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MINISTER’S FOREWORD

PLAN MELBOURNE IS MORE THAN AN OPPORTUNITY TO BUILD A CITY, IT’S AN OPPORTUNITY TO PLAN THE FUTURE OF OUR CITY, GAIN CONSENSUS ABOUT HOW WE WANT TO LIVE AND IN DOING SO RENEW OUR DEMOCRACY.

Melbourne is at an exciting time in its history with unparalleled opportunity for growth, development and prosperity.

We need to prepare for that growth now, and with sensible and sustainable planning we can provide the foundation for Victoria’s economic vitality and liveability throughout the 21st century.

The Plan Melbourne refresh is about making sure our strategy for the city’s growth and development gives our present and future citizens an even better quality of life, a higher standard of living and access to greater opportunities.

I want to see us build a city that sets an example to the world for environmental sustainability, social equity, enhanced liveability and economic strength.

Melbourne is facing some big challenges. Our projected population growth, changing economic conditions and the pressures of climate change mean we need to think and act thoughtfully about how to grow and develop our city.

Much of Plan Melbourne has bipartisan support and this refresh does not propose a comprehensive revision. Rather, it allows us to revisit the plan in light of new information and incorporate some ideas that planning experts and ordinary citizens alike have raised during the consultations and lively public debates over the last few years that had been omitted.

And having refreshed Plan Melbourne, we will be in a better position to answer the big questions that can no longer be ignored: How do we make sure there is a steady supply of housing that is affordable for the next generation of Victorians? How do we manage investment in transport infrastructure to keep this city moving? How do we avoid the sorts of geographical inequalities that plague many of the world’s fastest growing cities? How do we prepare for climate change?

The discussion paper presents options for consideration during the public consultation process. These options have been informed by the work of the Ministerial Advisory Committee (MAC) which I re-formed in 2015 to provide me with independent expert advice on how to refresh Plan Melbourne. It has also benefited enormously from submissions and information collected during an earlier extensive community and stakeholder engagement program.

I encourage you to read it, discuss it, circulate it via the social media, and be part of a lively public debate. Melbourne is our city, so together let’s set its course for a positive future.

Visit www.planmelbourne.vic.gov.au, or turn to the Getting Involved section for information about being part of the discussion.
EXECUTIVE SUMMARY

THIS DISCUSSION PAPER AIMS TO REFRESH PLAN MELBOURNE 2014 BY PROMOTING DISCUSSION OF OPTIONS WITH STAKEHOLDERS, EXPERTS AND THE COMMUNITY.

Melbourne is facing many challenges with significant planning implications. These include:

- A changing economy
- The demands of providing infrastructure across a greater area to more people
- A growing and ageing population
- A changing climate
- Meeting demands for diverse housing.

Victoria’s land use planning system, underpinned by the Plan Melbourne 2014 strategy and the Regional Growth Plans, has a key role in addressing these challenges and realising the opportunities they also present.

This discussion paper was informed by the Plan Melbourne Ministerial Advisory Committee (MAC 2015) report. This discussion paper, the MAC (2015) report and other documents relating to the development of Plan Melbourne are available at www.planmelbourne.vic.gov.au.
SCOPE

The Plan Melbourne refresh is not intended to comprehensively revise Plan Melbourne 2014. It builds on the extensive work and consultation underpinning Plan Melbourne 2014. There is bipartisan support for much of Plan Melbourne 2014. Plan Melbourne 2016 will maintain its key priorities but also strengthen the focus on housing affordability, climate change and energy efficiency.

The refresh also provides opportunity to update Plan Melbourne 2014 to reflect current government transport commitment and priorities. It will also document progress in implementing Plan Melbourne initiatives and actions and better define how they will be measured, update data and improve the strategy’s clarity and useability.

A further review of Plan Melbourne 2016 and updates of its implementation plan will occur every 5 years – the next being in 2021.

GETTING INVOLVED

A refreshed Plan Melbourne will be published in the first half of 2016 following further advice from the MAC, a review of updated data and submissions on the discussion paper. The MAC report and the full Plan Melbourne refresh: discussion paper are available at www.planmelbourne.vic.gov.au.

Your views and ideas are important and will help shape a refreshed Plan Melbourne.

In addition to community feedback, workshops with industry, local councils and hard to reach groups will also provide input into the refresh of Plan Melbourne.

You are encouraged to make a submission and respond to the options raised.

Submissions will be made public unless confidentiality is requested. Submissions that are defamatory or offensive will not be published.

Comments and submissions on the refresh of Plan Melbourne will close on Friday 18 December 2015 at 5.00pm AEST.

Provide comments online

Visit www.planmelbourne.vic.gov.au
• make a submission via an online form
• discuss your ideas in the online forums.

Request a printed submission form

Email planmelbourne@delwp.vic.gov.au
Phone (03) 9098 8921

If you would like to provide comments and are unable to use the online form, please email or telephone to request a printed version of the submission form.
KEY POINTS

1. SCOPE OF OPTIONS FOR DISCUSSION

Much of Plan Melbourne 2014 enjoys bipartisan support and will not change.

The Plan Melbourne refresh addresses key issues of housing supply, diversity and affordability and climate change and will reflect current transport network priorities.

2. GROWTH CHALLENGES, FUNDAMENTAL PRINCIPLES AND KEY CONCEPTS

It is proposed to revise Plan Melbourne 2014 to articulate an enduring strategy with a long-term focus supported by a ‘rolling’ implementation plan.

Plan Melbourne 2016 should better explain the opportunities, challenges and tensions for the city’s future development. It could also reference the United Nations Sustainable Development Goals.

The existing urban growth boundary will be locked down and the values of the green wedge and peri-urban areas should be better articulated.

The concept of an Integrated Economic Triangle should be replaced and the concept of the polycentric city and 20-minute neighbourhoods better defined.

Climate change, housing affordability and the importance of people, place and identity should be better explained and given greater prominence.

More focus will be given to the importance of partnership with local government in sub-regional planning and the implementation of Plan Melbourne 2016.

3. DELIVERING JOBS AND INVESTMENT

Planning for the expanded central city, and particularly in urban renewal precincts, needs to ensure commercial development opportunities are preserved and the early delivery of key transport infrastructure is considered.

National Employment Clusters should be renamed National Employment and Innovation Clusters (NEICs) to distinguish their significance in the metropolitan context and the term used consistently throughout Plan Melbourne 2016.

Planning for National Employment Clusters could focus on core institutions and businesses or take a broader approach that looks beyond them.

Update of the designation of some activity centres and review the planning area boundary for some National Employment Clusters.

The existing criteria in Plan Melbourne 2014 for identifying and establishing new activity centres could be modified to include additional criteria.

Planning tools to help protect strategic agricultural land are being investigated.

The outcomes of the Extractive Industries Taskforce will be implemented.

4. A MORE CONNECTED MELBOURNE

Plan Melbourne 2014 will be updated to reflect revised and new transport projects.

While it will outline the broad transport needs of the city over the next 35 years, the detail and timing of projects will be subject to transparent assessment and approval processes.

Plan Melbourne 2016 will reincorporate the Principal Public Transport Network to help guide decision making.
Plan Melbourne 2016 needs to articulate long-term land use policies and reforms to meet forecast housing needs and expand housing choice and affordability. The MAC (2015) report proposes a large number of initiatives relating to housing supply, diversity and affordability.

As a growing city Melbourne needs to facilitate the mobility, education and economic opportunities of its households. Boosting housing choice for all households will have significant social and economic benefits for individuals and all Victorians.

Options canvass actions that will establish new housing development goals, increase certainty for housing development, facilitate housing supply in Melbourne’s established areas and develop comprehensive data and strategies to better guide housing planning.

Further initiatives to support housing diversity including social and affordable housing initiatives are advocated and discussed.

The planning system can help reduce greenhouse gas emissions and build our resilience to reduce our exposure to climate change impacts.

Strategic environmental principles, improving hazard mapping and new planning tools can help respond to climate change challenges and build resilience.

