off at least one major

¹¹ For more information, see Implementation: An investment-ready Melbourne

economic gateway (a port, airport or interstate freight terminal), and contain Metropolitan Service Centres.

Increasing the economic performance of subregions by capitalising on competitive advantages and major city-shaping projects (such as East West Link and Melbourne Metro) will create opportunities to increase overall productivity. National Employment and Innovation Clusters will play a major role in driving prosperity across Melbourne's subregions.

CREATING AN INVESTMENT PIPELINE

Creating an urban structure for Melbourne that drives productivity and competitiveness will make it a more attractive place to invest. In addition, we will create a pipeline of investment opportunities associated with transport infrastructure and land use developments in this plan. These will help unlock areas of strategic value to the city to increase land use efficiency and productivity. Strategic locations include urban renewal sites, developments around railways stations and other transport infrastructure, level crossing removals, and development in areas prioritised through the new urban structure outlined above. We are also developing new ways to work with the private sector through innovative Public-Private Partnerships and better ways to deal with unsolicited proposals for urban renewal and delivery of state significant infrastructure¹².

Our plan for jobs and investment

Direction 1.1 Deliver a new city structure to accommodate employment and residential growth

A city structure to drive productivity and economic growth through accommodating employment and residential growth in designated locations is outlined in Initiative 1.1.4. This structure will deliver a range of benefits, including reduced travel demand, agglomeration and productivity dividends, maximised use of existing government assets, and improved access to employment.

Each of the strategic locations will deliver a unique profile of benefits, and this Direction is aimed at identifying those benefits, and the investment and actions required to realise their growth and development potential.

Initiative 1.1.1 Identify the proposed new city structure in the planning system

This Initiative provides policy support to underpin a 2050 structure for Melbourne that is aligned with economic changes, supports global competition for labour and investment, and positions Melbourne as Australia's most efficient business service city, knowledge economy, tourism destination and freight and manufacturing hub. This structure provides the foundation for future employment and population growth, and infrastructure provision. It will create opportunities to live closer to where jobs are, and allow businesses to be located closer together.

This reform includes:

- establishing National Employment and Innovation Clusters to allow growth in certain industries (such as health, education, research or high-end manufacturing) that locates organisations

¹² For more information see Implementation: An investment-ready Melbourne

together so they can benefit from knowledge-sharing, deep labour force pools, shared customers and efficient supply chains.

- supporting the creation of new centres, with priority given to developments based on transit-oriented-development principles.
- implementing the new commercial zones to provide greater flexibility and employment growth opportunities in strategic locations that leverage off existing or planned infrastructure across Melbourne.

The city structure comprises a range of places of state significance, and other Activity Centres and industrial areas. Planning for these locations encompasses a range of tasks and responsibilities.

Places of State significance—are the expanded Central City, National Employment and Innovation Clusters, Metropolitan Service Centres and Significant Industrial and Employment Precincts. These are places that the State has an interest in achieving their potential due to their city-shaping role and their existing and potential contribution to productivity and economic growth. The State (through the independent planning authority) will have direct involvement in the planning and development of these places.

Activity Centres and industrial areas—Activity Centres, Neighbourhood Activity Centres and non-state industrial areas. Local government is primarily responsible for the planning and delivery of these places because of their importance to local communities and economies and the realisation of 20- Minute neighbourhoods. The Government has designated Activity Centres (see subregional maps X) and there is no distinction between principal and major Activity Centres. Additional Activity Centres may be added in the future with priority given to transit-rich locations.

BREAK OUT BOX --- END

In the immediate term

- Amend the *State Planning Policy Framework* to include the proposed new city structure as outlined in this Strategy.
- Finalise boundaries for the expanded Central City, National Employment and Innovation Clusters and Metropolitan Service Centres.
- Incorporate the following State Significant Industrial Precincts, and their boundaries, in the State Planning Policy Framework:
 - Southern Industrial Precinct (which includes parts of Bangholme, Cranbourne West, Dandenong, Dandenong South, Hallam, Keysborough, Lynbrook and Noble Park);
 - Western Industrial Precinct (which includes parts of Altona, Altona North, Brooklyn, Derrimut, Laverton North, Ravenhall, Sunshine West, Mount Cottrell, Rockbank, Tarneit and Truganina); and
 - Northern Industrial Precinct (which includes parts of Broadmeadows, Campbellfield, Coolaroo, Craigieburn, Epping, Lalor, Mickleham, and Somerton).
- Articulate the intended role and policy direction for places of state significance. Draft roles and objectives are outlined in Table 1, Page 34.

Quote pg. 41

Initiative 1.1.2 Facilitate the development of National Employment and Innovation Clusters

National Employment and Innovation Clusters are focused on knowledge-based businesses which locate close to each other because of the productivity and economic gains from collaboration, collocation, access to a skilled labour pool and infrastructure, and the potential to share ideas and knowledge. They will evolve into vibrant, diverse locations well-served by public transport.

Each National Employment and Innovation Cluster is anchored by specialised activity (such as a university, research facility, medical facility or manufacturing enterprise) that has seeded its growth, but which over time will develop a unique profile, building on its competitive strengths. This Initiative is focused on ensuring the development of the National Employment and Innovation Clusters to support productivity, through a new city structure. The policy response is not one-size-fits-all.

In some cases, National Employment and Innovation Clusters have the potential to broaden their range of uses by being attractive locations for a range of businesses including office, retail services, entertainment and residential. In other cases (such as the Dandenong South Employment Cluster), it will be more about enhancing manufacturing productivity. Others (such as the Monash Cluster and Parkville Cluster) are already firmly established and have significant potential to grow and diversify further. Others are in their early stages, but have the right fundamentals and will be supported in their growth through this Draft Strategy.

This Initiative will put in place actions to make these locations investment-ready, and to maximise choices for the location of knowledge-intensive firms and jobs. By giving enterprises choices, they can make decisions which best suits their needs, leading to improved productivity and improved access to job choices for Melburnians. National Employment and Innovation Clusters will be a focus of public transport networks.

There are six National Employment and Innovation Clusters as follows:

Existing Parkville Cluster—which includes the Parkville bioscience area, existing hospitals, University of Melbourne, RMIT University and various research institutions.

Existing Monash Cluster—which includes Monash University, CSIRO, Synchrotron, Monash Medical Centre and hospitals, as well as other research-based activities and advanced manufacturing enterprises.

Existing Dandenong South Cluster—which includes advanced manufacturing, health and education enterprises; a number of business parks; Victoria's first eco-industrial park (LOGIS); and is linked to the Dandenong Metropolitan Service Centre (Chisholm TAFE and Dandenong Hospital).

Emerging La Trobe Cluster—which includes La Trobe University, Austin Health, Heidelberg Repatriation Hospital and other health and medical facilities as well as Activity Centres at Northland and Burgundy Street, Heidelberg.

Emerging Sunshine Cluster—which includes the Sunshine Metropolitan Service Centre, Victoria University Sunshine Campus, Victoria University St Albans Campus, Sunshine Health Precinct and Western Centre for Health Research and Education.

Emerging East Werribee Cluster—which includes the University of Melbourne Faculty of Veterinary Science, Victoria University, CSIRO and a range of medical facilities including Werribee Mercy Hospital. The mechanisms to deliver the National Employment and Innovation Clusters will vary, depending on their profiles, competitive strengths, roles and timing in terms of development, particularly those in the emerging stage in the north and west. Streamlined planning controls will be

required to facilitate investment. Targeted or catalyst investment may also occur in some of the National Employment and Innovation Clusters, subject to business case development.

In the immediate term

- Require the new independent planning authority to work with local councils and major institutions in existing clusters to develop a long-term plan and governance to guide their growth and development, and an appropriate regulatory framework. This will include development of an agreed shared vision and framework or structure plan for the cluster.

Coordinate the delivery and implementation of government investment.

Work with the education sector to identify opportunities to build tertiary education offerings in the west focusing on the Sunshine and East Werribee Employment and Innovation Clusters.

Identify critical infrastructure and long-term development opportunities for the emerging clusters.

Initiative 1.1.3 Support development of Metropolitan Service Centres

Metropolitan Service Centres play a strategically important role for their subregional catchments by providing the community with good access to a range of major retail, community, government, entertainment, cultural and transport services.

As the city grows, Metropolitan Service Centres will maximise opportunities for all Melburnians to access a broad range of goods and services. These centres will be the focus of public transport networks and government investment in new education, health and other services. As a result of this role, they will also provide a diverse range of jobs, activities and housing for a subregional catchment.

In the immediate term

- Designate Dandenong, Footscray, Epping, Sunshine, Ringwood, Broadmeadows, Box Hill, Frankston, Fountain Gate–Narre Warren, Donnybrook, East Werribee and Toolern as Metropolitan Service Centres (including their future intended role) and recognise them in the new *State Planning Policy Framework*.

In the short term

- Work with subregional groupings of local councils to:
 - develop structure plans and infrastructure plans (if they do not already exist) for Metropolitan Service Centres, to accommodate forecast growth;
 - review the planning controls in and around Metropolitan Service Centres to ensure they are investment-ready; and
 - identify sequencing requirements (including infrastructure provision, connections and public realm improvements).

Initiative 1.1.4 Support planning of Activity Centres

Activity Centres have been a part of Melbourne's pattern of development over many decades, and play diverse roles in terms of accommodating housing, retail, commercial and civic services. They often have significant public transport infrastructure and have benefited from other public and private investment. It is important that we maximise their benefits, particularly given the diversity of

activity in these centres, the employment profile of many centres and the importance of providing transport and employment choices for the workforce.

Under current policy Principal and Major Activity Centres which are not designated as either National Employment and Innovation Clusters or Metropolitan Service Centres will now be designated 'Activity Centres'. Local governments will be responsible for the planning and management of these Activity Centres. The continued growth and development of Activity Centres will provide communities with convenient access to a wide range of goods and services, and their growth will facilitate vibrant local economies across all neighbourhoods. Many jobs are tied to meeting projected demand for local services. New commercial zones will support this new structure by providing greater flexibility and growth opportunities for commercial and business centres. It is noted that Neighbourhood Activity Centres are addressed in the Neighbourhood chapter.

In the immediate term

- Designate Activity Centres and recognise them in the new *State Planning Policy Framework*.
- Confirm the new policy with a subsequent practice note to specify broad planning requirements for the development of new Activity Centres. New Activity Centres (defined as a group of commercial zoned land with retail more than 2,300 m² or a supermarket more than 1,800 m²) should:
 - meet an identified market gap;
 - be well-served by a range of transport options (including public transport), with priority given to new centres that are developed based on transit-oriented-development principles;
 - have capacity to establish a wider mix of uses and subsequently develop into an Activity Centre;
 - increase the density and diversity of housing in a walkable catchment where appropriate (a 400-metre walkable catchment is a guide, but will depend on local conditions); and
- contribute to the delivery of a network of 20-Minute neighbourhoods.

In the short term

- Support local governments to plan for their network of Activity Centres.
- Review planning controls in Activity Centres and streamline them, where possible.

In the short and medium term

- Based on inter-censal data, review the performance of Activity Centres with local governments according to an agreed set of criteria that monitors the success of structure plans in accommodating future employment and housing growth.

Map 8, pg. 47

Initiative 1.1.5 Protect significant industrial areas, freight gateways and critical freight corridors

Melbourne is Australia's freight and logistics capital. The city has historically benefitted from a strategically located Port, as well as industrial land availability and an efficient transport network.

These strengths need to be built on, particularly as Melbourne becomes more linked to the global economy. This will mean the freight and logistics sector will continue to grow, through stronger trading relationships and growth in our export markets. This has implications for demand for industrial land and transport corridors as outlined in *Victoria: The Freight State*.

The manufacturing sector also relies on the freight and logistics sector and, while manufacturing has suffered significant decline in employment terms, it has transitioned to higher tech processes and will continue to play an important role in the economy. Melbourne's innovation and highly skilled workforce, combined with our city's manufacturing heritage means we are well placed to continue to support this sector.

It is important that Melbourne continues to provide opportunities for this investment to occur, and to build on strengths in, for example, attracting major distribution centres, and leveraging off planned freight infrastructure investment.

In the short term

- Identify in the new State Planning Policy Framework for all planning schemes (including a map) State significant export based industrial areas including:
 - South Industrial Area (which includes parts of Bangholme, Cranbourne West, Dandenong, Dandenong South, Hallam, Keysborough, Lynbrook, Noble Park);
 - West Industrial Area (which includes parts of Altona, Altona North, Brooklyn, Derrimut, Laverton North, Ravenhall, Sunshine West, Mount Cottrell, Rockbank, Tarneit and Truganina);
 - North Industrial Area (Broadmeadows, Campbellfield, Coolaroo, Craigieburn, Epping, Lalor, Mickleham, and Somerton).
- Designate Melbourne Airport, Avalon Airport, Port of Melbourne, Port of Hastings and possibly a new airport in the south east as Freight and Logistics Precincts in the new SPPF (include a map).
- Designate water ferry terminals and Transport Oriented Developments in the new SPPF in Werribee South and Point Cook.
- Direct the MPA to work with Councils to develop structure plans, investment plans and infrastructure, with input from business, for all state significant industrial areas.

In the medium term

- Direct the MPA to identify future land use and other requirements associated with the Port of Hastings, including along the transport corridor linking the Port of Hastings with Lyndhurst.
- Identify areas where there are benefits for rezoning industrial areas compared to retaining it, or additional areas of state significance.

Initiative 1.1.6 Assess opportunities for major service sector employment growth

There is a strong strategic rationale to support the productivity, exports and job growth of the service sector economy. This includes: retail (driven by population growth); health and ageing (costs to government, productivity gains); education (major role in skill development and investment¹³); international students (major export); tourism (major export); and public sector (catalyst potential). Based on metropolitan level estimates of scale and future land demand, we will identify spatial opportunities to facilitate major service sector employment growth.

¹³ In 2011, universities in Australia had revenue of \$24 billion (Norton, 2013)

In the short term

- Identify spatial and locational requirements for health precincts, education, tourism, activity centres/retail and business services.
- Based on the locational requirements, identify strategic locations for health and education precincts to drive service sector jobs, particularly in growth areas.
- Identify locations for major projects include tourism precincts.
- Implement spatial policies for service sector employment.

In the medium term

- Using metropolitan level estimates, understand the role of peri urban regions to ensure that we leverage off their particular strengths and opportunities in terms of the natural assets and potential for these to support employment generation. In particular, there are opportunities to develop strategies in relation to alternative energy, tourism, waste management and agribusiness.

Initiative 1.1.7 Investigate opportunities to encourage teleworking and working closer to home

Growth in the service sector economy combined with technology, cost pressures, changing workplace behaviours and social factors (e.g. caring responsibilities) provide opportunities for investment in telecommuting, allowing managers and employees to work closer to home. Teleworking and Cloud computing (along with temporary work station arrangements) allow for decentralisation and are set to reduce office space requirements.

According to research by Deloitte Access Economics, the current rate of telework in Australia is approximately 6.5 per cent of the population, with the Australian Government's National Digital Economy Strategy aiming to enable an increase in the rate of telework to at least 12 per cent of the population by 2020, given the introduction of the NBN and other ICT advancements. IS IT POPULATION OR WORKFORCE FOR THESE PERCENTAGES??

The availability of a high-speed open access network (e.g. NBN) means that businesses can offer telecommuting opportunities, decentralise office locations to cheaper outer suburbs, or move to premium locations for less cost if less floor space required, thereby limiting demand for office space. The prospect of telecommuting reduces the need to commute long distances to access jobs in the CBD, but only if opportunities are unlocked to leverage off technology advances. New approaches to accommodating entrepreneurial activity and small and medium business growth are critical in driving competitive advantages in the knowledge economy. Teleworking may also lead to employee benefits of greater access to a broad range of employment, increased hours of work and labour force participation, convenience, cost savings and job satisfaction – potentially reducing congestion, thereby improving Melbourne's attractiveness as a place to live and work.

In the short term

- Review planning controls to identify any barriers to home based businesses in residential areas and make childcare businesses as of right in activity centres.
- Consider a demonstration project about NBN/ teleworking –seeking partnership with industry to identify a 'best place to live if you want to telework'.

Direction 1.2 Plan for the expanded Central City to become Australia's largest commercial and residential centre by 2030

The Central City, located in the Central Subregion, has some of Australia's largest and most globally connected financial and professional services businesses (particularly in the CBD, Docklands, Southbank and St Kilda Road). The wider Central Subregion has a highly diverse economic base with strengths in health, education, retail, creative industries, tourism and port-related activities.

Over the past two decades, employment has significantly increased in the Central City with office floor space alone increasing by 900,000 m² over 2000-2010. Docklands has been a major focus of this growth which has been facilitated by Places Victoria, the government's urban renewal authority.

Residential growth has also continued in the Central City and Central Subregion, providing opportunities for people to live close to where they work. This delivers a range of benefits, including reduced commuting and transport costs. We will continue to support the growth of residential and commercial development in the Central City to capture new opportunities arising through growth in the knowledge economy, deepening relationships with Asia and increased demand from Asia for higher-value service offerings. Professional services are likely to experience substantial growth.

This Direction will allow Melbourne's Central City to become the largest business services centre in Australia. The Central City will continue to play an important role as a major destination for tourism, retail, entertainment and cultural activities, and enjoy the employment diversity that comes from the growth of these sectors. Expanding the Central City to the north and west of the CBD will also increase the number of knowledge jobs available to the Western Subregion.

To ensure Melbourne's expanded Central City becomes Australia's largest business centre, we will also need to connect, manage and grow the existing and emerging high-density, mixed-use neighbourhoods in the Central Subregion. This subregion represents Melbourne's most complex growth area, with growth potential beyond 2050. By planning for this significant employment and population growth, we will take advantage of the benefits of connecting people, skills, jobs and businesses. The Transport chapter, in particular, includes initiatives to support the realisation of Melbourne's Central City as a world class, global hub.

Initiative 1.2.1 Expand the Central City to retain competitive rents and attract high end businesses

In order to maximise the opportunities from growth in the knowledge economy, the Central City will need to retain its competitive advantages in rent, and continue to provide choices in worker accommodation. To retain this advantage, we need to ensure the continual supply of well-located land for commercial activity by expanding the Central City to provide new opportunities and choices for knowledge-intensive and high-skilled firms.

Investment by successive Victorian Governments, including at Southbank and Docklands, has unlocked strategically located and relatively affordable waterfront land. This has provided private sector investment opportunities, strengthened the productivity benefits that come from greater knowledge-sector density, and enabled Melbourne to compete for global capital. This investment supported Melbourne and Victoria to significantly increase its share of Australia's professional and financial services business.

Map 7 pg. 42&43

Major transport investments including Melbourne Metro and East West Link provide opportunities for precincts such as Arden-Macaulay and E-Gate to deliver the key benefits typically associated with transit-oriented developments, and provide new choices for high-end businesses, and residential

development.

In the immediate term

- Expand the Central City to ensure supply of well-located land for commercial activity including office, hotel, retail space and residential.
- Develop timing and staging and enabling investment for urban renewal precincts including Fishermans Bend, E-Gate, Arden-Macaulay, Federation Square East and the Richmond Station precinct.

Initiative 1.2.2 Prepare a plan for the Central Subregion to accommodate at least 1 million jobs and nearly 1 million people

To ensure Melbourne's expanded Central City becomes Australia's largest business centre, we will need to connect, manage and grow the existing and emerging high-density, mixed-use neighbourhoods within the Central Subregion.

This subregion warrants a specific approach in order to capture benefits from agglomeration, while at the same time managing the costs of growth. These neighbourhoods, although clearly distinct from each other and from the Central City, form a key part of the Central Subregion and are an essential part of the 'Melbourne experience' for visitors and locals.

The Central Subregion has the potential to grow from 700,000 jobs today to around 1 million jobs by 2031¹⁴. New space for office, retail, tourism, education, health, entertainment and cultural activities will be required.

Given the importance of these economic opportunities, combined with the need to manage the costs of agglomeration, a strategic growth framework is required for the expanded Central City and the Central Subregion. This framework should consider governance, the timing and staging of the development of the Central City, new strategic transport connections, new community facilities and open space, utility improvements, and traffic management strategies. An expanded Central City provides considerable opportunities to meet some of these needs.

In the short term

- Work with local government, institutions, businesses and other key stakeholders to prepare a framework plan for growth in the Central Subregion.
- Require the independent planning authority to facilitate precinct planning and coordinate planning and delivery of government infrastructure in the Central Subregion.

Direction 1.3 Provide land supply for employment growth

As Melbourne's population approaches 6.5 million people by 2050, and the economy continues to grow and change, we need to make sure there is enough well-located land zoned for commercial and industrial use, to accommodate potential job growth across our five subregions.

The Draft Strategy puts in place a new geography for jobs and the economy that can maximise the productivity benefits from clusters of knowledge-based activities, while also ensuring that there is a range of employment opportunities accessible to people across the whole city. This Direction builds on Melbourne's attractiveness as a place to invest through the availability of well-priced commercial

¹⁴ Based on Department of State Development, Business and Innovation Employment Projections, 2013

and industrial land in the right locations, to strengthen our key growth industries.

By estimating the scale of this employment growth and land use requirements across our city, we will ensure that our business locations are investment-ready, productive and have sufficient capacity to grow.

Targeted investment and infrastructure provision is also required, to help bring forward local investment and job creation for our outer areas, while also stimulating wider economic growth.

Reforming and expanding the *Urban Development Program* will allow us to monitor changes to supply, demand and economic factors.

Vox Pops pg. 36

Initiative 1.3.1 Provide information regarding scale of future land use demand

The patterns of spatial distribution of employment and business driven by structural change means that we need to support the spatial framework by ensuring that there are sufficient and well located employment precincts, centres and zones to meet the forecast employment growth.

By providing information regarding particular types of demand in a spatial framework, the benefits of co-location and leveraging off existing government assets will be maximised. The private sector will be better informed about investment opportunities and local government and subregional planning will be able to undertake more informed local planning. For example, the scale of future demand for retail floorspace means that new investment for retail is required across all of Melbourne.

Table 1: Preliminary trend retail floorspace projections¹⁵

Table 2: Preliminary trend based stand-alone office floorspace projections¹⁶

Source: DPCD (2013)

In addition, major increases in tourism will drive demand for accommodation, recreation and entertainment. Another sector - health - is only beginning to be understood in terms of demand for floorspace.

This information will also be used to help inform development plans for National Employment and Innovation Clusters and other place specific policies, such as for activity centres, transport gateways and industrial areas, with the objective of opening up areas for investment and job growth.

¹⁵ The retail and office floorspace projections presented are not predictions or forecasts, but are simply an illustration of potential floorspace growth scenarios based on an assessment of past floorspace per capita trends and their likely future trajectory. There is a degree of uncertainty with the any projections and will be influenced by a range of factors including population, economic and employment growth, average work space ratios, consumer expenditure patterns, ageing and technology.

¹⁶ The retail and office floorspace projections presented are not predictions or forecasts, but are simply an illustration of potential floorspace growth scenarios based on an assessment of past floorspace per capita trends and their likely future trajectory. There is a degree of uncertainty with the any projections and will be influenced by a range of factors including population, economic and employment growth, average work space ratios, consumer expenditure patterns, ageing and technology.

In the short term

- Further develop and make available regional scale estimates of various land uses and employment (including service sector) to private sector and government. For example, future retail, tourism, health and commercial demand by subregion.
- Provide guidance to Local Government, in the form of a practice note, about how to apply the new commercial zones and other tools necessary to achieve these growth outcomes.

Initiative 1.3.2 Plan for industrial land in the right locations across Melbourne's five sub-regions to facilitate investment and employment

The *Urban Development Program* shows that demand for industrial land has averaged around 215 ha per year over the last five years, with recent demand driven by Melbourne's strength as Australia's freight and logistics capital and the hub of Australia's manufacturing sector.

These sectors need access to relatively cheap parcels of industrial land with strong arterial road connections to ports, airports, and regional and interstate markets. As such, most recent demand has been concentrated in Melbourne's major industrial nodes in the north, west and south.

The attractiveness of Melbourne's major industrial nodes as principal locations for the manufacturing and freight and logistics sectors has been greatly increased in recent years by major investments in Victoria's transport network and transport hubs. These include:

- M80 Ring Road
- Craigieburn Bypass
- Deer Park Bypass
- EastLink
- Monash Freeway upgrade.

These investments need to be built on. Major future projects (such as East West Link, the Port of Hastings and intermodal terminals, as outlined in our plan for freight and logistics *Victoria: The Freight State*) will further enhance the competitiveness of our industrial sectors and provide new opportunities to support business investment and job creation, particularly in outer areas.

Melbourne needs to ensure a sufficient supply of well-located, industrial land is provided where demand will be greatest. This will support industry development and economic and employment growth in Melbourne's outer areas. Reforming and expanding the *Urban Development Program* will enhance our ability to monitor demand for industrial land, and proactively respond to changing economic conditions.

Changes to the economic structure also mean that, in some areas, there is industrial land which is no longer required and could be put to other uses. This underutilised land provides opportunities for economic investment and urban renewal.

In the immediate term

- Confirm the broad quantum of industrial land required by subregion, by:
 - assessing the implications of forecast economic changes for the freight and logistics and manufacturing sectors (and other intended users of industrial land) and the direction set in the Growth Corridor Plans;
 - identifying economic and employment growth in sectors which use industrial land;

- assessing land use opportunities and implications related to *Victoria: The Freight State* and to the new classification of centres and clusters;
 - assessing the strategic location of existing and future industrial land supply to determine if it meets industry needs (for example, spatial and locational requirements); and
 - evaluating this information to confirm additional industrial land requirements by subregion.
- Confirm areas to investigate for alternative land uses and subsequent rezoning or development to stimulate urban renewal.

In the short term

- Direct the independent planning authority, in partnership with local governments, to assess areas to determine their potential for alternative uses. Alternative uses depend on local requirements and site context and could include transit-oriented, mixed-use development; new centres; and residential or other opportunities to increase employment.
- Expand the scope of government's *Urban Development Program* to address a range of economic, industrial demand and supply factors and employment projections for each of the subregions.

Figure 5 & 6 pg. 38

Initiative 1.3.3 Plan for commercial land and Activity Centre requirements

Growth in population, knowledge-intensive activities and tourist visits will drive demand for well-located and competitively priced commercial zoned land. In the service sector, current trends suggest, this could drive demand for over 5.5 million m² of stand-alone office floor space, and around 5.5 million m² of retail floor space. Commercial zoned land will also need to accommodate a range of services, accommodation, entertainment and civic activities. **Figures 5 and 6 show** projections for retail floorspace and stand-alone office floorspace for Melbourne from 2011 to 2051.

To ensure that Melbourne's competitive commercial market is maintained into the future, and to facilitate local access to employment, the Metropolitan Planning Strategy will confirm the future quantum of commercial land requirements, by subregion. It will also estimate the likely distribution of future job growth and commercial land requirements within the network of National Employment and Innovation Clusters, Metropolitan Service Centres and Activity Centres. This Initiative will provide information to the independent planning authority to help facilitate employment growth and development potential in these locations.

This Initiative recognises that existing Activity Centres will need to have the flexibility to accommodate growth, particularly where there is significant population and household growth forecast in their catchment area. Planning for a diversity of activities in Activity Centres will also respond to changes in the economy, and support increased transport infrastructure delivery.

As Melbourne grows and its economy continues to transform, new Activity Centres will be required. While some locations may start out as single-use locations with limited retail activity, they should be planned so as to allow for diversification and growth as demand is generated.

There are also a number of domestic and external forces that are influencing demand for, and the supply of, commercial space. These forces mean we need to continually monitor demand and supply conditions while at the same time provide greater flexibility and growth opportunities for

Melbourne's commercial and business centres.

In the immediate term

- Confirm estimates of future retail and other Activity Centre employment requirements at a subregional level.
- Broadly identify the scale of growth to be accommodated in National Employment and Innovation Clusters, Metropolitan Service Centres and Activity Centres, based on their roles, functions, capacities and development potentials.
- Identify gaps in the subregional network of Activity Centres, to determine the need for new Activity Centres.
- Reform and expand the *Urban Development Program* to monitor commercial land use supply, demand and performance.

Initiative 1.3.4 Accelerate investment in Melbourne's growth areas to increase local access to employment

The distribution of jobs across Melbourne is very uneven, and outer suburbs generally have poorer access to jobs than middle and inner Melbourne. For example, in the outer west and outer south-east, there are only about four jobs for every ten working-age residents. We need to utilise infrastructure investment to facilitate job growth.

The development of National Employment and Innovation Clusters in Monash, Parkville, La Trobe, Sunshine, East Werribee and Dandenong South will increase access to high-end knowledge jobs in the subregions. Development of major new transport gateways at the Port of Hastings will also improve the number and type of jobs in the subregions. A possible new south-east airport will also provide new job opportunities. Leveraging off these infrastructure investments can contribute significantly to future investment and job growth in outer areas.

The initiatives that follow put in place actions to bring forward employment opportunities in outer areas by advancing major planned investments; by planning for the associated infrastructure and investment necessary to leverage off investments; by building on comparative strengths in service-sector employment; by supporting subregions to attract investment; and by connecting outer areas to existing employment locations. Monitoring the economic performance of subregions will also help identify priority projects and inform investment decisions.

In the immediate term

- Select suitable investment projects (proposed by subregional groups of local governments) to bring forward employment growth in outer areas. Projects would be subject to a business case and possibly funded by works in kind, growth areas infrastructure contributions, or other funding mechanisms. Possible investment projects include:
 - major road access to unlock potential employment opportunities;
 - expand bus services and park-and-ride opportunities at outer-suburban train stations, to help link residents to major employment destinations;
 - infrastructure upgrades to leverage off public investment (such as improved pedestrian links to planned new train stations);

- water and utility infrastructure to improve the cost competitiveness of land and private investment; and
- pedestrian links to increase activity levels in catchments for Metropolitan Service Centres or Activity Centres.
- Identify strategic locations for health and education facilities to drive productivity, improve access to health and education services, and improve job choices, particularly in growth areas. These locations can also be major attractors of, and anchors for, investment and a mix of employment uses and activities, and should be developed adjacent to existing Activity Centres or planned as part of new Activity Centres.
- Work with local councils and other key stakeholders to accommodate a major university campus in the west of Melbourne, and support integrating this future opportunity into the Sunshine National Employment and Innovation Cluster.

In the short term

- In consultation with growth area local councils, develop strategies for growth area service sector employment.
- Investigate opportunities to encourage working from home (or closer to home) by reducing home-based business regulations and assisting the implementation of residential growth zones that allow office accommodation 'as-of-right'.

BREAK OUT BOX — START

Direction 1.4 Enable an investment pipeline of transit-oriented development and urban renewal

A pipeline of infrastructure projects and investment opportunities is an important indicator of confidence to the market and can provide certainty for residents, investors and the construction and development industries. The Strategy will create investment opportunities across the city, in strategic locations.

This Direction advocates transit-oriented development as a key way to achieve employment and population growth, as well as achieve a broad range of economic, social and environmental benefits from collocating employment, population and public transport.

Some of these opportunities will come from major transport infrastructure and associated land development. Others will come from the development of National Employment and Innovation Clusters, Metropolitan Service Centres and health and education precincts.

Equally opportunities can be harnessed from underutilised industrial land in proximity to existing infrastructure.

Initiative 1.4.1 Identify new urban renewal sites based on public transport development principles

Land around train stations and train corridors can provide valuable development opportunities, due to the high levels of access to public transport. Over the coming decades, we will be building a number of new train stations as we develop the network, and we will ensure these are integrated with land development. Existing stations and corridors will also be assessed for their development potential.

There are also a number of former industrial and other sites around Melbourne that no longer fulfil their function. These sites can be run-down and create poor local amenity. By enabling appropriate development (including housing and mixed-use development), the local neighbourhood can be improved. Businesses have the capacity to identify opportunities for development which generate investment and local employment, and improve places for the community to enjoy. Government assets can also be better-utilised, but local governments may need additional support, expertise and information to deliver these redevelopment outcomes.

In the immediate term

- Amend the *State Planning Policy Framework* to support urban renewal around existing and planned train stations and selected public transport corridors.
- Designate priority urban renewal sites and commence structure planning for underutilised industrial land in proximity to train and other selected public transport corridors. Priority investigation areas include:
 - Yarra corridor (North Richmond, Collingwood and Victoria Park stations and selected high capacity public transport corridors);
 - Upfield corridor (Brunswick, Batman and Coburg stations and the Sydney Road tram corridor);
 - Monash corridor (Huntingdale, Clayton and Westall stations and Wellington Road, between Huntingdale and Monash University);
 - Sunshine corridor (Sunshine, Albion, Ginifer and St. Albans stations);
 - Tottenham corridor (Middle Footscray, West Footscray and Tottenham stations).
- Work with local councils to progress the rezoning of precincts around train stations, and public transport corridors which have capacity for additional residential and mixed-use development.

Immediate to short term

- Work with the private sector to develop or upgrade train stations and transport interchanges, (subject to business case approval), to incorporate new commercial and housing activities at locations that include:
 - North Melbourne Station (associated with the development of E-Gate);
 - Richmond Station precinct (Richmond and East Richmond stations);
 - Arden Station, as part of Melbourne Metro and with the development of the Arden–Macaulay precinct;
 - Ringwood Station, as part of the Ringwood Metropolitan Service Centre development;
 - Frankston Station, as part of the development of the Frankston Metropolitan Service Centre development; and
 - Alphington, Essendon, Hampton, Jewell, Jolimont, Prahran and Windsor Stations.

Map 9 pg. 48-49

- Identify urban renewal opportunities associated with upgrades to interchanges starting with Springvale and Blackburn Stations (as part of level crossing removals), Sunshine Station, and a new station at Southland.
- Support local governments to unlock capacity on their own underutilised sites (for example, car parks). This could include assistance in preparing property development strategies for local government assets.

Initiative 1.4.2 Identify new development and investment opportunities on the planned transport network

Melbourne has a significant network of transport infrastructure; and although the city will undergo significant growth and change, this infrastructure will largely remain. It is important we maximise the benefits of new infrastructure by identifying property development and investment opportunities.

The identification of surrounding land use opportunities should occur as part of project proposals and implemented as part of a project.

In the short term

- Confirm a list of priority investigation areas that can provide new employment opportunities on new infrastructure. Possible investigation areas include:
 - the inner-north and inner-west, to create employment opportunities associated with planned investment such as East West Link and public transport projects;
 - Central City to airport corridor, to leverage off this emerging job corridor and take advantage of a possible future airport link; and
 - suitable business park opportunities that can take advantage of East West Link, the M80 upgrade, the Outer Metropolitan Ring Road, the Dingley Bypass and EastLink.

Initiative 1.4.3 Plan and facilitate private sector tourism investment opportunities in Melbourne and rural and regional Victoria

Melbourne has an international reputation as a distinctive and authentic Australian destination, with a highly visible major art, sporting and cultural events calendar. This sophisticated tourism experience is supported by a vibrant city that is filled with shops, restaurants, bars and cafes in wide boulevards and intimate laneways. Tourism generates strong multiplier effects for other industries in Melbourne, and in Victoria more generally. With almost all international travellers arriving by air, Melbourne also serves as a gateway to the rest of Victoria.

From 2007-12, annual tourism expenditure in Melbourne grew by about 5.7 per cent, significantly higher than the national average of 2.7 per cent¹⁷. International visitors, particularly from Asia, are driving this growth. International students are also a major driver of tourism expenditure. Room occupancy has remained relatively stable over the last few years, with average occupancy rates of around 80 per cent¹⁸.

Melbourne's strong position in tourism in Australia is expected to continue over the immediate-to-short term. The Tourism Australia Forecasting Committee indicates that the number of visitor nights

¹⁷ National Visitor Survey, Tourism Research Australia

¹⁸ Based on ABS Data, 2013

will increase to 82 million by 2015 (or 13.9 per cent of the national total) by 2020–21, worth an estimated \$17.7 billion in overnight tourism expenditure. This growth will drive demand for short-stay accommodation and new or enhanced tourism experiences.

Melbourne's challenge in an increasingly competitive global tourism environment is to maintain and enhance our sophisticated tourism experience, encourage investment to meet tourism demand, and ensure that our transport and aviation networks can support the anticipated growth. This Initiative aims to facilitate private sector tourism investment that appeals to existing and emerging tourism markets.

From a planning and policy perspective, tourism often complements, or is complementary to, broader objectives: that is, tourism experiences need to be used and valued by locals as well as visitors. Tourism services also need to be located appropriately, for example with internationally branded accommodation in the inner city catering to international leisure and business travellers. Students and Australian business visitors may need more decentralised accommodation.

In the immediate term

- Assess opportunities for short-term accommodation and tourism services, particularly in the Fishermans Bend and Federation Square East urban renewal precincts, and in the finalisation of the implementation of the Southbank Arts Precinct blueprint.
- Direct the independent planning authority to investigate accommodation opportunities in National Employment and Innovation Clusters, Metropolitan Service Centres and underutilised land to meet demand from education, business and family visitors.
- Include short-term accommodation and tourism services as a consideration when developing or renewing state sporting, cultural, Aboriginal and heritage sites (such as the Flinders Street Station redevelopment).
- Identify strategic locations in Melbourne and regional Victoria to facilitate private sector tourism investments that appeal to high-yield or emerging tourism markets (such as convention and exhibition facilities, a world-class hotel resort, or iconic attractions).
- Facilitate appropriate regulatory changes (such as a streamlined approval process), which assist the development of identified strategic tourism investment priorities in Melbourne and regional Victoria.

