



Strategic expansion of Melbourne

Established suburbs

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

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

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

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

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

Pilot Project - Inner North Sub-Region

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

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

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

Growth Areas

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

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

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

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

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

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

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



Investigation Areas

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

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

Melbourne west

Melton-Caroline Springs Growth Area

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

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

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

Melbourne west

Wyndham Growth Area

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

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

Melbourne north

Hume-Mitchell-Whittlesea Growth Area

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

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

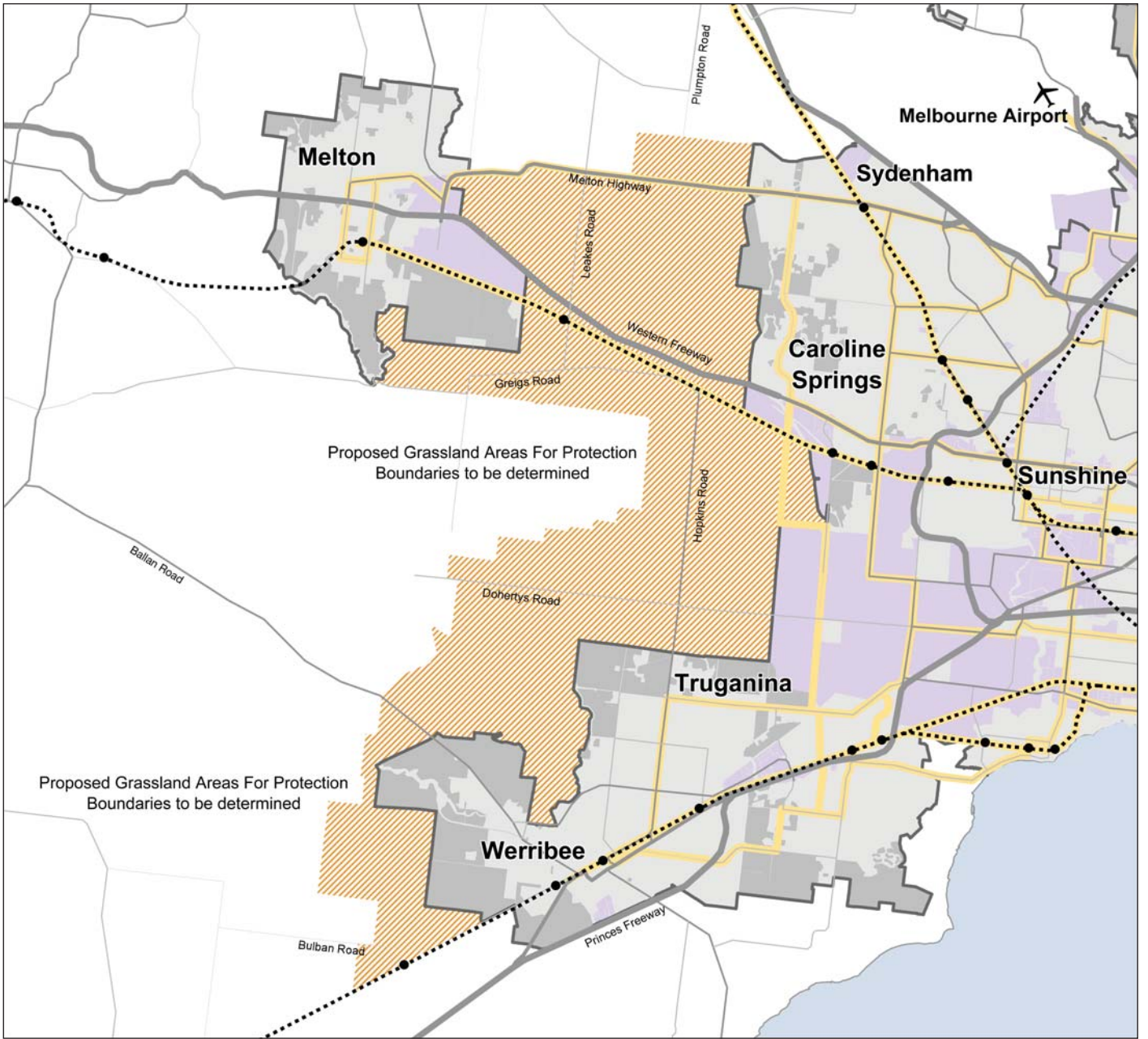
Investigation Area: 25,385 ha
Minimum Required: 10,500 ha