Environmentally sustainable design and actions to encourage renewable energy will deliver environmental outcomes, such as reductions in greenhouse gas emissions, and create a more sustainable Melbourne.

While the MAC (2015) report recommends new planning scheme tools for National Employment Clusters and designated urban renewal precincts, existing planning scheme mechanisms may achieve the intended purpose.

A code assess approach to multi dwelling developments may provide greater certainty and investment. It would need to be carefully crafted.

The role of the Metropolitan Planning Authority and sub-regional planning groups in implementing Plan Melbourne 2016 will be more clearly articulated.

Metropolitan sub-region boundaries could be adjusted to better align with planning outcomes.

A review and refresh of Plan Melbourne 2014 actions is proposed to develop a new ‘rolling’ implementation plan.

The Plan Melbourne 2016 monitoring framework will be rationalised and updated, including addressing gaps in relation to environment and climate change.

Summarises the preliminary response of government to the MAC recommendations. It lists all the MAC (2015) report recommendations and states how the issue is addressed in this discussion paper and if not, explains why.

Lists concurrent Victorian Government policy and strategy initiatives that relate to Plan Melbourne.
SCOPE OF OPTIONS FOR DISCUSSION

KEY POINTS

Much of Plan Melbourne 2014 enjoys bipartisan support and will not change.

The Plan Melbourne refresh addresses key issues of housing supply, diversity and affordability and climate change and will reflect current transport network priorities.
As Victoria’s capital city, Melbourne is at the centre of our state’s economy. Like other modern economies, Melbourne is becoming a city where knowledge-based businesses are critical to our economic prosperity.

It is important to plan for the city’s growth in a way that responds to how we will live and work. Plan Melbourne 2016 provides a framework to enhance the city’s productivity, move jobs closer to where people live and to create great new urban areas that accommodate much of Melbourne’s growth. This will maintain Melbourne’s globally-recognised liveability and its role as an efficient business services city, tourism destination and freight and manufacturing hub.

This will optimise benefits from investment in infrastructure and maintain what we value about our city. The Victorian Government has committed to refreshing Plan Melbourne 2014 with a particular focus on the future supply and affordability of housing, the city’s response to climate change, and transport priorities. Plan Melbourne 2016 will be published in the first half of 2016 following a review of updated data, submissions and advice from the Ministerial Advisory Committee (MAC).

This discussion paper aims to promote community, stakeholder and expert discussion of options to refresh Plan Melbourne.
What is not changing

This refresh is not intended to comprehensively revise Plan Melbourne 2014. It builds on the extensive work and consultation underpinning Plan Melbourne 2014.

There is bipartisan support for much of Plan Melbourne 2014.

Plan Melbourne 2016 will maintain the focus on:

- Providing for employment in an expanded central city, and state-significant employment clusters and industrial precincts
- Transforming the transport system to support a more efficient, productive city with improved travel options to increase social and economic participation
- Directing growth and increased development intensity to strategic locations
- Achieving a city of ‘20-minute neighbourhoods’
- Delivering a compact urban form with a fixed urban growth boundary
- Protecting environmental values and agricultural productivity in green wedges and the peri-urban area
- Supporting growth in regional Victoria.

What is changing

The refresh of Plan Melbourne will strengthen the focus on climate change, energy efficiency and housing affordability (see Chapters 2, 5 and 6). It also provides opportunity to update Plan Melbourne 2014 to:

- Achieve an enduring strategy with a focus on longer-term rather than short-term actions
- Incorporate current transport commitments and priorities, including the Melbourne Metro Rail Project
- Reflect progress in implementation of Plan Melbourne 2014 related policy reviews, such as transport initiatives, the implementation of the new residential zones, apartment standards, regional growth plans, updating of Precinct Structure Plan Guidelines, Open Space and Boulevards strategies and the Yarra River Strategy
- Better define how implementation and outcomes will be measured
- Update data and projections. Victoria In Future 2015 (VIF 2015) indicates changes to population and economic growth projections will not be significant and will not affect the challenges to be addressed by the metropolitan strategy
- Reflect significant changes in the form of housing being developed which affects the associated projections in Plan Melbourne 2014 (see Chapter 5)
- Recognise new entities and governance changes
- Improve clarity and usability.

The Plan Melbourne refresh focuses on areas where the planning system has:

A lead role

This includes, for example, strategies relating to urban form, identifying locations for growth, urban design and built form, development responses to various opportunities and constraints (such as natural hazards, protection of significant assets, brownfield development).

An enabling role

This includes facilitating achievement of policy relating to social housing, urban renewal, supporting private sector development to meet employment and housing objectives, ensuring opportunities to support climate change mitigation and adaptation and establishing the basis to plan for delivery of infrastructure and services.

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1 Melbourne’s base population becomes 4.4 million (up from 4.3 million) and Victoria’s becomes 5.8 million (up from 5.7 million) and the 2051 population total of 7.7 million for Melbourne does not change.
Plan Melbourne MAC

The development of Plan Melbourne 2014 was prepared with input from a MAC and extensive public and stakeholder consultation. The MAC was reconvened in March 2015 to advise the Minister for Planning on the Plan Melbourne refresh. The MAC’s 2015 Terms of Reference are available at www.planmelbourne.vic.gov.au.

The MAC provided a further report in May 2015 to inform the refresh of Plan Melbourne which has been released alongside this discussion paper. The MAC will provide a final report to the Minister on the Draft Plan Melbourne 2016.

While the MAC’s report and recommendations (2015) have made a valuable contribution that has informed options set out in this discussion paper, a number of issues raised by the MAC:

- Are more appropriately addressed through the more comprehensive 5-year review of Plan Melbourne 2016. For example, it is premature to consider additional National Employment Clusters. However, it is acknowledged that innovation was an important component of these clusters and should be recognised in a revised name
- Are being progressed through the ongoing work programs of responsible departments and agencies, rather than through the current more focused refresh
- Will be referred for consideration to other government strategy or policy reviews currently underway such as the transport network planning and the government’s Review of Housing Affordability in Victoria (in relation to recommended fiscal and financial initiatives).

Just one MAC recommendation will not be advanced in some way: recently introduced legislation to reform Development Contributions did not extend to contributions to net additional dwellings across the metropolitan region as recommended by the MAC (2015) and it is not proposed to revisit this issue for the Plan Melbourne refresh.

This discussion paper, including Appendix A incorporates the government’s preliminary response to the MAC recommendations. Appendix A lists the MAC’s recommendations and indicates whether:

- The issue requires further consideration and is addressed in the discussion paper
- The MAC recommendation is supported and appropriate changes will be incorporated into Plan Melbourne 2016 (and do not need to be addressed in this discussion paper)
- The recommendation is being progressed through the ongoing work programs of responsible departments and agencies, or will be referred for consideration to other government strategy or policy reviews currently underway
- The recommendation is considered to be out-of-scope (these recommendations could be considered as part of the 5-year review of Plan Melbourne 2016)
- The recommendation is not being recommended to government.
Aligning with other strategies and policy reviews

Plan Melbourne contributes to advancing the government’s broader economic, social and environmental policy. This requires an integrated approach across government that delivers overarching policy goals, such as delivering jobs, securing economic prosperity, and protecting environmental values. Complimentary action is required on issues such as transport planning to serve key land uses, urban form that supports reductions in greenhouse gas emissions and policies that support more diverse and affordable housing. Plan Melbourne also sets the strategic framework for specific strategies (such as the strategies for boulevards and public open space) and for more localised planning.