MONASH EMPLOYMENT AND INNOVATION CLUSTER

The Monash Employment and Innovation Cluster is Melbourne's largest established employment cluster, with a unique mix of education, research and industry participants. It has 58,500 jobs and is the largest concentration of employment outside the Central City. The cluster's subregion is expected to grow from 250,000 to 350,000 people by 2050.

The Monash Employment and Innovation Cluster has a critical mass of leading education, health, research and commercialisation facilities including Australia's largest university (Monash University), the Australian Synchrotron, the Melbourne Centre for Nanofabrication, Monash Medical, CSIRO's largest site in Victoria, Monash Business Incubator and the Monash Enterprise Centre. The Federal Government, as part of their Industry Innovation Precincts Program, plans to establish a manufacturing precinct within the cluster.

The cluster's mix of education, research and commercial facilities creates a unique environment for innovation and world-leading research, which will continue to contribute significantly to Melbourne's economy. This unique blend of knowledge- and research-based activities will also assist existing businesses, for example in the manufacturing sector, and produce products and services that are competitive in the global market.

Map 10 pg. 52

PARKVILLE EMPLOYMENT AND INNOVATION CLUSTER

The Parkville Employment and Innovation Cluster in the Central Subregion is an established, internationally acclaimed cluster that is close to the city, with opportunities to facilitate the continued supply of appropriate land for commercial, housing and knowledge-based enterprises. The cluster has strengths in education, research, health, professional and technical industries, and significant parkland. About 32,700 people are currently employed in the cluster, which is centrally located and has access to a wide catchment of workers across metropolitan Melbourne.

The cluster has a critical mass of nationally leading institutions and organisations including Australia's highest-ranking university (the University of Melbourne), Victoria's second-largest university (RMIT University), Monash University's Pharmacy Faculty, global biotechnology industry leader CSL Limited, Royal Melbourne Hospital, Royal Children's Hospital, Royal Women's Hospital, the Australian Medical Association and the Bio21 Institute.

Many leading institutions and organisations are expanding, or plan to expand, within the cluster. This includes the \$1 billion Victorian Comprehensive Cancer Centre which will have world-leading cancer research and treatment activities and facilities. Increasingly, the two universities are expanding their facilities to incorporate greater collaboration and joint projects with industry. This drives innovation, research and business establishment.

Central Subregion is expected to grow by around 300,000 to 450,000 people by 2050.

Key partners for the future of this cluster include City of Melbourne, University of Melbourne, RMIT University, CSIRO, Royal Melbourne Hospital, Royal Women's Hospital and Royal Children's Hospital.

MAP 11 - PARKVILLE NATIONAL EMPLOYMENT AND INNOVATION CLUSTER

SOURCE: DEPARTMENT OF TRANSPORT, PLANNING AND LOCAL INFRASTRUCTURE, 2013

DANDENONG SOUTH EMPLOYMENT AND INNOVATION CLUSTER

The Dandenong South Employment and Innovation Cluster in the Southern Subregion is a long-established cluster employing Melbourne's largest workforce outside of the CBD, with over 55,000 people. The cluster has major strengths in advanced manufacturing, health, education, wholesale trade, retail and transport, postal and warehousing. Dandenong is a net importer of workers from surrounding municipalities and home to over 12,500 businesses.

Ideally located near the Monash Freeway, Princes Highway and EastLink, the Cluster forms part of one of Australia's most significant and productive manufacturing areas, which contributed over \$2.2 billion in value added in 2011. The cluster is likely to be given a further boost with the planned development of the Port of Hastings into Victoria's second major container port. It is expected that this will help drive the development of Lyndhurst as a major intermodal facility (logistics and warehousing), with a direct train connection to the Port of Hastings.

The cluster, and the businesses operating in it, has been driven in recent times by the requirement for manufacturing activities to be increasingly knowledge-based. Reflecting this, the cluster is home to Victoria's first eco-industrial park, LOGIS, which includes a 74 ha Innovation Park. This is leading the way for future industrial development in Australia with site features that set new standards for innovation, environmental design and sustainability. The cluster has the first industrial development (comprising two large warehouses and office space inside one 27,000 m² building) in Victoria to achieve a 5-star Green Star Industrial Design rating.

The cluster comprises 154 ha of industrial land specifically designed to accommodate advanced manufacturers and logistics users and is expected to generate up to 5,000 new jobs on the site. A growing list of major international and local businesses (such as Kraft, Cadbury, Ascent Pharmaceuticals, Mercury Marine, Moondara Cheese, Terex Australia and Cabrini Health) have recently chosen to base their businesses at LOGIS. Other major innovative firms in the cluster include Jayco, Bombardier Transportation Australia, Corex Plastics, IVECO Trucks Australia, Viridian Glass and Advanced Polymer Technologies.

The cluster also has a CBD area in its north-east corner. This has a substantial retail presence—providing around 4,300 jobs—and a major medical precinct based around the Dandenong Hospital which employs almost 4,000 highly skilled workers. There are also two TAFE institutes (Chisholm and Kangan) in the cluster, and it is close to Monash University.

Key partners for the future of this cluster include City of Greater Dandenong, Dandenong Hospital, Chisholm TAFE, Kangan TAFE, Monash University, Places Victoria and Invest Victoria.

MAP 12 - DANDENONG SOUTH NATIONAL EMPLOYMENT AND INNOVATION CLUSTER

SOURCE: DEPARTMENT OF TRANSPORT, PLANNING AND LOCAL INFRASTRUCTURE, 2013

EMERGING LA TROBE EMPLOYMENT AND INNOVATION CLUSTER

The La Trobe Employment and Innovation Cluster in the Northern Subregion is an emerging cluster with strengths in education, research, health and retail. It includes a number of significant employment activities (such as La Trobe University and its industrial surrounds, Northland Shopping Centre and Austin Health) and a concentration of other health, research, commercial and retail activities in and around the Burgundy Street Activity Centre, Heidelberg. There are currently 25,700 jobs in the cluster. The cluster represents an opportunity to increase the number and diversity of jobs in the subregion.

Each of these locations within the cluster has different strengths and contributions to make to the economy. La Trobe University has an expanding education and research role, including a growing student and research population, and the recently completed AgriBio Centre. The Heidelberg precinct has a significant presence of health services, training and research institutions such as the Melbourne Brain Centre. Due to Austin Health's critical mass of roughly 8,000 staff, there is specialisation in some health services (such as toxicology and respiratory support) in Heidelberg, which sees the area providing statewide services.

There are additional plans for each of these key locations, which indicate a growing commitment to the cluster. The Federal Government, as part of their Industry Innovation Precincts Program, plans to establish a Food Precinct at La Trobe's R&D Park. La Trobe University has plans to grow its research activities (especially in the biosciences), and encourage the commercialisation of research and the evolution of existing businesses. There is growing housing diversity and urban renewal as part of the Olympia Initiative. Land around Northland Shopping Centre has a significant capacity to accommodate new jobs and housing.

The Northern Subregion is expected to grow by around 500,000 to 700,000 people by 2050.

Key partners for the future of this Cluster include Banyule City Council, Darebin City Council, La Trobe University and Austin Health.

MAP 15 - EMERGING LA TROBE NATIONAL EMPLOYMENT AND INNOVATION CLUSTER

SOURCE: DEPARTMENT OF TRANSPORT, PLANNING AND LOCAL INFRASTRUCTURE, 2013

EMERGING SUNSHINE EMPLOYMENT AND INNOVATION CLUSTER

The emerging Sunshine Employment and Innovation Cluster in the Western Subregion has the potential to build a critical mass of tertiary education, health-related training, health care, retail and professional services; and to facilitate private investment. There are currently 13,800 jobs in the Cluster.

The Cluster is well-placed to tap into the growing municipalities of Melbourne's west and to diversify its education, research and health-related activities. The cluster is centrally located in the middle of the two western growth areas, and has access to major road and train infrastructure. The cluster's strategic connectivity will continue to grow with recent announcements about Melbourne and Avalon airport rail routes confirming Sunshine will, in the future, have rail access to both these international gateways. The Melbourne Metro will provide a direct link from the cluster to Parkville and the south-eastern suburbs.

There is the opportunity for the cluster to be a central location for increasing health service and education provision. Sunshine Hospital is currently a 400-bed hospital and there are plans to significantly increase services. The Western Centre for Health, Research and Education is a collaborate project with Victoria University, the University of Melbourne and Western Health where training and research will be carried out. Victoria University has two campuses in the Cluster, and they will expand over time.

The Sunshine Employment and Innovation Cluster includes the Sunshine Metropolitan Service Centre and the St Albans Activity Centre.

The Western Subregion is expected to grow by around 500,000 to 650,000 people by 2050.

Key partners for the future of this Cluster include Brimbank City Council, the University of

Melbourne, Victoria University and Western Health.

MAP 13 - EMERGING SUNSHINE NATIONAL EMPLOYMENT AND INNOVATION CLUSTER

SOURCE: DEPARTMENT OF TRANSPORT, PLANNING AND LOCAL INFRASTRUCTURE, 2013

EMERGING EAST WERRIBEE EMPLOYMENT AND INNOVATION CLUSTER

The emerging East Werribee Employment and Innovation Cluster in the Western Subregion has the potential to build on existing health, education and high-tech research jobs. Emerging from the current East Werribee Employment and Innovation Cluster, it will ultimately provide well over 50,000 jobs. These jobs will predominantly be white collar, to build on the existing health, education and high-tech research jobs that already exist on the site of the former State Research Farm.

The cluster is currently home to over 7,100 jobs, including at the University of Melbourne Veterinary Hospital, the University of Notre Dame, Victoria University, the Werribee Mercy Hospital, Wyndham Private Medical Centre, CSIRO, Suzanne Cory High School and a range of high-tech research companies in the food and agricultural industries. Many of these major white-collar job providers have significant expansion plans over the next 20 years, and a site for a new hospital has recently been purchased in the Cluster by St Vincent's Private Hospital.

Businesses based in East Werribee will have easy access to Melbourne; to Melbourne and Avalon airports; and to the Port of Melbourne. To encourage new investment in the cluster, significant new infrastructure is planned (including the Sneydes Road Freeway interchange) as well as tree-lined boulevards and a lake, waterway and parkland system that will draw workers and visitors to the area. The waterway system incorporates an integrated water cycle management approach, which heralds the first large-scale implementation of the Living Victoria policy, and represents an important first step in the transformation of Melbourne's water cycle systems.

The Western Subregion is expected to grow by around 500,000 to 650,000 people by 2050.

Key partners for the future of this Cluster include Wyndham City Council, Growth Areas Authority, University of Melbourne, Victoria University and Mercy Hospital.

MAP 14 - EMERGING EAST WERRIBEE NATIONAL EMPLOYMENT AND INNOVATION CLUSTER

SOURCE: DEPARTMENT OF TRANSPORT, PLANNING AND LOCAL INFRASTRUCTURE, 2013

HOUSING

Provide a diversity of housing in defined locations to cater for different households and income groups, and close to jobs and services.

For more than 10 years now, Melbourne has been the fastest-growing capital city region in Australia. This pace of growth is evidence of the enduring appeal our city has as a place to live and work. By 2050, it is estimated that Melbourne will have grown to a city of around 6.5 million people, 2.5 million more people than in 2012. This means at least 1 million new dwellings will be needed across the metropolitan region by 2050. In accommodating this growth Melbourne faces some significant challenges in seeking to ensure its much-prized liveability is enjoyed by all its citizens whether they choose to live in or close to the heart of the city, in the well-established suburbs or in new master-planned communities throughout the urban growth areas.

While there is at least 30 years supply of urban-zoned land on the fringe of metropolitan Melbourne, it is no longer sustainable to accommodate most of our population and household growth by continuing to expand Melbourne's outer urban growth areas. If our city continues to grow at low densities, there will be pressure to expand further outwards beyond our current urban boundary. This will adversely impact our natural environment, increase travel distances to access jobs and services, and increase socioeconomic disparities.

The type of housing people want, at a price they can afford and in a location where they would like to live will need to be addressed if Melbourne is to secure its future as a city of choice and opportunity. Melbourne will need to become a more consolidated and contained metropolis, by establishing a permanent metropolitan urban boundary and facilitating more development in established areas. A permanent boundary will also help stimulate higher growth in peri-urban towns, and in regional Victoria.

As we intensify housing development in our established urban areas, we will also need to ensure that new development makes a positive contribution to local areas and protects those areas which have a special character. Melbourne will also need well-designed, good-quality housing that is affordable, accommodates a diverse range of household types and which can be adapted to meet changing household needs.

HOW WE WILL ACCOMMODATE POPULATION GROWTH

Establishing a more compact, sustainable city is challenging, but the social, economic and environmental benefits of taking this action will be long-lasting for Melbourne and its people. Below are several of the important benefits of compact, higher-density development.

Social – closer proximity encourages positive social interaction and diversity, increases walking, improves health and the viability of (and access to) community services, and enables more and better integrated social housing.

Economic – enhances the economic viability of development, improves the economic viability of infrastructure delivery, and utilises (and can help improve) existing infrastructure.

Transport – creates sustainable demand for more transport options including public transport, walking and cycling.

Environmental – creates opportunities for efficient use of resources and materials; supports precinct-scale solutions to energy provision, water reuse and waste reduction; creates less pollution through promotion of sustainable transport; preserves, and helps fund maintenance of, public open space and creates new public open space; and reduces overall demand for development land and avoids expanding suburbs without supporting services¹⁹.

Melbourne's apartment market is a relatively new component of the larger housing sector with around 80,000 apartments constructed over the last decade. The level and location of activity over the last 20 years is allowing us to rethink housing options in the Central City and inner Melbourne, which is helping the delivery of a more compact and sustainable city.

We have an opportunity to slow down the outward expansion of our city and rebalance the distribution of population and housing growth to become a more sustainable, productive and liveable city. Whilst it is recognised that some of our future housing will continue to be provided within the urban growth areas, our Draft Strategy encourages more medium and higher density housing in defined areas they being designated urban renewal precincts, areas of existing and proposed high job density including within the National Employment and Innovation Clusters, Metropolitan Service Centres and Activity Centres, near train stations and along selected public transport routes and in identified residential growth zoned areas.

Local government will be supported to apply the new residential and commercial zones strategically, to identify future housing requirements and define areas that are suitable for more residential growth.

LOCATING HOUSING CLOSER TO JOBS AND SERVICES

Although some of the issues affecting Melbourne's housing sector are beyond the planning system (such as the cost of finance, construction and labour), it can, through zoning and other mechanisms, create more opportunities for different housing types in strategic locations, so that more people can live closer to jobs and services.

Melbourne's growth areas have about one-fifth of Melbourne's current workforce, but only 13 per cent of Melbourne's jobs are located in these areas. This means that many people have to travel outside their municipality for work. In a knowledge economy increasing the relative job availability in the outer suburbs is difficult.

Some workers (such as emergency workers, nurses, teachers, police, hospitality workers and cleaners) need to live closer to where they work than others. Lack of affordable housing for these workers closer to their workplace can impact on their quality of life, due to long commutes to work and higher transport costs.

Our focus on encouraging mixed-use developments and greater housing density near jobs and transport will help achieve a greater level of choice for medium- and low-income households, in terms of locating nearer to employment opportunities.

By allowing more diverse housing within and close to job dense areas accompanied by improved public transport, walking and cycling networks, we can create more opportunities for people to live closer to their workplace and to local services.

¹⁹ City of Melbourne 2013, *Future Living: a discussion paper identifying issues and options for housing our community*, Melbourne

MORE CHOICE IN THE HOUSING SECTOR

The demand for new housing will also be influenced by an ageing population and a desire for people to downsize and age in place. In a well-functioning market, the supply of housing should reflect shifts in the community's needs and preferences for housing but, there is evidence to suggest that this is not the case in our city²⁰. This mismatch between their needs and preferences (in terms of the type of housing they want, at a price they can afford, and where they want), and what they now settle for, will need to be addressed.

Melbourne has a growing number of both older and younger residents. By 2051, the number of Victoria's residents aged 65 or more will have more than doubled, and there will be 430,000 more children 17 or younger. Figure 7 shows these projected changes.

Future housing supply will also need to take better account of the changing needs of households for different types of accommodation over the life cycle. Figure 8, Page 63 shows how housing needs can alter across a person's life stages in response to a variety of common life experiences

Our challenge will be to provide housing to accommodate these changes in demand for new dwellings, locally, so family connections can be maintained.

DIFFERENT DELIVERY MODELS TO ADDRESS HOUSING AFFORDABILITY

Housing affordability varies significantly across our city. The median house price in Melbourne has quadrupled since 1990. In 1994, a household on an average income could purchase a dwelling within 10 km of the CBD. This moved to 24 km in 2000 and 40 km by 2009. Growth in house prices has outpaced growth in incomes, and the proportion of income spent on mortgage repayments has increased for many households. Map 16, Page 64 shows the change in housing affordability.

A similar pattern of affordability is affecting rental housing. In the September quarter of 2012, less than 12 per cent of rental properties let in Melbourne were affordable to households on Centrelink incomes. This is leading to more homeless people²¹ in our city, overcrowding in boarding houses and shared houses and more people staying temporarily with family and friends. We are also seeing an increasing number of people in need of social housing.

The planning system can intervene to make the provision of affordable housing and social housing integral to the planning approval process. Cities like Vancouver, B.C. in Canada mandate not only in respect to the percentage of dwellings in a development that have to be family-friendly dwellings²² (that is three plus bedroom units) but the percentage which has to be social housing for rent only. To some degree this more interventionist approach can be counterbalanced by providing incentives to developers to deliver a proportion of housing in their development as affordable and/or social housing. Such incentives could include additional floor space or density bonuses, timely delivery of infrastructure which adds value to the development overall and fast track planning approvals.

²⁰ Grattan Institute 2011, *The Housing We'd Choose*, Carlton

²¹ The 2011 ABS Census estimates that almost 23,000 people on any night experience homelessness in Victoria of which 78% of them are in metropolitan Melbourne. The highest rates of homelessness are in the Cities of Dandenong, Port Phillip, Brimbank and Melbourne.

²² There are now 7,000 children living in downtown Peninsula Vancouver as a result of mandating for more family friendly housing in the CBD.

IMPROVING THE HOUSING WE BUILD

The average size of new houses in Australia remains among the largest in the world. At the same time the small size and compromised internal living amenity of some medium and higher density apartment developments are a matter of concern. Bedrooms which are too small, poor access to daylight and natural ventilation, average levels of acoustic privacy and narrow balconies are some of the design issues that need to be addressed. As stated in the City of Melbourne 2013 discussion paper – ‘Future Living, a discussion paper identifying issues and options for housing our community’:

‘Housing plays an important role in people’s health and wellbeing, community strengthening and the shape of the city.’

The quality and design of all new dwellings will be important not only in terms of our liveability but also our ability to reduce Greenhouse Gas Emissions and transition to a low carbon city.

Our Plan for Housing

Direction 2.1 Balance population growth to achieve a more sustainable future

Melbourne will need to become a more consolidated and contained metropolis by establishing a permanent metropolitan urban boundary and facilitating more development in established areas. We will slow down the outward growth of Melbourne and set subregional housing targets with an emphasis on accommodating by far the majority of new housing in defined locations within the established urban areas.

Initiative 2.1.1 Deliver a permanent urban boundary around Melbourne

Melbourne’s outward growth has generally reached its natural boundaries of mountains, floodplains, productive agricultural areas and important natural habitats; or it is stretched to the point where its ability to effectively provide access to jobs, goods and services is increasing constrained.

There is now an opportunity to make a clear statement as to Melbourne’s metropolitan boundary. This will have a range of benefits. It will provide long-term certainty to the planning objectives originally set out in the early 1970s, which sought to protect the non-urban values of the land surrounding Melbourne’s urban areas. It will also provide a clear policy signal about long-term urban development options, which, together with active support for growth in regional Victoria, should provide an opportunity to rebalance the distribution of Victoria’s population over the long-term.

In the immediate term

- Establish a permanent metropolitan urban boundary to replace the Urban Growth Boundary with regard to:
 - input from local councils; and
 - the report of the Logical Inclusions Advisory Committee of November 2011.

Initiative 2.1.2 Establish housing targets for 2025 and 2050

Many local councils have, or are in the process of, preparing housing strategies. These strategies will help inform them apply the three new residential zones across their municipality, as will the relevant Directions and Initiatives in the Metropolitan Planning Strategy. Housing trends and projections will be used to guide the need to accommodate the housing requirements of communities. We will provide advice on these trends and projections at both the municipal and subregional levels.

Whilst it is important councils acknowledge that some parts of their municipality will undergo substantial change to accommodate more housing diversity and supply, a metropolitan wide approach to rebalancing the growth of Melbourne can be realised by setting subregional housing targets based on:

- the capacity of urban infrastructure
- proximity of land to major job agglomerations, services and public transport
- availability and suitability of urban renewal precincts for redevelopment; and
- potential additional housing generated by the application of the new residential zones

In the immediate term

- Amend the State Planning Policy Framework to include the following housing targets for the Melbourne Metropolitan Region:
 - By 2050 at least 70 per cent of all new housing approved since 2013 will be accommodated within the established urban areas of Melbourne²³ and the remaining 30 per cent in the urban growth areas.²⁴ This is referred to as the 70/30 target.
- In consultation with local councils within each of the five subregions establish subregional housing targets to the year 2025 and the year 2050. These targets will take into consideration a range of factors including:
 - work already done by Councils on their municipal housing strategies;
 - the capacity of urban infrastructure (including potential for upgrading of infrastructure, where required) to accommodate more people;
 - the estimated additional housing generated by the application of the new residential zones;
 - the estimated additional housing generated by redevelopment of areas earmarked for more intense mixed use development in Direction 4.2 of our plan for housing; and
 - the estimated additional housing within the urban growth areas based on approved precinct structure plans.
- Revise the practice note for the preparation of municipal housing strategies, to take account of the Directions for the reformed residential zones.
- Require and support local governments to develop municipal housing strategies to inform the application of Residential Growth and Neighbourhood Zones, unless an exemption has been granted by the Minister for Planning where earlier consultation and planning has taken place.
- In partnership with local councils, provide annual housing development data to inform the development and monitoring of municipal housing strategies.

²³ The established urban areas includes all urban land which has already been developed in 2013.

²⁴ The urban growth areas includes all land within the Melbourne Metropolitan Urban Boundary which is not yet developed as at 2013.

Direction 2.2 Deliver more housing closer to jobs and public transport

There are already areas of metropolitan Melbourne with medium-to-high job numbers²⁵ which will become the focus for future development, with a greater diversity of housing located close to these areas. Additional locations such as National Employment and Innovation Clusters, Metropolitan Service Centres and Activity Centres will be subject to structure planning processes, if such work has not already been completed and approved.

All structure plans (already approved and yet-to-be-done) will need to demonstrate how they will deliver on the provision of more diversity and choice of housing, attract more jobs and help deliver the 20-minute neighbourhood²⁶. Other areas for consideration may include areas within established suburbs where the housing stock is reaching the end of its life and is ready for redevelopment as medium-density housing, and areas around train stations, public transport interchanges and some public transport corridors.

The Implementation Chapter of this Draft Strategy also addresses better use of surplus or underutilised government land being a potential land resource for more housing choice and diversity close to jobs and services.

Initiative 2.2.1 Facilitate high-density residential development in Melbourne's expanded Capital City Zone

In central Melbourne, unlike in central Sydney, there is potential to facilitate a virtually continuous supply of high-density residential development. Lessons have been learnt in recent years as to what actions are required to ensure we enable communities to thrive, rather than delivering residential blocks. Fishermans Bend is the latest of these new high-density residential communities where the delivery of schools, parks, shops, community facilities and opportunities for local jobs will be driving planning from the outset. Early planning has also commenced for the next precincts, including E-Gate and Arden-Macaulay.

Maximising the development opportunities of these precincts is critical to minimising the need for densification of other parts of the city. The sequencing of infrastructure within these areas will be a key tool of government to maximise the development potential of these precincts.

In the immediate term

- Ensure planning controls in designated precincts provide the market with flexibility to realise development opportunities.
- Examine the options and introduce development bonuses for the delivery of public infrastructure.

Initiative 2.2.2 Facilitate the remediation of contaminated land, particularly on sites with potential for residential development

Redevelopment of urban renewal precincts will be vital to creating more diversity in the housing market (including affordable housing and social housing), as well as more jobs and additional community services. They will be a major source of higher-density, mixed-use development. We will pursue opportunities to bring brownfield land to market in an expeditious manner, working with landowners and relevant government agencies. The independent planning authority will be the

²⁵ The Central City area and its planned expansion is another significant change area. It is addressed in detail in A more productive Melbourne

²⁶ See A more liveable Melbourne for a description of the 20-minute neighbourhood concept

responsible authority for facilitating the development of urban renewal precincts designated to be of metropolitan significance.

In the immediate term

- Require the independent planning authority to establish criteria for designation of urban renewal precincts of metropolitan significance.
- Work with local councils and other government agencies to create an inventory of these precincts in metropolitan Melbourne.
- Require Places Victoria to work with the independent planning authority to facilitate delivery of specific and complex sites to market.
- Prepare an urban renewal policy for Melbourne which is incorporated into the *State Planning Policy Framework* and supported by streamlined clean-up and development approval processes.
- Collaborate with the Environment Protection Authority and the Department of Environment and Primary Industries to reduce the uncertainty of investigation and clean-up requirements, streamline the regulatory process, and bring the land to market sooner.
- Establish a new zone - the Urban Renewal Zone – and apply the zone to each urban renewal precinct after the preparation and approval of a place-based Structure Plan and land economic assessment for each precinct.

In the short term

- Establish a Brownfield Incentive Loan with a rolling fund which will be cost neutral over five years to facilitate the clean-up of brownfield land.
- Establish a Brownfield Clean-up Program which reduces the uncertainty of investigation and clean-up requirements, streamlines the regulatory process, provides access to funds to undertake the clean-up and brings the land to market sooner.

In the short to medium term

- Utilise the capacity of the independent planning authority as the Responsible Authority for the use and development of urban renewal precincts to promote innovation and best practice redevelopment outcomes including precinct wide energy and integrated water cycle management plans and the provision of more affordable housing and social housing.

Initiative 2.2.3 Encourage redevelopment of selected greyfield areas in providing more housing choice and diversity

There are already areas of metropolitan Melbourne with medium to high job densities²⁷ and they will become the focus for significant change with more diversity of housing being located close to these jobs. The Jobs and Investment Chapter addresses opportunities for more development within Significant Change Areas including transit oriented development.

In addition there are areas within the established suburbs where the existing housing stock is reaching the end of its life and is ready for redevelopment. By current trends, much of Melbourne's suburban housing will be renewed in some form by 2050. Opportunities exist to consolidate allotments within these suburban renewal 'greyfield' areas and redevelop for medium density housing. Depending on the scale of lot consolidation there may also be opportunities for creating additional public open space.

²⁷ The Central City area and its planned expansion is another significant change area. It is addressed in detail in the Jobs and Investment Chapter.

In the immediate term

- Explore with local councils the potential for consolidation of lots in areas proposed to be rezoned to the new Residential Growth Zone as a means of increasing housing diversity and possible incentives which may be offered to realise higher densities on these greyfield sites.

Initiative 2.2.4 Sequence and stage development in the urban growth areas

In some of Melbourne's newly developing suburbs there is a lack of basic community building infrastructure such as schools, childcare centres, health centres and frequent public transport services that present a viable alternative to the car. The lag in timing between these new suburbs reaching population thresholds large enough to sustain a wider range of services and facilities, as well as more choice in local jobs, is being affected by the release of urban land for new housing on too many development fronts. We will need to introduce planning mechanisms requiring the staging and sequencing of land release commensurate with the provision of basic community infrastructure.

In the immediate term

- Amend the Precinct Structure Planning Guidelines to require that Precinct Structure Plans include a sequencing plan for new suburbs that link the timing of delivery of essential community infrastructure identified in a Development Contributions Plan to the anticipated staging of development.
- Make it clear that subdivision and development permits can cap or limit development to the timing of delivery of essential community infrastructure as outlined in the sequencing plan.
- Enable Councils to manage the timely delivery of local community infrastructure using a combination of a sequencing plan linked to planning permits, DCP expenditure, Council funded works, and works-in-kind delivery of infrastructure funded by DCPs.
- Amend the Precinct Structure Planning Guidelines and State Planning Policy Framework requiring precinct structure plans to show greater housing diversity to meet the needs of all household types within residential and mixed use areas and in proximity to town centres, parkland, public transport and railway stations. The amended Guidelines are to ensure the retention of large allotments in appropriate locations to accommodate higher density housing.

Direction 2.3 Build a good housing legacy for Melbourne's future

Melbourne has a long history of suburban development that traditionally has supplied residents with a lifestyle that has been the envy of the world. We need to provide well designed, good quality housing that accommodates a diverse range of household types and can be adapted to meet changing household needs.

In cities such as Vancouver in British Columbia, Canada and Sydney, Australia densities for different neighbourhoods or precincts are often identified by using a Floor Space Ratio (FSR)²⁸ rather than a mandatory building height. This ratio determines what the building height will be on any one site in relation to the land area and the FSR. Sometimes discretion is applied and more floor space is allowed if a development incorporates public benefit outcomes such as space for a community use such as a child-care centre, an outdoor public plaza or park, street tree planting or other urban design improvements.

Developer incentives to deliver on public benefits as part of a large development are worth consideration, especially in terms of redevelopment of urban renewal precincts and strategically well located large infill development sites in the established suburbs.

²⁸ The floor space ratio is the ratio of the gross floor area of a development to the site area expressed as a factor of 1. That is, the total floor area on all levels of the building minus any exclusions provided for in the definition of gross floor area, divided by the site area.

Initiative 2.3.1 Develop a code assess approach to multi-unit development

Density is often wrongly equated with height. Higher densities can be achieved in a variety of building types including attached townhouses, cluster housing, modular housing and apartment developments at a range of scales. The type and scale of development will often depend on a site's location and urban context. Melbourne has some outstanding examples of density done well. It is important that we build on these positive examples and provide a range of densities across our city that will add to its distinctiveness over time and deliver housing choice.

To support and facilitate housing diversity in defined locations, a code-assess approach to development can deliver among other things housing diversity, family-friendly apartments in key locations, mixed uses and community uplift, and reduced parking requirements in appropriate locations (such as near train stations and the principal public transport network).

A good standard of design and amenity goes well beyond what a building looks like and its particular architectural style.²⁹ Concerns about the design quality of apartments relate to the following issues:

- the small size of many apartments;
- the tendency for a large number of apartments to be designed with habitable rooms (notably bedrooms) that have no direct access to daylight and ventilation;
- poor consideration of the amenity impacts of adjacent apartment developments; and
- the lack of variety and choice among apartment 'products' including provision of family-friendly apartments.

In the immediate term

- Prepare a new code-assess approach replacing *ResCode (Clauses 54, 55, 56 of the Victoria Planning Provisions)* and providing guidance for multi-unit development and the application of the reformed residential zones. As part of preparing a new code assess approach for multi dwelling development:
 - Review the design, layout and internal living amenity of multi dwelling developments taking into account the requirements also of short term accommodation and student accommodation; and'
 - Investigate the design requirements for family-friendly apartments.
- Implement the *Small Lot Housing Code* by incorporation into planning schemes across Victoria.

Direction 2.4 Facilitate the supply of more social and affordable housing

The Government is developing a new *Victorian Social Housing Framework*. While the Draft Strategy cannot pre-empt the future directions for social housing to be articulated in the new framework, there are ways in which the planning system can support the provision of new social and affordable housing.

The stock of public housing the Victorian Government owns and manages consists of a wide range of holdings in diverse locations across the city. Some of these holdings are large estates. These large housing estates are of metropolitan significance, not only because they fulfil an important housing role, but because they are often located in highly accessible and well-serviced inner-urban locations which are highly desirable for achieving many of the objectives of our plan for housing.

Coordination in planning across governments on the potential inclusion of social housing in urban

²⁹ City of Melbourne, *Future Living*, A discussion paper identifying issues and options for housing our community, p.63

renewal precincts and other significant change areas will provide opportunities to liaise with housing associations, which may be interested in acquiring additional properties.

Case Study – Ashwood Chadstone Gateway pg 72

Other public housing landholdings are located in the middle-suburban neighbourhoods of Melbourne. In a range of locations, the concentration of these properties could provide the opportunity for a suburban, precinct-wide approach to redevelopment. This could increase residential densities with a mix of private and social housing and support the regeneration of urban infrastructure and the greening of suburban environments. In this way, public housing regeneration could also act as a demonstration model and catalyst for privately funded precinct renewal

Initiative 2.4.1 Facilitate growth in the social housing sector

There are opportunities to increase the amount of social housing through a mix of regulatory and incentive based provisions linked to current and future metropolitan housing needs.

In the immediate term

- Amend the *Victoria Planning Provisions* to make the Minister for Planning the responsible authority for selected social housing planning permit applications that are recommended by the Director of Housing for priority consideration.
- Include in the *Victoria Planning Provisions* a definition for social housing consistent with the proposed *Social Housing Framework*, and a definition for affordable housing.

In the short term

- Identify opportunities for the inclusion, where appropriate, of social housing prior to the commencement of formal structure planning for urban renewal precincts and proposed rezoning of such land, including costs and benefits.
- Investigate costs, benefits and opportunities to utilise planning incentives to facilitate the provision of social housing in strategic urban renewal precincts and other significant change areas, as appropriate. For example, where rezoning is necessary to achieve urban renewal, we will explore the capacity to capture a proportion of the increased land value, to directly contribute to the costs of providing social housing.

Initiative 2.4.2 Accelerate investment in affordable housing

Given the growing number of people unable to afford the cost of rental accommodation -especially in the more accessible central and inner urban areas of metropolitan Melbourne - it will become increasingly important to engage with institutions and private sector providers involved with, or interested in being, a low-cost housing provider.

In the immediate term

- Explore specific planning provisions and development mechanisms to deliver more affordable housing, especially within Significant Change Areas. Provisions could address:
 - the provision of affordable or social housing components as decision criteria for development assessment; and
 - application of a VicSmart process to affordable and social housing projects to reduce land holding costs.
- Evaluate the benefits of the independent planning authority acting as responsible authority for housing association projects in urban renewal areas.

- Identify new funding sources for affordable housing, with regard to both the construction of new dwellings and, in the case of affordable rental, ongoing tenancy/asset management.
- Introduce mechanisms to ensure when affordable housing is provided that it remains in that category for the long term.

In the immediate to medium term

- Encourage greater investment in affordable private rental housing by working with the Commonwealth and other jurisdictions to investigate:
 - necessary government policy reform, including tax reform and reform of the National Rental Affordability Scheme, to attract increased institutional investment particularly superannuation funds, in private rental housing; and
 - the potential for the creation of an investment vehicle (similar to Defence Housing Authority (DHA)) to develop and manage rental housing in key locations, for low to moderate income households.

Direction 2.5 Promote greater innovation in the housing market

We will need to explore ways of reducing the relative cost of housing construction by being more innovative in the way we design and build dwellings. We aim to reduce the cost of a three bedroom house by at least \$100,000 in job rich locations.

There is scope for more innovation in the housing market in terms of the provision and management of affordable housing, encouragement of housing development co-operatives, innovation in construction techniques including the use of new building materials and incorporation of green building designs, and use of marketing tools. We will not be able to rely solely on more conventional and mainstream producers of housing if we are to try to reduce the cost of housing and increase the number of potential purchasers of new housing products.

Initiative 2.5.1 Promote and support innovative housing delivery methods

Community Land Trusts are an innovation in affordable housing provision where the cost of housing is separated from the cost of the land on which it is located. This enables a supply of perpetually affordable housing that can be leased either to not-for-profit housing providers or directly to occupiers.

In addition, housing development co-operatives consisting of people who intend to own or occupy dwellings in a multi-unit development that they initiate themselves, can increase consumer choice in the housing market by making medium and higher density units more available and affordable. Whilst the planning system cannot influence the establishment of such co-operatives it can, in conjunction with the building regulatory system, assist with reducing the cost of housing through fast tracked approval processes and a code assess approach to housing.

In the short term

- Investigate possible opportunities and remove any regulatory barriers or impediments to the instigation of Community Land Trusts in the Melbourne region.

Initiative 2.5.2 Lead innovation in the housing sector

Industries producing pre-fabricated, modular and unitised housing construction techniques are still underdeveloped in the Melbourne housing market and yet we have a business opportunity to industrialise the housing sector to assist in reducing the cost of construction and building houses quicker. These construction methods can speed up construction time by approximately 50% while

reducing the overall footprint (through less material, wastage, transport energy, and disruption to neighbours and traffic).

Continued innovation is needed to improve sustainability outcomes, project viability and reduce construction costs. Urban renewal projects and processes, especially those involving government land and development projects, can be used to lead, test and demonstrate innovation in housing design, construction and procurement.

In the immediate to medium term

- Require Places Victoria to demonstrate the use of modular housing and other innovative design and construction techniques in its development projects.
- In consultation with the housing industry benchmark more innovative construction methods against traditional construction methods to provide feedback to the housing market.
- Review planning and building regulations to identify opportunities for more innovative and cheaper construction techniques without compromising the quality and durability of our housing.