Melbourne south east

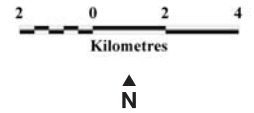
Casey-Cardinia Growth Area

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

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



Melbourne West

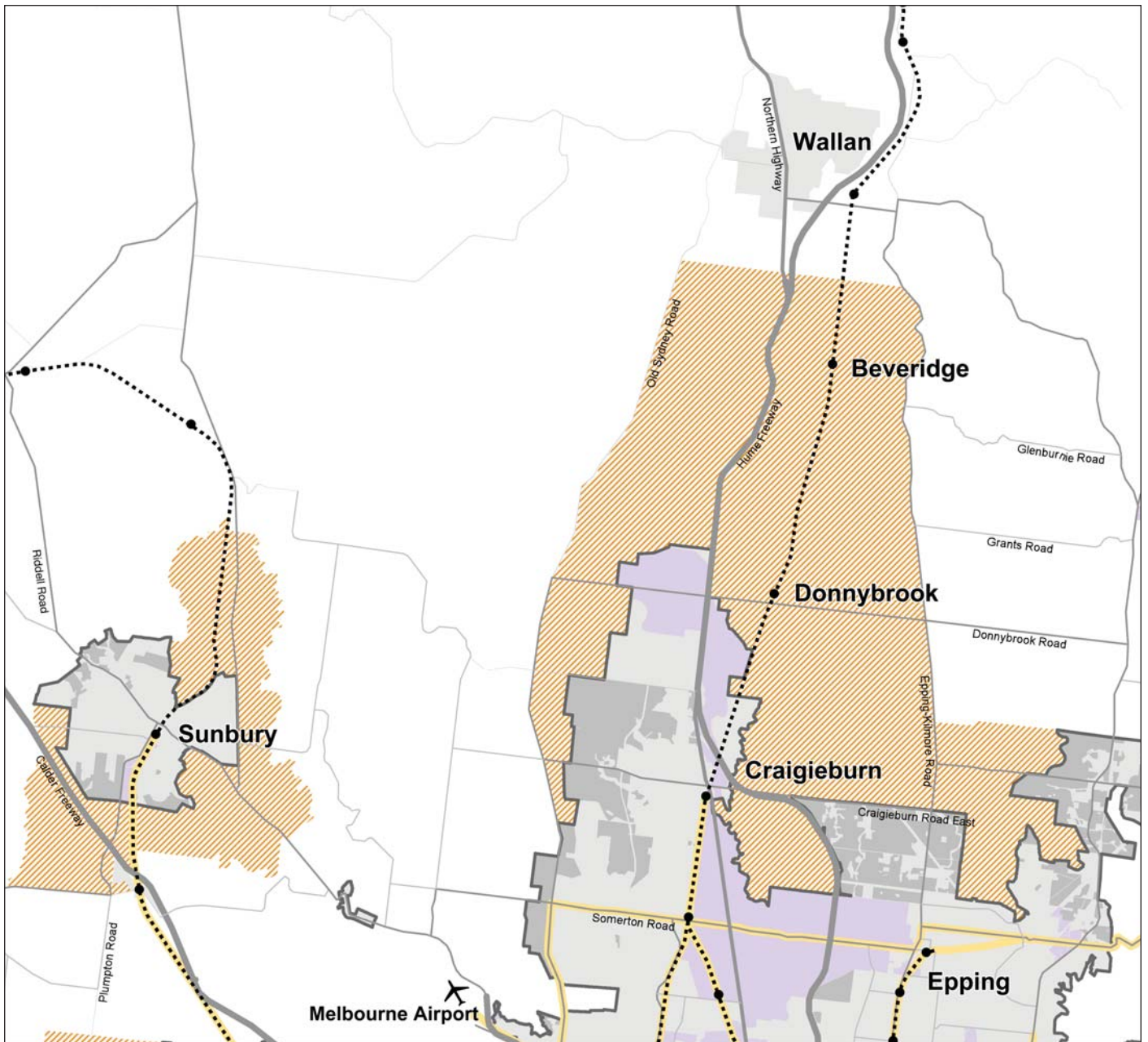


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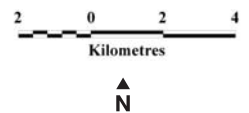
- Investigation Area
- Existing Urban Area
- Growth Area Development Land Within UGB
- Major Employment Area
- Principal Public Transport Network
- Urban Growth Boundary
- Major Road
- Rail Line / Station