The Plan Melbourne refresh will align and integrate with concurrent Victorian Government reviews presently underway, without pre-empting the outcomes of these reviews, to achieve a whole-of-government approach. Where possible the outcomes of more advanced comprehensive policy processes will be reflected in Plan Melbourne 2016. Concurrent reviews (see Appendix B) are set out below:

Economy and infrastructure
- Regional Economic Development and Services Review
- Transport planning under the Transport Integration Act 2010
- Victorian Construction Industry Technologies Strategy
- Policy development addressing changing farm practices, competing land uses and export opportunities
- Extractive Industries Task Force
- Possible east coast High Speed Rail

Housing
- Review of Housing Affordability in Victoria
- The development of a strategy to improve the response to Victorians’ in housing crisis
- Review of Residential Tenancies Act 1997
- Accessible Housing
- ‘Better Apartments’ review of development requirements
- Review of the implementation of Reformed Residential Zones

Environment and energy
- Review of the Climate Change Act 2010
- Renewable Energy Roadmap and Action Plan
- The Energy Efficiency and Productivity Statement and Strategy
- State Water Plan
- Victorian Biodiversity Strategy and reviews of the Flora and Fauna Guarantee Act 1988 and native vegetation regulations
- Yarra River Strategy
- Open Space Strategy

Other
- Central City Framework to be prepared by the Metropolitan Planning Authority
- Boulevards Strategy
- Establishment of Infrastructure Victoria
- Establishment of Victorian Planning Authority
KEY POINTS

It is proposed to revise Plan Melbourne 2014 to articulate an enduring strategy with a long-term focus supported by a ‘rolling’ implementation plan.

Plan Melbourne 2016 should better explain the opportunities, challenges and tensions for the city’s future development. It could also reference the UN Sustainable Development Goals.

The existing urban growth boundary will be locked down and the values of the green wedge and peri-urban areas should be better articulated.

The concept of an Integrated Economic Triangle should be replaced and the concept of the polycentric city and 20-minute neighbourhoods better defined.

Climate change, housing affordability and the importance of people, place and identity should be better explained and given greater prominence.

More focus will be given to the importance of partnership with local government in sub-regional planning and the implementation of Plan Melbourne 2016.
The MAC and others have criticised the clarity of the ‘big ideas’ in the introductory chapter of Plan Melbourne 2014.

In its 2015 report, the MAC advises that “The Introduction chapter to a 40 year strategy for a major metropolitan area needs to immediately alert its citizens to think longer-term and to invest in the future. It must articulate (and make the case for) a planning strategy that will affect the lives of its citizens for years to come”.

This chapter outlines where the challenges, opportunities and big ideas of Plan Melbourne 2014 can be better articulated, and provides opportunities to elevate other significant issues.

2.1 AN ENDURING STRATEGY

OPTIONS FOR DISCUSSION

1. Revise Plan Melbourne 2014 to articulate an enduring strategy with a long-term focus supported by a ‘rolling’ implementation plan and updated State Planning Policy Framework.

2. Align Plan Melbourne 2014 and the implementation plan with current government strategies, priorities and policy reviews.

3. Edit Plan Melbourne 2014 to provide a clearer narrative, reduce repetition, limit content that describes existing conditions and align text with more relevant graphics and maps.

4. Remove unnecessary content that does not assist in the use of Plan Melbourne 2014 as a statutory planning document (such as vox pops, quotes, case studies).
The consultation in 2013 highlighted the importance of an enduring metropolitan strategy to provide certainty about long-term strategic directions for sound investment decisions by government and the private sector.

The MAC supports this view in its 2015 report, commenting:

> Over a 40 year plan, it is imperative to develop long-term, visionary plans and (as necessary) reserve transport corridors, areas for urban growth, green wedges, employment lands, or biodiversity areas, as the Plan dictates. This approach was followed for Melbourne in the MMBW 1954 Plan and its 1970s plans.

> What will be required by 2051 needs to be identified now and set out in PM Refresh. The nomination of, say, a road or rail project on the plan does not carry with it an obligation to build it now or in the near future. However, its inclusion in the plan does set out an intention and a need to protect the option. In the case of land components, this may involve land purchase, as and when the opportunity or requirement arises. While events and technology might make changes necessary or beneficial, the long-term visionary plan needs to be freed from the budgetary priorities and constraints of the government of the day.

> The short term might extend over a ten year period, and involve various levels of project planning and delivery. It is really only in the short term where major capital expenditure needs to be committed.

MAC (2015) report, p. 11

For the reasons set out by the MAC, there is merit in revising Plan Melbourne 2014 to separate the long-term plan from the implementation plan to create a more enduring strategy.

A metropolitan strategy should establish the overall metropolitan structure and identify city-shaping investment to provide the framework for more localised planning frameworks. This directs the focus of metropolitan strategy to high-level issues that include the footprint of urban development, city-shaping transport infrastructure, identifying strategic development opportunities and locations for employment and activity centres, where housing of different forms should be directed, environmental assets to be protected, and regional open space provision.

Plan Melbourne 2014 will be edited to remove content that quickly dates. How local strategies and actions in Plan Melbourne 2014 are treated will also need to be considered.

**Implementation**

If Plan Melbourne 2014 is to be revised to separate the long-term plan from shorter-term implementation decisions, a supporting implementation plan, together with an updated State Planning Policy Framework, will be integral to the long-term strategy.

Plan Melbourne 2014 focuses strongly on implementation through new governance arrangements, funding sources and a commitment to monitor and report on implementation. It contains specific initiatives and actions, including many short-term actions to be delivered within the first 4 years. Many of these are well progressed or have been overtaken by circumstances.

The Plan Melbourne 2014 initiatives and actions will need to be reviewed and updated to recognise progress in implementation to form the basis of a supporting implementation plan.

While the MAC proposed a 10-year ‘rolling’ implementation plan that sets out details of projects to be delivered and the intended funding arrangements, the time frame is proposed to align with the review of Plan Melbourne 2014 and other government processes. It is proposed to release the first implementation plan with Plan Melbourne 2016.
2.2 KEY OPPORTUNITIES AND CHALLENGES

OPTIONS FOR DISCUSSION

5 Better define the key opportunities and challenges for developing Melbourne.

Metropolitan Melbourne is facing many challenges with significant planning implications. Growing and emerging pressures include a widening gap between social and economic futures, a growing and ageing population, a changing climate, expensive housing, a changing economy and the demands of providing infrastructure across a greater area to more people. It is important Plan Melbourne 2016 clearly explains these challenges as they underpin its approach to future planning of the city.

Box 1 sets out some of the key challenges as well as opportunities facing Melbourne. It is proposed these are included in the refreshed introduction of Plan Melbourne 2016.

Box 1 Key opportunities and challenges for Melbourne

Growth and changing demographics
Melbourne’s strong population growth is projected to continue and Plan Melbourne 2016 needs to direct the way the city grows to create great places that capitalise on existing infrastructure and increase Melburnian’s access to the opportunities the city offers.

A changing economy
The economy is changing, manufacturing has been in decline and business services has grown substantially to become a large contributor to Victoria’s economy. A key challenge for Plan Melbourne 2016 is to support growth and innovation.

Moving people and goods
As the city grows, Melbourne’s transport network will be under increasing pressure which will impact on productivity and the city’s liveability. Building new transport infrastructure will be a key part of responding to increased demand, particularly in the fast growing parts of the city, but we will also need to respond by using our existing network more efficiently and ensuring the transport network supports the key land use directions of Plan Melbourne 2016.

Housing affordability
House prices and rents have increased, particularly in well serviced inner and middle suburbs with good access to jobs. This is generating inequality and will negatively impact on Melbourne’s liveability and productivity. We need to ensure there is more affordable housing.

Providing services and infrastructure for communities
New communities take time to form and 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 urban renewal and greenfield growth areas, as early as possible.

Low suburban density
Melbourne’s urban footprint is one of the largest in the world. To accommodate the significant population growth forecast for the years ahead, Melbourne’s strategy needs to encourage higher urban densities and foster more diversity and choice in the housing sector, closer proximity to public transport and jobs.

Climate change
To move Melbourne towards a low-carbon future we need to shift to low-emission transport modes, green our city and implement other resource and urban management initiatives.
The introductory chapter of *Plan Melbourne 2014* sets the vision for Melbourne’s future and defines the nine strategic principles and related key concepts that underpin its approach. It identifies the city’s core assets and outlines some challenges in maintaining and improving these into the future.