Case study

Selandra Rise, Casey

'Developing a new approach in growth areas'

Stockland has joined forces with the City of Casey, the Growth Areas Authority and the Planning Institute of Australia to create the most forward-thinking, well planned and liveable community of its kind in Victoria.

This community has been specifically designed to address concerns about health and its connection to the environment people live in. The project demonstrates how a collaborative approach and best practice design can deliver outcomes to address these concerns and create what will ultimately become a blueprint for development of future communities.

Selandra Rise will provide solutions around three core areas to create a model for land-use development and residential living of the future: diverse and affordable housing, local employment opportunities, and a healthy and engaged community.

The development proposes a broad mix of quality, affordable housing options making this community accessible to more people. There are three distinctive villages with choice of locations and lot sizes.

A wide range of local employment opportunities are delivered by on-site amenities and town centre giving access to a broad range of employment in areas such as retail, construction and agriculture within the prospering and rapidly growing City of Casey. Flexibility to work locally or from home with dedicated business precinct and home office solutions are provided.

An extensive local community consultation determined key project elements such as parks – already delivered following design workshops with new residents and council parks and gardens staff – and community services. A community hub has been established in a new two storey home in the display village. This will be replaced by a larger community centre within the new town centre in a few years time.

All homes have been designed for easy connection to key destinations such as the local town centre, schools, community centres and open space. Well located walking and bike paths, playgrounds,

parks, sports facilities, wide footpaths and pedestrian friendly local streets encourage recreation and non-motorised travel. Stockland has introduced a 'Go Car' and residents can rent a ute for a few hours or a day to reduce the need for a second car.

A committed partnership with VicHealth will see a 5 to 7 year longitudinal study undertaken within this new community to establish an evidence base for 'putting health at the centre of planning.'

Selandra rise shows how creative and cooperative approaches can create better places to live.

Case study

Ashwood Chadstone Gateway Project

'Providing social housing'

The Ashwood Chadstone Gateway Project is an exciting housing development to provide much needed high quality, affordable housing and contribute to the renewal of the Ashwood Chadstone area. The project will deliver 210 affordable rental homes as well as 72 private homes on six vacant sites in the Ashwood Chadstone area.

The project redevelops six vacant sites to deliver much needed affordable homes for singles, couples, families and older persons who are on low to moderate incomes. The project is jointly funded by Port Phillip Housing Association and the Victorian Government at a cost of around \$140 million.

Port Phillip Housing Association is an independent community based housing agency that owns, develops and manages affordable rental housing for people on low to moderate incomes. The Association currently owns and manages 550 dwellings across Melbourne, and has won many awards for excellence in community housing management, planning and design.

The project was selected after a competitive tender process conducted by the Victorian State Government's Department of Human Services, Office of Housing.

Selling some of the houses provides Port Phillip Housing Association with the funds to build high quality community housing and make it available for rent to people on a low income at an affordable price. Sale of some of the houses also provides the Association with the capital to build more community housing, both in Ashwood/Chadstone and in other areas across Melbourne.

The private houses will be sold at 'market price' and are available to anyone who wishes to purchase the property.

Monash City Council (through its unanimous support of the Development Plan) and the Victorian Government have supported the appropriateness of the height and density within the neighbourhood character. This mix of scale and mix of housing ensure the project is socially sustainable and commercially viable while responding to the challenges of population growth. Development in Power Street demonstrates how increased density can be successfully accommodated within well-serviced locations to enhance amenity, while minimising impacts on the surrounding neighbourhood.

Significant public consultation was part of the project.

The Ashwood Chadstone Gateway Project shows how private development and social housing can integrated with high quality outcomes.

NEIGHBOURHOODS

Create neighbourhoods which promote strong communities, healthy lifestyles and good access to local services and jobs.

Neighbourhoods are the heart of life in Melbourne. When people work together in their neighbourhoods, good things happen and strong, healthy and socially inclusive communities emerge.

Our city has a rich mosaic of neighbourhoods – they vary in size, socio-demographic composition and character. These differences help define their sense of place and reflect the values of local communities.

We know that many Melburnians strongly identify with their neighbourhoods and value their characteristics. When people can access a range of services close to home and work they have more time to do more of the things they enjoy. People living in neighbourhoods that do not offer convenient access to local shops, schools, parks and other local facilities often face time pressures, high levels of car dependency and additional costs in accessing services and getting to the places they want to go. Walking, cycling and local public transport services are critical to well-functioning neighbourhoods. The directions and initiatives for local accessibility are addressed in the Transport Chapter.

Strong and sustainable communities enjoy amenities and social infrastructure, a rich social and cultural life, voice and influence, and room to grow.³⁰ The building blocks for social sustainability are shown in Figure XXX.

Figure 1 Building blocks for social sustainability

Source: Saffron Woodcraft, Tricia Hackett and Lucia Caistor-Arendar, *Design for Social Sustainability – A framework for creating thriving new communities*, 2011.

A CITY OF 20-MINUTE NEIGHBOURHOODS

A key part of our vision is the creation of a city of 20-minute neighbourhoods or 'living locally'. It is about the way we plan and develop areas at the local level so that people can access — by walking, cycling or using public transport rather than the private car — a range of local services and facilities, ideally within a 20-Minute travel time from home. While Melbourne has some 20-minute neighbourhoods (mainly in inner-urban areas and areas close to larger Activity Centres), other neighbourhoods lack convenient access to public transport or local services.

A number of overseas cities (such as Portland in the USA) have adopted the 20-minute neighbourhood approach. They emphasise using neighbourhood-level economic data to attract and match businesses to local areas, and invest in better walking and cycling links in and between neighbourhoods.

The 20-minute neighbourhood can create more cohesive and inclusive communities, vibrant local economies, reduce social exclusion, improve health and wellbeing, promote a sense of place, reduce travel costs and traffic congestion and decrease Greenhouse Gas Emissions. Good local accessibility

³⁰ Woodcraft, S, Hackett, T and Lucia Caistor-Arendar, *Design for Social Sustainability – A framework for creating thriving new communities*, 2011, p.21

widens the choice in services as well as jobs. They also create opportunities to provide a greater diversity of housing choices.

Living locally can be achieved by adding services — and the population needed to support those services — to existing urban areas and by improving mobility choices, particularly active transport opportunities. It can also be achieved in our urban growth areas by designing new neighbourhoods with sufficient densities to support local services and facilities, safe and attractive walking and cycle paths and frequent and reliable localised public transport, such as buses. Attractive and well-maintained neighbourhood streets, footpaths and cycle paths encourage people to walk and cycle to local destinations. They promote physical activity and community interaction, reduce social isolation and loneliness, and enhance neighbourhood safety.

Figure xx shows what the 20-Minute Neighbourhood can entail.

Graphic 1: The 20-Minute Neighbourhood

If 20-Minute neighbourhoods existed across Melbourne, it has been estimated by the Victorian Department of Transport, Planning and Local Infrastructure that around 540,000 car trips could be replaced by an increase of 150,000 bus trips and 390,000 walking and cycling trips on a typical day. Along with shorter trips, this would result in a decrease of over 13 million car-based passenger kilometres, an increase of 1 million bus passenger kilometres and an increase of over 3 million kilometres by walking and cycling. Overall, 20-Minute neighbourhoods could reduce our travel by 9 million passenger kilometres and reduce daily Greenhouse Gas Emissions by more than 370,000 tonnes. Refer to FigureXXX. **NOTE THIS TEXT AND DIAGRAM HAS BEEN PROVIDED BY DTPLI**

Figure XXX: Changing Greenhouse Gas Emissions if 20-Minute Neighbourhoods existed across Melbourne.

Source: DTPLI, 2013

HEALTHY NEIGHBOURHOODS

Few things matter as much as our health. Maintaining good health – and getting the care we need when we need it – allows us to live long, fulfilling lives and to participate fully in our community³¹. Good health is also about the adequate provision of accessible health services.

We want our neighbourhoods to be healthy and active places. The relationship between well-designed communities and enhanced individual and community health is increasingly recognised by health professionals concerned with preventable chronic disease. While planning and transport systems cannot tackle health issues alone, they can help make communities healthier.

Healthy communities produce a range of benefits for individuals, neighbourhoods and the entire city. Communities with higher levels of overall health and well-being produce flow-on benefits for the city's economy in the form of higher productivity and stronger labour markets.

Healthy communities are:

- *active places* - that have good quality public open space, accessible community facilities and walkable designs that encourage active lifestyles and independent living
- *local places* - where local residents can access most of their basic needs, including access to childcare, schools, health professionals, shopping and fresh food

³¹ The Victorian Health Priorities Framework 2012-2022: Metropolitan Health Plan, May 2011

- *safe places* – where residents feel safe, and are protected from harm, including harmful noise and pollution
- *social places* - where meeting points provide opportunities for people to develop strong social bonds outside of their immediate family and workplaces
- *age-friendly places* - where children, young people and older people are catered for with safe, accessible pedestrian environments that connect to open space, local schools and facilities
- *well-designed places* - that avoid monotonous sameness by encouraging the development of distinctive civic realms and public spaces that draw communities together.

Figure 2 *Ingredients of a Healthy Community*

Insert- Case study - Healthy Together Wyndham

MIXED USE NEIGHBOURHOODS

Before zoning controls, Melbourne's neighbourhoods tended to develop with a greater mix of uses and a wealth of local destinations. Newer suburbs have less variety of land uses and fewer mixed use areas. Figure XX shows that in 1951 less than 30 per cent of our city had fewer than five different uses within 800 metres (roughly a 10 minute walk). By 2005 this had climbed to 90 per cent in the newest suburbs.

Figure 3 *Number of different uses within 800 metres, Melbourne 1951 and 2005*

Source: Grattan Institute, based on DPCD data³²

There are numerous benefits of mixed use development including:

- greater housing choice to cater for the life-cycle housing needs of different age groups and household types;
- greater social diversity;
- reduced distances between housing, parks and community services, workplaces, shops, businesses and other destinations;
- a more compact, connected and efficient urban form which encourages walking and cycling and sustains public transport services;
- vibrant neighbourhood character and stronger sense of place;
- pedestrian and bicycle-friendly environments which encourage more physical activity; and
- improved passive surveillance and safety.

Figure 4 *Urban density and services*

Source: Wyndham benchmarking study and DPCD

An average dwelling density below 20 dwellings per hectare results in a car-dependent neighbourhood where fewer people choose to walk or cycle. An average density of more than 30 dwellings per hectare, on the other hand, can support a local bus service with bus stops within convenient walking distance.³³ This is important because access to public transport expands people's choice of jobs beyond what is available in the local area.

³² Kelly J-F, Breadon P, Mares P, Ginnivan, L, Jackson P, Gregson J and Viney, B. *Tomorrow's Suburbs*, Grattan Institute, 2012.

³³ UN Habitat, *Urban Planning for City Leaders*, 2nd Edition 2013

VIBRANT NEIGHBOURHOOD ACTIVITY CENTRES

One of Melbourne's distinctive advantages is its high streets and specialised strips (termed 'activity centres') where people can access a range of services and shops all at once. Within our residential neighbourhoods there is often at least one local shopping centre (termed a neighbourhood activity centre) within a 20-Minute walk, cycle or public transport trip from home. These centres of shops, cafes, small supermarkets, service businesses, community services and public spaces serve the needs of the surrounding community and provide a focus not only for jobs but also for social interaction and community participation. They are an integral part of our city's vibrant community life and social fabric at the neighbourhood level.

Planning of these neighbourhood activity centres to maintain a low-scale 'village' character and feel while enabling a mix of goods and services is a key task for Councils working with their communities. Opportunities for accommodating additional community based services, small business enterprises and shop-top housing need to be encouraged within these neighbourhood activity centres. Enhancing the quality of the public spaces and improving pedestrian and cycle access will also boost the investment appeal and economic success of these smaller centres.

LOCAL GREENING

One of the most distinctive things about Melbourne is its network of public parks. We love our public gardens and natural open areas, but not all neighbourhoods enjoy equal access to green spaces.

Local public open space is a much-valued community resource which contributes to the liveability of our neighbourhoods. We will plan for more parks and high-quality public spaces at the neighbourhood level. Enabling community groups to use these spaces for fundraising activities, cultural events, farmers' markets and other community-building pursuits will foster greater social participation and a sense of community.

There is also potential for local communities to become more actively involved in greening their neighbourhoods. This Strategy discusses the importance of greening Melbourne in both the Environment and Place and Identity Chapters.

WELL SERVICED NEIGHBOURHOODS

Experience from around the world indicates that local services such as schools, public transport, shops and community meeting places need to be provided at an early stage in a neighbourhood's development. Lags in the delivery of community services, especially health and education at the neighbourhood level, can result in social isolation, lower VCE participation rates and health related issues. There is also evidence to suggest a strong connection between the quality of social infrastructure and community well-being. Providing this infrastructure will be particularly important in Melbourne's relatively disadvantaged areas which are mapped in Figure xx.

Figure xxx: Socio-Economic Indices for Areas (SEIFA), 2011³⁴

We need to get better at delivering community services in a timely manner, especially at the neighbourhood level. Neighbourhoods need to offer good access to a range of basic services and

³⁴ The Australian Bureau of Statistics (ABS) produces four different Socio-Economic Indexes for Area (SEIFA) which enables analysis of different aspects of relative area disadvantage at the regional and municipal levels across Victoria.

facilities including Early Years Centres³⁵, primary and secondary schools, parks and sporting fields, and medical centres. Connecting people to these facilities by providing frequent public transport services and safe and convenient pedestrian and cycle routes — which avoid arterial roads, wherever possible — is integral to the delivery of a city of 20-Minute Neighbourhoods.

We will explore more innovative models of delivery, particularly in the urban growth areas, and encourage greater co-location of specific services to maximise their accessibility and adaptability as community needs change. Establishing basic community services early in the development of new neighbourhoods will require more involvement from private sector providers and improvements in the capacity of local government to deliver such services.

COMMUNITIES HELPING TO PLAN THEIR NEIGHBOURHOODS

Ultimately neighbourhoods are about people, not bricks and mortar. Community engagement lies at the heart of planning for sustainable and liveable neighbourhoods. Enabling people to have a say in the planning and development of their local area is important, and it requires robust engagement and governance structures that balance the needs of all stakeholders for the broader public good.

Consultation processes should help communities understand that many of our neighbourhoods will change over time, and that change can produce many community benefits when it is done well. Productive partnerships between stakeholders and local government can develop when people work together to identify where change should occur, the nature and scale of this change, and the additional infrastructure and public improvements needed.

Establishing robust and transparent mechanisms for greater certainty in the planning and development of our neighbourhoods can and must be delivered so that local communities, Councils and developers can work together for a better city.

Local government will continue to play a key role in planning for these neighbourhoods but will, in some cases, need to be better resourced to take on this task as more neighbourhoods experience pressure for change.

Our Plan for Neighbourhoods

Direction 3.1 Create a City of 20-Minute Neighbourhoods

The Draft Strategy aims to create a city of 20-minute neighbourhoods. Many areas of Melbourne already offer a 20-minute neighbourhood experience. They have four critical factors in place: sufficient population to attract businesses and services, a good walking environment, close proximity to public transport and a centre to which people are attracted.

The range of services and facilities available in any neighbourhood is influenced by factors such as the preferences of local people, planning controls and development densities. Communities need to

³⁵ A recent example of this concept is the Newport Gardens Early Years Centre due to open in early 2014. It will incorporate childcare – birth to 6 years, four year old kindergarten, maternal child health, the Hobsons Bay toy library, Yooralla (early intervention services), community rooms, family support services and other early years programs.

be planned with large enough populations in a given 'service catchment' to support local services and jobs.

The Draft Strategy has Directions and Initiatives in the Housing chapter to encourage targeted infill development of areas with insufficient population to support a 20-minute neighbourhood experience. They include the establishment of new housing and mixed-use zones, and planning changes to encourage small-lot construction, infill and mixed-use development. Communities also need to be planned in ways that make walking and cycling safe and convenient, and be supported by accessible public transport. These elements of 20-minute neighbourhoods are addressed in the Transport chapter.

The Strategy aims to create neighbourhoods with different densities that can cater for different lifestyles and changing preferences as people age.

Initiative 3.1.1 Create mixed use neighbourhoods at varying densities

Delivering a mix of uses is as much about detailed design as overall zoning controls. In the future our neighbourhoods will need to be able to adapt and change as the city grows. Neighbourhoods will have to offer more choice in housing to accommodate a more diverse population, create opportunities for local businesses and new jobs and deliver better access to local services and facilities.

A greater variety of appropriate uses at the neighbourhood level will also mean improved access to local services. The new residential zones for our city will go some way to providing a more flexible approach to land use mix in our neighbourhoods, as well as encouraging more housing diversity. However in areas earmarked for significant change we will need to devise a new approach to mixed use zoning which will more effectively deliver truly mixed use neighbourhoods.

In the immediate term

- Use the Mixed Use Zone to enable a greater mix of uses at varying densities in appropriate locations such as within Significant Change Areas.

Initiative 3.1.2 Support local government to plan and manage their neighbourhoods

Achievement of the 20-minute neighbourhood can be assisted by local government planning and managing their neighbourhoods using the principles of:

- improving walkability and safety to provide healthier communities
- improving housing choice and diversity
- usability and access to open space
- improved local economic opportunities
- adequate local services and infrastructure
- access to public transport.

The needs of local neighbourhoods vary across Melbourne and local government is best placed to understand and apply local solutions. This is evident in the many projects already undertaken by local government to achieve this central plank of the Strategy further effort through targeted pilot

projects.

In the immediate term

- Establish a 20-minute Neighbourhood Fund (\$3 million over four years) to support local government to undertake pilot projects with their community that demonstrate 20-minute neighbourhood principles.

Initiative 3.1.3 Support a network of vibrant Neighbourhood Activity Centres

The attributes of, and opportunities for, Neighbourhood Activity Centres at the small scale vary considerably across the metropolitan area, which is one reason why local communities should lead the planning of their own centres. In some instances, where centres are already well-developed or communities are seeking to protect the unique character of their centres (such as by protecting heritage buildings or access to open space), they should be assisted in determining the desired built form outcomes.

Planning Neighbourhood Activity Centres that maintain their 'village' character and feel, while enabling a mix of goods and services, is a key role for local governments, working with their communities. However, more can be done through the planning system to encourage local governments and their communities to develop and energise these centres. This can include accommodating more community-based services, small businesses and shop-top housing, and by creating more open space. Enhancing the quality of public spaces and improving pedestrian and cycle access also boosts the investment appeal and economic success of smaller centres.

We will put in place planning provisions to ensure communities have the capacity to shape their Neighbourhood Activity Centres. The Draft Strategy proposes that after preparing a local housing strategy and consulting with the community, local governments will be able to prepare and exhibit a planning scheme amendment to introduce mandatory height controls for Neighbourhood Activity Centres.

In the immediate term

- Amend the *State Planning Policy Framework* to ensure that the role of Neighbourhood Activity Centres and village centres for retail, residential and mixed use is clearly articulated to assist decision makers.
- Develop a practice note for assessing retail applications to guide decision making, where a permit is required, for shop and supermarkets in the reformed commercial zones.
- Update the practice note and create planning tools to assist local government with planning scheme amendments to introduce mandatory building height and local character controls in Neighbourhood Activity Centres.
- Establish a fund (\$6 million over four years) to assist local government in planning and managing Neighbourhood Activity Centres including assessment of building height and local character to inform application of local mandatory controls.

In the immediate to short term

Review relevant regulations and other obstacles deterring the use of upper level floor space in neighbourhood activity centres for more residential, commercial, community-based uses and work with Councils to help unlock these underutilised spaces.

Initiative 3.1.4 Measure and monitor the liveability of our neighbourhoods

The Government has announced it will produce an interactive website for people to find information about each of Melbourne's suburbs, including their population characteristics and attributes that reflect liveability and housing affordability. Information like this helps people understand the positives and negatives of different areas.

There are a range of factors we can measure which shape the liveability of neighbourhoods and help local governments and communities identify what needs to be done to enhance liveability. Transferring liveability indicators into a metropolitan-wide geographic information system database will help local governments and communities understand the liveability issues affecting particular areas. This database, which will be regularly updated, will also provide a valuable resource to inform future local service delivery, local area improvements and other initiatives at the neighbourhood scale.

In the immediate to short term

- Work in collaboration with local governments and draw on local knowledge to prepare, map and publish an interactive liveability index for Melbourne, which will be updated annually.

Direction 3.2 Create neighbourhoods that support healthy lifestyles

Local government plays a leading role in creating healthy communities. The Victorian *Public Health and Wellbeing Act 2008* specifies that it is the task of Councils to protect, improve and promote public health and wellbeing within the municipal district. They can do this by creating environments that support the health of local community members and strengthen the capacity of the community and individuals to achieve better health; and by facilitating and supporting local agencies whose work has a positive impact on public health and the wellbeing of our communities.

Council Plans, Municipal Public Health and Wellbeing Plans (MPHWP) and Councils' Municipal Strategic Statements (MSS) are all required by statute, and are key statements for setting out strategies about community health and wellbeing within the responsibilities of local government. Increasingly local government is taking a broader whole-of-population approach to health planning. Many councils are focusing on factors that create the conditions for good health and using new tools to ensure planning for healthy communities takes place at all levels, ranging from the re-design of local neighbourhood parks and streets through to the development of new neighbourhoods and town centres.

As Melbourne grows, we will work with local governments and other stakeholders to create healthier communities where people of all ages have the opportunity to lead active and healthy lifestyles, and have access to high-quality health and community facilities.

Initiative 3.2.1 Implement healthy design guidelines

In Victoria, initiatives that highlight the benefits of integrating health into planning (such as the National Heart Foundation's *Healthy by Design* guidelines) are increasingly being used by local governments to increase opportunities for people to be physically active.

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Internationally, New York City's *Active Design Guidelines* and the World Health Organisation's *Age*

Friendly Cities guide, reflect the strong movement towards building health and wellbeing principles into urban design. The National Heart Foundation is also developing tools to help local governments plan for better health and community wellbeing outcomes across a range of local government policy areas. These include access to public services, opportunities for physical activity, neighbourhood amenity, sustainability, accessibility, transport and community safety. These tools will enable the updated guidelines to form part of the assessment of planning approvals and the design of new neighbourhoods.

In the immediate term

- Strengthen the *Victoria Planning Provisions* to promote application of the principles of evidence-based health and design guidelines (such as the *Active Design Guidelines* developed by the City of New York and the National Heart Foundation's updated *Healthy by Design* guidelines).
- Develop tools (such as those developed by the National Heart Foundation) to inform the review of the *Precinct Structure Planning Guidelines* and any future urban renewal structure planning guidelines.

Initiatives 3.2.2 Ensure municipal public health and wellbeing plans inform and shape municipal strategic statements

In Victoria, all local councils are required to prepare council plans, municipal public health and wellbeing plans (MPHWPs) and municipal strategic statements (MSSs). A local council's municipal public health and wellbeing plan, which it must prepare every four years, must:

- be consistent with its council plan and the land use plan required by the MSS.
- have regard to the current Victorian public health and wellbeing plan.
- be reviewed annually.

Currently, a MPHWP must show how it aligns with a MSS. However, there is no requirement for a MSS to align with a MPHWP. We must give planning for health and wellbeing more prominence, by clearly expressing its place in council plans, and by ensuring that concern for community health and wellbeing is integrated into a MSS.

In the immediate term

- Introduce a Ministerial Direction under the *Planning and Environment Act 1987* to ensure that municipal public health and wellbeing plans are used to inform and shape municipal strategic statements.
- Develop a Healthy City Planning checklist based on the National Heart Foundations *Health by Design Guidelines* to assist local councils in assessing development applications and designing new neighbourhoods in terms of health and community wellbeing.

Direction 3.3 Deliver social infrastructure to support strong communities

We know from other cities around the world that it takes more than good land use and transport planning to build good neighbourhoods. There is a growing body of evidence that the economic and

social benefits of providing community infrastructure far outweigh the costs of provision and result in a positive net return on investment.³⁶

Essential social infrastructure in urban growth areas needs to be delivered early. Both the public and private sectors have key roles to play in this, and also in the operation and maintenance of community building infrastructure. Many social services are delivered by not-for-profit organisations which can find it hard to secure affordable floor space in new suburbs.

Social infrastructure encompasses all the facilities, services and networks which assist individuals, families, groups and communities to meet their social, cultural and community needs. Space and resources are also needed for community meeting places, life learning centres, neighbourhood houses, Men's Sheds, volunteer centres and welfare providers. In some cases there may be opportunities to make the most of existing public facilities, such as using school buildings outside school hours and co-locating aged-care and child-minding centres.

Community services such as indoor sport facilities, aquatic centres, performing arts centres, hospitals and tertiary education facilities cannot be provided at a neighbourhood level, but all neighbourhoods need good access to these things at a regional and subregional level.

Initiative 3.3.1 Coordinate a whole-of-government approach to the delivery of education, health, recreation and cultural facilities

All neighbourhoods need good access to primary, secondary and tertiary education institutions (including special education services), arts infrastructure, hospitals and specialist medical services. These major regional and subregional services and facilities must be conveniently located.

Growth corridor plans have identified locations for education institutions in our developing suburbs. But it is essential to coordinate investment so that all types of social infrastructure are well-located, and co-located with allied services and facilities. There is also scope to explore more innovative types of education and health facilities, including the 'vertical school' and mixed-use health precincts and higher education campuses.

In the immediate term

- Require the independent planning authority, in consultation with relevant government agencies, to provide advice on how government proposals (such as health and education infrastructure) align with land use and transport objectives.
- Develop models for multi-storey education and lifelong learning campuses and health precincts, in consultation with relevant government agencies and the private sector.

Initiatives 3.3.2 Prioritise the delivery of social infrastructure to meet local needs

Appropriate social infrastructure should be delivered in a timely manner in all neighbourhoods undergoing change. Current deficiencies in infrastructure in urban growth areas will need to be given priority in the delivery process. Growth areas must get the facilities and services that help to bring communities together — schools, kindergartens, maternal child health centres (Early Years Centres), parks and playgrounds — early in the development process. Waiting until population thresholds are met can undermine the ability to form strong social networks when an area is forming and 'lock-in' car-dependent travel patterns that undermine the 20-Minute neighbourhood.

³⁶

National Growth Areas Alliance 2012, *Community Infrastructure for Growth Areas*, Technical Report (Elton Consulting)

Providing social support and social infrastructure at the outset can seem relatively unimportant when a neighbourhood is forming, but can have far-reaching consequences. Initially, temporary spaces or buildings can be used, including developer display homes or demountables, 'pop up' parks (as in Central Dandenong) and outreach services. Local government could prioritise with developers so that neighbourhood-based community liaison staff can operate out of temporary facilities.

Infrastructure planning within established urban areas does not start from a blank canvas. There are existing residential and commercial land uses and a wide variety of local community based infrastructure in these areas. Better use of our legacy of community infrastructure, such as the conversion of former town halls to libraries and other cultural and community based uses, is all the more important in light of potentially high land values and development costs. It's crucial that our community places and buildings are planned and designed so that they have room to expand as our population ages and different patterns of work and social life emerge.

In the immediate term

- In consultation with the relevant government agencies and local councils develop a methodology for funding the delivery of social infrastructure in a timely manner in both the urban growth areas and established urban areas undergoing significant change.

In the short term

- Explore more creative approaches to the design of our community spaces and buildings to make them more adaptable to changing needs as our neighbourhoods age and evolve, and integrate these approaches into our social infrastructure.

Initiative 3.3.3 Create health and community wellbeing precincts to meet the needs of residents across Melbourne

Current planning scheme provisions for health and community wellbeing services and facilities can create delays in the delivery of much-needed services to communities. Onerous car parking requirements, limitations on the number of practitioners and other planning-related matters can hinder the co-location of services and so stifle the synergies that develop when various health and wellbeing services operate in close proximity.

Co-located health and community services that are delivered locally can provide numerous benefits. Health precincts help foster networks of health professionals and facilitate coordinated care; support training and research; and enable public, private and not-for-profit services to be combined in a way that results in the most effective and integrated care and treatment for patients.

We will develop area based tailored solutions to better plan for health and community wellbeing services by creating the following:

- *Neighbourhood Health and Community Wellbeing Precincts* – co-locate local health and community wellbeing services such as general practitioners, allied health services, community health facilities and not-for-profit health providers with good public transport access and close to other community infrastructure at the neighbourhood level; and
- *Regional Health and Community Wellbeing Precincts* – co-locate metropolitan and subregional health and community wellbeing services such as hospitals (public and private), allied health services and not-for-profit health providers within larger precincts well serviced by public transport and other metropolitan/subregional community services, where possible.

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This approach will be available to local governments and the independent planning authority as part of master planning, precinct structure planning and planning for major urban renewal sites.

In the immediate term

- Amend the *Precinct Structure Planning Guidelines* to include the creation of health and community wellbeing precincts.
- Include health and community wellbeing precincts in the *State Planning Policy Framework*, and in any future urban renewal planning guidelines.
- Review planning controls to facilitate the establishment of health and community wellbeing services and the clustering of public, private and not-for-profit health and community wellbeing services.
- Establish a process where the Minister for Planning or independent planning authority can streamline decision making on applications for major private hospitals.

Initiative 3.3.4 Remove planning impediments to not-for-profit community services in the planning system

Key community services are often delivered by not-for-profit community organisations. These organisations offer services and support, build social capital and strong communities, and create education and local work opportunities. The work of not-for-profit organisations provides many long-term benefits, such as reducing the future costs of disadvantage and poor health.

However, the ability of not-for-profit organisations to operate in both established and growing neighbourhoods is limited by the lack of affordable space, by building costs, and in some instances by planning barriers to establishing services and delivering integrated responses between service providers.

In the immediate term

- Review the *Precinct Structure Planning Guidelines* to consider options for creating space for not-for-profit organisations in Activity Centres, and shared space in community centres.
- Investigate ways the planning system could assist not-for-profit organisations to locate in neighbourhood activity centres or co-locate with other similar community services in other suitable locations.

Initiative 3.3.5 Identify and secure suitable locations for cemeteries

While there is some suitable land in the form of undeveloped reserves for cemeteries in Melbourne, the Department of Health reported in 2012 that some local government areas no longer have land capacity for burials, and others are expected to exhaust their capacity before 2035. The report identified the need for additional land for cemetery purposes in some designated growth areas, and in the Eastern Subregion. There is also a need to cater for all faiths when planning for cemeteries: different faiths may have different needs.

Consideration also needs to be given the selection of suitable sites for future cemeteries and crematoria.

In the immediate term

- Work with the Department of Health and cemetery trusts to identify additional land requirements for cemetery purposes, and appropriate new locations for cemeteries and crematoria, to serve future needs.

Direction 3.4 Involve communities in the delivery of local parks and green neighbourhoods

Parks are a vital part of any well-planned city. Green leafy suburbs with local public open spaces are beneficial for mental health.³⁷ They give city-dwellers a chance to enjoy natural environments, and they help to improve the quality of our air, water and soil. The Environment Chapter also contains open space and greening initiatives.

Greening our neighbourhoods enhances beauty and quiet and provides more places where people can meet, exercise and recreate. At the neighbourhood level local people can play a greater role in the greening of their area. Involving residents in community landscaping and revegetation opportunities such as community gardens, vegetable patches, play areas for children and greening streetscapes with tree planting and nature strip gardens — especially for ‘traffic calming’ purposes where roads are narrowed or bent — improves local environments and enhances a sense of caring for our neighbourhoods. Another way we can green our neighbourhoods and increase public open space is convert disused public land into parkland.

Initiative 3.4.1 Develop a network of accessible high-quality local open spaces

Melbourne has a long legacy of open space planning. Generations of Melburnians have understood the role parks and gardens play in shaping their neighbourhoods, and in the years to come there will be great scope for using parks as catalysts for community development and a means of bringing communities together to help shape their area.

At the neighbourhood level, redevelopment of urban renewal precincts and the redevelopment of surplus underutilised government land will provide opportunities to plan for new open space. In some areas practical solutions — such as using school grounds out of school hours — can ease a shortage of public open space.

There is scope to explore more innovative ways of increasing local open space at the neighbourhood level and funding its ongoing maintenance. As our city grows and we accommodate more people we will need to increase the sheer quantity of public open space, as well as leisure, recreation and sporting facilities.

In the immediate term

- Encourage local councils, in consultation with their communities, to explore possible new ways of adding local open space areas in their municipalities, such as partial road closures, including road space into local green space and converting underutilised or vacant government land into parkland and public space.

In the immediate to short term

- Request the Department of Education and Early Childhood Development (DEECD) to work with the relevant agencies in developing shared use plans of their open space and recreation facilities for all public schools.

³⁷ Francis J, Wood LJ, Knuiman M, Giles-Corti B. Quality or quantity? Exploring the relationship between Public Open Space attributes and mental health in Perth, Western Australia. *Social Science & Medicine* 2012;74(10):1570-77.

Initiative 3.4.2 Encourage community gardens and productive streetscapes

Community gardens first appeared in Melbourne in 1977, and today there are more than 50, with more planned. In addition to growing vegetables, flowers, fruit and herbs, community gardens provide educational, personal, communal, and environmental benefits.

Melbourne's multicultural communities are a rich source of culturally diverse horticultural traditions and skills. Establishing more community gardens will give more Melburnians opportunities to share skills and learn from their neighbours' food-growing knowledge, increase social interaction and community partnerships and produce local food for personal consumption or sale at local farmers' markets.

Another way we can enhance the food production capability of our city is by planting productive trees along streets and in parkland. Planting trees that produce fruit and nuts which anyone can pick and eat extends the concept of using public land for food production.

In the short term

- Provide guidance and assess regulatory impediments to establishing, maintaining and operating community gardens and productive streets and parks at the neighbourhood level.

REPLACE THE CASE STUDY WITH 'WATCH OUT FOR HEALTH, LONDON' or HEALTHY TOGETHER WYNDHAM

Case study**Restoring the Merri Creek****THIS IS A CASE STUDY BETTER SUITED TO THE ENVIRONMENT CHAPTER**

Case study

Healthy Together Wyndham

'Creating a healthy city'

Planners play an essential role in planning, designing and regulating the environments in which we live. Well-planned neighbourhoods can increase the number of people who walk or cycle to shops, schools, parks, services, facilities and public transport. This supports healthier lifestyles for local residents, a more socially vibrant local neighbourhood and brings with it associated economic and environmental benefits.

To address increasing rates of overweight and obesity in Wyndham, the Healthy Together Wyndham team is working towards creating a 'Healthy City' and delivering strategies to decrease chronic disease by taking a broader, whole-of-population and sustainable approach which involves:

- Working in places where people live, work and play – in workplaces, schools, kindergartens, child care centres and sports clubs
- Focusing on factors that create the conditions for good health – ensuring that all residents have access to healthy food, recreation opportunities, employment, housing, community services, education and transport and reducing social exclusion, and limiting alcohol accessibility
- Helping to deliver state-wide social marketing health campaigns and programs such as Jamie's Ministry of Food
- Delivering healthy eating and exercise programs and
Increasing access to community wellbeing services matched to its rapid growth

Wyndham City is currently reviewing three of its key strategic documents – the City Plan, the Municipal Strategic Statement and the Municipal Public Health and Wellbeing Plan to ensure consistency in terms of its commitment to community health and wellbeing. The City is working to embed health and wellbeing within the precinct structure planning process and looking for opportunities to embed health into local planning policies and laws to encourage healthy eating and physical activity.

Three developers – Stockland, Lend Lease and Places Victoria – plan to work with the City to embed health principles into planning and design. The Healthy Together Wyndham team is exploring with Places Victoria opportunities to promote health within the master plan for its Riverwalk Town Centre: in particular how to 'design out' fast food outlets and create shopping precincts that encourages walking, cycling and social connection.

Healthy Together Wyndham shows how to connect the different strands of planning to create a healthier future.

Case study

Watch out for health, London

'Supporting health impact assessment'

The London Spatial Plan considers not just the design of space, but the use of space by people. It has a strong emphasis on promoting social inclusion and tackling deprivation and discrimination; the key elements of the London Health Strategy are embedded in the London Spatial Plan (Cameron & Cave, 2002; Mayor of London, 2006).

The 'Watch Out For Health' Planning Checklist, initiated by the NHS London Healthy Urban Development Unit, has been developed from Barton and Tsourou's (2000) WHO Healthy Cities publication on healthy urban planning.

The guide provides a clear, comprehensive and useful health impact assessment tool to assist planners in conducting a comprehensive assessment of potential health gains and risks associated with planning policies and proposals, ranging from site-specific planning applications to regional and sub-regional planning policies. The wide range of social determinants included in the checklist is provided in Figure 4 below. Links to all relevant sections of the London Spatial Plan and related issues for consideration are provided for each social determinant.