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


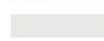


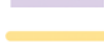

Wyndham Growth Area
 Investigation Area: 8,351 ha
 Minimum Required: 5,375 ha





Melbourne North

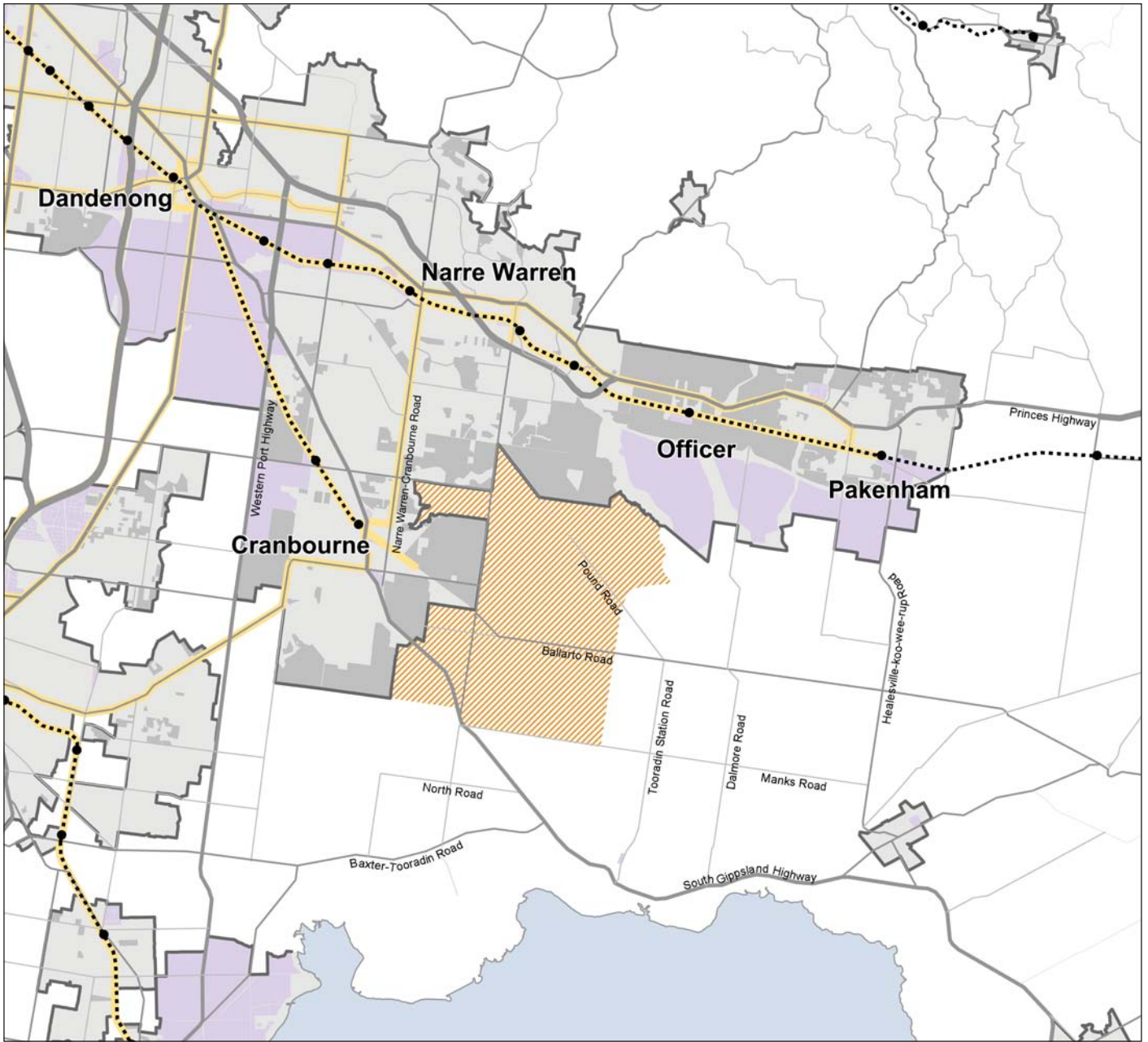


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-  Investigation Area
-  Existing Urban Area
-  Growth Area Development Land Within UGB
-  Major Employment Area
-  Principal Public Transport Network
-  Urban Growth Boundary

-  Major Road
-  Rail Line / Station

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



Melbourne South-East



Legend

- Investigation Area
- Existing Urban Area
- Growth Area Development Land Within UGB
- Major Employment Area
- Principal Public Transport Network
- Urban Growth Boundary
- Major Road
- Rail Line / Station

Casey-Cardinia Growth Area
 Investigation Area: 5,560 ha
 Minimum Required: 2,900 ha