Strategic principles such as the polycentric city and 20-minute neighbourhoods have bipartisan support, were broadly welcomed by the public and will remain fundamental to *Plan Melbourne 2016*.

While the fundamental elements of *Plan Melbourne 2014* remain relevant and important, earlier public consultation and the MAC (2015) report suggests a fresh consideration and focus on some key elements:

**Strategic principles**

While the nine strategic principles included in *Plan Melbourne 2014* will be retained, the MAC raises the need to better communicate and reinforce them as the basis that guides Melbourne’s long-term planning.

**Sustainable Development Goals**

*Plan Melbourne 2016* could refer to the latest UN Sustainable Development Goals.

**Key concepts**

The MAC and others have raised concerns that *Plan Melbourne 2014* fails to clearly communicate and make the case for how some of its key concepts will help manage and drive the city’s development. These are:

- Shaping the city: The polycentric city, the Integrated Economic Triangle, 20-minute neighbourhoods
- Climate change
- Housing choice and affordability
- People, place and identity.

### 2.3 STRATEGIC PRINCIPLES

While the nine strategic principles of *Plan Melbourne 2014* (Box 2) have broad support, they should be more prominent and better explained. The relationship between *Plan Melbourne 2014*’s over-arching vision and its strategic principles, key concepts, key elements, outcomes, objectives and directions also require clarification, along with the tensions between them.

In particular, there are tensions between blanket references in *Plan Melbourne 2014* to ‘protecting the suburbs’—the first element of its vision—and objectives to provide greater housing choice and diversity. Other tensions include the balance between the need and desire for economic growth with the potential for associated environmental impacts.

#### Box 2 Plan Melbourne 2014 strategic principles

<table>
<thead>
<tr>
<th>What we want to achieve</th>
<th>Principle 1</th>
<th>A distinctive Melbourne</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principle 2</td>
<td>A globally connected and competitive city</td>
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<tr>
<td></td>
<td>Principle 3</td>
<td>Social and economic participation</td>
</tr>
<tr>
<td></td>
<td>Principle 4</td>
<td>Strong communities</td>
</tr>
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<td></td>
<td>Principle 5</td>
<td>Environmental resilience</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What needs to change</th>
<th>Principle 6</th>
<th>A polycentric city linked to regional cities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principle 7</td>
<td>Living locally – a ‘20-minute’ city</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Making it happen</th>
<th>Principle 8</th>
<th>Infrastructure investment that supports city growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principle 9</td>
<td>Leadership and partnership</td>
</tr>
</tbody>
</table>
2.4 SUSTAINABLE DEVELOPMENT GOALS

OPTIONS FOR DISCUSSION

6 Include the UN Sustainable Development Goals in Plan Melbourne 2016.

At the end of 2015, the United Nations will replace the Millennium Development Goals with 17 Sustainable Development Goals. They relate to three key pillars of sustainable development:

- Economic prosperity
- Social inclusion
- Environmental sustainability.

These pillars are consistent with the foundations of Plan Melbourne 2014 and the objectives of planning in Victoria set out in section 4 of the Planning and Environment Act 1987, including “to provide for the fair, orderly, economic and sustainable use, and development of land”.

Melbourne could be among the first cities in the world to reference and align with the Sustainable Development Goals. This could place us at the forefront of an international effort to embed sustainability goals in planning. It would also provide a framework for linking Plan Melbourne 2016 objectives and directions (such as those relating to housing affordability and climate change) to the Sustainable Development Goals. How the goals are incorporated into Plan Melbourne 2016 is open for discussion.

2.5 SHAPING THE CITY

OPTIONS FOR DISCUSSION

7 Lock down the existing urban growth boundary and modify the action to reflect this.

8 More clearly articulate the values of green wedge and peri-urban areas to be protected and safeguarded.

9 Remove the Integrated Economic Triangle and replace it with a high-level 2050 concept map for Melbourne.

10 Better define the concepts of the polycentric city and 20-minute neighbourhoods—particularly the ability to meet daily (non-work) needs locally, primarily within a 20-minute walk—and include the polycentric city as a key concept.

As Melbourne continues to change and grow it is important a clear planning framework is in place to properly support and manage this.

Plan Melbourne 2014 sets out nine key concepts, some of which are also strategic principles. As part of the refresh it is intended to better articulate and implement the plan’s vision by rationalising the ‘concepts’ and ‘principles’.

Some key concepts discussed in this section are not currently listed as key concepts in Plan Melbourne 2014, such as climate change and people, place and identity. Others like the polycentric city are listed as a strategic principle but not as a key concept. How the key concepts relate to the Strategic Principles and key elements in Plan Melbourne 2014 needs to be simplified.
Vision  Melbourne will be a global city of opportunity and choice

This will be achieved by:
- Protecting the suburbs
- Developing in defined areas near services and infrastructure
- Creating a clearer and simpler planning system with improved decision making
- Rebalancing growth between Melbourne and regional Victoria
- Identifying an investment and infrastructure pipeline

Key elements

<table>
<thead>
<tr>
<th>Strategic principles</th>
<th>Key concepts</th>
<th>Outcomes</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>A distinctive Melbourne</td>
<td>Delivering a new integrated economic triangle</td>
<td>Delivering Jobs and investment</td>
<td>Create a city structure that drives productivity, supports investment through certainty and creates more Jobs.</td>
</tr>
<tr>
<td>A globally connected and competitive city</td>
<td>Protecting the suburbs by delivering density in defined locations</td>
<td>Housing choice and affordability</td>
<td>Provide a diversity of housing in defined locations that cater for different households and are close to jobs and services.</td>
</tr>
<tr>
<td>Social and economic participation</td>
<td>A State of cities</td>
<td>A more connected Melbourne</td>
<td>Provide integrated transport system connecting people to jobs and services, and goods to market.</td>
</tr>
<tr>
<td>Strong communities</td>
<td>Delivering a pipeline of investment opportunities</td>
<td>Liveable communities and neighbourhoods</td>
<td>Create healthy and active neighbourhoods and maintain Melbourne’s identity as one of the world’s most liveable cities.</td>
</tr>
<tr>
<td>Environmental resilience</td>
<td>Better use of existing assets</td>
<td>Environment and water</td>
<td>Protect our natural assets and better plan our water, energy and waste management systems to create a sustainable city.</td>
</tr>
<tr>
<td>A polycentric city linked to regional cities</td>
<td>A state of cities</td>
<td></td>
<td>Maximise the growth potential of Victoria by developing a state of cities which delivers choice, opportunity and global competitiveness.</td>
</tr>
<tr>
<td>Living locally – a ’20-minute’ city</td>
<td>20-minute neighbourhoods</td>
<td>Implementation: delivering better governance</td>
<td>Achieve clear results and deliver outcomes through better governance, planning, regulation and funding mechanisms.</td>
</tr>
<tr>
<td>Infrastructure investment that supports city growth</td>
<td>Housing choice and affordability</td>
<td>41 directions</td>
<td></td>
</tr>
<tr>
<td>Leadership and partnership</td>
<td>Transitioning to a sustainable city Good governance and strong partnerships</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Containing urban growth

Retaining the urban growth boundary (UGB) and making it permanent has bipartisan support. Plan Melbourne 2016 will reaffirm the importance of the UGB in managing Melbourne’s growth and will state that it will be ‘locked down’. This will provide greater certainty and help create a more compact, contained and sustainable Melbourne.

Directions relating to the UGB will be retained in the State of Cities chapter in Plan Melbourne 2016 to reinforce its importance for protecting rural and non-urban areas and modified to clearly state that the existing UGB will be ‘locked down’. 
Protecting key values in green wedges and peri-urban areas

There is general agreement of the important values and features of Melbourne's green wedges and peri-urban areas and the need to carefully plan for them in a more coordinated way.\(^2\)\(^3\) Plan Melbourne 2014 acknowledges the values of Melbourne's non-urban areas and the need to protect them for the opportunities they provide. It outlines their important environmental and agricultural values and their role as tourism destinations close to Melbourne. It also identifies the opportunity for towns in these locations to provide affordable options for living and working locally – especially along the regional transport corridors.