The watch out for health checklist shows provides a practical check on ensuring health issues are considered in planning

WATCH OUT FOR HEALTH – A GUIDE TO HEALTHY SUSTAINABLE COMMUNITIES	
✓	Healthy Lifestyles – Do planning policies and proposals encourage and promote healthy exercise? Opportunities for play and exercise. Open spaces. Green space and parks. Playing fields. Manage parks and spaces for everyone. Green space within 15 minutes from any home.
✓	Housing Quality – Do planning policies and proposals encourage and promote housing quality? Lifetime homes standards. Adaptability and flexibility. Are homes well designed and oriented; have the highest energy efficiency rating; and constructed from environmentally friendly materials as locally sourced as possible? Tenure mix. Affordability.
✓	Access to Work – Do planning policies and proposals encourage and promote access to employment and training opportunities? Does the development or policy promote diversity in jobs for local residents; and provide opportunities for business?
✓	Accessibility – Do planning policies and proposals encourage and promote accessibility? Encourage mobility. Public transport. Reduce car dependency. Minimise the need to travel. Is the community served by frequent, reliable, cheap public transport? Are the streets pedestrian-friendly and cycle-friendly?
✓	Food Access – Do planning policies and proposals encourage and promote access to wholesome locally produced food? Address food deserts. Does the development or plan allow for allotments, city farms or healthy living centres; safeguard good agricultural land from development; and avoid centralisation of shopping and provision of large supermarkets?
✓	Crime Reduction and Community Safety – Do planning policies and proposals encourage and promote crime reduction and community safety? Is there effective security and street surveillance? Traffic calming and home zones.
✓	Air Quality and Neighbourhood Amenity – Do planning policies and proposals encourage and promote air quality and an attractive environment? Good urban design. High quality public spaces. Minimise air and noise pollution and conserve existing quality townscape.
✓	Social Cohesion and Social Capital – Do planning policies and proposals encourage and promote social cohesion and social capital? Opportunities for social interaction, leisure activities and local empowerment. Avoid community severance by major roads or large commercial schemes. Are existing health inequalities likely to be reduced?
✓	Public Services – Do planning policies and proposals encourage and promote access to good public services? The right services in the right place. Sustainable design and construction in public buildings. Are community facilities provided and is community involvement encouraged?
✓	Resource Minimisation – Do planning policies and proposals encourage waste reduction, minimise energy and water use, minimise use of non-renewable resources, promote recycling and waste reduction, promote sustainable urban drainage, minimise land contamination?
✓	Climate Change – Do planning policies and proposals encourage and promote climate stability and minimisation of greenhouse gases? Does the plan or development reduce energy use in buildings and transport?

TRANSPORT

Improve productivity and participation through an integrated multi-modal transport system connecting people to jobs and services and goods to markets.

Transport underpins the liveability, economic prosperity, efficiency and success of cities. Large cities that are compact and have efficient transport infrastructure and services are among the most efficient urban settlements. These cities do not arise by chance: they require careful planning and management.

The effectiveness of our city's future transport system will depend on how well it accommodates population growth, economic change and changes in land use. This chapter outlines the Government's strategy to ensure our transport networks drive productivity for businesses, and social and economic participation for Melburnians. The *Transport Integration Act 2010* requires an integrated approach to land use and transport planning, and the Draft Metropolitan Planning Strategy achieves that.

The transport directions and initiatives in this chapter are designed to integrate with the land use directions that are central to our Plan. These land use directions include:

- promoting job density to achieve productivity growth in the central city and in selected urban nodes;
- supporting urban renewal across Melbourne;
- improving accessibility for outer urban residents, including in the growth corridors;
- promoting stronger, healthier communities; and,
- strengthening Melbourne's and Victoria's competitive advantages in freight and logistics, tourism, education, agriculture and natural resources, manufacturing and knowledge based services.

A TRANSPORT SYSTEM FOR A NEW ECONOMY

The changes to Melbourne's industry mix outlined in the Jobs and Investment chapter raise a number of transport challenges for the city. The first challenge is to provide sufficient capacity in the transport system to ensure that people can access jobs in employment clusters as they grow, and businesses in these clusters can access suitable labour markets. This is a particular challenge in the central city, Victoria's most significant and productive job cluster, where rapid employment growth is putting pressure on the transport system. Public transport, particularly trains and trams, will continue to be the best means of getting increasing numbers of people to work and other activities in the central city, while car travel will be more important for Clusters in middle and outer Melbourne.

Transport is also a challenge for national employment and innovation clusters like Monash, where rail level crossings and congested arterial roads inhibit bus and car access. High quality road, bus and rail services are important to access employment agglomerations in our middle and outer suburbs.

The second major challenge is to maintain Victoria's competitive advantage in freight and logistics. Victoria is the nation's leading state for freight and logistics as a result of good freight networks providing access to well-priced industrial land for warehousing and logistics. Freight-reliant industries, such as manufacturing, warehousing and wholesale trade, are increasingly concentrating in the west, north and south-east. The transport needs of these industries are for greater orbital and east-west movement on roads that link the key industrial precincts to each other and to interstate and international gateways. Opportunities to make greater use of trains for freight movements also need to be pursued.

The Port of Melbourne is a further example of Melbourne's competitive advantage in freight handling 39 per cent of Australia's container trade in 2011-12. The number of containers passing through our ports is projected to grow from 2.58 million units in 2011-12 to over 11 million units by 2050, driven by population growth and increasing international trade. The Port of Melbourne will not be able to handle the number of containers beyond around 2025, so we are developing the Port of Hastings as a new major port for Melbourne.

Balancing the needs of industry and the freight sector with the need to protect the amenity and liveability of neighbourhoods is also a challenge.

These challenges can be met by major city-shaping infrastructure investments, transport service improvements and planning reforms that provide transport access and land availability for businesses.

POPULATION GROWTH WILL REQUIRE NEW TRANSPORT PRIORITIES

Each weekday 12.6 million trips are made by residents of Melbourne. The average daily distance is 30 km per person. As Melbourne grows from its current 4 million people to about 6-7 million by around 2050, the city will need to accommodate an additional 10 million person trips a day using a road network that will be largely the same as it is today. This growth means that, proportionally, our reliance on public transport will need to increase.

In inner Melbourne, public transport, cycling and walking are already important. Public transport has grown strongly in recent years compared to private car use in the inner suburbs of Melbourne, while on freeways and outer arterials car use is still increasing.

In the areas where it works best, we will support continued growth of public and active transport. This will see long-term investment and better services on our public transport networks which will also improve the integration of train, tram and bus services, and better link people to jobs and services.

USING MELBOURNE'S TRANSPORT SYSTEM MORE EFFICIENTLY

Melbourne has an extensive metropolitan rail network that provides good radial access to the central city and major centres in the suburbs. We have an extensive road network across much of the metropolitan area that includes freeways, arterial roads and local roads. Arterial roads also carry trams, buses, commuter cycling, freight and pedestrians.

The arterial road network provides the basic urban development building block for access to national employment and innovation clusters, Regional Service Centres, activity centres and other job agglomerations as well as neighbourhoods. It is also the infrastructure platform for trams, buses, commuter cycling, freight and pedestrians.

Our tram system is the largest in the world and the envy of other cities, many of which are now building light rail systems. Tram and light rail complement heavy rail by providing mobility through the Central City and along major thoroughfares. Buses have not been as important in Melbourne's public transport system in the past, but this is changing due to initiatives in recent years, including the introduction of SmartBus.

These networks work together as an integrated system with changes and improvement on one part of the system having flow-on effects to other parts.

Despite these strengths in our transport systems, there are challenges that Melburnians are well aware of, such as the growing peak congestion problems on our roads and public transport services and the lags in road capacity and public transport service provision in fast growing outer suburbs.

There will be new challenges to our transport system as the city grows. The freeway network is incomplete and new arterial roads are needed in outer metropolitan areas as they grow. The rail system is hampered by overlapping lines and constraints, particularly in the City Loop, which is causing delays that flow through the network. Average tram speeds have declined and the efficiency of trams will depend on better management of the roads they operate on. Better management of the road network will also maximise the flows of people and goods, rather than vehicles. Bus services need to be simplified to make them easier to use, and better integrated with other public transport.

We will need to use our transport infrastructure and services more efficiently. This will require Government to provide balanced investments across the system, ensure new initiatives represent value for money and deliver a maintenance regime that preserves the long term performance of our transport assets.

DELIVERING A PIPELINE OF CITY SHAPING TRANSPORT PROJECTS

Our plan for Melbourne will require city-shaping transport projects. The most significant of these projects is East West Link, which will fix a major gap in our freeway network and provide significant improvements in cross-city traffic movements and freight flows. The Melbourne Metro rail tunnel, currently being planned, will provide a major uplift in the capacity of our rail system. This will generate benefits to travellers across the whole network, creating the capacity for the new rail lines and extensions proposed in the Network Development Plan: Metropolitan Rail.

Development of the Port of Hastings will give our State essential port capacity for decades to come, and will be supported by other major freight and logistics improvements outlined in the Government's freight and logistics plan *Victoria: The Freight State*.

Other programs will gradually transform our transport system over time, with reductions in the number of level crossings in Melbourne, a more seamless and harmonised public transport network with greater coverage, and improved travel choices for people living in outer Melbourne.

Our Plan for Transport

Direction 4.1 Transform the transport system to support a more productive central city

As outlined in other chapters on Housing and Jobs and Investment, Melbourne's central city and immediate environs will continue to grow strongly in population and employment. The City of Melbourne has the eighth fastest population growth of all Australian local governments and has seen over 145,000 new jobs in the last two decades. This growth has not been confined to the CBD, with Docklands and Southbank continuing to develop apace.

As part of the expansion of the central city we are also planning extensive commercial and residential developments in the urban renewal precincts to the south west at Fishermans Bend, to the northwest at Arden-Macaulay, and to the west at E-gate. This growth is important because it will provide medium and higher density housing near the most job-rich parts of Melbourne and also increase job density and job productivity.

Public transport will continue to be an important means of getting people to and around central Melbourne, with trams and buses sharing road space with private vehicles. At the same time, the availability of road space is often connected to the use of clearways on arterial roads. The Government is releasing a discussion paper on clearways, and is seeking community views about their use.

The growth and expansion of the central city brings three key transport challenges. The first is providing metropolitan wide access to centrally-located jobs in our city and allowing businesses to access a deep pool of labour and customers. The second is improving travel across and within the expanded central city and inner Melbourne neighbourhoods. Finally we need to keep cross-city and bypass traffic out of the central city.

Figure XX: Expanded Central City transport, 2050

Initiative 4.1.1 Build the East West Link as an integrated transport and land use project

Demand for road travel from east to west across our metropolis is expected to grow by 38 per cent between now and 2031 to 440,000 trips a day. The freight task in Melbourne is also growing fast and is almost entirely a road task at present. The freight task is forecast to increase from around 15 billion tonne kilometres in 2012 to around 33 billion tonne kilometres in 2046. We currently have no alternative to the M1 for direct cross-city road connections, with particular implications for freight vehicles due to their heavy reliance on the freeway network.

The East West Link will be an 18 km freeway connecting the Eastern Freeway to the M80 Ring Road to the west of the Maribyrnong River. This city shaping project will transform the way people move around Melbourne, help alleviate our reliance on the M1 corridor for east-west road connections and provide greater resilience in the transport network. It will significantly increase the efficiency of Melbourne's freight network through a new high capacity connection to export gateways and freight precincts. The East West Link will provide a number of major benefits to our city. By providing a cross-city route, the link will reduce the number of vehicles on central arterial roads and local streets.

This major project will be carried out in stages. The first will link the Eastern Freeway at Hoddle

Street via a tunnel to CityLink at Parkville. This stage will reduce the daily queues where the Eastern Freeway abruptly ends at Hoddle Street. Recent studies have shown that most of this traffic is trying to get across town, not into the CBD. The project will also improve access via CityLink to the M1, the Port of Melbourne, Melbourne Airport and the M80/Hume Freeway.

The liveability and amenity of the inner north will be improved, making it easier for people to move around and creating opportunities for streetscape and land use improvements. It will allow us to provide greater on-road priority for Doncaster (DART) bus services, with better access to the CBD. The tunnel will reduce traffic on Alexandra Parade allowing greater access for public transport to the CBD from the north, improved cycling routes and better pedestrian access.

In subsequent stages, the East West Link will significantly improve freight access to the Port of Melbourne and freight precincts, reducing the number of trucks using local streets. It will also provide a major boost to the urban renewal of the Brooklyn–Tottenham industrial precinct, through much better road access.

In the immediate and short term

- Commence construction of East West Link Stage 1 in 2014, including Eastern Freeway widening between Hoddle Street and Tram Road, and managed motorways between Hoddle Street and Springvale Road, with a construction period of about five years.
- Upgrade tram routes that cross the East West Link alignment and investigate whether some streets, such as Brunswick Street and Smith Street, could be transformed to promote trams, walking and cycling and better integrate with the surrounding urban area.

Initiative 4.1.2 Move towards a metro-style rail system, starting with Melbourne Metro

There has been an unprecedented 70 per cent growth in train patronage in the last decade, largely accommodated through efficiency improvements on existing infrastructure. Strong growth is set to continue, with patronage forecast to double to 1.7 million trips each weekday by 2031. However, many parts of our metropolitan rail network are at (or near) capacity. This is particularly so for the lines to Werribee, Sunbury, Craigieburn and Dandenong: these not only serve established urban areas, but the growing populations in our urban growth areas.

We need to transform the rail network into a metro-style rail system of independent lines that don't share tracks; use modern, high-capacity signalling systems; use next-generation trains that carry more people; and have simple, frequent timetables that facilitate interchanging with other trains, trams and buses.

Fifteen new X'Trapolis trains have been ordered, of which the first seven have entered service, providing immediate capacity increases. Procurement planning for the next generation trains is underway.

Regional Rail Link is separating regional services from metropolitan services in the west. When it is completed in 2016, it will create capacity for an extra 23 metropolitan and 10 regional services during each morning and evening peak period. This means capacity for an additional 54,000 passenger trips each day.

The next major step will be the Melbourne Metro rail tunnel, a nine-kilometre tunnel from South Kensington to South Yarra, linking the Sunbury and Dandenong rail lines. Melbourne Metro will be able to carry an extra 20,000 people into central Melbourne in peak hour, bringing major productivity gains to the Central City from increased job density and access to workers, attracting

firms that would otherwise locate outside Victoria.

Melbourne Metro will also support an expanded central city through provision of new stations and associated development. It will enable a major commercial hub to be established at Arden, support the rapidly growing Parkville National Employment Cluster and underpin ongoing development at Domain.

These changes to create a metro system will double Melbourne's rail capacity with benefits experienced by travellers right across the train network and major benefits to the economy.

In the immediate and short term

- Continue to seek a genuine partnership with the Commonwealth to deliver the Melbourne Metro rail tunnel project.
- Complete planning for a metro system, including planning of rail links to Rowville, Doncaster and Melbourne Airport.
- Following completion of the Regional Rail Link, increase services on the Craigieburn, Werribee, Sunbury, Ballarat, Melton, Bendigo and Geelong lines.
- Commence construction of the Melbourne Metro rail tunnel with 60 new high capacity trains and high capacity signalling along the Sunshine to Dandenong corridor.
- Start transforming Melbourne's 100-year-old signalling system by introducing on the Sandringham Line a modern high capacity signalling system that allows trains to safely run closer together.
- Expand services on the South Morang and Hurstbridge lines with the installation of high capacity signalling and duplication of the single line from Rosanna to Heidelberg.
- Secure land reservations for rail extensions to Doncaster and Rowville.
- Upgrade rolling stock on the Belgrave, Lilydale, Glen Waverley and Alamein lines.
- Deliver the Melbourne Metro rail tunnel project.

In the medium term

- Commence construction of rail links to Rowville, Doncaster and Melbourne Airport.
- Continue to deliver more trains on the rail network.
- Continue to roll out high capacity signalling across the rail network.
- Deliver a program of rail line upgrades and extensions across the metropolitan rail network, including assessing feasibility of a second rail tunnel from Clifton Hill to Fishermans Bend.

Initiative 4.1.3 Improve tram travel times, capacity and reliability and extend the tram network into key urban renewal precincts

Melbourne has the largest tram network in the world but it is also one of the slowest with about 80 per cent of the network sharing road space with general traffic. Areas that have experienced significant development in recent years, such as Sydney Road and Chapel Street, have tram speeds as low as 6 km/h at busy times of the day.

Over 10,000 business to business trips are taken daily by tram. This shows the vital role trams play in the economy of central Melbourne. As our city grows and changes, the tram network will be

enhanced with improved travel times, realigned routes and expansions into major urban renewal areas.

Ultimately, improved tram travel times and reliability can only be achieved and sustained through trams operating in their own right-of-way. Over time, Melbourne's tram system will be gradually transformed into a light rail system with right-of-way; low-floor, high-capacity vehicles; more real-time information; and level-access stops.

This transformation is already underway with 50 new low-floor, high-capacity E Class trams being progressively delivered, and with an option for another 60 being preserved. These trams will be able to carry an additional 10,500 people on the tram network at any time, and will feature improved comfort and safety. Upgrades to routes 112 and 96 will ensure that the full benefit of the new trams can be realised. The Route 96 Project is currently undergoing community consultation and is exploring options for improving existing infrastructure and services, including investigating new level-access tram stops, segregating trams and general traffic, tram priority at traffic signals, and connections with trains and buses.

In the immediate term

- Develop a road-use strategy to ensure trams and buses can operate efficiently alongside other vehicles, particularly as land use changes.
- Improve inner-Melbourne tram reliability with a range of measures that give trams greater priority on the road network (such as greater physical separation from other road users and improved technology to manage traffic flows).
- Better serve the growing western end of the city by realigning selected St Kilda Road services using a new Park Street South Melbourne link, and extending the Collins Street tram line further into Docklands.
- Deliver 50 new low-floor, high-capacity trams.

In the short term

- Extend tram lines to E-Gate and Fishermans Bend and investigate the feasibility of completing the missing tram link between Dynon and Footscray.
- Upgrade tram corridors in the Cities of Melbourne, Port Phillip and Yarra to light rail standard in accordance with the Road Use Strategy and improve services and connections to the Parkville knowledge cluster and the new metro rail station
- Upgrade to light rail standard further routes identified in the Road Use Strategy, focussing on those with highest patronage and greatest people-moving potential.

Initiative 4.1.4 Support growing areas of the Central City by strengthening the bus services to and around central Melbourne

Melbourne's bus patronage grew by 56 per cent in the seven years to mid 2012 as service improvements have been rolled out. These improvements will continue.

The bus network in inner Melbourne provides niche services to fill gaps in areas not covered by tram and train services. These tend to be inner orbital services, or radial services in corridors that do not have a rail or tram services (such as Doncaster). Buses can also provide interim inner city services until demand grows for new tram extensions.

As the city develops and demand grows we will deliver a range of upgrades to the inner city bus network to make routes more direct and provide on-road priority to improve frequency, reliability and travel times.

In the immediate term

- Plan services to better meet patronage demand and ensure new timetables better connect with trams and trains, as well as improve real-time passenger information and stops on a number of key inner-city routes.
- Pilot new intelligent transport systems such as dynamic overhead lane management, to enable buses to travel faster and more reliably between Carlton and Kew along Johnston Street-Princess Street and Hoddle Street-Punt Road, and improve services on the inner city orbital routes.

In the short term

- Enhance Doncaster (DART) bus services in inner Melbourne to take advantage of the opportunities provided by East West Link.
- Improve on-road priority on more streets including western routes from the city to Footscray and Sunshine, following the results of the pilot on Johnston Street-Princess Street.
- Extend and improve Nightrider services to serve a 24/7 city.

Initiative 4.1.5 Support walking and cycling in central Melbourne

Cycling is growing as a means of getting to and from inner Melbourne, and many cyclists are commuting to work. Cycling to work has increased by 5 per cent each year over the last 10 years and is projected to continue to grow.

The Government's cycling strategy, *Cycling into the Future 2013-23*, is developing routes that provide safer access to key destinations in the central city. We have already begun work on the Darebin Creek Trail, the Main Yarra Trail and the Jim Stynes Bridge that connects Docklands with the CBD.

Pedestrian access is integral to the functioning of the city, and an important complement to the transport system for the many short trips people make in central Melbourne, including trips to public transport stops. Two thirds of all trips in the City of Melbourne are on foot, and over a third of these are business trips. We will work with inner city councils to give pedestrians greater priority on key walking routes to and around the central city and inner Melbourne. The ultimate network will provide a high quality connected cycling network for the expanded central city with additional east-west and north-south connections, delivering in parallel with land use change.

In the immediate to short term

- Identify key pedestrian routes in the Central City and improve pedestrian crossing times and footpaths, and implement the new guidelines for 40 km/h pedestrian zones in areas where there is a high risk to pedestrian safety.
- Work with local governments to identify and progressively develop strategic cycling corridors that provide cyclists with safe and separated cycling access to and around the Central City.
- Continue to progressively develop strategic cycling corridors that provide cyclists with safe and separated cycling access to and around the Central City.

Direction 4.2 Improve access to job-rich areas across Melbourne and strengthen transport networks in existing suburbs

Around 60 per cent of Melburnians live in our middle suburbs and 50 per cent work there. The transport task in these middle suburbs is complex due to the dispersed nature of suburban jobs. This transport task involves extensive radial and circumferential movements. Transport improvements will be vital in supporting suburban employment growth at job-rich locations as well as areas with employment growth potential. Some of these job-rich areas are part of our national employment and innovation clusters accommodating higher education institutions, such as the universities of Melbourne, Monash and La Trobe. Transport improvements to these clusters will also improve student access.

Additional sites for urban renewal and development in the established urban areas will be integrated into the existing transport network, with permeable road networks and effective public transport connections. Development along transport corridors will be supported by transport service improvements. SmartBus will be central to improving circumferential access to these areas.

Initiative 4.2.1 Plan the North East Link

The proposed North East Link will connect the M80 Ring Road at Greensborough to the Eastern Freeway. It will improve access to employment across Melbourne by linking people to job rich areas (including the national employment and innovation clusters in the north and south east) and providing a better connection between the northern growth corridor and the South Eastern suburbs. North East Link will also enhance Victoria's freight competitiveness, providing a more efficient road transport link for major industrial areas and intermodal terminals across the city. It will also improve local amenity. It will provide additional orbital capacity in the freight network connecting the growing western, northern and south eastern freight, logistics and industrial precincts; and improve high capacity connections to major export gateways, including the expanding Port of Hastings and industrial areas and industries in Gippsland.

Opportunities to improve land use, amenity and the broader transport network will be explored as part of planning the link. This is a medium to long term project for our city.

In the immediate term

- Consider options for a North East Link connecting the M80 Ring Road to the Eastern Freeway/East Link.
- As part of North East Link planning, investigate options for improved access to the La Trobe Employment Cluster and adjacent business parks.

Initiative 4.2.2 Improve access to suburban job clusters by creating an expanded, simpler, more legible bus network

Buses are the main public transport option in many parts of Melbourne. However, many bus services have indirect routes and highly variable frequencies and operating times. We will transform bus services from a complex set of winding routes into a network that is simpler to understand and use. Bus services will be restructured into a hierarchy of three services:

- **Premium services** will be an expansion on the existing SmartBus network operating at 20 minute minimum service levels over a long span of hours. Higher demand routes will operate at 10 minute minimum service levels during the day and evening on weekdays, and during daytime on weekends.

- **Connector services** will provide direct access to the premium network and activity centres, as well as providing local travel. These services will operate at 20 minute minimum service levels in morning and afternoon peaks.
- **Neighbourhood services** will provide more localised bus services and fill gaps between Premium and Connector routes.

Most Melburnians will live within 800 metres of a Connector or Premium service.

In the immediate to short term

- Commence the transformation of bus service into a three tier network, starting with the outer western, outer northern, outer south eastern and bayside suburbs, and provide better information including improved way-finding and real time service information. This will include improving sections of the SmartBus route between Sunshine and Mentone, and services along Blackburn and Springvale Roads to a ten minute frequency at key times.
- As part of the new bus franchise agreement, reallocate services to better meet demand for access to job clusters including Monash, Melbourne Airport, Latrobe University, Footscray and Sunshine.
- Continue with the introduction of low floor buses and better stops and road crossing facilities to improve bus accessibility, particularly for those who have personal mobility difficulties.
- Provide greater on-road priority for buses, starting with approaches to interchanges and along Blackburn Road. This work will continue into the medium term on the bus routes between Greensborough and Tullamarine, Rowville and Monash, Dandenong and Ringwood, Springvale Road, Warrigal Road and key routes serving Latrobe University.
- Continue to improve and adjust service levels to best meet demand and regularly review the network to ensure that services provided offer the best value for money. This includes upgrading premium and connector services to higher frequencies, and upgrade connector services to a premium service level based on potential to grow patronage. Neighbourhood services will also be improved in terms of their frequency and efficiency.

Initiative 4.2.3 Harmonise public transport services across trains, trams and buses, to provide access to job rich areas in the suburbs

The efficiency, simplicity and quality of connections between public transport modes can make a major difference to people's willingness to use public transport

Timetables of train, tram and bus services will be progressively harmonised to make transfers between them easier and faster. To achieve this, services need to be reliable and easy to use, timetables need to be rearranged and major interchanges need to be improved. These changes will provide better network connectivity and enable public transport to be a genuine choice for a wider range of trips.

Major multi-modal interchanges will be upgraded to improve traveller amenity. Better information, including improved way-finding and real-time service information, is being rolled out at major stations.

The Draft Strategy includes Initiatives to create demand along targeted corridors that will in future need improved transport services. In the medium to longer term, this will mean delivering enhanced passenger rail in radial corridors, through projects such as the Rowville extension, and improved SmartBus services in circumferential corridors. Land use changes and transport demand will be carefully planned for and monitored along these corridors, so that high-quality, reliable public

transport services can be maintained and improved.

The premium network of public transport services for 2025 and 2050 is shown in **Maps X and Y**.

INSERT GRAPHIC T2

******* INSERT PREMIUM PT NETWORK BY 2025 MAP**

INSERT PREMIUM PT NETWORK BY 2050 MAP

In the immediate to short term

- Simplify and progressively harmonise frequencies to improve connections across public transport services.
- Upgrade multi-modal interchanges that provide access to key job clusters, starting with Springvale, Blackburn (as part of grade separation projects), Huntingdale and Sunshine, and a new station at Southland.
- Improve connections between national employment and innovation clusters and key interchanges, starting with buses from Blackburn and Huntingdale Railway Stations to Monash University and Latrobe University to Reservoir Station, including upgrading bus interchanges at these stations
- Significantly improve on-road priority for trams and buses serving employment clusters, including piloting new measures and technology along Blackburn Road and at the Sunshine interchange, and completing the tram route 86 upgrade to light rail standard.

In the short term

- Commence a range of tram improvements to create a better integrated network, including extending tram lines to Malvern and Glen Iris Stations, and improve facilities for passenger transfers and tram track layouts at Caulfield station, St Kilda Junction and the Toorak Road terminus.
- Improve access to the Latrobe – Heidelberg national employment and innovation cluster by introducing high capacity signalling on the Clifton Hill Group, duplicating the Heidelberg – Rosanna line, and improving connecting bus services.
- Continue to improve public transport interchanges. This will include Clayton and Ormond Stations as part of planned grade separations that will benefit services to the Monash national employment and innovation cluster.

Initiative 4.2.4 Facilitate development and drive investment through strategic removal of level crossings

Melbourne has over 180 level crossings on the metropolitan rail network. At crossings with large numbers of trains and high volumes of road traffic there can be major delays and safety concerns. Melbourne is the only Australian city that is facing a level crossing problem on this scale.

A number of the most congested level crossings are at high value locations that are potentially attractive to developers and could provide significant local and user benefits should the level crossing be removed.

The Government is removing level crossings at Rooks Road Mitcham, Mitcham Road Mitcham, Springvale Road Springvale; and removing two crossings at Anderson Road Sunshine. An on-going program of removals will be developed that maximises investment opportunities and contributes to urban development and employment growth in the suburbs. We will approach the market to sound

out interest in value-capture opportunities related to a priority list of level crossing removals. Various projects may be bundled together to make them more attractive investment options.

In the immediate term

- Accelerate the removal of level crossings through innovative funding arrangements that include contributions from private sector partners interested in development rights, and other beneficiaries of removing level crossings.
- Continue to plan and seek Commonwealth funding to abolish level crossings on the Dandenong rail line.

In the short term

- Commence early works to remove level crossings at Main Road St Albans, Blackburn Road Blackburn, Mountain Highway Bayswater, Scoresby Road Bayswater, North Road Ormond, Burke Road Glen Iris, and Murrumbeena Road Murrumbeena.
- Develop a further pipeline of level crossing removal projects for delivery in the medium to long term.

Figure X: Level crossing removal by 2025

Initiative 4.2.5 Develop the road system in the suburbs to improve connections across Melbourne

The arterial road network provides the foundation for private and public transport across our suburbs. The network connects people to places and activities and supports businesses to efficiently move goods and deliver services. The ongoing development and maintenance of this network will support existing and emerging national employment and innovation clusters, Regional Service Centres, activity centres and other areas with high or growing job densities.

The existing road network creates a number of challenges, such as limited Yarra River crossings and constraints on arterials in the middle suburbs. A program of network development projects will be developed to support the growth of existing and emerging job-rich areas across the metropolitan area. Targeted development of the network will help address existing issues and accommodate the demand associated with projected growth in Melbourne.

In the immediate to short term

- Duplicate the Chandler Highway Bridge to enhance Yarra River crossings, upgrade the Calder Park Drive/Calder Freeway interchange, complete construction of the Dingley bypass and advance plans for a connection between the Dingley bypass and the Mornington Peninsula Freeway at Springvale Road.
- Deliver the Westall Road extension from Princes Highway to Monash Freeway to improve connectivity and support the Monash national innovation and employment cluster.
- Complete the missing section of Dingley Bypass between the South Gippsland Highway and the South Gippsland Freeway.

Direction 4.3 Improve transport infrastructure and services in Melbourne's newer suburbs

Provision of transport services has not kept up with population growth in outer Melbourne, contributing to lower levels of accessibility in these locations to services and jobs. This is reflected in

higher rates of car ownership and a high proportion of household income devoted to transport, partly due to a lack of transport options.

The Metropolitan Planning Strategy will substantially improve public transport service levels in established outer-urban areas and urban-growth areas, particularly bus service availability, to provide people with an alternative to using private cars. Arterial road capacity will also be improved, which will improve travel times, reliability and safety.

Initiative 4.3.1 Improve roads in growth areas and outer suburbs

Arterial roads in our city's growth areas and existing outer urban areas connect people and freight to jobs, local services, activity areas, recreational facilities and community centres.

We will deliver a number of arterial and freeway network improvements and upgrades in growth areas and outer suburbs. This will involve priority upgrades in the short term, to be followed by subsequent upgrades, which will respond to urban development in growth areas and transport demand.

In the immediate to short term

- Commence duplication, widening and intersection and interchange upgrades to arterial roads in established outer suburbs and growth areas. These will include Cooper St, Epping; Doherty Road, Brooklyn?; Hallam Road South, Hallam; Plenty Road (2 sections), South Morang???, Epping Road, Epping; Napoleon Road,?; Westbrook Drive,?; Sneydes Road, Werribee and Princess Freeway West interchange, O'Herns Road and Hume Freeway interchange, Epping; Palmers Road, Thompsons Road, ...?; and Cardinia Road,?. **THESE ROADS NEED NAME OF SUBURBS IN BRACKETS AS THERE ARE LOTS OF COOPER STREETS IN MELBOURNE ETC.**
- Commence the reservation of land for future arterial roads and upgrades in the urban growth areas and outer suburbs.

Initiative 4.3.2 Improve outer suburban rail and bus networks

Many areas in the outer suburbs are currently not well-served by public transport. We will work to overcome the backlog in delivering bus services to outer suburbs and extend and enhance the rail network. Recent enhancements made to the bus network have added more than 3,000 weekly bus service trips since 2011, including expanding services in outer suburbs such as the Point Cook and Werribee areas. These enhancements will continue across Melbourne.

The introduction of new services will be prioritised on bus routes identified in Growth Area corridor plans. Where infrastructure or a critical mass of housing is not in place, we will trial the implementation of interim public transport routes.

About 40 per cent of Melbourne's rail passengers access train stations by car, with a higher share in outer and growth areas, meaning car parking facilities are important in these stations. Selected stations with good road access will be supported by expanded Park+Ride facilities, where it is cost-effective.

In the immediate to short term

- Expand bus services in all growth areas so that most residents live within 800 metres of either a premium or connector service. This includes the introduction of connector services from

Werribee to Wyndham Vale Station, Mt Ridley to Craigieburn Railway Station, Epping North to Epping Station, Mernda to University Hill via South Morang station, and a north-south service between the Cranbourne and Pakenham lines.

- Trial the implementation of interim routes in areas that are in early stages of development. Permanent routes will be introduced when there is sufficient passenger demand and appropriate road infrastructure is in place.
- Improve access to the rail network by building Caroline Springs railway station and develop Park and Ride and bike cage facilities in outer suburbs.
- Secure rail reservations for planned extensions and duplications in growth areas at Melton, Wallan (including Upfield to Roxburgh Park), Mernda, Wollert, Clyde, Baxter and Wyndham Vale to Werribee, and deliver these extensions in the medium to long term.

Initiative 4.3.3 Assist the private sector to assess the potential for ferry services in the west of Port Phillip

Cities such as Brisbane and Sydney have developed water taxi and ferry services as part of their urban transport system, to take people to and from work and tourists to key destinations of interest. Melbourne is also a city of waterways and bays, with potential to connect people to jobs and services in the Central City via a Port Phillip ferry service.

With the rapid growth of population in the Western Subregion, there is a pressing need to explore all transport options between the west and the Central City. The Government will assist the private sector in exploring the potential for a ferry service from the western suburbs to Docklands. This could drive a range of benefits through integrated transport and urban planning including opportunities for jobs, tourism and economic development of coastal communities and neighbourhoods at ferry stops, in particular at Docklands, Werribee South or Point Cook. It could also increase liveability and the investment attraction of vibrant waterfront districts and neighbourhoods.

In early 2013, we released the *Melbourne Ferries Background Study Discussion Paper*, providing a preliminary review of key operational considerations for commuter ferry services for Melbourne's west. A final report will be completed later in 2013.

In the immediate term

- Undertake further work to address speed limit and access arrangements on the Yarra River for commercial ferry operations.
- Assess speed limit and access arrangements around the wider Port Phillip Bay area.
- Explore possible ferry berth locations in Docklands, Williamstown, Altona, Point Cook, Werribee South, Portarlington and Greater Geelong, and any environmental and access issues associated with these locations.
- Provide a funding contribution to a suitable ferry berth and associated infrastructure at Point Cook and at Collins Landing or Harbour Esplanade.

Direction 4.4 Improve local transport options to increase social and economic participation

Good quality neighbourhood travel options help people reach a wide range of local services and activities within 20 minutes, supporting social inclusion and wellbeing and helping build strong communities. Many of our daily trips are short, and can be taken by walking or cycling. Thirty-eight

per cent of trips in Australian cities are less than three kilometres³⁸. The more people walk and cycle in their neighbourhood, the more likely they are to interact with their neighbours, and to use local services and shops, helping build stronger communities. The way we design and redevelop neighbourhoods influences how much people walk and cycle³⁹.

Most people will be able to use premium and connector public transport services as an option for neighbourhood travel. However, some members of the community will benefit from a more targeted and specialised service that meets their neighbourhood travel needs. Currently many existing bus services are not well utilised indicating that we are not currently meeting community travel needs. Our new premium and connector public transport networks need to be complemented by a range of neighbourhood services tailored to community needs.

Initiative 4.4.1 Make neighbourhoods pedestrian friendly

Research from the past 20 years⁴⁰ shows that walking increases when more pedestrian routes or connections are provided in a given area. Plentiful walking paths and connections create shorter walking distances, and a greater choice of routes. Improving the pedestrian environment in existing areas can be achieved by the creation of quality pedestrian links and short-cuts.

Identifying local Principal pedestrian networks is important for the development and promotion of walking for transport, as they provide clear guidance on those parts of the road network where greater emphasis on pedestrian movements is needed.

Principal pedestrian networks can be integrated with SmartRoads to provide greater priority to pedestrians where it is needed.

In the immediate term

- Continue to construct new walking and cycling bridge crossings for major roads, freeways, railways and waterways.
- Work with local governments and institutions in National Employment Clusters, Metropolitan Service Centres, Activity Centres and other job-rich centres to provide better footpaths, shade trees and reduced delay at pedestrian crossing points.
- Use development contribution plan funds to deliver pedestrian improvements in areas earmarked for urban renewal and higher-density development.
- Improve pedestrian access to public transport services.
- Assist local governments and their communities to identify and develop principal pedestrian networks in their areas.
- Use lower speed limits in mixed-use and residential neighbourhoods in accordance with the new guidelines for 40 km/h pedestrian zones.

Initiative 4.4.2 Create a network of high-quality cycling links

Cycling benefits cities and their residents in many ways. Cycling is affordable, sustainable and improves health and wellbeing. Many parts of Melbourne are relatively flat, making cycling an ideal mode of transport. Many neighbourhoods in Melbourne are experiencing growth in the numbers of

³⁸Stanley JK, Hensher DA & Loader C 2011, 'Road transport and climate change: stepping off the greenhouse gas', *Transportation Research Part A: Policy and Practice*, Volume 45, Issue 10, pp. 1020–1030

³⁹Wood L, Frank LD & Giles-Corti B 2010, 'Sense of community and its relationship with walking and neighbourhood design', *Social Science & Medicine* 70, pp. 1381–1390

⁴⁰Moudon AV, Lee C, Cheadle AD, Garvin C, Rd DB, Schmid TL & Weathers RD 2007, 'Attributes of environments supporting walking', *Am J Health Promotion*, May-Jun 2007, 21(5), pp. 448–59

people cycling, particularly neighbourhoods close to the Central City and tertiary education campuses.