Planning the green wedges

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

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

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

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

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

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



Getting the right infrastructure in place

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

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

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

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

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

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

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

Growth Areas Infrastructure Contribution

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

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

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

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

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

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



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

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

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

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

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

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

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

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

Local infrastructure charges

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

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



Photograph © Misheye

Regional Victoria

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

Planning strategically for regional growth

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

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

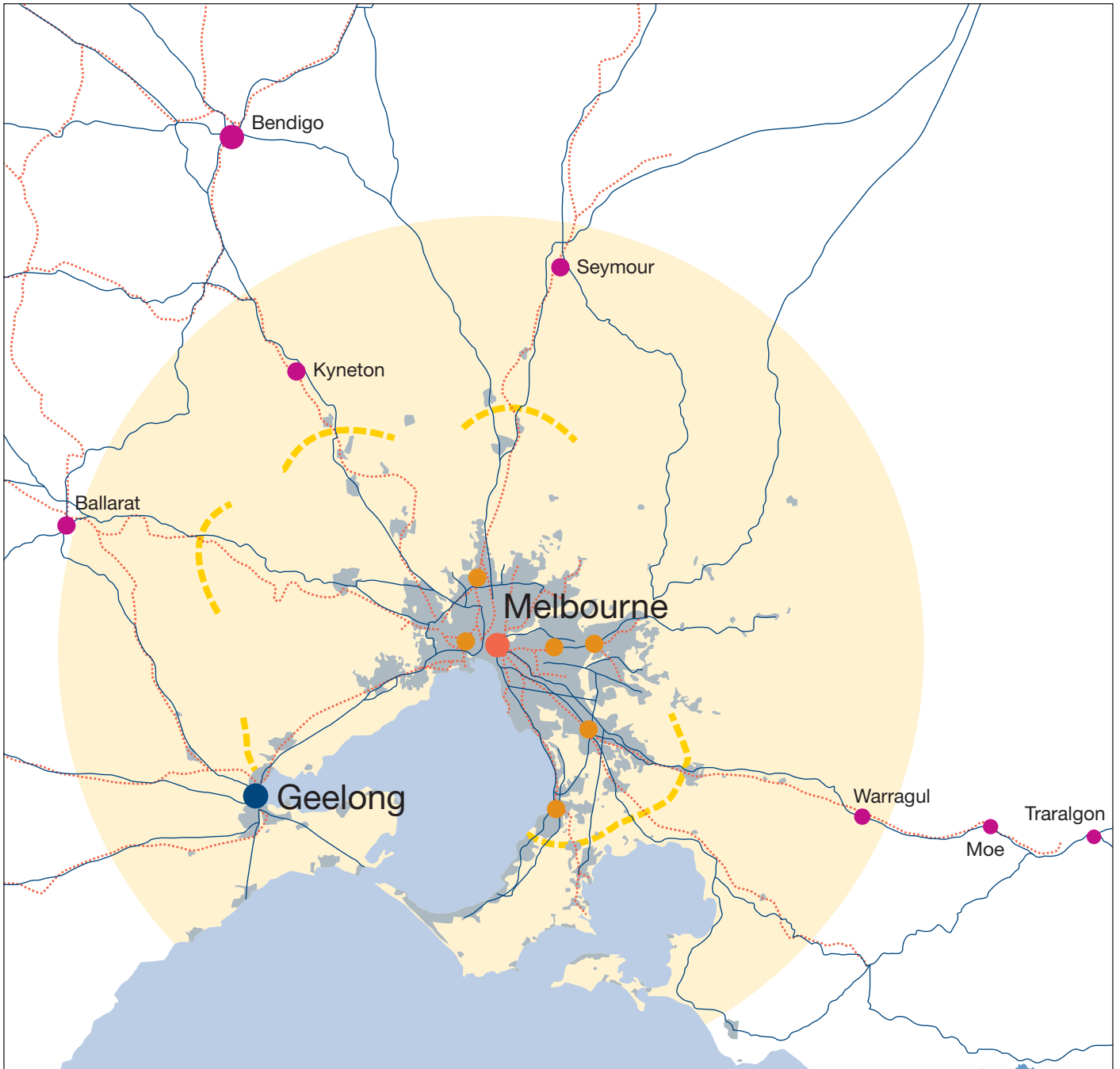
Through the Ministerial Taskforce on Regional Planning, the Government will develop a long-term blueprint for the sustainable growth of regional Victoria, setting a broad framework for the future development of productive, liveable and sustainable regional communities.

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

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

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

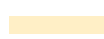

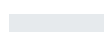




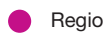





Melbourne and Regional Centres



Legend

- | | | | |
|---|-----------------------------|--|------------------------------|
|  | 100km from Melbourne |  | Melbourne CBD |
|  | Urbanised area |  | Central Activities Districts |
|  | Highway |  | Geelong |
|  | Rail line |  | Regional city/town |
|  | 1 hour travel approximation | | |

Managing growth and change in areas surrounding Melbourne

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

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

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

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

Case study Armstrong Creek, Geelong

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

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

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

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

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

Where to from here?

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

Our ongoing commitments

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

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

Establishing the Central Activities Districts

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

Developing employment opportunities

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

Reviewing the Urban Growth Boundary

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

The following process is proposed:

January – March 2009

Detailed planning;

April – May 2009

Public consultation;

June – September 2009

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

Future changes to the Urban Growth Boundary

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

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

The criteria are:

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

Funding for infrastructure

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

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





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