The MAC (2015) report suggests that Plan Melbourne 2016 needs to better reflect the significance of these areas so their intrinsic values are not diminished. They suggest they need to be identified as a valuable resource for numerous reasons, ranging from their aesthetic appeal, their ability to provide jobs and their agricultural and horticultural industries as well as important extractive industries required for building our community – and not simply as 'vacant land awaiting urban development' or 'dormitory suburbs'.

The UGB and green wedges were established to better protect and manage these urban areas from outward expansion and to provide certainty for decision-makers, investors and the community. The UGB promotes sustainable development in areas that can best be provided with infrastructure and services and it protects land in designated green wedges on the fringe of Melbourne from inappropriate development. Green wedge management plans are used to identify the values and features of green wedges, the preferred future land use and environmental and natural resources that should be protected.

A number of other government initiatives underway will provide additional policy and guidance for Melbourne’s peri-urban areas. These include a review of significant agricultural land and earth resources and the recently announced Animal Industries Advisory Committee, appointed to report on farming practices and look at ways the planning system can better support agriculture.

Plan Melbourne 2016 will be updated to more clearly reflect the value and importance of these areas and reference current government initiatives.

Supporting the development of a polycentric city

Research conducted for Plan Melbourne 2014 established the benefits of a polycentric approach to the city’s growth over other urban growth models, such as urban sprawl or single-centre growth.

As outlined in the October 2012 discussion paper Melbourne: Let’s talk about the future:

\[\ldots\text{initial urban form modelling suggests that a city based around small numbers of clusters and service centres – known as a polycentric city – can perform best in terms of increased public transport and reduced traffic congestion.}\]

Plan Melbourne 2014 supports this idea but the definition and policy implications are not always clear. The polycentric city offers many benefits over one that depends strongly on a central area. This is particularly so in cities covering a large area such as Melbourne, as people must travel further to meet their needs, which increases pressure on the transport network.

While the CBD will continue as Melbourne’s largest employment centre, a polycentric city will provide more jobs in the suburbs at designated locations, such as in employment clusters. This will reduce the need for long trips and use existing infrastructure more efficiently by encouraging outbound or against-peak commuting to clusters and activity centres. It will also improve access to jobs and services for people living beyond inner Melbourne.

It is proposed to update the Plan Melbourne 2016 introduction to more clearly communicate the supporting rationale and planning and development principles of a polycentric city.

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2 Green wedge land is defined under Part 3AA of the Planning and Environment Act 1987 as ‘land that is described in a metropolitan fringe planning scheme as being outside an Urban Growth Boundary’. There are 12 defined green wedges spanning parts of 17 municipalities.

3 Melbourne’s peri-urban region comprise the hinterland beyond the urban growth boundary. It includes the green wedges and the band of regional councils in close proximity to Melbourne.
Putting in place a framework to guide land use and development

Plan Melbourne 2014 identifies an Integrated Economic Triangle as a key concept for planning Melbourne’s future to tie the economy, key land uses and transport elements together. It shows the connections of the Hastings–Dandenong corridor with the Hume corridor to the north and the Wyndham–Geelong corridor to the south-west, linking the central city, National Employment Clusters and state-significant industrial land.

The Integrated Economic Triangle is largely defined by sections of the outer freeway/major highway network and, as the MAC (2015) report suggests, this is not a helpful concept and detracts from the key elements of the preferred city structure.

In Plan Melbourne 2016 the Integrated Economic Triangle concept will be replaced with a 2050 concept map for Melbourne. This approach will support the key elements of Plan Melbourne 2014 such as an Expanded Central City, National Employment Clusters, Metropolitan Activity Centres, State-Significant Industrial Precincts, Transport Gateways, Health and Education Precincts and Urban Renewal Precincts.

This can build on the Metropolitan Melbourne Structure Plan included within Plan Melbourne 2014 as the key spatial representation of the city’s new structure, and as an organising principle for the key spatial concepts, planned transport connections and economic geography of Melbourne.

20-minute neighbourhoods

There is widespread support for the concept of 20-minute neighbourhoods for Melbourne’s metropolitan area and it will remain a strategic principle in Plan Melbourne 2016.

Benefits include:

- Improved health (by encouraging physical activity like walking and cycling)
- Less need to travel long distances by car which reduces household travel costs
- Less greenhouse gas emissions (and pollution)
- Lower major infrastructure costs (by making best use of existing infrastructure)
- Better sense of place and the encouragement of vibrant, convenient and safe neighbourhoods
- Population growth is accommodated with more housing choice in locations with better access to services
- Enhanced community and social equity benefits such as better design for the elderly, the young and parents, and more interactions living and meeting locally.

While the concept has bipartisan support, a number of people the MAC spoke to thought 20-minute neighbourhoods might be an aspirational goal that could not be achieved.

The MAC (2015) report notes some confusion about the key features of 20-minute neighbourhoods and how to implement the concept in the planning system. Two main aspects are unclear:

- The modes of transport expected to be used within the 20-minute time frame – a 20-minute catchment based on walking is much smaller than an area based on cycling or car travel
- The type of destinations that should reasonably be accessible within 20 minutes – many people have understood the 20-minute concept to include travel time to work.

Plan Melbourne 2014 confuses this concept by referring to accessing jobs and services from home within a 20-minute trip.

Clarity and certainty in explaining the concepts of a polycentric city and 20-minute neighbourhoods will give better guidance about where growth is to occur and will support better implementation. Any ambiguity in metropolitan planning is likely to cause uncertainty in planning processes including when amending planning schemes or making planning permit decisions.

The MAC (2015) report characterises healthy neighbourhoods as:

- **Active places, local places, safe places, social places, age friendly places.**

There are many global examples of distinctive and attractive places with less noise and pollution created by moving away from often bland car-dominated centres. Creating 20-minute neighbourhoods generates opportunities for greater public benefits such as improved liveability and health. This is reflected in the government’s recently released Victorian Public Health and Wellbeing Plan 2015–2019, which highlights the importance of creating liveable neighbourhoods to improve health and wellbeing.
How should the 20-minute neighbourhood be defined?

Based on international definitions (for example see the Portland Plan, City of Portland, Oregon), a 20-minute neighbourhood is broadly accepted as one where active walking enables access to local services (social, recreational, retail).

The 20-minute neighbourhood concept requires urban planning and design ideas that promote walkable neighbourhoods (and rollable ones for those unable to walk) and better access to local services for daily needs. As the MAC (2015) report notes, this requires moderately higher densities in neighbourhoods to support viable local services.

In this discussion paper, 20-minute neighbourhoods are defined as:

The ability to meet your everyday (non-work) needs locally, primarily within a 20-minute walk.

Figure 1 and Figure 2 explain the concept further. It does not promote a major shift to working locally, as many people will continue to be employed in higher-order centres. However, providing a range of services and facilities in 20-minute neighbourhoods will create and support more local job opportunities, including home-based work.

**Figure 1**
Proposed 20-minute neighbourhoods definition

**Figure 2**
Proposed example 20-minute neighbourhood (1–1.5 kilometres)

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**Everyday needs** This may include facilities such as schools, shops, meeting places, open space, cafés, doctors, childcare and access to public transport.

**The ability to meet your everyday, non-work needs locally, primarily within a 20-minute walk**

- **Non-work**: This concept is about living locally not specifically working locally. Although more local jobs are a consequence of more services and facilities locally.
- **Within**: This is included as it is important to outline that many areas will have access below 20-minutes’ walk and lower distances to services should be encouraged.
Planning implications of the 20-minute neighbourhood

The 20-minute neighbourhood concept has important implications for urban planning and design that are not clearly articulated in Plan Melbourne 2014. These can be broadly outlined as:

Urban design and transport
Local-level walkability/rollability planning and better street level urban design.

Neighbourhood centre policy
Supporting the provision and development of good quality local destinations.