We need to support this growth in cycling in suburban Melbourne, to major nodes and for local movement. There are good opportunities to do this as part of new or upgraded road and rail infrastructure, such as the new Sunshine-to-Albion bike path being constructed as part of the Regional Rail Link.

VicRoads has identified bicycle priority routes, which include routes targeted for greater separation from other vehicles. These routes focus on key destinations and will be expanded to include National Employment Clusters and Metropolitan Service Centres.

In the immediate term

- Implement, with the assistance of local governments and relevant government agencies, Victoria's cycling strategy *Cycling into the future 2013–23*.
- Complete the Darebin Creek Trail through construction of the Darebin Bridge and associated trail works to complete one of the key missing links in Melbourne's bike network.
- Upgrade the Box Hill-to-Ringwood shared cycle and walking path.
- Complete the next stage of the Federation Bike Trail to Yarraville.
- Continue to update bicycle priority routes across Melbourne, to ensure investment decisions deliver high-quality cycling links between employment areas, National Employment Clusters and Metropolitan Service Centres.
- Amend the *Precinct Structure Planning Guidelines* to better plan for children and families in new suburbs to ride bikes locally, and particularly to schools.

Initiative 4.4.3 Better connect people to local places and services

We will provide neighbourhood bus services that give access to key locations such as activity centres, health precincts, educational facilities and recreational areas. To supplement these services and provide a more frequent level of service we will broaden the range of neighbourhood transport options. These will include taxis, community buses, and vehicles owned by community organisations and local councils. Many of these existing community transport vehicles are underused and poorly coordinated with other services. As highlighted in the Taxi Industry Inquiry report (2012), taxi services could be used to play a larger role such as providing bus-like services if they are properly planned, communicated and integrated.

Local organisations are best placed to respond to local travel needs. We will support local community efforts to create new locally-based, responsive models of neighbourhood transport. We will assist by removing regulatory and other impediments, provide advice on social enterprise and other models of transport governance, provide information and advice about travel demand and market needs, and assist with planning and coordination with mainstream public transport services.

In the immediate to short term

- Complete the rollout of hourly frequencies on neighbourhood bus routes where there is sufficient demand and where buses are the most cost effective mode.

- Review opportunities for more effectively integrating neighbourhood bus services with taxis and community transport services into a neighbourhood public transport service and identify the most appropriate delivery models for such integration.
- Increase frequencies of local services as demand grows.

Direction 4.5 Improve the efficiency of freight networks while protecting urban amenity

Convenient and affordable access to the goods that people use and consume every day is a vital component of the liveability of any city. Melbourne is particularly well served by an effective freight and logistics sector that is a key component of the city's economy. Our city has a range of competitive advantages in freight and logistics that will be built on, including a strong supply of well-priced industrial land, efficient and well-located freight precincts with good transport links, an efficient capital city port with capacity to grow for a further decade, and two curfew free international airports.

Managing growth in the freight task sustainably is the overarching freight challenge for Melbourne in coming years. The Freight State, to be released in late 2013 is the Government's 40 year freight and logistics plan. Development of this plan has highlighted a number of strategic directions that require action through the Draft Strategy, and in particular the need to identify and protect key sites and transport corridors for future development to accommodate projected growth.

The three following assumptions underpin the actions in *Victoria: The Freight State*:

- Ensuring the ability of businesses to efficiently access and service markets interstate and overseas is vital to the economy of the city and the State.
- Implementing measures that enhance the efficiency of movement of goods on Melbourne's road and rail network will remain important to Melbourne's development.
- Providing new infrastructure capacity where bottlenecks develop or where efficiency measures have been exhausted will be critical in future years as the size of the freight task grows.

The Draft Strategy supports delivery of the freight and logistics agenda in all three areas.

Initiative 4.5.1 Improve the efficiency of road freight connections

The Government has a long term vision for the development of an efficient and effective road freight network for Melbourne, involving three major new links in our city's orbital and cross-city freeway network, and upgrades to arterial roads. As well as construction of the East West Road Link and the North East Link, we will expand and improve the efficiency of the M80 Ring Road. In the longer term, progressive construction of the Outer Metropolitan Ring Road/ E6 Transport Corridor will provide additional orbital road capacity to accommodate planned expansion of Melbourne to the north and west.

As well as upgrading roads, innovative tools such as managed motorways have been used very successfully in the M1 and M80 Ring Road upgrades, incorporating a number of active traffic management tools such as ramp metering, lane use management, variable speed limits and traveller information.

In addition to construction of East West Link Stage 1 in the immediate term

- Continue widening and upgrading the M80 Ring Road, incorporating managed motorway technology to improve traffic flows.

- Expand managed motorways technology to other major freeways.
- Maintaining protection of the Outer Metropolitan Ring Road / E6 Transport Corridor reservation and its links to the proposed Western Interstate Freight Terminal.

Initiative 4.5.2 Increase the volume of freight carried on rail

Intermodal terminals enable freight to be transferred from truck to train and vice versa, using the most efficient mode in different parts of the freight journey. We will work with rail freight customers, rail and road operators, ports, local governments and relevant authorities to ensure that Victoria has adequate intermodal terminal capacity, both in the regional areas and metropolitan Melbourne, to 2050 and beyond.

There is strong private sector interest in investing in and operating elements of a proposed Metropolitan Intermodal System (MIS) in Melbourne, to relieve pressure on the key road connections to the ports. We will continue to work with the private sector to encourage initiation of intermodal system services, including confirmation of preferred terminal sites, rail network connections and access, an efficient and reliable port interface, and adequate land that is zoned to allow high volume freight customers to locate adjacent to intermodal terminals.

Additional rail capacity will be needed on the Dandenong rail corridor to provide an efficient connection with a possible intermodal terminal in Melbourne's south-east, on a site to be investigated with interested private sector parties. A future south-east rail link would facilitate rail access to the Port of Hastings and provide a separate access route for V/Line trains from Gippsland, freeing up existing lines for additional metropolitan train services.

In the immediate term

- Encourage the initiation of port rail shuttle operations by the private sector as part of a Metropolitan Intermodal System.
- Progress investigations and a business case for a south-east rail link to provide a dedicated rail line between Dandenong and Dynon for freight and V/Line trains, as part of planning for a rail connection to the Port of Hastings.

Initiative 4.5.3 Manage the impacts of freight movements on urban amenity

The Government recognises that in dense urban environments, it is critical to ensure that an appropriate balance is struck between freight delivery efficiency and the potential amenity impacts associated with these movements (such as emissions, noise and crashes).

Through appropriate management and investment in preferred freight routes, it is possible to reduce the need for freight vehicles to use local roads. The Government will continue to work with industry to identify and prioritise key routes for protection and investment on the principal freight network, managed through the SmartRoads framework.

Victoria: The Freight State also recognises the need to better manage how freight vehicles access local roads by improving consistency between local government areas. A review of current arrangements across Melbourne is already underway, in partnership with the newly established Ministerial Freight Advisory Council. With this new information the Government, local governments and industry will, for the first time, have a clearer, shared understanding of the true scope and detail of the last-kilometre access challenge on which to develop and implement action.

A more consistent and informed approach to land use planning in relation to freight precincts and corridors is also required, to ensure that sensitive land uses are not located or designed in such a way that would expose people to unacceptable amenity impacts. Planning and protecting so-called buffer zones between freight precincts and urban areas, for example, can have the dual benefit of providing industry certainty over land use and maintaining urban amenity for residents. The use of planning controls, and emerging building controls, could also assist in better protecting industry and residents.

In the immediate term

- Work with local governments and industry to trial supply chain stakeholder forums that focus on improved efficiency of deliveries and reducing local amenity impacts – these could address issues for the CBD and other significant suburban Activity Centres.
- Support local governments and industry to develop, trial or evaluate freight operator recognition schemes, similar to those used successfully in London for both operators and receivers. The focus would be on supporting improved efficiency of deliveries whilst reducing amenity impacts.
- Work with local governments to encourage development of consistent arrangements for freight access to local roads which maximise efficiency whilst balancing amenity impacts.
- Consistent with *Victoria: The Freight State*, investigate applying specific zones and buffer protections, similar to those already in place for ports and airports, to other state significant freight facilities and precincts.

In the immediate to short term

- Ensure investment in the arterial road network in metropolitan Melbourne improves the level of service for freight, to reduce pressure for the diversion of freight transport onto local roads.

Direction 4.6 Increase the capacity and accessibility of ports, interstate rail terminals and airports

The Government attaches high priority to securing adequate gateway capacity for moving passengers and freight in and out of Victoria. Our seaports and airports are the main gateways to Melbourne from interstate and overseas and key economic assets for the state. In coming years, our ports and airports are expected to continue to experience major growth and change.

Port of Melbourne is Australia's largest container and general cargo port, handling 37 per cent of the nation's container trade in 2011-12. Container movements at the Port of Melbourne are expected to grow at 4-5 per cent a year on average in coming decades. Station Pier at the Port is also a popular Australian cruise shipping port of call. Each cruise ship visit contributes, on average, \$1 million to Victoria's economy.

Our airports are handling large increases in business and personal air travel as well as in high-value air freight. Air passenger numbers are expected to double in the next 20 years, and double again in 50 years. Airfreight is playing an increasing role in facilitating Melbourne's trade, particularly for high value, time sensitive commodities, such as fresh produce bound for growing Asian markets. It will be important to protect our current curfew-free airports, support their expansion, plan for a potential third airport to serve the long term needs of south east Melbourne and Gippsland, and provide sufficient road and public transport access to each airport.

Initiative 4.6.1 Ensure sufficient sea port capacity with efficient landside access

The Government has announced a \$1.6 billion Port Capacity Project to create additional capacity at the Port of Melbourne. The Government has also allocated \$110 million to accelerate the development of the Port of Hastings to create needed capacity to supplement the Port of Melbourne from the mid-2020s. This Port is already an operating commercial port and has access to over 3000 hectares of land zoned for port-related use, direct deep water access and is close to shipping lanes.

To support the development of the Port of Hastings we will ensure that key rail and road links are adequate to deal with additional container movements. In addition to preserving a transport corridor along the Western Port Highway for enhanced rail and road connections to the Port of Hastings, we will also investigate options for a south-east rail link.

In the immediate term

- Expand Port of Melbourne container capacity to enable it to handle up to 5.1 million containers, forecast to be needed in the mid-2020s, and progress Port of Hastings planning to accommodate containers by 2025.
- Preserve a transport corridor for the Port of Hastings along the Western Port Highway corridor for both road and rail connections.

In the short term

- Develop container handling infrastructure at the Port of Hastings ready for operations to begin by 2025.

Initiative 4.6.2 Plan for the Western Interstate Freight Terminal and the proposed Donnybrook/Beveridge Interstate Freight Terminal

The Government is planning a replacement facility for the South Dynon Interstate Rail Terminal beyond 2020. A pre-feasibility study is being conducted for a new, larger and more efficient Western Interstate Freight Terminal at Truganina to the west of Melbourne, closer to customers operating large warehousing and distribution centres and servicing both regional and interstate markets. The Western Interstate Freight Terminal will significantly improve the capacity of interstate freight transport connecting to and from Melbourne and allow the eventual creation of an interstate rail bypass of central Melbourne, to relieve road and rail congestion pressures on the inner parts of the transport network.

We will develop a business case for an upgrade of capacity at the existing Dynon Rail Freight Terminal to ensure efficient capacity is available until the mid-2020s, when the Western Interstate Freight Terminal is expected to be operational.

We will also investigate the potential long-term role of the proposed Beveridge Interstate Freight Terminal. In conjunction with the development of this northern interstate terminal and the western interstate freight terminal, we will progressively develop an interstate rail bypass of Melbourne using the Outer Metropolitan Ring corridor.

In the immediate term

- Upgrade the Dynon Rail Freight Terminal to provide additional short term capacity.
- Complete a business case and funding application to the Commonwealth to investigate potential land and rail corridor options for the Western Interstate Freight Terminal.
- Assess the potential long term role of the Beveridge precinct as an interstate freight gateway, and progress the planning for land and transport corridor protection.

Initiative 4.6.3 Ensure sufficient airport capacity, with efficient landside access for passengers and freight

Melbourne's airports are major economic assets and vital to the vibrancy and growth of the city. We have two curfew free international airports (Melbourne and Avalon), giving us a significant competitive advantage in air passenger services and airfreight.

Melbourne Airport is currently our primary national and international gateway for air passengers and airfreight. It handled 28 million passengers in 2011-12 and 31 per cent of Australia's total airfreight. In late 2012, Melbourne Airport announced its preferred new third runway to be provided within 10 years. By 2050 it is expected that Melbourne Airport will be developing its fourth and final runway. A major new freight terminal precinct will be developed to the east of the existing aircraft maintenance precinct, with access to the M80 Ring Road and the Tullamarine and Calder Freeways.

Airport and non-airport related businesses are also expected to grow significantly on land within the Airport boundary and in surrounding areas such as Essendon Airport and Tullamarine. This may create opportunities to develop tailored business and housing developments which benefit from proximity to airport facilities.

Over the coming decades, Avalon Airport will increase its role as a passenger gateway serving Melbourne, Geelong and western Victoria. The airport will be planning to further develop its passenger and airfreight terminals to support its long term development beyond 2050.

Considering the longer term, we will identify and reserve an appropriate site for a new third airport to serve the growing needs of south-east Melbourne and Gippsland.

In the immediate term

- Clarify within the State Planning Policy Framework, the role and function of Melbourne's airports – Melbourne, Essendon, Avalon, Moorabbin and the potential south-east airport.
- Support the efficient on-road operation of the SkyBus service to Melbourne Airport.
- Identify and protect future transport corridor options for access to Melbourne Airport, including completion of planning for a rail link.
- Complete planning for the preservation of a transport corridor to Avalon Airport.
- Investigate potential sites for a new airport to serve the long-term needs of south-east Melbourne and Gippsland.

- Investigate the opportunities for an 'aero town' concept to support business and hotel accommodation at one of Melbourne's international airports including the potential south east airport.

Case study

Smart buses

'Improving bus services'

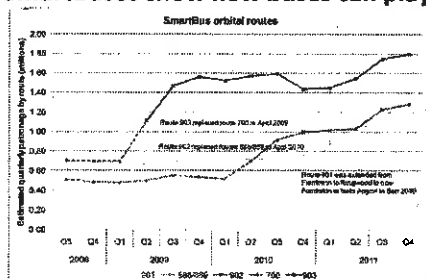
SmartBus is a premium bus service that has been designed to complement Melbourne's radial train and tram network, by providing 'cross-town' connections along major arterial roads to train stations, tram lines, schools, universities, hospitals, shopping centres and other activity centres.

SmartBus services run more often and for longer hours than most bus services. They are also more reliable and have faster journey times because of a combination of road priority and the use of smart technology. SmartBus services run 'direct' and sometimes 'limited stop' along major arterial roads – making journey times shorter and journeys more direct for passengers.

Bus-train interchanges also have real-time information on SmartBus and train arrival times, making journey transitions smoother. All SmartBus stops provide local area maps and stop specific timetables.

SmartBuses have been extremely successful in increasing bus patronage. The popularity of SmartBus shows that public transport users will use buses when routes are direct, run regularly and connect with other transport modes and key destinations. For example, substantial bus route upgrades (notably SmartBus and DART). The new and upgraded SmartBus and DART routes accounted for approximately one third (35%) of route bus patronage increase for year-ended December 2011.

SmartBuses show how buses can play a better role in Melbourne's transport system



Source: PTV Market Intelligence Fact Sheet 17/05/12

ENVIRONMENT

Protect our natural assets and ensure a sustainable and more resilient environment in the face of a changing climate

Our city's liveability is influenced by the health and beauty of our natural environment. There are many things we can do to enhance the beauty and liveability of Melbourne's urban areas as well as its green wedges and environmentally diverse peri-urban areas. Locking in an urban boundary is crucial. Creating a green interface to our metropolis that helps define where the city ends and the countryside begins will safeguard biodiversity in non-urban areas. It will also secure the future use of those areas for agriculture and agri-business, recreation and open space, tourism, heritage and landscape conservation, waste management operations and alternative energy production.

There is widespread agreement that our planet's climate is changing due to a wide range of natural and human factors. The World Health Organisation (WHO) and other agencies now recognise that climate change is not simply an environmental or developmental issue — it is a significant and emerging threat to human health and wellbeing.

A key challenge is to position Melbourne as a world-leading city that is resilient to environmental impacts arising from growth pressures and other physical challenges such as a changing climate.

ADAPTING TO A CHANGING CLIMATE

Climate adaptation is about taking deliberate steps to manage the potential impacts of a changing climate on our lifestyles, our health and wellbeing, our environments, our infrastructure and our economy. Projected changes include:

- more days over 35 °C and higher annual mean temperature
- reduced average rainfall and stream flows, and fewer but heavier rainfall days
- possible sea level rise and storm surges.

These projections suggest an increased risk of bushfires, heatwaves, floods, drought and sea level rise as well as coastal impacts.

The *Victorian Climate Change Adaptation Plan* outlines arrangements for the preparation of risk-management strategies for public assets and services. It ensures that disaster resilience strategies are being implemented, and that government policies and programs encourage climate resilience and adaptive capacity. It is possible for Melbourne to retain its high level of liveability and reduce its greenhouse gas emissions. New planning tools and innovative infrastructure will help lower our vulnerability, reduce the risks and adapt better to our Melbourne's changing climate. Managing risks and adapting to climate change must be a shared responsibility, involving all levels of government and business, communities and individuals.

MAKING THE TRANSITION TO A LOW-CARBON CITY

Climate change mitigation refers to the actions we can take to prevent significant changes to our climate. It is widely recognised that Australia must substantially reduce its Greenhouse Gas emissions in line with international efforts to mitigate the risks of dangerous climate change. Though Australia only generates 1.5 per cent of global greenhouse gas emissions, on a per capita basis it is one of the world's largest polluters. Australia's per capita CO₂ emissions are nearly twice the OECD average and more than four times the global average.⁴¹ The main sources of Australia's greenhouse gas emissions are shown in figure ...

Figure 5 *National Greenhouse gas Inventory, 2011*⁴²

A city's level of Greenhouse Gas Emissions is partly a function of its urban structure. Transport emits about 16 per cent of Victoria's total greenhouse gases, with motor vehicles responsible for almost 90 per cent of our land transport emissions. In compact cities with shorter travel distances, walking and cycling are easier and the provision of public transport services is more economical. We will need to change both the way we travel and the emissions performance of our transport modes. A number of initiatives throughout this Plan will help transform Melbourne into a low-carbon city.

We will reinforce an urban structure which aligns housing, jobs and public transport through urban renewal, transit orientated development, residential growth zones in close proximity to the principal public transport network. This has both environmental and economic benefits by reducing trip length, travel time and cost. Urban renewal and growth in designated precincts can create a more energy efficient city. Actions within the Jobs and Investment, Housing and Transport chapters identify what we will do.

MAINTAINING HEALTHY ECOSYSTEMS AND BIODIVERSITY FROM CATCHMENT TO COAST

Melbourne, like all cities, depends on a range of natural processes to function. At the same time, the natural systems around the city depend on us caring for the condition of our land, waterways and vegetation, and supporting healthy habitats. This will become more challenging as the city grows. It will be important that we maintain the health of urban waterways, enhance our biodiversity values and ensure a carefully balanced approach to our coastal areas that safeguards the environment while allowing a variety of land uses.

Melbourne's peri-urban areas are ecologically diverse encompassing areas of local, state, national and international environmental significance. This hinterland supports nationally listed species such as the growling grass frog, golden sun moth, striped legless lizard, spiny rice-flower and matted flax-lily. It includes the natural temperate grasslands of the Victorian Volcanic Plain and grassy eucalypt woodland. It contains a number of national parks including the Yarra Ranges, Dandenong Ranges and Mornington Peninsula-Point Cook Coastal Park. It also includes internationally recognised wetlands under the Ramsar Convention (such as Western Port, the Edithvale-Seaford Wetlands and the

⁴¹ www.carbonneutral.com.au/climate-change/australian-emissions.html

⁴² Australian Government, Department of Climate Change and Energy Efficiency, Australia's Emissions Projections 2012

Western Treatment Plant at Werribee). Refer to Figure X shows the areas of natural value within the Melbourne Region.

Replace Map 22 in Version 10 with Figure X: Natural values around Melbourne
Source: DEPI, 2013

PROTECTING OUR NATURAL ENVIRONMENT AND EXPANDING OUR GREEN SPACES

Melburnians cherish their major public open spaces and want to see them protected. They also want to ensure that as the city grows its legacy of great parks and beautiful public gardens is continued into the future.

The generous parks and reserves of our Central City are not typical of the broader metropolitan area. Although there are many significant parks in middle and outer areas, increasing population density will place even greater demands on green spaces. We must plan a future city that provides equitable access to green spaces and natural environments so that all Melburnians can enjoy their benefits. Refer to Figure XX

Figure xx: Major Open Spaces
Source: VEAC, 2011; DTPLI, 2013

Our parks and green spaces make an important contribution to individual and community health, and education, and play an important role in Melbourne's distinctiveness and liveability. For all these reasons we must develop an integrated vision for our parks, bays and waterways that supports environmental health and recreational and tourist access.

If we protect the biodiversity and natural landscapes of our metropolis we will strengthen our capacity to respond to present and future environmental challenges.

REDUCING THE IMPACTS OF POLLUTION

Pollution of our air, water and soil affects our lives, health and wellbeing. Pollution can also detract from the attractiveness of places. Urban pollution is estimated to account for more deaths across the country than the road toll.⁴³ Motor vehicles are the chief source of air pollution in our city and have the greatest impact on urban air quality and human health. Emissions from industry and combustion can also pose a health risk. Children and the elderly are particularly sensitive to the exposure of air pollution.

Environmental noise can impact on people's quality of life through sleep disturbance, reduced productivity at work or school, stress, anxiety and other physical effects. Traffic noise is the major noise source within our city and yet Melbourne's noise levels have not changed substantially over the last 20 years despite increases in traffic and population.

⁴³ Begg S, Vos T, Barker B, Stevenson C, Stanley L, Lopez A. 'The Burden of disease and injury in Australia': 2003, in the State of the Environment Report 2011, and Parliamentary Inquiry into Environmental Design and Public Health p.15

Stormwater pollution is a significant problem facing our city's rivers and creeks. Stormwater washes 14,000 tonnes of sediment and 650 tonnes of nutrients, such as nitrogen from fertiliser, into the Yarra each year, as well as litter, heavy metals and bacteria. This contributes between 50 and 60 per cent of the total contaminant load into the bay each year. A denser, more contained and compact city form will need more water, and more innovative ways of capturing and re-using it. At the same time, we need to enable greater permeability of rainwater into the ground to sustain our ecological systems.

Our Plan for the Environment

Direction 5.1 Reduce the consequences of extreme climate events and related environmental risks

The nature of the Victorian climate and landscape is such that some communities living within Melbourne and its peri-urban area will continue to be threatened by natural disasters. Extreme events are likely to increase in frequency and severity as a result of climate change⁴⁴, including bushfire, river and creek flooding, heatwaves and coastal inundation due to sea level rise.

Map 1: Sea level rise

Extreme events in urban areas can cause significant costs to the community including loss of life, direct damage to property and infrastructure, indirect damage arising from disruption of normal social and economic activities, lifestyle and health impacts⁴⁵, loss of amenity and adverse impacts on business. They also have the potential to harm Melbourne's economy by disrupting the operation of urban infrastructure, threatening major food growing areas and water catchments or slowing down the tourism industry.

Initiative 5.1.1 Identify 'at-risk areas' and reduce their vulnerability

The recommendations of the 2009 Victorian Bushfires Royal Commission provide a model for planning for other risks including flooding, heatwaves and sea level rise.

The risk of flooding will continue to be unavoidable for some Melbourne communities. Over the 40-year life of the Strategy, the combination of climate change and land-use intensification will continue to magnify river bank flooding, flash flooding and coastal inundation. A combination of good planning, better water cycle management, improvements in urban infrastructure and building design can minimise the impacts and costs.

Heatwaves can also significantly affect people's health and activities as well as causing damage or disruption to critical infrastructure. Climate change is predicted to increase average annual temperatures, increase overnight minimums, and result in more frequent heatwaves.

As part of ongoing implementation of the *Victorian Climate Change Adaptation Plan* in the immediate term

- Update the planning system to

⁴⁴ The Climate Commission reports that to achieve climate stability by the second half of this century, GREENHOUSE GAS emissions must be reduced to close to zero by 2050.

⁴⁵ Increased temperatures and the frequency of bushfires and dust storms can also add to Melbourne's air quality pressures (see Direction E5).

- incorporate hazard resilience principles into Victorian planning schemes to improve integrated risk management;
- identify extreme risk locations as part of all rezoning and strategic planning, and ensure development is appropriate in high hazard areas; and
- ensure residential code(s) incorporate hazard-ready standards to stimulate appropriate design responses for proposals not subject to hazard-related overlays.

In the immediate to short term

- Develop and implement a statewide coastal risk management plan to identify coastal hazards and threats to assets and services on coastal crown land, prioritise risks and propose management measures for the highest risks.
- Design public spaces to withstand and quickly recover from flooding, coastal inundation and other hazards while maintaining their amenity and wider urban functions.
- Ensure zoning and buffers are built into planning systems for those areas prone to bushfires and flood.

Initiative 5.1.2 Cool Melbourne by greening buildings, roads and open space, and planting urban forests

Urban development typically creates warmer conditions. Known as the "urban heat island" effect (UHI), this warming is caused by the replacement of vegetated areas with buildings, roads and other impervious surfaces which reduce evaporative cooling, slow the release of heat overnight, and retain hot air trapped in spaces between buildings.

Graphic 2: Urban heat island

As our city grows we will need to implement design measures to 'cool' our environment. These can include increased urban greening and better use of urban stormwater, water-sensitive design, greening building roof areas and innovative approaches to greening buildings more generally, especially in areas where density is increasing. Master planning urban development of greenfield sites and urban renewal precincts creates opportunities to integrate urban and water planning initiatives.

Unless such responsive design measures are implemented as urban density increases, the effects of global warming will become more intense.

In the immediate term

- Develop urban design and infrastructure guidelines such as a 'cooling the city' response plan for the whole metropolitan area with the aim of ameliorating urban heat extremes and avoiding urban heat island impacts.

In the short term

- Update residential civic and employment precinct guidelines to include:
 - standards for tree canopies;
 - water management to support urban greening;
 - the use of permeable pavements and building material surfaces with thermal cooling properties; and
 - urban layouts that make use of natural ventilation to flush heat traps.

In the medium term

- Work with local councils to achieve canopy trees in at least half of all streets and roads and tree canopy or ground cover vegetation in at least 40 per cent of civic spaces.

Direction 5.2 Protect and restore natural habitats

Melbourne enjoys a rich natural amenity in its landscapes, waterways, foreshores and bays. This legacy exists because earlier generations understood the importance of open space and the relationships between nature, liveability and people's health and wellbeing. As our city continues to grow and change, it is critical that we continue to plan and deliver an integrated network of accessible open space and natural habitats that meet the needs of residents, workers and visitors, while adequately protecting native flora and fauna.

The government's *Biodiversity Conservation Strategy* aims to manage the impacts of development of Melbourne's urban growth corridors for the next 30 to 40 years⁴⁶. It protects species and provides certainty for developers in their planning and decision-making.

In addition to implementing the *Biodiversity Conservation Strategy*, there are opportunities to increase connectivity between natural areas, to facilitate species movement and greater genetic diversity within our native flora and fauna populations, and to improve their persistence in areas beyond the metropolitan boundary.

Initiative 5.2.1 Increase the protection and restoration of biodiversity areas

There are many areas across the metropolitan area where vegetation can be protected and restored. On public land, these include parks, waterways, road verges and wetlands (such as the western shoreline of Port Phillip, the Edithvale–Seaford Wetlands and at Western Port). On private land, landholders in Melbourne's non-urban areas are already permanently conserving the biodiversity values of their land through voluntary statutory covenants. Over 3,000 ha are already protected, and the number of landholders wishing to covenant their land is growing.

The government's *Biodiversity Conservation Strategy* identifies large, permanently protected areas outside the growth corridors, and a network of smaller, permanently protected areas both within and outside the growth corridors. It includes objectives to prevent any further deterioration of threatened flora, and to maintain sustainable populations of threatened fauna. It also streamlines environmental approvals processes, to improve housing markets in these outlying locations.

In the short to medium term

- Implement the *Biodiversity Conservation Strategy* in Melbourne's growth corridors.
- Establish a 15,000 hectare Western Grasslands Reserve extending from Mt Cotterell, south-east of Melton to the area north of Little River.
- Create urban conservation reserves in the growth corridors including 3,000 hectares of land along major waterways.
- Establish a large grassy eucalypt woodland reserve south-west of Whittlesea outside Melbourne's metropolitan urban boundary.

⁴⁶ The Biodiversity Conservation Strategy is part of Victoria's program agreement with the Commonwealth Government under section 146 of the Environment Protection and Biodiversity Conservation Act 1999

Initiative 5.2.2 Protect the values of our waterways

The health of Melbourne's 7000 km of waterways and our bays, and the biodiversity and ecosystems that rely on them, are crucial to our liveability and environment. Increasing urbanisation poses a significant threat to the environmental condition of waterway, and hence to key waterways values such as the presence and health of platypus, fish, frogs, birds, invertebrates and vegetation. The condition of our waterways is primarily a consequence of the quantity, velocity and quality of urban stormwater run-off, and the discharge of wastewater. The more effectively stormwater and waste water are managed, the cleaner and healthier our waterways will be.

In 2012, the Government released *A Cleaner Yarra and Port Phillip Bay*, which outlines priorities to achieve a healthier Yarra River and Port Phillip.

One of the five objectives of *Melbourne's Water Future* is to protect the environmental health of our urban waterways and bays. For many Melburnians, our relationship with the city is defined, at least in part, by our relationship with our coastal waters and waterways

In the immediate and short term

- Address threats to the health of Melbourne's waterways as part of the integrated water cycle management planning process.
- Develop new stormwater requirements to ensure that in new developments stormwater is managed in a cost effective manner that protects the health and amenity of downstream waterways and our bays.
- Maintain and improve the condition of riverbank vegetation along waterway corridors including, where appropriate, planting initiatives that will contribute to the development of an urban forest network across Melbourne.

Initiative 5.2.3 Protect the coastlines and waters of Port Phillip and Western Port

There are over 600 km of coast around Western Port and Port Phillip, with a wide range of environments including bay and ocean; sand, rock, mangrove and cliff; public land; private land; and different land uses. They include places of significant environmental value (such as Ramsar sites), and places of significant social value (such as recreational beaches).

Coasts contribute to the health and resilience of both marine and terrestrial ecosystems. However, due to our society's propensity to live near water, coasts will continue to be under pressure from continued metropolitan development.

We must ensure that protecting the environmental quality of both Western Port and Port Phillip is reflected in the Victoria Planning Provisions.

In the short to medium term

- Update the Victoria Planning Provisions to be consistent with the soon-to-be-released Victorian Coastal Strategy 2013–18.
- Develop planning measures to safeguard the health of Westernport and its surrounds from the potential impact of development on environmental values.

Direction 5.3 Enhance the food production capability of Melbourne and its non-urban areas

Together, Port Phillip and Western Port constitute the second most productive agricultural region in Victoria with output per hectare in these regions roughly four times the state average. Close proximity to Melbourne puts these areas in a strong strategic position to take advantage of niche markets and allows significant local food production to take place close to where most of it is consumed. Many Melburnians now want to source food that is grown locally and in a sustainable manner⁴⁷.

A number of global trends are creating new opportunities for Melbourne's food producers. The growing middle class in Asia is likely to become a significant and fast-growing market for high-quality produce. Melbourne's green wedges and wider peri-urban areas are well placed to take advantage of these opportunities thanks to a temperate climate, high-quality soils clean water supply, agricultural skills and quality standards.

Initiative 5.3.1 Protect our high-quality agricultural land in Melbourne's green wedges and peri-urban areas for food production

Some areas around Melbourne have very fertile soil which is essential for highly productive agricultural land uses. However, these areas are under threat from competing land uses, such as urban encroachment and rural residential development. Refer to Figure XX.

Figure XX: NEED TO INSERT MAP OF AREAS WITH HIGH QUALITY AGRICULTURAL LAND WITHIN METROPOLITAN AREA AND THE ADJACENT PERI URBAN AREA

We must carefully consider the capacity of primary production and the economic value of food industries into the future so that strategically significant agricultural land is not permanently lost to farming. We must also recognise our agricultural sector's competitive advantage over other cities in Australia and the Asia-Pacific region, and the opportunities this creates for export growth.

In the immediate to short term

- Identify, assess and protect under local planning schemes, using the agricultural overlay, the long-term value and environmental sensitivity of high-quality land for food production in Melbourne's non-urban areas
- Ensure local planning policy statements protect and support areas such as the Mornington Peninsula, Bellarine Peninsula, Macedon Ranges and the Yarra Ranges for food production and investigate the need for additional statements to protect resource values elsewhere within Melbourne's green wedges and peri-urban area
- Explore innovative planning measures to protect farming areas which are important to regional economic productivity and tourism, and facilitate the sustainable intensification and long-term viability of agricultural production.
- Review planning provision to enable agricultural activities such as livestock, meat processing and similar industries to be located in the peri-urban areas close to Melbourne

⁴⁷ See for example <http://localfoodconnect.org.au/> and <http://www.ceresfairfood.org.au/>

Direction 5.4 Improve noise and air quality to improve human and environmental health

Our city's environmental quality is greatly valued by both residents and visitors. It gives Melbourne a competitive edge as a location of choice in the regional and global contexts.

In the coming decades it will become increasingly important to manage pollution so that it does not exceed the environment's capacity to absorb it. Melbourne's air quality compares well with cities worldwide, but there are occasional days of poor air quality. The Council of Australian Governments (COAG) sets emission standards through National Environment Protection Measures (NEPMs) which are designed to minimise the potential pollution impacts from urban living, such as motor vehicle emissions. Victoria will work to ensure that these national processes set strict emissions requirements to manage pollution levels. Land use planning controls are another mechanism we can use to minimise urban noise and air pollution. Future development also must not leave a legacy of soil contamination.

Initiative 5.4.1 Integrate noise and air quality guidelines into land use and transport planning provisions

As urban renewal progresses, more people could be exposed to air and noise pollution in mixed-use areas, along major roads, at intersections, in popular entertainment areas and near industrial areas. In addition, predicted higher temperatures, more frequent bushfires and dust storms will add to the air quality pressures Melbourne faces.

Some sensitive land uses—such as childcare centres—can be located too close to busy roads. Emissions from small businesses can also pose health risks, unless they are treated or properly dispersed. Collocation of these small businesses with residential areas and community facilities requires careful consideration and technical guidance which is often not readily available.

The Environment Protection Authority is responsible for working with local governments to monitor air and noise emissions and enforce limits. However, small businesses are generally not licensed through the Environment Protection Authority. Clear guidelines are necessary to ensure that small-scale polluting activities are not located near sensitive uses (such as residential buildings).

Adopting measures to control excessive noise through planning, building and urban design and layout will help to safeguard community health and amenity as Melbourne becomes a bigger and busier city.

In the short term

- Develop land use planning guidelines to inform the location of sensitive uses, and provide building and urban design advice about how air emissions and noise exposure can be reduced.
- Strengthen mechanisms (such as clearer standards and guidance) to protect separation, buffer and interface distances for existing facilities and uses which create noise and air quality issues.

Case study

Middlesbrough Environment City, Middlesbrough, UK

'Reducing a whole town's environmental footprint'

One Planet Living is a global initiative developed by international charities BioRegional and WWF. The area of productive land and sea on planet Earth is limited, and the human population is placing increasing demands on this finite resource which cannot be sustained. Middlesbrough, England has adopted a comprehensive program to deliver on 10 key principles to address these demands. Middlesbrough has successfully applied the One Planet Living principles as a practical way of helping to provide the best possible services to the Middlesbrough community within tightening budgets, demonstrating the link between saving the planet's resources and prudent economic management.

These principles also define the complex issues of sustainability in a framework that is easy to understand, helping communities to prioritise the actions needed to make Middlesbrough more sustainable.

Middlesbrough is one of four Environment Cities in the UK. Environment Cities share the common aim of demonstrating ways of managing cities and large towns in an environmentally friendly manner, meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Middlesbrough Environment City shows how citizens can all play their part by living greener lifestyles, saving cash and helping to sustain and develop flourishing, resilient communities.

The 10 key principles:

Zero carbon: Making buildings more energy efficient and delivering all energy with renewable technologies.

Zero waste: Reducing waste, reusing where possible, and ultimately sending zero waste to landfill.

Sustainable transport: Encouraging low carbon modes of transport to reduce emissions, reducing the need to travel.

Sustainable materials: Using sustainable, healthy products with low embodied energy, sourced locally, made from renewable or waste resources.

Local and sustainable food: Choosing low impact, local, seasonal and organic diets and reducing food waste.

Sustainable water: Using water more efficiently in buildings and in the products we buy; tackling local flooding and watercourse pollution.

Land use and wildlife: Protecting and restoring biodiversity and natural habitats through appropriate land use and integration into the built environment.