The concept strongly supports the polycentric model for Melbourne. This means that neighbourhood centres as well as major centres and the CBD will grow so people can live close to the local services they need.

Housing policy
Encouraging higher urban densities close to neighbourhood centres as contextually appropriate. Housing densities will increase as appropriate to reflect the range and scale of activity centres and their walkable/rollable catchments throughout Melbourne.

While many inner and middle suburbs are already demonstrating the characteristics of 20-minute neighbourhoods, other suburbs find this more challenging due to lower densities and poorer access to service and facilities. The MAC (2015) report recommends higher density housing development where there is existing 20-minute access to local services.

Neighbourhoods are part of the finer grain polycentric approach, with higher-order metropolitan scale activity centres, employment clusters and other activity centres forming the fabric of differing scales of centres for growth. While each play different roles as centres, it is the neighbourhood activity centres – there are approximately 900 across Melbourne – which support the 20-minute neighbourhood concept and play a specific local role.

2.6 HOUSING A KEY CONCEPT

OPTIONS FOR DISCUSSION

11 Strengthen housing affordability and choice as a key concept and better explain the key linkages throughout Plan Melbourne 2016.

Housing is fundamental to our lives and at a simple level is a basic human right. It is a right for “everyone to have an adequate standard of living, including housing”.4 Housing affordability, choice, security of tenure and good access to services and jobs are vital to everyone’s lives and key factors that set our standard of living.

A key focus of the Plan Melbourne refresh is to address housing affordability through strategic planning. While Plan Melbourne 2014 recognises the role of planning in providing social and affordable housing and proposes actions to increase supply, Plan Melbourne 2016 needs a stronger focus, particularly on how the planning system might facilitate the supply of social and affordable housing. Plan Melbourne 2016 should strengthen the importance of housing choice and affordability in its key concepts.

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2.7 CLIMATE CHANGE A KEY CONCEPT

OPTIONS FOR DISCUSSION

12 Identify the challenges of climate change for Melbourne’s development and define how the city can best mitigate, adapt and respond to its projected impacts.

13 Add climate change as a key concept and better explain the key linkages throughout Plan Melbourne 2016.

Climate change is one of the greatest challenges of this generation. It poses a serious threat to Victoria’s natural environment and to the economy and our health and can worsen social inequities.

Plan Melbourne 2014 lacks recognition of climate change and should better outline responses to the challenges it poses for our environment and community, particularly vulnerable parts of the community. The ways that climate change responses can also improve the liveability of our city is also not recognised.

Transport emissions are a major contributor to greenhouse gas emissions and climate change. A move towards a more sustainable polycentric city will help reduce our carbon footprint, prepare for future energy ‘shocks’ and build a more resilient city better equipped to adapt to climate change impacts such as higher temperatures, more severe storms, bushfire events and coastal inundation.

Focusing growth in key urban renewal areas and activity centres will reduce the need to expand the metropolitan boundary to accommodate Melbourne’s growing population. This can minimise biodiversity impacts and avoid exposing more people to risk from increased hazardous events such as bushfires and flooding.

Plan Melbourne 2016 also needs stronger recognition of the need for climate change adaptation. Our city and its metropolitan areas will become hotter and drier and be more prone to floods, bushfires and storms. Our homes, buildings and infrastructure need to be planned and built so they are resilient to the increased hazards and risks. Our waterways and catchments and other natural resources must also be managed to promote resilience.
2.8 PEOPLE, PLACE AND IDENTITY A KEY CONCEPT

OPTIONS FOR DISCUSSION

14 Add as a key concept, the importance of people in Melbourne’s identity and place making and embed it throughout Plan Melbourne 2016.

15A Retain the Directions relating to ‘place and identity’ in the Liveable Communities and Neighbourhoods chapter, add other elements from the MAC (2013) report omitted from Plan Melbourne 2014 and recognise the role of people in planning.

OR

15B Introduce a new ‘Place and Identity’ chapter incorporating policy directions outlined in Direction 4.5 – Make Our City Greener, Direction 4.6 – Create More Great Public Places Throughout Melbourne, Direction 4.7 – Respect our Heritage as We Build for the Future and Direction 4.8 – Achieve and Promote Design Excellence and other elements from the MAC (2013) report omitted from Plan Melbourne 2014.

16 Better recognise the contribution of Aboriginal values and perspectives to the planning of our built and natural environments.

Melbourne’s people

Melbourne’s people are its greatest asset and robust planning is underpinned by community involvement.

Plan Melbourne 2016 should recognise the broad range of interests in our community that determine how Melbourne evolves, in creating places that meet people’s needs, in how we capitalise on opportunities and protect what we value, and in how we meet the challenges ahead.

This extends to those who may not typically engage in formal processes. We must also respect the interests of those who will inherit the legacy we create.

We also need to recognise better the contribution of Aboriginal values and perspectives to the planning of our built and natural environments through ongoing partnerships with traditional owners, local communities and others involved with planning, design and natural resource management.

The role of community input in planning and the evolution of places should be strengthened. Planning processes such as local neighbourhood planning and place making can achieve this. It is important that planning responds to diverse groups such as parents and families, the elderly and people with disability.
Place and identity

People, place and identity are entwined concepts. They relate to the interaction and experience that people have of a place – people identify with where they live and so help shape a place, which in turn shapes them. The ‘distinctiveness’ of Melbourne’s places and people makes a significant contribution to its liveability and economic prosperity.

Plan Melbourne 2014’s strategic principle to create ‘a distinctive Melbourne’ recognises its unique character and identity and aims to improve its attractiveness and liveability for residents and visitors.

The MAC (2015) report raises concerns that Plan Melbourne 2014 fails to recognise the importance of place in planning or a commitment to excellence in building the city’s future and provide a strong competitive advantage for Melbourne in a global economy. It comments:

The intended signal about the importance of being a creative and confident city, and of giving a distinctive Melbourne ‘signature’ to all that we do, has been lost ... Reinforcing our sense of place and identity is at the heart of all that should happen in implementing all of the other initiatives in Plan Melbourne. To place the content of the former chapter in the Liveable Communities and Neighbourhoods is to misunderstand its over-riding significance. Good design, pride in place making and fair decision making are not just about neighbourhood planning. These initiatives apply just as much too big and small infrastructure and commercial precincts as they do to local neighbourhoods. The reinstatement of Place and Identity chapter is recommended. (p. 77)

The MAC (2015) report recommends introducing a new Place and Identity chapter to “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” (Recommendation 65).

The MAC (2015) report recommends a framework for the directions and initiatives of this new chapter which builds on existing Plan Melbourne 2014 content to strengthen the initiatives and actions relating to place and identity. Additional initiatives could emphasise the importance of public participation in planning and integrating place making practices.

There may be merit in introducing a stand-alone chapter on Place and Identity to elevate the distinctiveness of Melbourne’s built and natural environments. This new chapter could contain relevant content from the Liveable Communities and Neighbourhoods chapter reordered to fit the framework the MAC (2015) report suggests.

Alternatively, Plan Melbourne 2014 directions relating to place and identity in the Liveable Communities and Neighbourhoods chapter could be strengthened by adding other elements, adding recognition of the role people have in planning and reinforcing place making as a key concept.
2.9 Partnership with Local Government
A Key Concept

Options for Discussion

17 Recognise and reinforce the importance of partnership with local government in sub-regional planning and the implementation of Plan Melbourne 2016.

It is important to strengthen the recognition of the key role of local government as a partner for implementing Plan Melbourne 2016. Local government shares responsibilities (and powers) with the Victorian Government in planning for Melbourne’s future. This is particularly so for issues relating to housing, the delivery of community infrastructure critical for 20-minute neighbourhoods and coordinating people’s involvement in planning.

Plan Melbourne 2014 refers to the metropolitan sub-regions and planning at a sub-metropolitan scale. It is important to articulate at a high level that local government has key roles and responsibilities for implementing Plan Melbourne 2016 and that a partnership approach is vital.
KEY POINTS

Planning for the expanded central city, and particularly in urban renewal precincts, needs to ensure commercial development opportunities are preserved and the early delivery of key transport infrastructure is considered.

National Employment Clusters should be renamed National Employment and Innovation Clusters (NEICs) to distinguish their significance in the metropolitan context and the term used consistently throughout Plan Melbourne 2016.

Planning for National Employment Clusters could focus on core institutions and businesses or take a broader approach that looks beyond them.

Update of the designation of some activity centres and review the planning area boundary for some National Employment Clusters.

The existing criteria in Plan Melbourne 2014 for identifying and establishing new activity centres could be modified to include additional criteria.

Planning tools to help protect strategic agricultural land are being investigated.

The outcomes of the Extractive Industries Taskforce will be implemented.
OPTIONS FOR DISCUSSION

18 Ensure commercial development opportunities are preserved and early delivery of key transport infrastructure in central city urban renewal precincts.

19 Rename National Employment Clusters to National Employment and Innovation Clusters to distinguish their significance in the metropolitan context, and use the term consistently throughout Plan Melbourne 2016.

20 Revise the Delivering Jobs and Investment chapter to ensure the significance and roles of the National Employment Clusters as places of innovation and knowledge-based employment are clear.

21A Focus planning for National Employment Clusters on core institutions and businesses.

OR

21B Take a broader approach to planning for National Employment Clusters that looks beyond the core institutions and businesses.

22 Broaden the East Werribee National Employment Cluster to call it the Werribee National Employment Cluster in order to encompass the full range of activities and employment activities that make up Werribee. This could include the Werribee Activity Centre and the Werribee Park Tourism Precinct.

23 Broaden the Dandenong South National Employment Cluster to call it the Dandenong National Employment Cluster in order to encompass the full range of activities and employment activities that make up Dandenong. This could include the Dandenong Metropolitan Activity Centre and Chisholm Institute of TAFE.

Plan Melbourne 2014 supports the new geography for jobs and productivity. It recognises that business and knowledge services are increasingly important drivers of our prosperity. It also identifies the need for flexibility to adapt to changing science, technology, communities, markets, demography, and culture which are both difficult to predict and can happen quickly.

Manufacturing is also a key part of Melbourne’s economy driving much of the city’s research, development and advanced engineering capability. The future of manufacturing will be built on Melbourne’s comparative advantages, including natural resource endowments (e.g. food processing) and design, engineering and research strengths (e.g. medical devices and pharmaceuticals).

Transport, warehousing and manufacturing industries have been moving to outer-industrial areas in the west, north and south-east to capitalise on supply chain efficiency, access to customers and suppliers, land availability and main road access.

Suburban centres also have an important role to provide a range of service jobs and will be supported by key public assets such as health and education facilities. This will increase access to work in middle and outer Melbourne, minimise the amount of travel to work and help grow a diverse skills base across Melbourne.
Plan Melbourne 2016 will drive the expansion of the central city and support growth of significant employment across the metropolitan area, in national employment clusters, metropolitan activity centres and state-significant industrial precincts.

The planning and transport systems will support Melbourne’s productive employment centres. An enhanced transport network will link an expanded central city, National Employment Clusters, state-significant industrial precincts and gateway locations. A strong pipeline of investment will underpin economic growth and productivity, result in greater transport and land-use efficiency, unlock investment opportunities for the private sector and maximise the state’s return on infrastructure investment.

The planning system can play a major role in enhancing Melbourne’s competitiveness as a place to invest by ensuring an adequate supply, well-located and serviced land for commercial and industrial development.

The expanded central city, including a pipeline of urban-renewal precincts, will ensure supply of well-located land for commercial and residential development, providing Melbourne with a competitive advantage to develop as the nation’s largest commercial and residential hub by 2040. There will be major new development opportunities in the coming decades that will create jobs in the enlarged Fishermans Bend urban renewal area.

The suburban employment clusters also present opportunities for high-productivity industries in research, biotechnology and high-end manufacturing.

**Generating jobs and securing commercial growth opportunities in central Melbourne**

The Central Sub-region plays an essential role in providing future jobs growth, and securing Melbourne’s place as a global city, and competitive place to do business. Over the past decade, the structure of central Melbourne has changed rapidly, as residential development increased in the inner city area, with more people choosing an inner city lifestyle.

In Melbourne’s CBD, apartment approvals almost tripled over the decade from 2004 to 2014. When Southbank and Docklands are also considered, the size of the increase in the number of apartments is even more striking. In the decade from 2000-01 to 2009-10 about 5,500 apartments each year were approved in the CBD, Docklands and Southbank. Between 2011-12 and 2013-14 this increased to an average of over 14,000 approvals each year. In the financial year 2014-15 there were more than 23,000 approvals. While this is a welcome trend, resulting in more people living closer to where they work and study, there is a need to ensure that commercial opportunities and the jobs they create are maintained across the expanded central city region. This is essential for the long-term economic development and productivity of Melbourne.

Recent trends suggest that development is focusing on residential apartments, with a decline in supply of office space. Because demand for housing in central Melbourne is so high, residential development will often outbid commercial development in places where both land uses are permissible. For example, only two of the 14 planning permit applications received for Fishermans Bend in 2014-15 contained a commercial office component.

Planning for the expanded central city, and particularly in the major urban renewal precincts of Fishermans Bend and Arden, needs to ensure commercial development opportunities are preserved, and the early delivery of key transport infrastructure.
3.1 NATIONAL EMPLOYMENT CLUSTERS AND INNOVATION

National Employment Clusters are designated areas with concentrations of interconnected businesses and institutions that make a major contribution to the national economy and Melbourne’s position as a global city. Plan Melbourne 2014 identifies six existing and emerging National Employment Clusters: Monash, Parkville, Dandenong South, La Trobe, Sunshine, and East Werribee. Employment in these locations is primarily in research, biotechnology and high-end manufacturing.

The suburban locations of these clusters enable greater access to work from middle and outer suburbs, minimising commuting and helping grow a diverse skills base across Melbourne. They also generate spin offs and innovations that can attract more commercial activity to an area and support development of small-to-medium enterprises.

The role of National Employment Clusters

Plan Melbourne 2014 identifies National Employment Clusters as locations focused on knowledge-based businesses that co-locate to generate productivity and economic gains, provide access to a deeper skilled labour pool and infrastructure, and the potential to share ideas and knowledge. They are a key element of the Metropolitan Melbourne Structure Plan.

The MAC (2015) report identifies a need to strengthen the reference to innovation at National Employment Clusters. The MAC also identifies opportunity to better explain the intent and significance of National Employment Clusters so they can support innovation and grow knowledge-based jobs in suburban locations.

There is benefit in reviewing the Delivering Jobs and Investment chapter in Plan Melbourne 2014 to give greater prominence to the importance of innovation in these locations and their role in the context of the broader metropolitan area.

Planning for National Employment Clusters

While the focus of National Employment Clusters is knowledge-based jobs, with the exception of Dandenong South they are also intended to develop as mixed use centres and include residential, retail and commercial development.

Plan Melbourne 2014 envisages National Employment Clusters evolving into vibrant and diverse locations, however it also acknowledges their specialisation and the need to build on these competitive strengths to establish a unique profile and maximise choices for the location of knowledge-intensive firms and jobs.

Plan Melbourne 2014 includes a number of actions to be undertaken by the MPA to facilitate the development of National Employment Clusters at Initiative 1.5.1. The MPA has started working with local governments to plan for a number of National Employment Clusters. This initial planning investigation phase is applying a broad approach looking beyond the core knowledge and innovation institutions and businesses.

The MAC (2015) report suggests that because Plan Melbourne 2014:

“has not well articulated the nature and significance of the clusters, implementation as described to the MAC is proceeding using ‘conventional’ town planning approaches”.

The MAC (2015) report recommends an additional initiative to more tightly define the planning boundaries for each National Employment Cluster, focusing on the core knowledge and innovation institutions and businesses. Having a more tightly defined boundary could enable planning for the areas to focus more on the planning arrangements to facilitate jobs and investment around the core institutions and businesses rather than the wider catchment.