Culture and community: Reviving local identity and wisdom; supporting and participating in the arts.

Equity and local economy: Creating bioregional economies that support fair employment, inclusive communities and international fair trade.

Health and happiness: Encouraging active, sociable, meaningful lives to promote good health and well-being.

<http://www.middlesbrough.gov.uk/index.aspx?articleid=4261>

Case study

Conserving country: River Red Gums and stony rises, Whittlesea

'Integrating nature and interpreting Aboriginal culture'

The most important visual and environmental features of Whittlesea are generally recognised to be the mature River Red Gums in an open plains grassland environment. These trees are old – many are between 200-800 years of age – some were saplings in the middle ages when Marco Polo was establishing links between Europe and Asia. They were used for canoes, shelters and carrying containers by the local Aboriginal people.

Existing and future urban areas such as Mill Park, South Morang and Mernda–Doreen contain significant River Red Gum habitat. Very few of the original River Red Gums survive the surrounding encroachment of urban development unless careful site assessment and planning occurs. These areas also contain stony rises, and important natural feature

Council and the State Government have recognised the intrinsic value of River Red Gums and stony rises in establishing character and identity in urban and rural and have worked to ensure that the development of urban and rural areas takes into account the presence, retention, enhancement and long term viability of River Red Gums. Existing River Red Gums are assessed and treated as an integral part of development design.

Many Red Gums and stony rises are incorporated into local open space areas. The stony rises were an important feature for the local Aboriginal people as a platform to spot game in the grasslands. Today new residents can stand on the same local lookouts.

Council is developing the Quarry Hills on a series of ridgelines between the Epping North, South Morang and Mernda–Doreen Growth Areas. The park is being progressively developed and includes the ridgelines in its eastern portion, and land running down to and including the Darebin Creek in its western portion.

The current UGB follows the Park boundary. The Park will potentially see 1,100 ha of land brought into a regional park. The current UGB–Park boundary was adopted following submissions by Whittlesea Council to Melbourne@5Million to allow for some developable land on lots identified for inclusion in the Park on the basis that the balance of land was transferred to Council.

Today visitors can take to one of the 3 walking tracks and look out for birds of prey, bush birds, small marsupials, shiny skinks and kangaroos. Ride bikes on the trails, admire views to the city, mountains and even Port Phillip Bay from the viewing platform, walk the dog, have a picnic and explore the rocks on Granite Hill.

Conserving River Red Gums and stony rises shows how timeless elements of place can be carried forward as an area changes

WATER, ENERGY AND WASTE

Integrate the planning of water, energy and waste management systems in a more efficient and sustainable manner.

The way our water, energy and waste resources are secured and managed will have a range of impacts on Melbourne's competitiveness, amenity, environmental sustainability and its resilience to extreme climatic conditions. A growing population creates an imperative to manage our resources in a more integrated and efficient way and planning them coherently with all other components of the city.

Water, energy and waste resources are often viewed simply as inputs or products of the functioning of a city. This underestimates their potential. Melbourne needs to move away from an approach where we separately manage and develop water, energy and waste systems. The new imperative is to integrate our planning for these resources with the ongoing development of our city. This applies within each resource sector (water, energy and waste) and between these resources and land use planning and design.

USING AND REUSING ALL SOURCES OF WATER

Melbourne's water supply system comprises 157,000 ha of protected catchments in the Yarra Ranges, 10 water storage dams, 1,062 km of water distribution mains, 27,220 km of water pipes, 214 km of aqueducts, 65 service reservoirs, 178 major water pumping stations and 42 water treatment plants (including two large plants in Winneke and Tarago).

In July 2013, the Government released for consultation *Melbourne's Water Future*, a new approach to managing the urban water cycle in Melbourne. One of the Strategy's key objectives is to make better use of all available water sources including recycled water, rainwater and stormwater.

The volume of stormwater runoff from Melbourne's rainfall is greater than the amount we actually use from our dams, and this volume of water is more than enough to provide both an alternative supply for non-drinking purposes and a healthy flow to our waterways and bays. We need to value and use the rain that falls on Melbourne. This will help to minimise water price increases. It will also improve the health of waterways and bays, reduce urban flooding, enhance our liveability and amenity, and help cement Melbourne as a centre of expertise in integrated-water-cycle management, a key capability for the 21st century.

We need to change the way we plan and manage both urban development and our water services, to enable a more comprehensive and innovative use of stormwater and recycled water.

DEVELOPING LOCAL SOLUTIONS TO ENERGY GENERATION

Demand for energy – both gas and electricity – in Melbourne continues to grow, driven not only by population growth but also by smaller households and rising incomes. Energy production and consumption is the major source of our GHG emissions, accounting for 84 per cent in 2009. The built

environment contributes to a significant demand for energy, with the operation of buildings alone accounting for up to 40 per cent of total energy consumption.

The impacts of energy consumption present significant challenges for Melbourne. Energy is a large component of household costs. The challenges are to manage the costs of electricity prices, improve energy efficiency and de-carbonise electricity consumption to levels consistent with our low carbon city aspirations and liveability goals.

With increased inter-connectivity of Australia's electricity transmission network, state-based energy self-sufficiency with large scale central generation will become less important. As with water management, large central energy facilities will increasingly be supplemented by local solutions. Developing local energy solutions and integration into the national transmission network will become more important not only for reasons of price and sustainability but also because of rising aspirations within local communities to have more control over their own energy supply and consumption.

GETTING ECONOMIC VALUE OUT OF WASTE

The first objective of any city-wide waste management strategy should be to avoid or reduce the amount of waste produced. The second is to find ways to recover and productively reusing the waste we do generate. This is critical in a land use context, as it will minimise the need to find suitable landfill sites to store waste as the city grows. Attracting investment for the right mix of waste management and resource recovery infrastructure is vital for maintaining the environmental resilience and long term productivity of Melbourne.

But even with waste reduction and recovery there will always be waste products to manage. The amount of waste we create is increasing and its composition is changing. Despite efforts to recycle more of our waste, technological advances mean that new waste products like computers and mobile phones are now entering the waste system in increasing volumes.

Planning for waste management and resource recovery infrastructure needs to strike the right balance between securing the land and waste streams needed to underpin the commercial viability of infrastructure investment, while providing industry with the flexibility it needs to identify and act on new and emerging markets for recovered resources.

Markets for recovered resources will determine the direction of infrastructure investments, but the Government needs to provide an overall strategy to ensure that the conditions are right and that the infrastructure network can meet the variety of needs across the state.

Our Plan for Water, Energy and Waste

Direction 6.1 Integrate water cycle management to deliver sustainable and resilient urban development

Melbourne has made significant advances in water cycle management in recent years. For instance, 5 GL per year of stormwater and rainwater is harvested for use in Melbourne, including water collected from the 30 per cent of new households with rainwater tanks.

INSERT DIAGRAM FROM OLV ON IWCM

The urban development process is an important means of supporting how we manage and make use of water to improve liveability, protect waterways and minimise the impact of flooding. Our Plan for Melbourne supports implementation of *Melbourne's Water Future* through influencing how urban development occurs across new and established urban areas.

Initiative 6.1.1 Develop and implement Integrated Water Cycle Management plans in each of Melbourne's subregions

Integrated water cycle management will need to be carried out at three levels: metropolitan, regional and local. The long-term metropolitan water cycle planning framework will outline current and future citywide infrastructure requirements.

Regional water cycle plans will be based on catchments and groupings of local governments (such as the growth areas, and inner-city local governments). These plans will be consistent with the metropolitan framework and be informed by detailed examination of the particular characteristics of each region. Plans will have a ten-year timeframe, with detailed implementation plans to be updated every three years.

In Melbourne's inner suburbs much of the existing water services infrastructure will need to be replaced or upgraded in coming years providing an opportunity to redesign key parts of the water infrastructure to incorporate hybrid centralised/decentralised water infrastructure to extend and augment the capacity of the metropolitan water system as a whole.

Our new approach to water cycle management will secure the water supply needed to keep our city's parks, gardens and street trees thriving, improve the amenity of our suburbs and protect the ecological health of rivers, creeks and waterway parklands. Local integrated water cycle plans will also be developed consistent with city-wide infrastructure planning and the relevant subregional plans. These will be based on examination of the characteristics of the municipality, as outlined in the draft release of *Melbourne's Water Future*.

In the immediate to short term

- Amend the *Victoria Planning Provisions* to reflect the strategic intent of *Melbourne's Water Future*.
- Implement the three levels of planning for integrated water cycle management initially with five local demonstration plans.
- Require all buildings of greater than 3000 m² of gross floor area to have water retention and recycle systems.

Direction 6.2 Protect our significant water and sewerage assets

There are around 700km of waterways in metropolitan Melbourne which form an essential component of our City's open space network. They provide a sense of place and important habitat for maintaining biodiversity. The Port Phillip and Western Port region's rivers and creeks are popular recreational destinations for residents and tourists, with around 90 million visits to our rivers and creeks each year.⁴⁸

⁴⁸ Melbourne Water (2012)

Melbourne's drinking water is sourced from a combination of closed, forested catchments, and open catchments that receive water from land in private ownership. The extent of Melbourne's open catchments in Upper Yarra and Thomson are unique but are vulnerable to changes of land use and development that could contribute to pollution of source waters used for Melbourne's drinking water supply if not appropriately managed.

These risks may also apply to the drainage catchments of drinking water storage reservoirs such as Greenvale, Silvan and Cardinia reservoirs located within our green wedges.

Initiative 6.2.1 Protect our water and sewerage assets

Significant metropolitan infrastructure assets, including the Greenvale Reservoir and Eastern Treatment Plant, have been experiencing pressures from the encroachment of sensitive and incompatible land uses. Some sewerage assets could also be subjected to urban encroachment, resulting in risks to urban amenity and health.

In the immediate to short term

- Work with water authorities to review land area and buffer requirements of significant water and sewerage infrastructure to ensure the ongoing protection of public health and safety.
- Work with Melbourne Water and Councils in identifying stressed waterways in the metropolitan area. Wherever possible this will be done as part of preparation of subregional and local/precinct Integrated Water Cycle Management plans; and
- Require our water authorities to update urban stormwater management requirements for new development to encourage local detention and infiltration of stormwater for water supply for street trees, public parks and gardens and private landscaping.

Initiative 6.2.2 Protect our open space waterway corridors from inappropriate development

The Government has introduced significantly stronger planning protections for Melbourne's two main river corridors, the Yarra and Maribyrnong Rivers. These include mandatory height controls, controls in relation to site coverage, vegetation removal, and drainage requirements as well as discouraging development that intrudes on existing public and private open space adjacent to the river.

This approach to protecting rivers from inappropriate development will be extended to other rivers in Melbourne.

In the immediate to short term

- Prepare and implement appropriate planning provisions for all remaining major waterway corridors within the metropolitan region.

Direction 6.3 Reduce energy consumption and transition to clean energy

Clean energy—also known as green energy—is energy which can be obtained from renewable or natural resources and does not create environmental debt. Clean energy can also be energy which creates less pollution, no pollution at all, or that uses resources that can be easily renewed.

While national energy policy settings and action in national markets for energy generation will largely determine how we reduce energy consumption, state and local initiatives are also important. Such initiatives can provide integrated solutions to water, waste and energy issues such as

converting waste to energy, reducing atmospheric emissions while at the same time reducing the demand for landfill facilities.

However, the main lever for sustainable energy is a combination of energy efficiency and local energy generation. We are seeing this happening in innovative ways around the world and in Melbourne. In Central Dandenong the Precinct Energy Project is serviced by a tri-generation capable system providing low carbon electricity and thermal heating and cooling to building owners and tenants. The Smart Energy Zone in the Doncaster Hill development is supporting a tri-generation facility that will supply heating, cooling and power to Manningham's City Square building via a micro-grid. We have the technologies and drive for innovation at the local level to transition to a clean energy future.

Initiative 6.3.1 Enable more widespread deployment of co-generation and tri-generation plants

Co-generation and tri-generation technology relies upon capturing heat created from electricity generation for further electricity generation and heating and cooling. These energy systems can be 80 per cent more energy efficient than conventional sources and produce 60 per cent less carbon emissions. They can provide a distributed energy supply for a building, or a whole precinct⁴⁹. They are ideally suited for providing power in situ for buildings above a certain size where the capital costs can be spread across an area of sufficient space to make it economic.

INSERT SIMPLE DIAGRAM EXPLAINING WHAT CO-GEN IS

The planning system has an important role to play in the deployment of these innovative energy systems. By encouraging investigation of localised energy supply and heating and cooling facilities at the early stages of planning, particularly for greenfield suburbs, our city can transition to clean energy.

In the immediate to short term

- Develop a whole-of-government policy framework for the deployment and operation of co-generation and tri-generation plants in commercial and residential areas, and regional planning policies to facilitate the delivery of clean energy projects.
- As part of the new whole-of-government policy framework, investigate opportunities for local generation of electricity in growth areas and strategic sites around the city.
- Prepare template commercial agreements for shared use of co-generation and tri-generation facilities to relieve developers and their customers of the high costs that can be incurred in obtaining commercial and legal advice associated with creating and participating in shared facilities.

Initiative 6.3.2 Encourage alternative clean energy technologies

Clean energy is seeing record levels for investment globally. In Australia more than \$5.2 billion was invested in renewable energy⁵⁰ during 2010-2011 of which \$4 billion was household solar panels.⁵¹

⁴⁹http://www.climateworksaustralia.org/sites/default/files/documents/publications/climateworks_unlocking_barriers_to_cogeneration_report_sept2011.pdf

⁵⁰ There are nine major types of renewable energy they being bioenergy, geothermal energy, hydroelectricity, solar energy, marine energy and wind energy.

⁵¹ Clean Energy Council Annual Report, 2011

According to the Clean Energy Council just under 10 per cent of Australia's electricity in late October 2011 came from renewable energy.⁵²

Over the next 40 years we will see further developments in the renewable energy industry at the individual household, municipal, metropolitan and state-wide levels. The peri-urban area surrounding our city will offer opportunities for some of these clean energy enterprises.

In the short term

- Investigate as part of a comprehensive assessment of the economic and investment opportunities available in Melbourne's peri-urban area the potential for clean energy enterprises and, where appropriate, work with Councils to identify areas where such activities could be encouraged to locate.
- Prepare a planning policy which recognises the role of clean energy technologies in transitioning Melbourne to become a low carbon city and encourages greater use of solar energy in all new development; and
- As the price of solar power decreases, identify opportunities for the installation of commercially viable solar photo voltaics along freeways to support lighting, Intelligent Transport Systems and signage for users of these roads as well as opportunities to feed this energy back into the metropolitan grid.

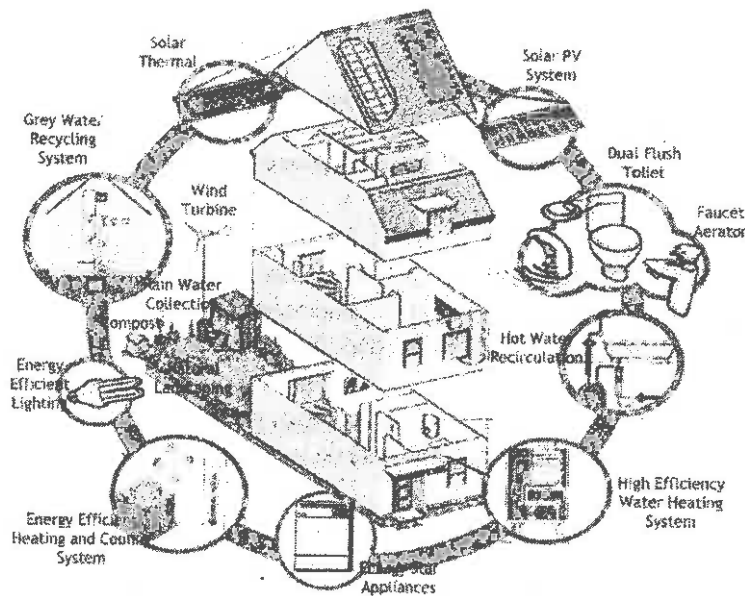
Initiative 6.3.3 Reduce energy use in buildings and encourage precinct based energy initiatives

Energy use in buildings is responsible for about a quarter of Australia's GHG emissions. On Australia's hottest days, air conditioners consume approximately one fifth of all electricity generated. Building upgrades can greatly reduce energy consumption when they involve a mix of lighting, appliance and, in some cases, building shell upgrades.

INSERT DIAGRAM OF A TYPICAL HOUSE AND WHAT THINGS CAN BE DONE TO MAKE IT MORE ENERGY EFFICIENT for example the diagram⁵³ below may be okay.

⁵² Australia's national Renewable Energy Target is 20% of the nation's electricity from renewable resources by 2020.

⁵³ <http://www.google.com.au/imgres?imgurl=http://www.renewablestore.com.au/wp-content/uploads/2012/05/energy-efficient-house.jpg&imgrefurl=http://www.renewablestore.com.au/solar-101-back-to-school&h=1040&w=1263&s=520&tbnid=BYKx6Wp89qk2M:&tbnh=85&tbnw=103&zoom=1&usq=CISDpR3UXf1aEsfUlaHPyGx8YuA=&docid=luOwLeNoPln-M&sa=X&ei=mUHKUfgJL8iUiAevhYCAw&ved=0CFUQ9QEwAg&dur=6564>



Sustainability Victoria has been collecting real retro-fit data to understand the practical issues involved, householder acceptance and perceptions and the actual costs and benefits realised through residential building upgrades. This data will be disseminated throughout local government and the building industry to inform and motivate neighbourhoods retrofit programmes.

In the immediate to short term

- Adopt mandatory regulations for best-practice energy rating and design standards on all new building classes and types.
- Investigate opportunities and constraints for precinct scale use of renewable resources and develop a long term transition plan for improving energy efficiency of all existing buildings, both at the individual building and precinct levels.
- Advocate through national forums higher building energy standards that are consistent with broader energy efficiency policy.

Initiative 6.3.4 Support local governments in their efforts to promote energy efficiency

Many Melbourne local governments are highly innovative in their approach to energy efficiency and, importantly, adopt the innovations of other local governments. This is common where local government partners with the private sector to pilot innovative ideas. For example, the City of Melbourne has embarked on an ambitious program of energy efficiency upgrades to existing commercial buildings. Its environment upgrade agreements provide secure, low-cost finance for building upgrades, with the city acting as an intermediary. The city has won international recognition for this innovation: we will ensure that other local governments can adopt a similar approach.

In the short to medium term

- Amend the *Local Government Act 1989* so that local governments can use environment upgrade agreements, as has occurred with the *City of Melbourne Act 2001*.

Direction 6.4 Reduce waste and get value from waste

Victoria has increased its annual waste generation from roughly 8 million tonnes in 2000 to 11.9 million tonnes in 2011, with Melbourne accounting for approximately 80 per cent of Victoria's solid waste production. Refer to Figure XXX. As Melbourne grows we will need to manage waste production and disposal. Our primary objectives will be to reduce the amount of waste produced, get value out of waste by recovering and reusing as much waste as possible and minimise the environmental and public health risks associated with waste disposal.

Figure XXX: INSERT GRAPHIC ON PROJECTED WASTE GENERATION FOR VICTORIA – IT IS FIGURE 2 IN THE GETTING FULL VALUE POLICY document

Getting full value: the *Victorian Waste and Resource Recovery Policy* outlines the government's approach to reducing waste generation, and making better use of the resources available from materials that are currently being sent to landfill. It also highlights that waste management and resource recovery facilities need secure, long-term sites, and secure long-term supplies of waste materials to remain commercially viable. They need access to existing freight corridors between transfer stations, recovery facilities and landfills, and markets for end products, and to be buffered from incompatible and sensitive land uses.

INSERT FIGURE SHOWING LOCATION OF EXISTING WASTE DISPOSAL FACILITIES IN MELBOURNE REGION AND PERI URBAN AREA

Getting full value identifies that a critical part of waste management is 'industrial ecology' – the extraction of products from urban waste by linking industrial processes so that the by-products of one process are used productively as an input to a later process. *Getting full value* outlines the Government's initiatives to support the growth of industrial ecology.

The planning system has a critical role in ensuring waste management and recovery sites and infrastructure are protected from incompatible nearby land uses, and also ensuring that waste management and resource recovery systems provide adequate infrastructure for new urban developments in a way that ensures the public health and amenity of residents is protected.

Initiative 6.4.1 Facilitate the development of a container refund program

Container deposit and refund schemes provide greater incentives for recycling a broad range of drink containers that contribute to the waste stream. South Australia has had a container deposit scheme in place since 1977 which currently provides a 10 cent refund on drink containers. The return rate on beverage containers is over 80 per cent in South Australia resulting in reduced litter on streets and in streams and waterways. The scheme has 98 per cent community support. The Victorian Government supports the introduction of a national container deposit and refund program and will look at the merits of pursuing a scheme in Victoria.

In the immediate term

- Work with the Commonwealth Government to support the introduction of a national container refund scheme.
- Investigate the potential for a state-based scheme to reduce litter and improve resource recovery.

Initiative 6.4.2 Protect waste management and resource recovery facilities from urban encroachment and assess opportunities for new waste facilities

Waste management and resource recovery facilities are essential parts of our urban infrastructure. Historically, planning for our city's waste and resource recovery infrastructure has been short-term, focusing on the opportunistic use of old quarries for landfills. This has not always matched the timeframes of urban land use planning and, as a consequence, conflicts between landfills and residential land uses have occurred.

A lack of long-term land certainty is a barrier to infrastructure investment. Waste and resource recovery facilities need to remain fully operational and productive over the life of the investment. This relies on land and separation distances being secured, and appropriate zoning of land within designated separation distances surrounding landfill sites and resource recovery sites.

We will create direct links between waste and resource recovery infrastructure planning and land use planning by applying a combination of statutory measures and clearer guidance to identify and protect waste and resource recovery sites and separation distances.

Co-locating new waste-related infrastructure with complementary activities provides an opportunity to share existing separation distances and facilitate the integration of waste, water and energy management.

Waste-to-energy technologies are an example of advanced resource recovery infrastructure that can be co-located with other complementary infrastructure. Government welcomes investments in waste-to-energy and other alternative reuse technology that can convert waste into useful products and create new business opportunities in reprocessing and reusing waste.

In the immediate to short term

- Determine the capacity of existing landfill sites and identify sites for additional facilities, if required.
- Strengthen planning controls and guidance to protect separation distances for all landfill and resource recovery sites listed in the Municipal Solid Waste Infrastructure Schedule and the Metropolitan Landfill Schedule of the *Metropolitan Waste and Resource Recovery Strategic Plan*, under the *Environment Protection Act 1970*.
- Develop land use planning measures to support collocation of allied and non-sensitive industries on or near waste and energy precincts.
- Establish our city's long-term needs for waste management sites; work in consultation with local governments and key stakeholders to identify areas where these sites may be located; and, through planning, secure adequate sites for these purposes by rezoning land in planning schemes.
- Encourage co-location of new resource recovery infrastructure with complementary infrastructure (such as waste water treatment and other industrial activities). High-priority areas for immediate action include organics processing to service the south-east metropolitan area.

In the short to medium term

- Ensure precinct plans provide for waste and resource recovery infrastructure identified in the *Metropolitan Waste and Resource Recovery Strategic Plan*.

Initiative 6.4.3 Develop new waste systems to meet the logistical challenges of medium and higher density developments

Most high rise residential and mixed use developments, and some medium density residential developments lack comprehensive waste and recovery infrastructure and services as they were not designed into the development. Developments must contract for the provision of waste services on an individual site basis, with waste services often more costly and not as integrated and comprehensive as waste services provided by local government. Additional costs are also associated with the collection of hard wastes and recyclable materials from these sites, which often means recycling services are not contracted for and all waste collected goes to landfill.

At a precinct level, individual site contracting results in many different waste collection service providers, different bin types and collection schedules and hence many different vehicles entering the precinct to collect waste.

Recent innovations such as vacuum systems for removing waste are being used in new developments in some European cities. Vacuum systems can operate at a city centre, precinct level or large building scale.

We will ensure that waste infrastructure and waste service requirements are appropriately dealt with in planning scheme controls that govern multi-unit residential and mixed use developments.

In the immediate to short term

- Make changes to the VPP to better define the need and provision of waste infrastructure for all multi-unit residential developments.
- Review and streamline planning standards for waste and recycling storage and collection in apartment buildings.
- Investigate and encourage precinct-wide innovations in waste management and recycling.

Initiative 6.4.4 Maximise the economic recovery of waste

There is a large and growing list of products which can be created or recycled from wastewater such as renewable energy, soil products and fertilizers. New technologies and processes are now emerging to convert the components into bio-fuels and bio-plastics. These technologies increasingly operate across multiple 'waste' streams accommodating food waste, green waste, and even municipal waste. The water sector (water authorities, local government and private sector) could play a greater role in organics and 'waste' management in Melbourne.

Recycling wastewater offers an opportunity to expand agricultural food production for domestic and overseas markets, create local jobs and attract food processing and other manufacturing industries. The Bunyip Food Belt in Melbourne's peri-urban area offers opportunities to direct excess water from the Eastern Treatment Plant to irrigate high value crops in this belt. Already Class A recycled water is available from the plant to support the water needs of horticultural and other food producing activities thus reducing the amount of treated wastewater being disposed of into Bass Strait.

In the short term

- Investigate opportunities with local councils, Melbourne Water and key stakeholders to recycle more treated wastewater and feed it back into the food production activities within and around our metropolitan urban boundary as part of a food production policy for our city and its hinterland.

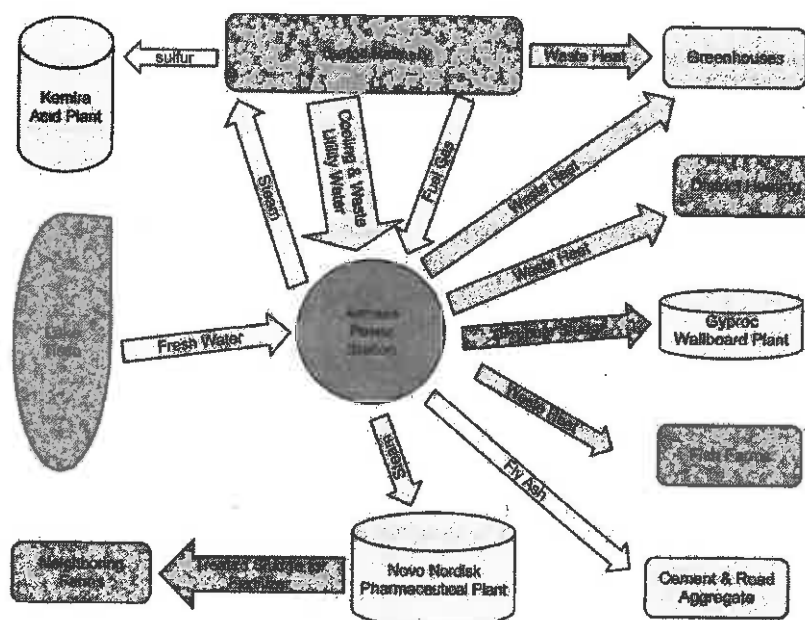
Case study**Kalundborg Eco Industrial Park, Denmark*****'Turning waste into a resource'***

Careful location of industrial projects can turn 'waste' into a resource. One of the best examples of this is Kalundborg Eco Industrial Park, Denmark. The industrial park has a power station at its core which has material and energy links across the park. Surplus heat from the plant is used to heat nearby homes and a local fish farm that then produce fertiliser from the sludge. Steam is sold to a nearby pharmaceutical company. Gypsum which is used by the power plant on the sulphur filters is then used by a plasterboard manufacturer.

At the centre of the exchange network is the Asnæs Power Station, a 1500MW coal-fired power plant, which has material and energy links with the community and several other companies. Surplus heat from this power plant is used to heat 3500 local homes in addition to a nearby fish farm, whose sludge is then sold as a fertilizer. Steam from the power plant is sold to Novo Nordisk, a pharmaceutical and enzyme manufacturer, in addition to Statoil power plant. This reuse of heat reduces the amount thermal pollution discharged to a nearby fjord.

A by-product from the power plant's sulphur dioxide scrubber contains gypsum which is sold to a wallboard manufacturer; almost all of the manufacturer's gypsum needs are met this way reducing the amount of open-pit mining needed. Fly ash and clinker from the power plant is used for road building and cement production.

Kalundborg Eco Industrial Park shows how we can be more sustainable by thinking more creatively about 'waste'.



Case study

Altona Recycled Water Project Stage 1

'Saving a precious resource'

The Altona Recycled Water Project involved designing, constructing and operating a recycled water treatment plant at the site of the Altona Wastewater Treatment Plant, to produce recycled water which meets EPA standards and has low salt concentrations.

The Altona Recycled Water Project supplies approximately 2.5 GL per year of fit-for-purpose recycled water to industry, golf courses and public open space in the Altona area. Up to 6 ML of recycled water is used by plastics manufacturer Qenos each day for boiler and cooling tower water. The recycled water pipeline to Koorringal Golf Course, Sanctuary Lakes Golf Course and Altona Green delivers up to 3 ML per day. The recycled water at these locations is used mainly for irrigation purposes.

The project was made more complex due to the two qualities of water required – it is not common practice to produce multiple qualities of recycled water from the one plant. The recycled water treatment plant utilises ultrafiltration and reverse osmosis – a system that uses pressure to force 'fresh water' through a semi-permeable membrane or filter – to remove excess salt from the treated waste water.

Production of recycled water for irrigation (the golf clubs and Council open spaces) requires demineralisation through a single pass reverse osmosis system. Production of industrial grade recycled water requires treatment through a two pass reverse osmosis system. Development of the project required careful management of customer expectations for water quality and availability, integration with the existing Altona Wastewater Treatment Plant operation and the implementation of modelling, monitoring and dispersion measures to minimise the impact of the discharge on the environment.

During the project monitoring period, it was observed that the quality of the sewage into the Altona Recycled Water Project could vary significantly in some parameters over short periods of time. This phenomenon was discovered to be the result of some discharges into the sewerage system upstream of the Altona Treatment Plant that passes through the wastewater treatment process and into the plant effluent. One outcome from these observations was that there would be times during the plant's operations when the feedwater could not be recycled to agreed standards. This essential information was factored into the system and operational design of the plant to ensure recycled water output was of the required quality at all times during the operation of the plant.

Altona Recycled Water Project Stage 1 shows the benefits of local water recycling.

PLACE AND IDENTITY

Create quality urban environments across Melbourne that support our city's social, cultural and economic activity and build on Melbourne's legacy of distinctiveness and liveability

Melbourne is a city like no other in Australia. Its distinctiveness is not just about its appearance. Other, more intangible things are just as important — it is a good place to live, its form and functions support productive work and it nurtures cultural and social activities.⁵⁴ We have a strong history of good planning and design which we will carry forward in implementing this Strategy

The coming decades will bring new opportunities to reinterpret and reshape our public spaces and to renew faded areas with new people and vibrant new uses. The challenge will be to keep what we value while allowing the city to develop and change in response to the changing needs of future generations.

A MOST LIVEABLE CITY

Melbourne is one of the world's most liveable cities. It offers its residents and visitors a vibrant and diverse range of options for entertainment, education, recreation and living. However, Melbourne's history of outstanding public works in the Central City — formal parks, attractive public spaces, grand boulevards and atmospheric laneways — is not yet matched in many outlying areas. We need a more effective place-making approach for those areas, particularly where we will accommodate higher levels of urban growth.

A CITY OF DIVERSITY

Melbourne is a city of suburbs, with their own distinctive character ranging from vibrant higher density inner urban areas that offer a rich variety of cultural, entertainment and sporting attractions to its low density family friendly suburbs with good access to schools, retail precincts and community facilities. Together they create an accessible and inclusive city with living options that cater to people across all life stages.

Melbourne is a remarkably multi-layered place. Our cultural heritage may have been shaped by post-contact settlement, but there are also places of continuing Aboriginal cultural significance in our city. Waves of post-war migration, too, have profoundly enriched life in Melbourne. The cultural diversity of our population is a tremendous asset which adds to the city's vitality and brings with it important economic and cultural benefits as well as a stronger understanding of our globalised world. About 45 per cent of Victorians are born overseas or have at least one parent born overseas. We have family origins in more than 230 countries; we represent 120 religions and speak as many as 200 languages other than English.

The more we do to strengthen Melbourne's distinctive feel and identity, the more people will want to come here to live or to visit. Enhancing important aspects of our city's 'heart and soul' will add to its appeal as a destination of choice.

⁵⁴Jones & Whitehead Pty Ltd (March 2013), *A Metropolitan Mosaic – the physical fabric of Melbourne*.

PLACE-MAKING FOR A BETTER MELBOURNE

An identifiable sense of place emerges from a unique set of characteristics and qualities – visual, cultural, environmental and social – that give meaning to a location. And sense of place matters in some surprising ways. For instance, communities that have a high level of attachment to their cities also tend to have a high rate of Gross Domestic Product (GDP) growth.

Place-making is a conscious strategy designed to promote people's health, happiness, prosperity and wellbeing. It brings together a range of factors and disciplines, including economic development, urban design and environment, culture, community engagement, finance and governance. Place-making can apply to whole regions or individual neighbourhoods. In all cases it aims to capitalise on local assets, inspiration and potential.

Our plan for Melbourne identifies several Significant Change Areas being areas where higher density mixed use development will be encouraged as part of creating more jobs and enabling more people to live closer to where job agglomerations occur. Place-making will be important in the redevelopment of these areas as it will be in the delivery of city shaping infrastructure projects.

MELBOURNE AS OUR NATION'S SPORTING AND CULTURAL CAPITAL

Melbourne's liveability and its reputation draw on its cultural and sporting events and precincts. Iconic venues like the MCG and Melbourne Arts Centre are integral to the city's identity. Our stadiums, business conference and convention facilities, libraries, museums, galleries, performing arts venues, parks and open spaces all contribute to making Melbourne a vibrant creative city that supports a busy year-round calendar of events and festivals. To maintain our city's reputation and global competitiveness we will need to ensure that we refresh and expand our cultural, sporting and convention infrastructure, and add to it with new, world-class facilities.

MELBOURNE AS A DESIGN CAPITAL

Thanks to its well-preserved heritage buildings, its strong and distinctive modern architectural character and its street art and thriving museums, Melbourne is one of the design capitals of the world. The benefits of good design, and its capacity to improve peoples' experience of the city, are increasingly well understood. However, more can be done to leverage our skills and assets to strengthen Melbourne's credentials as a creative and artistic city.

We need to focus on achieving a higher standard of design excellence in our buildings and urban landscapes, by establishing consistent processes that promote excellent design outcomes in both public and private sector developments, and embedding them in the planning system.

PROTECTING MELBOURNE'S HERITAGE AND PHYSICAL ENVIRONMENT

Cities are constantly evolving. It is inevitable that during times of rapid growth there will be tensions between preserving the best of the past and building for the future. We will manage future growth and change so that Melbourne's distinctive characteristics and heritage are maintained and its liveability is enhanced. Urban renewal and development right across Melbourne must integrate cherished places and features into the living fabric of the city.

Streets are central to people's experience of Melbourne. In many ways they frame our perception of the city — how it is organised, and how different areas relate to one another — and so create a sense of place and structure across the metropolis. Melbourne's streets and roads include grand

formal boulevards as well as narrow lanes; radial arterial roads complemented by a broad mesh of main roads laid out in a 'big grid' pattern; local suburban streets; and a network of multi-lane freeways and ring roads. Our road system combines with a network of waterways and parks to form a distinctive pattern of urban development.

MELBOURNE AS A GREEN CITY

The metropolitan area is also shaped by various other environmental attributes. Some of the most important are natural habitats and features, including the bay and beaches, places and streetscapes, a landscape of green suburbs, parks and gardens and a hinterland of rural and semi-rural areas.

Generous green landscapes throughout our metropolitan area are fundamental to Melbourne's identity. Additions and extensions to houses, smaller allotments and apartment style development built boundary-to-boundary all leave less room for greenery and trees. Yet the importance of trees in urban design has never been more widely recognised. Trees not only add natural beauty to city environments, they can also serve as shade cover for pedestrians and lower urban temperatures.

Other initiatives for a greener and more sustainable urban environment are addressed in the chapters on Housing, Environment, Neighbourhoods and Water, Energy and Waste.

Our Plan for Place and Identity

Direction 7.1 Create more great places throughout Melbourne

By adopting a place making approach we can raise the standard of urban design of public places throughout the entire metropolitan area. Improvements to public spaces and more thoughtful integration of new developments into their surroundings can make a measurable difference to the amenity, economic vitality, civic, cultural and social life of Melbourne. Larger precincts, mixed use areas, activity centres and streets all have the potential to become distinctive and appealing places. We will adopt a more focused place-making approach that can deliver our city's next generation of urban infrastructure, dynamic public precincts and attractive civic spaces. To achieve a consistently high standard of place-making across Melbourne we will use the planning system to strengthen the design quality of public spaces, and the interfaces between private development and the public domain.

Initiative 7.1.1 Prepare a Distinctive Melbourne policy

Metropolitan Melbourne is a mosaic of diverse natural landscapes and urban places. It includes residential neighbourhoods, bustling strip shopping centres, a variety of parks and gardens, industrial and commercial precincts, public transport corridors and trails that connect many of these places. The Victoria Planning Provisions (VPP) contain clauses to protect aspects of distinctiveness, but those clauses do not specifically state what Melbourne's distinctive aspects are, or how they should influence new development. More guidance is provided at the local level by individual planning schemes. While local variations are essential to Melbourne's identity, a metropolitan-wide policy is needed to clearly identify Melbourne's distinctive and iconic elements.

In the immediate term

- Include a 'Distinctive Melbourne' policy in the *State Planning Policy Framework*.

Initiative 7.1.2 Integrate place-making practices into the SmartRoads program

Roads are Melbourne's most extensive and heavily used system of public space. More than just thoroughfares, they are places where people meet, shop, eat and enjoy themselves. Most buildings and urban activities have street frontage, so much of the city's identity is closely associated with the look and amenity of our streets. In contrast to inner city streets, which can be lively civic and social spaces, most roads in outer areas are dominated by vehicular traffic and offer little amenity to pedestrians.

VicRoads has recently begun to use 'SmartRoads'⁵⁵ to guide operation of the road network. The program shifts the focus from moving vehicles to moving people and goods. VicRoads is working to expand the capacity of SmartRoads to respond to street activities other than transport, including opportunities for tree planting and encouraging more walking and cycling.

In the immediate term

- Include Smart Road principles in the *State Planning Policy Framework*.

Initiative 7.1.3 Extend Melbourne's network of boulevards

Melbourne's grand boulevards are a proud and distinctive feature of the city's urban fabric. A legacy of the gold rush, boulevards like St Kilda Road, Victoria Parade and Royal Parade are wide, generous tree-lined spaces that serve multiple users and can accommodate relatively tall buildings, thanks to the width of the road and the softening visual role of trees. More recent major roads were developed to cater primarily for through-traffic. Trees and other architectural features were minimised for safety reasons. While safety remains a paramount consideration, we should aim to create contemporary boulevards that build upon this aspect of Melbourne's physical distinctiveness.

We will create a series of new boulevards as part of planning for the urban growth areas and transform a network of selected existing road corridors to become boulevards across Melbourne. In some cases this will mean providing greater tree coverage for shade and enhancing the attractiveness of major through-roads. We will also consider creating boulevards in very low speed environments with minimal through-traffic primarily for pedestrians and public transport. We will work in close consultation with local government and relevant stakeholders to ensure that new or redeveloped boulevards integrate with other improvements to public space or place-making initiatives. Refer to Figure XX.

In the immediate term

- Prepare with VicRoads and local government a long-term metropolitan boulevard corridor strategy and implementation plan.
- Investigate boulevard treatments for Nepean Highway, Frankston; Maroondah Highway, Ringwood; and Plenty Road, Bundoora.
- Implement boulevard treatments on Sneydes Road in East Werribee.

In the short term

⁵⁵SmartRoads is a program administered by VicRoads which manages competing interests for limited road space by giving priority use of the road to different transport modes at particular times of the day. Certain routes are managed to work better for motor vehicles while others are managed for public transport, cyclists and pedestrians.

- Use the development of East West Link Stage 1 to transform Alexandra Parade into an inner city boulevard.
- Investigate boulevard treatments for Plummer Street Fishermans Bend and Dynon Road West Melbourne.

Direction 7.2 Build on Melbourne's cultural leadership and sporting legacy

Melbourne's international reputation as a cultural and sporting city will continue to be an important element of its identity and a key contributor to its economic success and tourism appeal. Melbourne events such as the Australian Open tennis tournament, the Melbourne Cup and the National Gallery of Victoria's Winter Masters Exhibitions are internationally renowned and are an intrinsic part of our city's identity and place appeal.

Melbourne's success as an event city lies in its cultural, educational and sporting precincts. Many iconic venues are located in the heart of the city, including the MCG, Melbourne Tennis Centre, Arts Centre, Federation Square and National Gallery. Other important venues, such as our suburban racecourses, sand belt golf courses, and art galleries, are distributed across the metropolitan area.

Sport and culture also thrive at the community level in Melbourne. The city's suburbs have public sporting venues and community arts facilities that give residents opportunities a chance to participate in various sporting and cultural activities.

Melbourne also fosters new and 'fringe' art works and art forms through a network of community arts venues, and public performance spaces often located in repurposed industrial or commercial public buildings.

Initiative 7.2.1 Build on our civic legacy of great places

The Strategy will ensure that Melbourne's distinctiveness as a leading cultural and sporting city is maintained. We will continue to provide the infrastructure, facilities and opportunities which support the city's prominent major events and which encourage Melburnians to get involved in local sporting and cultural activities. As the city grows, we will also expand facilities at major cultural and sporting precincts and venues, and undertake new developments that add to the array of major cultural and sporting attractions in the city.

In the immediate term

- Allow for a contribution toward the cost of sub-regional cultural and sporting facilities, as part of the new standard development contributions levy to be introduced in urban renewal precincts and growth areas.

In the immediate to medium term

- Promote Melbourne's international image as an events capital by continuing to invest in infrastructure and public space improvements that support the precinct encompassing Melbourne Park, Olympic Park and the MCG; the Southbank Arts Precinct, South Wharf convention and exhibition cluster; Docklands stadium; and the Melbourne Sports and Aquatic Centre at Albert Park.

- Advance the planning for delivery of significant city-shaping and image-making projects potentially, including Flinders Street station redevelopment, Melbourne Planning and Design Centre, Aboriginal Art Gallery (NGV) and/or a National Aboriginal Cultural Heritage Centre.

Graphic: CASE STUDY – Cranbourne Botanic Gardens

Initiative 7.2.2 Support cultural events and programs

Under this Strategy, we will reinforce Melbourne's multi-cultural and creative identity by continuing to support our dynamic arts culture. We will ensure the provision of spaces and facilities that encourage cultural innovation and new forms of artistic expression throughout the metropolitan area. These facilities will showcase creative projects, incubate entrepreneurial arts-related enterprises, establish larger audiences and enable communities from different cultures to participate in events and programs that reflect and support their traditions, lifestyles and beliefs.

In the immediate to short term

- Provide guidance and streamline regulations, where appropriate, for the use of open spaces, streets and parks for a range of community and cultural events which will add to the richness of Melbourne's cultural and creative experience, particularly those which celebrate the city's multicultural character.
- Provide guidance on how to extend the Creative Spaces program (City of Melbourne) and Street Art programs to key centres in the metropolitan area.

Direction 7.3 Respect our heritage as we build for the future

Melbourne's heritage provides a tangible link to past achievements and experiences. It helps us to understand the lives and aspirations of past generations and is central to our sense of identity. The city's history includes more than 50,000 years of human occupation and encompasses all aspects of Aboriginal and post-contact culture up to the present day

Managing the tension between development and conservation is also important and will be streamlined to make heritage management and planning more effective and supportive of efficient planning and development outcomes. Creative re-use of heritage places can revitalise neglected sites. Good urban design can both preserve and re-energise historic buildings and places.

Initiative 7.3.1 Value heritage when managing growth and change

With all three levels of government sharing responsibility for protecting Melbourne's heritage, decision-making must be consistent and credible, and based on a clear and widely accepted understanding of the city's history. The Strategy aims to ensure that all future development opportunities protect the city's heritage as outlined in the 2007 Review of Heritage Provisions in Planning Schemes Advisory Committee Report⁵⁶. The report suggested a range of valuable recommendations for improving heritage management processes within the Victorian Planning system including:

⁵⁶ Review of Heritage Provisions in Planning Schemes Advisory Committee Report, Department of Planning and Community Development (2007)

In the immediate term

- Establish a new funding program of \$6 million over four years to enhance and accelerate local government heritage planning and assessment.
- Implement changes to the heritage provisions in Planning Schemes consistent with the Review of Heritage Provisions in Planning Schemes Advisory Committee Report, to improve the identification and streamline administration of heritage controls at the local level.
- Include a succinct history of Melbourne as a reference document in the *State Planning Policy Framework*.

In the short term

- Establish a single online portal for public access to heritage information.
- Survey significant cultural landscapes in metropolitan Melbourne (using the South West Landscape Assessment Study as a model) and apply the relevant planning provisions to protect and conserve these landscapes.
- Require masterplans for urban renewal precincts that include heritage places to integrate these heritage assets into the overall design.

Initiative 7.3.2 Respect and protect our city's Indigenous heritage

Throughout Victoria, even in the most intensively developed areas, the landscape holds the imprint of thousands of generations of Aboriginal occupation. With the arrival of Europeans in Victoria, new and very different sites of Aboriginal heritage significance came into being, including places of first contact between European and Aboriginal people, massacre sites, missions, properties where Aboriginal pastoral workers played vital roles and, in more recent times, places associated with the Aboriginal rights movement, as well as contemporary places with ongoing uses and associations.

In 2012 the *Victorian Parliamentary Inquiry into The Establishment and Effectiveness of Registered Aboriginal Parties* recommended development of a statewide program of country mapping to improve the available knowledge about areas of cultural heritage sensitivity.

In the immediate term

- Resource a program of Country Mapping to improve understanding and recognition of Aboriginal cultural heritage values in metropolitan planning processes.
- Link the country mapping processes to the *State Planning Policy Framework*.

Initiative 7.3.3 Stimulate economic growth through heritage conservation

Melbourne's heritage is a significant tourism drawcard and an important part of our city's cultural economy. To ensure that this continues, we must invest in our heritage, and particularly those places that contribute to Melbourne's identity and distinctiveness.

Regeneration of heritage assets through adaptive re-use can deliver unique and exciting places that can be used well into the future. Rehabilitating old buildings and places also creates opportunities for new investment and local employment. Examples of this include the conversion of Melbourne's former GPO into a landmark retail complex; and the revitalisation of CBD laneways.

In the immediate term

- Stimulate heritage conservation activity through the utilisation and promotion of existing land tax and rate-remission mechanisms.
- Assess the potential of transferable development rights for significant heritage conservation and development projects.
- Continue existing funding programs which support the conservation of heritage places.

Direction 7.4 Achieve and promote design excellence

Melbourne has a well-deserved reputation for quality design, particularly for its built environment and creative industries. Research confirms that well-designed, quality urban design and architecture add value by increasing the economic viability of development and delivering social and environmental benefits. Achieving quality design outcomes can involve a range of strategies including:

- *leading by example* - . As the largest procurer of design services in Victoria the state government can set a high design standard in its own projects. There are also opportunities to improve design procurement practices.
- *including a design review in assessments of significant development projects* — independent expert design review can add significantly to the quality of projects. Embedding a formal and accountable design review process from the earliest stages of projects has been proven to improve outcomes, ensure best value, expedite decision making, and ensure that all relevant interests are taken into consideration.
- *strengthening design capability within all levels of government* — more sophisticated design understandings and capabilities will help support local governments in their capacity to act as design advisors and assessors in the development approvals process.

Our Strategy aims to extend the emphasis on good design apparent in the inner city's built environment across the whole metropolitan area and embed it in the planning process.

Initiative 7.4.1 Promote urban design excellence

The quality of Melbourne's built environment depends on high design standards.

In the immediate term

- Partner with local government to fund a three-year pilot urban design advisory service (modelled on the successful heritage advisory service) on a matched funding basis.
- Provide guidance about changes to permits through secondary consents to ensure that the originally intended design quality and appearance of approved developments are realised.
- Require urban design expertise and high quality design as key performance indicators in procurement procedures for all state projects, including a design quality assessment as part of funding milestones
- Continue to incorporate art in new public projects and encourage its inclusion in other projects. Resource and require the Victorian Design Review Panel program to provide reviews of:
 - significant state government and state-funded projects;
 - significant projects affecting places on the Victorian Heritage Register;
 - significant private sector projects nominated by councils, and which are deemed significant because of their use, size, impact or potential to set a precedent in the locality; and

- key precincts identified by the Metropolitan Planning Authority.

Initiative 7.4.2 Improve access to information and technology to support planning processes

Major developments are increasingly challenging in terms of their scale and relationships with their surroundings. Planning permits can remain 'live' for many years, so it is essential to factor them in when considering any nearby proposals. Three-dimensional modelling is a valuable tool for testing and evaluating impacts of alternative development proposals. It allows planners to visualise an existing site, as well as other possible future developments they may need to consider and assess. It enables communities and decision-makers to explore proposed projects clearly and in detail, and therefore fully understand potential options and ramifications.

In the short term

- Extend the State government's existing 3-D digital model to encompass the whole of the metropolitan area, and invest in cross-government access to the model as a tool for visual assessment and planning of the city's future development.

Initiative 7.4.3 Build on our passion for knowledge and debate about urban issues

Melbourne is a city of debate and ideas. An open flow of information and ideas within, to and from the community is fundamental to successful planning. To encourage this, global cities are now establishing various platforms for an on-going conversation with citizens, investors and visitors about the future planning, design and form of their cities.

In the short term

- Consider establishing a publically accessible Melbourne Planning and Design Centre that will:
 - display a 3-D model of metropolitan Melbourne
 - offer a repository of planning information and research
 - hold public events and programs to discuss and disseminate information about urban design and development issues
 - encourage and inspire public interest in the possibilities of our future city by providing case studies of innovative responses to urban challenges, including 'density done well', urban renewal and adaptive re-use of heritage buildings.

Direction 7.5 Make our city greener

Melbourne is not just bricks and mortar; it contains an 'urban forest' of all the trees and vegetation growing in our backyards, streets and public lands. Increasing tree and vegetation cover across an urban area creates many environmental, social and economic benefits. These include cooling to reduce heatwave and UV impacts, reduced air pollution and energy costs, enhanced liveability, improved physical and mental wellbeing, protected biodiversity and enhanced visitor appeal across the city.

Our city's green spaces are under increasing pressure, with development reducing the size and number of private gardens and impinging on 'greenfield' sites at the metropolitan fringe. Drought, climate change and the increasing costs of water use make it harder to water our plants and gardens. To introduce water-sensitive design approaches to our urban areas we will also need to design landscapes in more innovative ways that take full advantage of natural rainfall and stormwater runoff. Refer also to the Environment and Neighbourhoods Chapters.

Different species types will be relevant to different areas of the metropolis. A particular opportunity presents itself to tackle the challenges of sustainable planting in drier areas of the metropolis such as the Western Sub Region.

Initiative 7.5.1 Develop a new metropolitan open space strategy

Responsibility for providing open space is currently shared by a number of government agencies and local governments. This creates a lack of overall direction in strategic planning for open space across Melbourne, and can lead to confusion about who is responsible for funding, planning and delivering open spaces.

There are limited opportunities to provide new open space in Melbourne's established areas. Identifying better use and design of existing assets, and developing innovative approaches to open space delivery at a local level, will provide valuable future local open space additions. This will include new or enhanced open space in urban renewal precincts, on surplus government-owned land, and as part of precinct-wide redevelopment plans.

In the immediate term

- Prepare and coordinate the delivery of a metropolitan open space strategy, which will include measures to improve funding and protection of open space, identify the need for new open space in areas that are expected to grow substantially, and update regulations outlining the role of all levels of government.
- Improve access to information about open space to guide planning, building on the Victorian Environmental Assessment Council's open space database.

Initiative 7.5.2 Extend Melbourne's landscape and vegetation cover

The greening of Melbourne is already underway. The State Government has committed to planting two million trees by 2014 as part of the 2 Million Trees project: 1.5 million trees across parklands and other public open spaces in the city and half a million trees along waterways in regional Victoria. 'Greening the West' is a regional initiative aiming to deliver positive health and social outcomes in the city's western suburbs through urban greening. The program is facilitated by City West Water in partnership with local councils, water utilities, government agencies, and industry and community groups.

VicRoads is currently reviewing its clear zone requirements for arterial roads that restrict roadside tree planting. The review will address the potential to design road space to allow for tree planting without compromising road safety standards.

In the immediate to short term

- Address impediments to planting canopy trees along roads.
- Review planning provisions for residential setbacks, site coverage and permeability to protect and create spaces where canopy trees can thrive.
- Plan for delivery of a dry-climate horticultural research garden in the western region that will showcase landscape suited to the region's soil and climatic conditions.
- Partner with relevant agencies and stakeholders to extend the City West Water 'Greening the West' initiative to other subregions of Melbourne.
- Support community engagement, information and advisory services to promote the benefits of the neighbourhood greening and urban forests.
- Support local government to undertake community tree planting programs by building upon the success of the '2 Million Trees' project beyond 2014.

- Require new arterial road and freeway reservations to include adequate land allocation for tree planting or other significant landscaping.

Initiative 7.5.3 Manage the interface between development and the waterways

Whether large or small, waterways and parks can be affected by nearby development. New building can encroach on open space physically and visually in ways that diminish its natural beauty and the sense of respite it offers from the urban environment.

In the short to medium term

- In consultation with local government, investigate potential planning protection for key waterway corridors such as the Yarra River between Heidelberg and Warrandyte and the Maribyrnong River, as well as major parks and other places of high environmental value.
- Where warranted, seek to amend the relevant local planning schemes to provide adequate protection for these natural and physical assets.

Initiative 7.5.4 Create a green interface to the Melbourne Metropolitan Urban Boundary

How development within Melbourne's metropolitan boundary relates to open land outside it is important to the character and amenity of our city's peri-urban areas. Where a green wedge or non-urban area contains uses that generate dust, noise or other conflicts with residential uses, it may be appropriate that development within the Metropolitan Urban Boundary faces away from the boundary, or incorporates buffer zones, or both. Where existing urban development is adjacent to non-urban areas careful consideration needs to be given to any potential amenity impacts that proposed non-urban activities may have on these established urban areas. Planning for our city's green interface will require context-specific design and development guidance rather than a generic approach for the entire boundary. Refer also to the State of Cities Chapter which deals with the peri-urban area.

In the short term

- Prepare planning and design guidelines for development adjoining and within the Melbourne Metropolitan Urban Boundary to improve interface conditions and minimize adverse impacts.
- DISCUSS WITH RICHARD BRICE IF WE CAN INCLUDE AN INITIATIVE OR DIRECTION ON WHERE TALL BUILDINGS ARE APPROPRIATE – RE: LONDON PLAN DOES THIS VERY WELL.**

Case study

Royal Botanic Gardens Cranbourne, Cranbourne

'Creating state significant gardens in a suburban location'

In the 1960s the management of the Royal Botanic Gardens recognised the need for a satellite garden to promote the cultivation of Australian plants. With the assistance of the Maud Gibson Trust land was purchased at Cranbourne, south-east of Melbourne. It was here that the Royal Botanic Gardens Cranbourne was established in 1970. Additional parcels of land were acquired in later years: the Royal Botanic Gardens Cranbourne now covers 363 hectares.

The Australian Garden is an award-winning native plant garden being developed at Cranbourne. Its purpose is to showcase Australian flora, landscapes, art and architecture. The first stage opened in

2006. After 20 years of planning, construction and planting, the Royal Botanic Gardens Cranbourne vibrant Australian Garden is now complete.

Water is the main storyteller in the Australian garden; it leads visitors through the Australian Garden, expressing the main design themes and the heart of our historic and future relationship with the Australian landscape.

In the first half of the Australian Garden (completed in 2006), the journey of water begins in the red desert heart of Australia – the Red Sand Garden. Here in the dry, water is absent. Its journey continues: the Dry River Bed and the Ephemeral Lake Sculpture highlight the transient nature of water leaving the desert in drought arriving with unpredictable floods until it arrives in the Rockpool Waterway.

In the second half of the Australian Garden (the northern half), the Rockpool Waterway becomes a River Bend at the River Walk.

The aim of the Royal Botanic Gardens in creating the Australian Garden is to share with visitors the beauty and diversity of Australian plants. The Australian Garden is a place to explore the evolving connections between people, plants and landscapes. The Australian Garden is also a place where Melburnians and visitors can discover inspiration and information about how to use Australian plants in home gardens.

Royal Botanic Gardens Cranbourne shows the possibility and benefits of developing state significant facilities in suburban locations.

A STATE OF CITIES

Maximise the growth potential of Victoria by developing a State of Cities which delivers choice, opportunity and global competitiveness.

Victoria's economy and liveability is based on strong connections between Melbourne, its peri-urban and green wedge areas, and the state's regional and rural population centres.

These people and business connections are the legacy of Victoria's past as an agricultural, mining and manufacturing state, the enjoyment we get from our state's diverse landscapes and coastal regions, the state's relatively compact size, and the easy access Melburnians have to many of the state's larger regional cities and tourism centres.

This settlement pattern provides many benefits to Victorians. Melburnians have access to a wide variety of recreational, environmental, lifestyle and business opportunities available in regional locations. Many regionally based people and businesses have good access to metropolitan-based business, health, educational, cultural and sporting facilities and opportunities, including access to national road, rail, port and airport gateways.

With improving transport and communications links, Victoria's major regional cities (such as Geelong, Ballarat, Bendigo and Latrobe City) are increasingly within commuting distance of Melbourne, opening up more employment opportunities for regionally based Victorians and more housing and lifestyle options for metropolitan residents. These links also help regionally based businesses access larger labour pools and improve their productivity, market access and competitiveness.

Over the past decade, Victoria's population has increased by 15 per cent, from 4.8 million in 2001 to 5.5 million in 2011. This growth has been concentrated in Melbourne and its growth area councils which together have accounted for 86 per cent of the State's growth. Population growth in regional Victoria has been predominantly located in regional cities and Melbourne's peri-urban region. Figure 16, Page 146 shows this growth.

The majority (36 per cent) of the inward migration into regional cities came from regional Victoria, roughly a quarter each from metropolitan Melbourne (26 per cent) and Interstate (24 per cent). Of the regional cities, the three centres most proximate to Metropolitan Melbourne - Geelong, Ballarat and Bendigo have contributed the most to population growth in regional Victoria.

With Victoria's population projected to rise to 8.4 million by 2051, regional areas will need to be prepared to take a greater share of future growth. Particularly, regional cities and selected towns within the peri-urban area can prepare to attract people that may otherwise settle in metropolitan Melbourne.

By providing opportunities for decentralised population and employment growth in regional cities, we can help them become larger, and their regions become more independent. As they grow, they will be able to provide better employment opportunities, and better local health and educational services, to their residents and to surrounding rural populations. They will also help mitigate some of the population pressures that will be faced by metropolitan Melbourne.

Within these regions, residential development will need to be balanced with the protection of the productive land, economic resources and biodiversity assets that are critical to the state's economic and environmental sustainability.

VICTORIA'S REGIONS

Victoria's regions vary from Gippsland's coastal plains and the High Country in the east, to the open plains of the Mallee in the north, the Wimmera in the west and the coastal cliff country in the south west.

They are home to the state's agricultural and horticultural industries, and associated agribusiness services and manufacturing. They have our major environmental and tourism-related services and assets such as the Goldfields region, the Great Ocean Road, the Gippsland Lakes and High Country, and the Murray River. They are also resource-rich areas, with significant resources of brown coal, oil, gas, mineral sands and timber, and have many of the state's energy, water and transport infrastructure assets. **Map 23, Page 148** shows Victoria's regions.

Development in regional Victoria is increasingly positioned around a network of larger regional centres. These operate not only as service hubs to their rural hinterlands, but as important urban settlements with diverse economies and strong communities.

Eight *Regional Growth Plans* are being developed across regional Victoria. Each plan provides a 20- to 30-year land use strategy that sets out how each region can accommodate a greater share of Victoria's growth. Plans will be supported by regional investment strategies which will identify opportunities to unlock future growth potential. Plans will identify land use and infrastructure initiatives to accelerate growth such as:

- Opportunities to revitalise regional city CBD areas, to encourage the growth of knowledge-economy jobs.
- Identifying health and education precincts (such as Waurn Ponds, Ballarat University and Latrobe Bendigo) and developing strategies to protect, grow and diversify jobs in these precincts.
- Identifying land use and infrastructure requirements to facilitate the growth of export-based industrial areas (such as the Logic distribution centre near Wodonga, GV Link in the Goulburn Valley, the Ballarat West growth area and Marong Industrial Park in Bendigo).
- Prioritising actions to address supply chain bottlenecks and enhance regional connections identified in the government's long-term freight and logistics plan *Victoria: The Freight State*.
- Working with regional city councils to unlock their growth potential and achieve accelerated growth outcomes, which includes developing an integrated infrastructure planning and delivery model for these cities.
- Applying metropolitan-type planning tools (such as a principal public transport network, a principle bike network and a SmartRoads operating framework), initially in Geelong, Ballarat and Bendigo.
- Auditing land in regional cities and centres to identify land suitable for urban renewal and strategic redevelopment (including surplus government land) and barriers to redevelopment.
- Providing support to strategic planning initiatives such as Vision 2 in Geelong and precinct structure planning in other locations.

POSITIONING REGIONAL INDUSTRIES FOR GROWTH IN ASIA

Regionally based industries (including agriculture, mining, forestry, higher education and research, manufacturing and tourism) are well-positioned to take advantage of the centre of the global economy shifting to Asia. Asia is projected to represent more than half of global output within 40 years, with GDP-per-capita rising from \$6,600 in 2010 to \$38,600 in 2050⁵⁷. Businesses in Victoria are already engaging with these opportunities through agribusiness, tourism and education. The value of Victorian food exports to China alone has increased by over 200 per cent in the last four years⁵⁸. Long-term growth in Asia is expected to accelerate demand for beef, lamb, wheat and dairy products, and for processed foods. Victoria is well-placed to capitalise on these opportunities⁵⁹. Increasing growth and urbanisation in the Asian region will also present opportunities for the state's significant brown coal and mineral sands deposits.

There are five major regional transport corridors linking metropolitan Melbourne to its hinterland by road and rail. Linking primary industries to national and international markets; and with many of the state's national transport gateways located in metropolitan Melbourne, improving them will be critical to delivering on this goal. Further investment in this connecting infrastructure will improve the competitiveness of Victoria's export-oriented industries. **Map 24, Page 150** shows Victoria's transport links and key commodities moved by freight.

MELBOURNE'S PERI-URBAN AREA

The Draft Metropolitan Planning Strategy emphasises the notion of giving value to Melbourne's non-urban areas which was first identified by the Melbourne and Metropolitan Board of Works in *Planning Policies for the Metropolitan Region* (1971). To reinforce this long-standing policy concept, we will define a permanent boundary for metropolitan (urban) Melbourne. This will allow the protection of key assets and economic opportunities in non-urban areas (often referred to as the peri-urban area).

The peri-urban area consists of major transport corridors and a variety of townships, agricultural areas, biodiversity values, recreational and tourist values. There are also important functions within Melbourne's peri-urban area that Melbourne relies on, including intensive food production, critical transport infrastructure, water catchments and waste management infrastructure (including organic waste composting facilities). **Figure 17, Page 147** shows some of the iconic places which make up Melbourne's peri-urban area, and the types of infrastructure, environmental and recreational assets they provide for Melbourne's residents and visitors.

The peri-urban area has the potential to attract more agribusiness activities, food production and tourism, as well develop alternative energy sources (such as wind and solar farms). The development of the Port of Hastings, of Avalon as our city's second international airport, and of a possible third airport to the south-east of Melbourne will help strengthen these economic advantages and provide more local job opportunities and new business enterprises. With the right support and long-term planning, towns closer to Melbourne in the peri-urban area, and especially along the regional

⁵⁷ Asian Development Bank 2011, *Asia 2050: Realizing the Asian Century*, Manila 2

⁵⁸ Department of Primary Industries 2012, *Victorian Food and Fibre Export Performance 2011–12*

⁵⁹ Department of Agriculture, Fisheries and Forestry 2012, *National Food Plan green paper 2012*, Commonwealth of Australia, Canberra

transport corridors, can also continue to provide affordable options for living and working locally.

Over time, different planning controls have been utilised to manage activities in the peri-urban area. Just over a decade ago, Green Wedge Zones were introduced to manage that part of the peri-urban area within metropolitan Melbourne (as defined in the *Victoria Planning Provisions*). In some areas, green wedge management plans have been developed, to provide further direction about how this part of the peri-urban area is managed. The Draft Strategy seeks to ensure that the values of the whole peri-urban area are appropriately managed.

There are several townships in the peri-urban area with higher annual growth rates (1.8 per cent) than Victoria as a whole (1.4 per cent), and regional Victoria (0.8 per cent). Figure 16 shows growth rates in regional growth centres from 2001 to 2011.

CREATING A STATE OF CITIES

Integrated land use and transport planning can help regional cities achieve a greater share of the state's growth. The experience of cities such as Geelong demonstrates the benefits of renewing and redeveloping CBD areas. At the Geelong Waterfront, infrastructure investments, land acquisition and rezoning have catalysed urban development that maximises the value of the land, and has had a positive transformative effect on the whole city.

Victoria's metropolitan and regional planning can be aligned in a way that builds on the interdependence of our urban settlements and facilitates their development as a networked 'State of Cities'.

Unlocking the growth potential of these cities—so they can accommodate a greater proportion of the state's future growth, with good transport connections between them, and with Melbourne—will create a State of cities where there are greater choices for people about where to live, work or start a business.

The Government will help create a State of Cities by:

- working with local governments to support the growth of housing and employment in regional cities.
- ensuring we have the right infrastructure to support the growth and competitiveness of regional industries and their access to markets, and in particular Asian markets.
- ensuring the peri-urban area is protected where it should be, and productive where it can be, so that the outward growth of Melbourne does not impinge on our high-value hinterland.

Our plan for a State of Cities

Direction 8.1 Re-balance Victoria's population growth

Accelerating regional city growth will require proactive actions by Government to foster the growth of higher income jobs and the diversification of industries operating in these centres. Accelerating economic growth in the regional cities will also be dependent upon the timely provision of infrastructure that reduces transport costs and builds the human capital endowment of these cities, and proactive efforts to attract private investment that better integrate local businesses into state, national and global markets.

The experience of cities such as Geelong shows the benefits of facilitating renewal and redevelopment of CBD areas. The Geelong Waterfront redevelopment demonstrates that targeted infrastructure investments, land acquisition, and rezoning can catalyse urban development that maximises the value of this land, and has a transformative effect for these cities.

Initiative 8.1.1 Strengthen regional city growth opportunities

In response to the important role our regional cities can play in attracting a greater percentage of the State's future population growth, we will implement metropolitan type development strategies to optimise their growth potential.

In the immediate term

- Identify potential state and regionally significant employment precincts in the regional cities.
- Strengthen the economic, social and amenity roles of the Regional City CBD's by encouraging increased business and residential densities as well as social, civic, and cultural facilities in these locations.
- Identify a pipeline of renewal and infill opportunities in regional cities and centres that optimise infrastructure investment and surplus government land.
- Assist in implementing the Directions of the Strategy, and *Regional Growth Plans*.

Initiative 8.1.2 Better manage Melbourne's peri-urban region, including designating towns for growth

The peri-urban area includes major state infrastructure assets including water catchments and waste management and recycling facilities. More particularly, the peri-urban area encircles metropolitan Melbourne with townships on or close to the major transport corridors attracting considerable population growth. A new planning statement is needed for the peri-urban area. This will manage future growth and optimise its potential to accommodate additional housing and employment whilst protecting the area's productive land, strategic economic resources and biodiversity assets.

In the immediate term

- the independent planning authority with local councils will prepare a single peri-urban area planning statement which will:
 - Define land areas within the peri-urban area which are strategically important to the metropolitan area, and the State, including areas suitable for future housing growth;
 - Coordinate planning across the peri-urban area, and between local governments;
 - Provide guidance to relevant planning and other authorities for preparing planning scheme amendments and making land use planning decisions, particularly where there are competing land uses; and
 - Safeguard the interests of the State in the development and conservation of local resources

Direction 8.2 Integrate metropolitan, peri-urban and regional planning implementation

The concurrent development of the Metropolitan Planning Strategy and *Regional Growth Plans* creates a unique opportunity to align Victoria's metropolitan and regional planning in a way that builds on, and leverages, the interdependence of our urban settlements to create a State of cities. The Strategy, in conjunction with the eight *Regional Growth Plans*, will integrate strategic land use and transport planning throughout Victoria. By maintaining a strong alignment of major infrastructure planning and decision-making, and a consistent framework for monitoring the

implementation of the Strategy and *Regional Growth Plans*, we can channel future growth to take advantage of Melbourne's closeness to Victoria's regional cities and the employment, housing and lifestyle choices available in the peri-urban area.

Initiative 8.2.1 Bring together planning strategies for metropolitan Melbourne and regional Victoria

The Metropolitan Planning Strategy and the *Regional Growth Plans* integrate land use planning and transport priorities across the state. Together with the Government's economic and fiscal strategy and *Victoria: The Freight State* this provides a long term framework for Victoria's sustained growth and prosperity. Implementing an integrated plan will require shared governance and resource allocation arrangements.

In the immediate term

- Develop a consistent monitoring framework and data sources for implementing the Strategy and *Regional Growth Plans*, to aid integrated decision-making and performance comparisons.
- Provide technical support to regional local governments experiencing growth pressures to review their municipal strategic statements, to take account of Directions in the Strategy and *Regional Growth Plans*.
- Designate Geelong as Victoria's second city and prioritise game changing land use strategies such as those for Avalon Airport, the Port of Geelong, improved arterial road connections and high quality health, tertiary education and research infrastructure that positions the G21 region for accelerated growth and as a centre of employment and higher order service provision for Melbourne's west.

Direction 8.3 Improve connections between cities

The productivity and competitiveness of regional economies depend on infrastructure that can attract investment and reduce transport and communications costs. Infrastructure planning and delivery will protect and enhance key corridors linking our State of cities. Attracting more people to regional cities will require planning and infrastructure reforms that overcome these issues. Victoria's primary industries are experiencing high growth in exports of commodities (such as wood chips, mineral sands, grain, dairy and meat). The domestic market for fresh food and agricultural products will grow as Victoria and Australia increase in population. Our export markets for this produce will also grow in the years ahead. Victoria's freight task is expected to triple by 2050, and we will need well-planned land use and transport corridors that better connect Melbourne and regional Victoria, if we are to maintaining our pre-eminent national role in freight and logistics.

High-quality infrastructure that connects rural producers to key national and international gateways such as the Port of Melbourne and Melbourne Airport is critical to their cost competitiveness. We will take action to identify and address supply chain bottlenecks, and ensure ongoing maintenance and protection of the existing road and rail networks.

Initiative 8.3.1 Improve transport connections between Melbourne and regional cities

All Victoria's regions have a least one high-capacity transport route. These routes connect regional cities (such as Geelong, Ballarat and Bendigo) to Melbourne; connect regional cities to each other; and connect Melbourne to the nation. Improvements to these routes are continually being made (such as the proposed new station at Grovedale in Geelong, improved rail services to Eaglehawk in Bendigo, and a new station at Epsom in Bendigo).

Continuing population growth and the changing economic role of regional cities will generate additional movements between regional cities, and to and from Melbourne. Improving connectivity between key regional cities in response to these changes will open up new opportunities for growth in regional Victoria that can, in the long term, assist in reducing some of the growth pressures on Melbourne, particularly along the Midland Highway (which connects Geelong, Ballarat, Bendigo, Shepparton and Benalla), and the Hume Highway.

In the immediate to short term

- Consistent with *Regional Growth Plans*, identify and map the regional city growth corridors connecting to Melbourne.
- Continue to provide road and rail upgrades between Melbourne, the peri-urban area, and regional cities.

Initiative 8.3.2 Strengthen transport links on national networks for the movement of goods between regional cities, Melbourne, interstate and internationally

The Avalon corridor between Werribee and Geelong contains existing and planned nationally significant economic assets including airport, road, rail, waste and port facilities. The *G21 Regional Growth Plan* identifies a need to retain a settlement break between Lara and Little River, to delineate Melbourne and Geelong and provide a gateway to both cities. There is also a need to protect areas of high biodiversity value, including Ramsar conservation areas, and land use buffers for infrastructure and Avalon Airport. Given the range of constraints on the availability of land for development, it is important that this stretch of land be safeguarded for state infrastructure opportunities and complementary development in future.

In the immediate term

- Protect the long-term economic freight and logistics opportunities for the Avalon area between Geelong and Werribee.

In the short term

- Develop long-term plans for freight and logistics infrastructure along key corridors linking Melbourne and regional Victoria (such as the Hume Highway, between Geelong and the South Australia border, the Western and Midland highways, and in Gippsland).

THIS LAST SECTION MAY NEED ADJUSTMENTS BASED ON VICTORIA: THE FREIGHT STATE DOCUMENT

IMPLEMENTATION

Realise our strategy by implementing its directions and initiatives through new planning governance arrangements, planning reforms and adequate funding.

Successful implementation is about many things. It is about setting the right priorities, assigning responsibility to the right people and organisations, and giving them the power and freedom to act. It is about having a range of funding and financing options so we can responsibly afford the steps we need to take. And sometimes, it is about getting out of the way, so that the creativity and energy of the community and business are allowed to thrive.

This chapter sets out how, together, we will implement the Metropolitan Planning Strategy. It brings together the actions we will take, with our plans for rigorous investment appraisal, funding, governance arrangements⁶⁰ and regulatory changes we need, to move forward.

WHAT WE WILL DO

Successful implementation of the Strategy will require sustained commitment by all levels of government and the private sector. For the State, this means creating a new independent planning authority to focus on matters of genuine state interest and coordinate efforts across government departments and agencies. This will be particularly important in designated precincts and locations that are strategically significant in terms of Melbourne's growth and competitiveness.

For Melbourne's local governments, a commitment to the Strategy will be important in planning for the future development of their municipalities. For subregional groupings of local governments, this means working with the new authority to collaborate in planning, infrastructure development and service provision.

The independent planning authority will work with government departments and agencies, local governments, land owners and development partners to plan for the future urban structure of precincts. It will also focus on facilitating appropriate development, coordinating government investment, speeding up development processes and advising when red tape can be reduced.

The initiatives will be addressed in a full review of the *State Planning Policy Framework* and the development of a new framework designed to reflect the Strategy.

As a long-term plan, the Strategy will require substantial mechanisms to monitor its implementation. We will establish and report on a range of indicators that will assess our performance in reshaping our city's future development, as well as publish greater amounts of data and information that explain to citizens how our city is changing and be able to compare data on Melbourne's suburbs and subregions.

⁶⁰ Governance refers to how we will work with strategic partners, stakeholders and communities to implement changes to the planning system and the initiatives listed in the Draft Strategy

DECISION MAKING PROCESSES TO SUPPORT STRATEGY DELIVERY

While the MPS, as a 40 year strategy, is unashamedly ambitious in its scope and intentions, a challenge for Government is to strike a balance between conveying a long term vision, and recognising the need for flexibility in delivering on this vision over time. Government recognises that the successful implementation of this Strategy will require infrastructure investment that is properly identified and supported by robust and realistic funding strategies.

Final decisions about the implementation and timing of actions will be made in a manner consistent with the government's economic and fiscal strategy, including the medium-term fiscal parameters. The Government will continue its commitment to rigorous decision-making on initiatives that require funding, statutory amendments or new regulations.

In particular, all projects and initiatives requiring budget funding will be carefully assessed in relation to budget capacity, and will have rigorous business cases using cost-benefit analysis as part of their economic-impact assessment. For infrastructure projects, this will include ensuring consistency with the government's Investment lifecycle and *High Value High Risk Guidelines*. For all other initiatives and actions, implementation and timing will be subject to consideration of their evidence base, and likely net benefits.

CREATING AN INVESTMENT PIPELINE OF INFRASTRUCTURE PROJECTS AND INVESTMENT OPPORTUNITIES

A pipeline of infrastructure projects and investment opportunities provides confidence to the market and greater certainty for the community, investors and the construction and development industries. This strategy highlights key infrastructure investments and will identify opportunities for investment across the city.

The independent planning authority will have a focus on unlocking areas of strategic value to the city and on driving land use efficiency and productivity. Strategic locations include urban renewal sites, land around railways stations and other transport infrastructure, level crossing removals, and areas prioritised through the new urban structure outlined in the Strategy.

The expansion of the Central City through urban renewal will be a significant part of this pipeline and includes large precincts at Fishermans Bend, Arden-Macaulay, E-Gate, City North, Dynon and Federation Square East. A well-planned sequence and roll-out of these urban renewal projects will help provide certainty and confidence.

OUR VISION FOR MELBOURNE'S SUBREGIONS

In each subregion state and local governments will collectively plan for jobs, housing and investment. By 2050, each subregion will have an economy shaped by over 1 million people, providing critical mass for stronger economic performance and spatial integration.

The Strategy will help Melbourne grow over the next 40 years into the largest economic and demographic centre in Australia. The opportunities provided by the expanded Central City will also help meet our vision of supporting the Central City to become Australia's largest business services centre.

We will work with other subregions to improve their economic performance and range of jobs and

investment opportunities. Each subregion will be anchored by a National Employment Cluster, leverage off at least one major economic gateway (a port, airport or interstate freight terminal), Metropolitan Service Centres and serve a population of over 1 million people.

CENTRAL SUBREGION

Map 26 pg 160

Based on a growing mix of Capital City functions including government, business, tourism, social, cultural and recreational institutions and assets, the Central City 'core' now extends well beyond the Hoddle Grid, into St Kilda Road, Southbank and Docklands. Our aim is to plan for growth and change in Melbourne's Central Subregion to consolidate Melbourne's position as a highly competitive global city, and to maintain the high standards of liveability, distinctiveness and character that makes Melbourne special.

MUNICIPALITIES

Melbourne, Stonnington, Maribyrnong, Port Phillip, Yarra.

CURRENT POPULATION

464,000

FUTURE POPULATION GROWTH TO 2050

300,000 TO 450,000

CURRENT NUMBER OF JOBS

567,200

PLACES OF STATE SIGNIFICANCE

Expanded Central City

Parkville Employment and Innovation Cluster

Footscray Metropolitan Service Centre

Western Industrial Precinct

Port of Melbourne

ACTIVITY CENTRES

Activity Centres: Balaclava, Braybrook, Central West, Carlton-Lygon Street, Chadstone, Fitzroy-Brunswick Street, Fitzroy-Smith Street, Malvern/Armadale, Maribyrnong-Highpoint, Port Melbourne-Bay Street, Prahran/South Yarra, Richmond-Bridge Road, Richmond-Swan Street, Richmond-Victoria Street, South Melbourne, St Kilda, Toorak Village, Footscray-Victoria University

Neighbourhood Activity Centres

IMPORTANT FUTURE INITIATIVES

East West Link (alignment to be determined)

Melbourne Metro (alignment to be determined)

URBAN RENEWAL LOCATIONS

Fishermans Bend, E Gate, Arden-Macaulay, Docklands, Footscray, Brooklyn-Tottenham, Dynon, Richmond Station Precinct, Yarra rail corridor, Jolimont rail corridor, Southbank, City North.

OTHER IMPORTANT INITIATIVES

new boulevards (e.g. Footscray Road, Williamstown Road, Flemington Road), further investment in health and education, Doncaster Rail Link, grade separation works, Maribyrnong Defence land as major urban renewal precinct **ADD MORE IF POSSIBLE**

WESTERN SUBREGION

Map 27 pg 162

With the provision of necessary infrastructure and support for development of new employment opportunities in Werribee and Sunshine, the Western Subregion can leverage off its existing strengths and better connect the residents of the west to employment and educational opportunities. We want to see Melbourne's west continue to develop its civic, cultural and environmental assets, and to be the city's fastest-growing region into the middle of this century.

Melbourne's *Growth Corridor Plans: Managing Melbourne's Growth* (June 2012) identifies that the area covered by the *West Growth Corridor Plan* will accommodate an additional population of 377,000 or more people and have the capacity to accommodate at least 164,000 jobs.

MUNICIPALITIES

Brimbank, Hobsons Bay, Melton, Moonee Valley, Wyndham.

CURRENT POPULATION

691,000

FUTURE GROWTH TO 2050

500,000 TO 650,000

CURRENT NUMBER OF JOBS

173,100

PLACES OF STATE SIGNIFICANCE

Sunshine Employment and Innovation Cluster (emerging)

East Werribee Employment and Innovation Cluster (emerging)

Sunshine Metropolitan Service Centre

Toolern Metropolitan Service Centre (future)

Western Industrial Precinct (future)

ACTIVITY CENTRES

Activity Centres: Airport West, Altona, Altona North, Ascot Vale-Union Road, Boardwalk, Brimbank, Caroline Springs, Deer Park, Flemington-Racecourse Road, Hopkins Road, Hoppers Crossing, Laverton, Manor Lakes, Melton, Melton-Woodgrove and Coburns Road, Moonee Ponds, Niddrie-

Keilor Road, North Essendon, Plumpton, Point Cook, Rockbank North, Rockbank South, St Albans, Sydenham, Tarneit, Tarneit West, Truganina, Werribee, Werribee Plaza, Williamstown, Wyndham Vale.

Neighbourhood Activity Centres

IMPORTANT FUTURE INITIATIVES

Completion of Regional Rail Link

Outer Metropolitan Ring Road, upgrade of M80 Ring Road

Western Interstate Freight Terminal (WIFT)

Potential Melbourne Airport Rail Link

URBAN RENEWAL LOCATIONS

Tottenham rail corridor, Sunshine rail corridor, Spotswood, East Werribee, Deer Park

OTHER IMPORTANT INITIATIVES

More Premium bus services, grade separation e.g. Anderson Road, St Albans, new boulevards (name them), Western Grassland Reserve, Melbourne Airport Rail Link, East West Link, Werribee Tourism Precinct (Werribee River Trail, Werribee Park, Werribee Zoo, South Werribee marina etc), future Regional Service Centre at Toolern etc. **ADD MORE IF POSSIBLE**

NORTHERN SUBREGION

Map 28 pg 164

A key focus for the Northern Subregion will be to continue to develop a diverse industry base linked to its key transport infrastructure, educational, technology and research capabilities. It will grow its outer areas into vibrant, well-serviced communities including through the development of the North East Link and a new La Trobe Employment and Innovation Cluster.

Melbourne's *Growth Corridor Plans: Managing Melbourne's Growth* (June 2012) identifies that the area covered by the *North Growth Corridor Plan* will accommodate an additional population of 260,000 or more people and have the capacity to accommodate at least 83,000 jobs. The *Sunbury/Diggers Rest Growth Corridor Plan* will accommodate an additional population of 71,000 or more people and have the capacity to accommodate at least 10,000 jobs.

MUNICIPALITIES

Banyule, Darebin, Hume, Moreland, Nillumbik, Whittlesea.

CURRENT POPULATION

835,000

FUTURE GROWTH TO 2050

500,000 TO 700,000

CURRENT NUMBER OF JOBS

231,500

PLACES OF STATE SIGNIFICANCE

La Trobe Employment and Innovation Cluster
 Epping Metropolitan Service Centre
 Broadmeadows Metropolitan Service Centre
 Donnybrook Metropolitan Service Centre (future)
 Northern Industrial Precinct
 Melbourne Airport

ACTIVITY CENTRES

Activity Centres: Beveridge, Brunswick, Coburg, Craigieburn, Craigieburn Town Centre, Diamond Creek, Donnybrook, Eltham, Gladstone Park, Glenroy, Greensborough, Greenvale, Heidelberg, Ivanhoe, Mernda, Mickleham, Northcote, Preston-High Street, Preston-Northland, Reservoir, Roxburgh Park, South Morang, Sunbury, Sunbury North, Wallan, Wollert.

Neighbourhood Activity Centres

IMPORTANT FUTURE INITIATIVES

Outer Metropolitan Ring Road, and upgrade of the M80 Ring Road
 Potential Melbourne Airport Rail Link
 Potential North-East Link
 Beveridge Interstate Freight Terminal (future)

URBAN RENEWAL LOCATIONS

Thomastown Station, Batman Station, Alphington, Upfield rail corridor

OTHER IMPORTANT INITIATIVES

New regional park at Quarry Hills, Strategic Public Transport Corridors such as Sydney Road and, new boulevards such as Plenty Road, Melbourne Airport Rail Link (northern section), and various large urban renewal precincts e.g. Coburg Initiative land, further development around the Melbourne Wholesale Market at Epping etc. There are some major public transport initiatives too that should be mentioned. **ADD MORE IF POSSIBLE**

EASTERN SUBREGION

Map 29 pg 166

A key focus for the Eastern Subregion will be consolidating its future growth in targeted areas (including in the Monash Employment and Innovation Cluster, Box Hill and Ringwood) Opportunities for transport upgrades include potential road and rail links.

MUNICIPALITIES

Boroondara, Knox, Manningham, Maroondah, Monash, Whitehorse, Yarra Ranges.

CURRENT POPULATION

1.04 MILLION**FUTURE GROWTH TO 2050**

250,000 TO 350,000**CURRENT NUMBER OF JOBS**

366,400**PLACES OF STATE SIGNIFICANCE**

Monash Employment and Innovation Cluster

Ringwood Metropolitan Service Centre

Box Hill Metropolitan Service Centre

ACTIVITY CENTRES

Activity Centres: Bayswater, Boronia, Burwood East-Tally Ho, Burwood Heights, Camberwell Junction, Brandon Park, Chirnside Park, Clayton, Croydon, Doncaster East, The Pines, Doncaster Hill, Forest Hill Chase, Glen Waverley, Hawthorn-Glenferrie Road, Kew Junction, Lilydale, Mount Waverley, Mountain Gate, Nunawading, Oakleigh, Rowville-Stud Park, Wantirna South, Knox Central, Wheelers Hill.

Neighbourhood Activity Centres

IMPORTANT FUTURE INITIATIVES

East West Link Stage 1

Potential North-East Link

Potential Rowville Rail Link

Potential Doncaster Rail Link

URBAN RENEWAL LOCATIONS

Ringwood Station, Nunawading Station, Monash rail corridor

OTHER IMPORTANT INITIATIVES

New boulevards (name them), North East link (southern portion), grade separation (e.g. Blackburn Road, Mitcham Road - name them correctly), expanded premium bus services etc, urban renewal precincts such as Eastern Valley golfcourse and at Doncaster Hill. **ADD MORE IF POSSIBLE**

SOUTHERN SUBREGION

Map 30 pg 169

A key focus for the Southern Subregion will be establishing Melbourne's new container facilities at Port of Hastings, new rail and highway connections to Hastings, and better transport links to the city along the Dandenong rail corridor.

Melbourne's *Growth Corridor Plans: Managing Melbourne's Growth* (June 2012) identifies that the area covered by the *South East Growth Corridor Plan* will accommodate an additional population of 230,000 or more people and have the capacity to accommodate at least 86,000 jobs.

MUNICIPALITIES

Bayside, Cardinia, Casey, Frankston, Glen Eira, Greater Dandenong, Kingston, Mornington Peninsula.

CURRENT POPULATION

1.16 MILLION

FUTURE GROWTH TO 2050

500,000 TO 700,000

JOBS CURRENT

344,500

PLACES OF STATE SIGNIFICANCE

Dandenong South Employment and Innovation Cluster

Dandenong Metropolitan Service Centre

Frankston Metropolitan Service Centre

Fountain Gate/Narre Warren Metropolitan Service Centre

Southern Industrial Precinct

Port of Hastings

ACTIVITY CENTRES

Activity Centres: Bentleigh, Berwick, Brighton-Bay Street, Brighton- Church Street, Carnegie, Casey Central, Caulfield, Chelsea, Cheltenham, Cheltenham-Southland, Clyde, Clyde North, Cranbourne, Elsternwick, Endeavour Hills, Glenhuntly, Hampton, Hampton Park, Hastings, Karingal, Mentone, Moorabbin, Mordialloc, Mornington, Noble Park, Officer, Pakenham, Keysborough-Parkmore, Rosebud, Sandringham, Springvale

Neighbourhood Activity Centres

IMPORTANT FUTURE INITIATIVES

Port of Hastings Upgrade

Potential South East Rail Link (freight)

Potential Dandenong Rail Corridor Upgrade

Potential Port Rail Link and Western Port Highway Upgrade

Possible South-East Airport

URBAN RENEWAL LOCATIONS

Monash Corridor, Hampton, Highett, Frankston

OTHER IMPORTANT INITIATIVES

Grade separation e.g. Springvale Road, Murrumbeena Road, Clayton Road (name them correctly), new boulevards (name them), protection of the Bunyip Food Belt, Koo Wee Rup Bypass, major urban renewal opportunities such as Moorabbin Airport, Baxter Rail Extension. **ADD MORE IF POSSIBLE**

Our plan for an investment-ready Melbourne

Direction 9.1 Driving delivery and facilitating action

Melbourne, let's talk about the future identified the need for good governance structures and processes. With metropolitan planning and delivery functions shared across three levels of government, the private sector and community stakeholders, a key challenge will be to ensure that the Strategy guides effective delivery and decision-making. The Strategy's success will depend on our ability to plan collaboratively and coordinate our activities in ways that optimise economic, social, environmental and community outcomes. This is particularly important for major infrastructure, urban renewal and growth area developments.

This will require the implementation of new reforms to the planning system, including the introduction of reformed residential, industrial and commercial zones and VicSmart. It will also require new coordination structures, and for the new independent planning authority to coordinate all major stakeholders, particularly for strategic locations where additional jobs and housing are planned.

In addition to finalising the Metropolitan Planning Strategy and *Regional Growth Plans*, further work has been identified through the Victorian Planning System Ministerial Committee for additional reform activities. These include:

- Reform of the *State Planning Policy Framework*, followed by reform of municipal strategic statements.
- Further statutory reform involving a review of special planning controls (known as overlays and particular provisions).

Central to these further reforms will be the development of a change program shifting the focus of planners from a regulatory mindset under the current system to a facilitative mindset which encourages development consistent with the Directions of the Strategy and *Regional Growth Plans*.

Initiative 9.1.1 Establish an independent planning authority

The Minister for Planning has announced that an independent planning authority will be established, with responsibility for implementing key aspects of the Strategy. In identifying the activities, functions, powers and responsibilities of the authority, we have considered the need to:

- create an authority that can effectively champion the Strategy's outcomes, objectives and Directions over the long term.
- provide clarity and certainty for stakeholders through clear roles, processes and relationships with other agencies, avoiding overlaps where possible.
- assist cross-government coordination and collaboration to:
 - implement the Strategy's significant Initiatives;
 - produce integrated and efficient land use, transport and other infrastructure planning

outcomes; and

- influence service and infrastructure delivery decisions (including sequencing).

In the immediate term

- Establish an independent planning authority to commence operation prior to the release of the Strategy.
- Amend the *Planning and Environment Act 1987* to clearly define where notice exemptions (such as section 20(4)) for matters of state significance are appropriate, and to enable the Minister for Planning to delegate decision making powers to the implementation planning authority.
- Focus the independent planning authority on activities where it can make the greatest difference in driving Strategy delivery and leaving a legacy for Melbourne, including by:
 - preparing an annual implementation plan (including designating urban renewal precincts of metropolitan significance, and prioritising projects);
 - planning the urban structure of designated sites and precincts earmarked for significant change;
 - working in partnership with subregional groups of local governments to deliver the Strategy;
 - coordinating whole-of-government, integrated land use, infrastructure and service delivery;
 - collecting development contributions within designated sites;
 - providing strategic oversight of Strategy implementation;
 - under delegation from the Minister for Planning act as Responsible Authority for Fisherman's Bend, and other Central City strategic sites such as E-Gate, Arden-Macaulay and other urban renewal areas; and
 - reviewing the Metropolitan Planning Strategy within five years of its adoption by government.

Initiatives 9.1.2 Create five metropolitan subregions to drive delivery of the Strategy

Melbourne has grown to be a large metropolis. Traditionally, government responses to metropolitan issues have been built around service delivery or portfolio-specific issues. There has been growing recognition at all levels of government that collaborative, area-based responses can be more effective than traditional approaches, particularly to complex, cross-cutting metropolitan issues.

The independent planning authority will work with five new subregional groupings of local councils to implement this Strategy. This will include ongoing discussions about the implementation of initiatives, and annual strategy sessions with each subregion and relevant departmental Secretaries, to set priorities for each subregion and inform the development of priority lists for social and economic infrastructure. These lists will constitute a rolling pipeline of local infrastructure to complement the city-shaping projects, and inform annual advice to the Government about priorities for investment to deliver on the Strategy.

This process will be further consulted as part of finalising the Strategy. The nature and level of support that the authority provides to subregional groupings of local governments will depend on the level of funding for this Initiative.

Increasing the economic performance of subregions by capitalising on their competitive advantages and major city-shaping projects (such as East West Link and Melbourne Metro) will create opportunities to increase productivity.

In the immediate term

- Establish five metropolitan subregions of local governments and the State Government (**Map 3, Page 26**), to inform collaborative planning and investment.
- Use broad-based stakeholder working groups to support the planning of specific sites and projects lead by the independent planning authority.

Initiative 9.1.3 Develop a new State Planning Policy Framework

In Victoria, the *State Planning Policy Framework* outlines metropolitan planning principles, goals and directions; and forms part of all planning schemes in Victoria. The *State Planning Policy Framework* must be taken into account when preparing amendments to planning schemes, or making decisions under a planning scheme.

We will amend the *State Planning Policy Framework* to align with the Strategy, *Regional Growth Plans* and other major planning strategies. To support this, we have established a new Ministerial Advisory Committee on the *State Planning Policy Framework*. One of the aims of this process will be to reduce unnecessary red tape and rationalise the *State Planning Policy Framework*. The new *State Planning Policy Framework* will be delivered by the end of 2013, to coincide with the release of the Strategy.

In the immediate term

- Amend the *State Planning Policy Framework* to align and integrate with the Metropolitan Planning Strategy, *Regional Growth Plans* and other recent State policies and provide improved guidance to decision makers such as local government and the Victorian Civil and Administrative Tribunal.

Direction 9.2 Better align infrastructure delivery and growth

The timely provision of infrastructure is a major concern for the community and was raised in numerous consultation submissions, particularly in reference to growth areas. Similarly, lessons from major inner-urban renewal projects (such as Southbank and Docklands) have identified that urban growth areas face similar timing questions when it comes to the delivery of infrastructure.

Infrastructure plans are now a central element of planning for Melbourne's growth corridors, and are prepared as part of the precinct structure plan process. Infrastructure plans can be used to provide clarity about what infrastructure is required, and allow sequencing of development to coincide with delivery. These plans also provide the opportunity for the private sector to play a greater role in delivering infrastructure in a timelier manner.

Initiative 9.2.1 Sequence growth in major urban renewal precincts around Melbourne to encourage productive use of infrastructure

The Strategy seeks to create a pipeline of residential development in the Central City and major urban renewal precincts, particularly around railway stations. As brownfield locations, these precincts often need a level of intervention to facilitate their redevelopment (as they are generally non-residential areas), including to provide additional community infrastructure to ensure they become liveable communities.

In the immediate term

- Ensure that urban renewal structure plans include an infrastructure plan similar to that prepared for growth-area precincts.
- Sequence the development of major urban renewal precincts around Melbourne, to optimise the use of existing and planned infrastructure.

Initiatives 9.2.2 Support local government to deliver infrastructure in a timelier manner

Developer contributions provide for much-needed infrastructure (such as schools, childcare centres, health centres and frequent public transport services). For good reasons, these contributions are set to deliver infrastructure at a level developers can afford. However, in some cases, there is a lag between development occurring and infrastructure being delivered. This is particularly an issue for new communities experiencing rapid growth.

In established areas, infrastructure planning does not start from a blank canvas. In these areas, there are existing residential and commercial land uses and a wide variety of local community-based infrastructure. Better use of our legacy of community infrastructure (such as the conversion of former town halls to libraries and other cultural and community-based uses) is all the more important in light of potentially high land values and development costs. It is crucial that community places and buildings are planned and designed so they have room to expand as our population ages, and different patterns of work and social life emerge.

In the immediate term

- The independent planning authority will:
 - work with local governments to improve the alignment between development sequencing and the timely funding and delivery of essential local infrastructure identified in development contributions plans; and
 - encourage local governments to manage the timely delivery of local community infrastructure using a combination of a sequencing plan, development contributions plan expenditure, local-government-funded works, and works-in-kind delivery of infrastructure funded by development contributions plans.

Direction 9.3 Make more efficient use of existing resources

Governments have limited funds to apply to new infrastructure projects, and face increasing demands to deliver effective outcomes with fewer resources. To meet future infrastructure needs,

we must effectively manage project costs. The Government has already taken steps to manage project costs by implementing the Investment lifecycle and *High Value High Risk Guidelines*. These guidelines cover the development of project budgets, and robust governance arrangements for significant or high-risk projects.

Initiative 9.3.1 Better use of surplus or underutilised government land

The strategic use and development of government-owned land is important for achieving the outcomes of the Strategy, *Regional Growth Plans* and the government's economic and fiscal strategy.

In 2010, the Government announced it would:

- conduct an audit of all government-owned land within the urban growth boundary, to identify sites for future development
- identify land in the Melbourne metropolitan area and in regional cities that could be used for housing.

To facilitate the audit, Land Victoria established a database of the locations and key characteristics of all federal, state and local government land in Victoria. For the first time, we have comprehensive and current records of land owned or managed by governments. These records are being reviewed to identify land that could be used for housing and other development. Initially, the audit will focus on land identified in the Strategy and other strategic documents as suitable for further development.

Using the audit findings, the Minister for Planning will identify land in strategic locations that could deliver the Strategy's housing, transport and employment outcomes. A land coordination unit will work with the independent planning authority to develop a five- to ten-year plan to use the government land. This will allow for partnerships with other landholders (such as local governments and the private sector), to identify and implement major urban renewal.

In the immediate term

- Establish a land coordination unit to work with the independent planning authority to maintain a register of surplus government land.
- Develop a framework to identify underutilised government land, including a system to manage, value capture and dispose.
- Task the independent planning authority, the Department of Treasury and Finance and the Department of Transport, Planning and Local Government to work together to:
 - identify land on the list that has potential to deliver on the outcomes of the Strategy and the Government's economic and fiscal strategy;
 - determine the extent of activity required to bring specific categories of sites and skills required to bring sites to market; and
 - allocate responsibility for bringing sites to market to either, the Department of Treasury and Finance, the independent planning authority or Places Victoria.

Initiative 9.3.2 Prioritise State investment

Current deficiencies in infrastructure in urban growth areas need to be prioritised. Growth areas need timely provision of transport infrastructure, and of other facilities and services that help to bring communities together. If we wait until population thresholds are met, we can undermine a community's ability to form strong social networks as it is forming, and lock in car-dependent travel patterns that undermine the 20-minute neighbourhood concept.

In the immediate term

- Consider options for a rolling state growth areas infrastructure fund, for areas with substantial growth pressures.
- Complete the review of the Growth Areas Infrastructure Contribution allocation model to assess opportunities of funding regional park facilities.
- Task the independent planning authority—working with government departments and agencies and subregional groupings of local governments—to assess community infrastructure needs (including education, health, justice, arts and human services) for areas that have, or are expected to have, strong population growth. This approach will:
 - Inform an annual report to the Government from the Minister for Planning about investment required to drive delivery of the Strategy;
 - Encourage private investment in the delivery of social and economic infrastructure and services, in line with the government's review of the Partnerships Victoria Framework;
 - Drive more coordinated delivery of integrated community precincts; and
 - Better leverage infrastructure funding from local governments, the State Government (including growth area infrastructure contribution funds), the Commonwealth Government, and the private sector.
- The independent planning authority will also develop details of priority economic infrastructure for growth areas, which will be endorsed by the Government and will enable the strategic allocation of growth areas infrastructure contribution funds on a rolling 10-year basis.
- Introduce new Works-In-Kind guidelines to enable the private sector – by agreement – to deliver catalyst infrastructure projects to meet their growth areas infrastructure contributions obligations.

Initiative 9.3.3 Improve funding coordination in urban renewal precincts

Developing major infrastructure projects and building new suburbs is a complex, multi-layered task that involves a range of potential funding agencies, stakeholders and partners. All three levels of government fund construction projects and major asset upgrades. The question of which project should be prioritised ahead of others is generally taken at the whole-of-government level, with some attempts to coordinate budget planning and decision-making across all levels of government, or with

a view to place-based outcomes.

What is required is a process for developing integrated, place-based budgets that can be jointly coordinated by all levels of government; and governance frameworks that provide for the coordination of multiple funding sources, and enable them to be managed as an integrated project.

In the immediate term

- Task the independent planning authority with preparing integrated infrastructure plans that support whole-of-Victorian-government funding submissions for designated state-significant sites and precincts. This may include working with local governments and Commonwealth agencies to prepare concurrent funding submissions.

Initiative 9.3.4 Achieve better economies of scale in infrastructure development

While increasing private sector participation can drive greater efficiency and innovation, improving the methods by which we engage with the market, share risks and procure assets and services can also drive long-term gains for Victoria, and reduce costs. This can include bundling a number of smaller projects into larger delivery contracts. These types of strategies emphasise place-based coordination across sectors that are traditionally separate (such as transport, commercial development, civic development, residential development, health and education).

In the immediate to short term

- Trial project bundling opportunities in major urban renewal and growth area developments, where appropriate.

Initiative 9.3.5 Create more opportunities for private sector partnerships

Victoria is recognised internationally as a leader in Public-Private Partnerships (PPPs). Through PPPs and other mechanisms, private provision of services in public transport, health, custodial services (prisons), education and public housing is now widespread. Also, many functions have been contracted out to private organisations in areas such as waste management, park management, road maintenance and cleaning.

There are many opportunities to explore greater private-sector participation where it leads to greater efficiencies through competition, more innovation through global networks and better outcomes through superior project management and delivery. To ensure the community gets high-quality services, it is important to test the potential for market-based solutions, to identify if services can be provided more efficiently by the private sector or made more contestable.

In the immediate term

- Apply reforms to the PPP procurement model for infrastructure and service delivery, to ensure the model responds flexibly to market conditions and community needs.
- Explore opportunities to apply the key commercial principles and performance incentives in the PPP model on smaller-scale projects that are of sufficient value to attract private sector involvement.

- Continue to reduce PPP bid costs by improving current PPP tendering processes (such as by minimising proposal information requirements), to allow a deeper, more competitive PPP market.
- Adopt greater use of outcome-based tendering for maintenance, service delivery and construction tenders, to encourage innovation and widen the prospective bidder market beyond existing and incumbent service providers.
- Engage private sector program management skills where large-scale programs have multiple and complex contractual and project delivery issues.
- Analyse the potential for market-based solutions and contestable service delivery in government departments and agencies where a ready private-sector market exists for similar skills and capability, and where benchmarking analysis indicates efficiencies can be achieved. This will include assessing any public-interest impacts, and the potential for improvement in value-for-money and broader service outcomes.

Direction 9.4 Opening up new funding sources

Ultimately, the community funds the infrastructure and services it expects and enjoys. We do this either directly (as users of services), or indirectly (by paying taxes to local, state or Commonwealth governments).

The way taxes are collected and allocated to projects is generally well-understood. But taxes are by no means the only funding source for capital investment in Victorian infrastructure and services. In fact, much investment in infrastructure is undertaken by the private sector, funded by us as users of services. With telecommunications (excluding the National Broadband Network) and utilities now essentially a private sector market in Victoria, the vast majority of investment in these assets and services is now private. Melbourne's two toll roads are also financed by the private sector, funded by the tolls motorists pay each time they use the roads.

Whether it is energy, telecommunications, an office building or toll roads, the users of assets and services ultimately fund the investment, through direct user charging.

Case Study – Melbourne city loop pg 178

Many government services are funded by a combination of taxes and user charges. In the case of local governments, local projects (such as libraries, parks, community centres and road improvements) are funded by a combination of direct charges for services and by charging indirect beneficiaries through the rating system (rates). The rating system allocates the cost of services based on improved property values, which rise when local amenities are improved through local government investments.

This funding mix of general taxation, direct user charging and capturing the value to indirect beneficiaries can be optimised over time, not only to generate more funds for investment, but also to increase fairness and the efficiency of assets and services through astute pricing policy.

During the 1990s, Victoria led the way with reform of essential infrastructure. Reforms to the water, electricity, gas and rail sectors all led to significant benefits for Victorians, and have helped fuel our economic successes of the past decade. However, with the exception of tolling on both CityLink and EastLink, there have been no reforms to the way we fund major infrastructure.

Over the coming decades, we will face significant challenges meeting demand for infrastructure

(such as schools, hospitals, water and road transport). Ongoing demand will grow as the population continues to grow. The high cost of construction in existing urban areas means there will be limited opportunities to grow Melbourne's major infrastructure systems without significant cost.

In addition, we need to consider ways to free up revenue to preserve long-term transport corridors, to support the future growth of the city.

Initiative 9.4.1 Reform development contributions

Development contributions ensure that when new communities arrive, necessary infrastructure (such as roads, drainage, sporting and community infrastructure) is in place to meet their needs. In May 2012, the Government announced a preferred framework for a new local development contributions system based on standard levies. It appointed an independent Standard Development Contributions Advisory Committee to provide advice on the final system.

The new system will contribute towards infrastructure in growth areas, strategic development areas and urban areas, including brownfield sites. The new levies will be tailored to align with different development settings in metropolitan and non-metropolitan areas, for residential, retail, commercial and industrial development. Certain levies will be able to be varied, depending on specific circumstances.

The new system will be simpler to use and administer, and will remove the need to prepare costly and complex development contribution plans. It will rein in escalating costs to developers and cut red tape. More importantly, it will help deliver essential infrastructure (such as roads, public transport, open space, sporting and community facilities) to support growth and meet the future needs of residents across Victoria.

In the immediate term

- Implement a new statewide contributions system.

Initiative 9.4.2 Use value capture to change the way we fund city shaping infrastructure

There are many beneficiaries of infrastructure investment and new services. They include nearby property owners (who benefit from property value uplift), property developers (who benefit from the increased attractiveness of their development) and local businesses and residents (who benefit from reduced business costs, enhanced amenity and increased economic activity and productivity).

Capturing that part of the value that flows to these indirect beneficiaries can be a funding source for the initial investment. It creates a stronger link between the cost of new infrastructure and those who benefit from it, either directly as users or indirectly through increases in the value of their property or business.

Value capture creates the opportunity to accelerate infrastructure projects that have the support of local businesses and communities by creating a mechanism for them to contribute—and therefore fast-track—much-needed projects.

Effective value capture mechanisms, however, require certain attributes if they are to be acceptable and practical:

- The benefit must be clearly demonstrable, quantifiable and attributable.

- The mechanism must be practical, easily administered and understood.
- The mechanism should be transparent.
- The mechanism should be fair and equitable, and not unduly burden low-income groups.

There are many different examples of value capture. The current Crossrail project in London is part-funded by a levy on City of London businesses, and Melbourne's Underground Loop was part-funded by a City of Melbourne levy on ratepayers.

There are many different types of value capture, including special local government levies or area-based improvement levies, where funding is time-limited and ring-fenced for specific infrastructure. The Government will thoroughly examine how value capture might be applied to help fund major infrastructure projects, with a particular emphasis on funding the elimination of high-priority rail level crossings across Melbourne.

Table 4 pg 180

Figure 18 pg 180

In the immediate to short term

- After examining potential value-capture mechanisms suitable for Melbourne:
 - adopt value-capture mechanisms that could include a diverse range of beneficiaries (such as property owners, property developers, transport users, local residents, local businesses and non-local businesses);
 - in conjunction with a broader examination of value-capture mechanisms, examine the use of user-charging principles in the development of funding models for major urban transport projects and growth area developments;
 - use value-capture mechanisms and coordinate government efforts to facilitate the development of land associated with the elimination of level crossing in areas that improve road safety and efficiency and contribute to the objectives of the Strategy;
 - ensure any value capture is fair, practical and transparent;
 - create a direct link between such mechanisms and any specific investment; and
 - seek to engage other state governments and the Commonwealth Government to jointly reform the way revenue is collected from road users by all levels of government, and the way in which it is allocated, to help sustain the road network and improve transport services.

Initiative 9.4.3 Implement a clear framework for consideration of unsolicited private sector proposals for infrastructure

A key element of the government's agenda for a more commercial focus to infrastructure procurement⁶¹ is to provide a framework for considering unsolicited proposals. The private sector has the capacity and desire to invest in key pieces of economic infrastructure, but generally wants its intellectual property protected.

⁶¹Securing Victoria's Economy, Action 4

In the immediate term

- Provide information to the private sector about the government's requirements in relation to unsolicited bids.
- Establish an application and decision-making process for unsolicited private-sector proposals. The decision-making process will consider benefits and costs, including wider economic benefits, to ensure net community benefits are delivered.

Direction 9.5 Monitor progress and outcomes

Melbourne, let's talk about the future suggested that many aspects of Melbourne's urban system have gone unmeasured, or not reported on, for too long. It suggested that to provide greater transparency and accountability, there was a need to measure the progress of both actions and outcomes.

To successfully deliver the Strategy, we need a monitoring framework that is transparent, reliable, can monitor implementation of Initiatives, and can identify changes in the city's development and requirements over time. The framework also needs to be integrated with the monitoring of Victoria's planning system, and capable of informing delivery and investment decisions by all levels of government.

Initiative 9.5.1 Establish a monitoring framework for the Metropolitan Planning Strategy

Monitoring of the Strategy and publicly reporting on progress will need two processes. The first will monitor implementation of the Strategy's Initiatives. This will involve assigning responsibility for Initiatives to appropriate departments and agencies, tracking delivery, and monitoring delivery against specified timeframes.

The second process will monitor the Strategy's outcomes. It will include a number of metropolitan-level indicators for assessing economic, built environment, transport system, environment and liveability outcomes.

Table 4, Page 180 shows some potential outcome indicators.

The final outcome indicators will be reported on at both the metropolitan and subregional levels to provide a finer-grain understanding and assessment of the city's economic, social and environmental performance than has previously been available. To do this, we will engage with peak local government and business organisations and the public sector, to develop an outcomes monitoring framework during the final phase of consultation on the Draft Strategy.

In the immediate term

- Release a monitoring framework with the final Strategy for monitoring outputs and outcomes.
- Require the independent planning authority to prepare a statement of progress for the Minister for Planning to table in Parliament, outlining progress in implementing the Strategy's initiatives across Melbourne's five metropolitan subregions annually.

Initiative 9.5.2 Make data available to support external development of products that improve the information for individuals and businesses

In August 2012, the Government announced the *DataVic Access Policy* to make government datasets easily available in a machine-readable format. The monitoring framework will be subject to this policy, and data promptly released. There is also the opportunity to make data available to support external development of products that improve the information available to individuals and businesses. This will be complemented by a liveability index and an affordability index, providing suburb-level measures of liveability and affordability to inform important decisions.

In the immediate term

- Release datasets for use by industry and the community to develop products that help businesses and individuals make informed decisions, with a focus on data relating to metropolitan land use, transport, infrastructure and services.