Alternately, tightly defining boundaries at an early stage may cut off options and make it harder to plan for possible required growth. A broader approach to early planning for the areas would simply signify the area under investigation and not necessarily areas subject to significant change. This could be refined in conjunction with local governments and used for further engagement.
3.2 DESIGNATION OF ACTIVITY CENTRES

OPTIONS FOR DISCUSSION

24 Update the Metropolitan Melbourne Structure Plan (Table 1 and Map 8 in Plan Melbourne 2014) to remove any anomalies and reincorporate the list of activity centres into the Victoria Planning Provisions and planning schemes.

25 Reclassify Toolern and Lockerbie as Future Emerging Activity Centres (local significant element) in the Metropolitan Melbourne Structure Plan (rather than as Future Emerging Metropolitan Activity Centres).

26 Reinstate Greenvale and Truganina as Activity Centres (local significant element) in the Metropolitan Melbourne Structure Plan.

27 Separately list emerging Activity Centres as part of the Metropolitan Melbourne Structure Plan.

28 Revise the strategic direction for Activity Centres to remove reference to growth associated with the removal of floorspace caps for retail and office development.

Activity centres are vibrant hubs where people shop, work, meet, relax and often live. Usually well-served by public transport, they range in size and intensity of use from local neighbourhood strip shopping centres to major regional shopping malls.

The Metropolitan Melbourne Structure Plan included within Plan Melbourne 2014 defines a hierarchy of centres. Beyond the Expanded Central City, it includes metropolitan activity centres (of state significance) and activity centres and neighbourhood activity centres (both of local significance). It is proposed to include the network of centres as an incorporated document in the Victoria Planning Provisions to guide future planning and decision making.

Metropolitan Activity Centres

Plan Melbourne 2014 outlines that Metropolitan Activity Centres play a strategically important role and are intended to play a major service delivery role, including government, health, justice and education services, retail and commercial, and provide a diverse range of jobs, activities and housing for a sub-regional catchment.

A total of 11 Metropolitan Activity Centres are identified in Plan Melbourne 2014 – nine existing (Dandenong; Footscray; Fountain Gate/Narre Warren; Epping; Sunshine; Ringwood; Broadmeadows; Box Hill and Frankston) and two future emerging ones (Toolern and Lockerbie).

There is potential to revisit the designation of some centres included within a refreshed Plan Melbourne. As future emerging centres, Toolern and Lockerbie are yet to establish and do not exhibit the same characteristics as the existing centres do. There is potential that other centres may be better placed to play this role into the future.
Activity Centres

Plan Melbourne 2014 identifies a total of 121 Activity Centres across metropolitan Melbourne. With the exception of Greenvale and Truganina and those designated as Metropolitan Activity Centres, all former principal and major activity centres were designated as Activity Centres. Plan Melbourne 2014 also includes 13 new centres identified through growth area planning since expansions to the urban growth boundary in 2010. Separately listing these new emerging centres could help to better define their role in the overall network of centres.

These centres are intended to support 20-minute neighbourhoods by providing access to a wide range of goods and services and will provide employment and vibrant local economies. Some will serve larger sub-regional catchments, and with the removal of retail floorspace and office caps, may grow unrestricted.

Greenvale and Truganina had previously been identified as major activity centres. Plan Melbourne 2014 however does not list them as Activity Centres and they were classified as Neighbourhood Centres. This is because they were considered to lack sufficient catchments.

There is also opportunity to more clearly define the role and strategic directions for activity centres in the overall hierarchy included within Plan Melbourne 2016 as part of the Metropolitan Melbourne Structure Plan – particularly as it relates to growth associated with the removal of floorspace caps for retail and office development.

3.3 CRITERIA FOR NEW ACTIVITY CENTRES

OPTIONS FOR DISCUSSION

29 Develop clearer activity centre policy and a practice note for identification and establishment of new activity centres based on the final criteria included in Plan Melbourne 2016.

30 Modify the existing criteria in Plan Melbourne (at Initiative 1.1.1) for identifying new activity centres to explicitly include:
   • Meet an identified market gap
   • Contribute to the delivery of a network of 20-minute neighbourhoods.

Plan Melbourne 2014 includes an action at Initiative 1.1.1 to “Confirm the new policy requirements for the identification, designation and development of new activity centres” (p. 33). It specifies that new activity centres should:
   • 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.

The MAC (2015) report proposes a new action to develop a new policy and practice note for new centres with two additional requirements to those outlined at Initiative 1.1.1:
   • Meet an identified market gap
   • Contribute to the delivery of a network of 20-minute neighbourhoods.

The State Planning Policy Framework provides policy and guidelines around the development of the activity centre network and planning for activity centres as well as policy objectives and strategies specific to commercial development and out-of-centre development for metropolitan Melbourne. There is also broad guidance within the Precinct Structure Planning Guidelines (MPA 2012) for the creation of new activity centres in growth areas and a range of practice notes that relate to planning for existing activity centres (Planning Practice Notes 56, 58 and 60).
Strategic directions for activity centres in Plan Melbourne 2014 support 20-minute neighbourhoods by providing access to a wide range of goods and services, employment and vibrant local economies. Some will serve larger sub-regional catchments. Catchments of these activity centres may overlap, allowing as many people as possible choice in services, employment and social interaction.

The Metropolitan Melbourne Structure Plan included within Plan Melbourne 2014 defines a hierarchy of centres. There have been suggestions some centres should be classified differently and that implementing the reformed Commercial and Industrial Zones has potentially encouraged opportunities to locate away from preferred locations, with the effect being dispersed development or the development of ‘new centres’ that may not necessarily be in the best locations or supported by public transport.

Clear criteria for identifying and establishing new activity centres will provide greater certainty and consistency for local government and developers likely to invest in these areas. The MAC (2015) report suggested additions are not considered unreasonable additions and could better link the development of new activity centres to the development of a network of centres supporting the 20-minute neighbourhood concept across the metropolitan area. The practice note could apply to new centres in established areas as well as growth areas.

There is also opportunity to more clearly define the role and strategic directions for activity centres in the overall hierarchy included within Plan Melbourne 2014 as part of the Metropolitan Melbourne Structure Plan. However any review of the classification of centres as part of the hierarchy needs to have regard to any potential implications of the reformed zones implementation and the designation of future activity centres to serve growth corridors. This should occur following further assessment in the comprehensive review of Plan Melbourne 2016 in 2021.

### 3.4 PROTECTING STRATEGIC AGRICULTURAL LAND

#### OPTIONS FOR DISCUSSION

31 Evaluate the range of planning mechanisms available to protect strategic agricultural land.

Plan Melbourne 2014 highlights that highly productive agricultural land around Melbourne is under threat from urban encroachment and residential development. It notes that opportunities for efficient food production techniques (such as intensive greenhouse agricultural production) need careful consideration in terms of environmental and economic values. Short-term actions in Plan Melbourne 2014 (Initiative 5.3.1) include, in summary: investigate a high-value agricultural food overlay; prepare and implement planning provisions to better identify, protect and manage strategically significant agricultural land; and ensure localised planning statements acknowledge areas important for food production.

The MAC (2015) report also highlights the importance of agriculture to regional economic productivity and tourism. It expresses concern that Plan Melbourne 2014 omitted examination of innovative planning measures to protect farming areas, including intensive agriculture.

Different tools will be appropriate to provide policy direction to be taken into account when planning decisions are made, to regulate use or development (on the site and in the locality) and for different agricultural sectors.

Consideration will need to be given to the range of planning mechanisms available to protect strategic agricultural land, with some intensive forms of agriculture having an industrial character. In addition to the potential for an overlay, these include state and local planning policy frameworks, green wedge management planning, the content and application of zones, particular provisions relating to uses with adverse amenity potential, and codes of practice.

These issues are being explored through a current whole-of-government review and policy development processes which will inform responses in the planning system.
3.5 EXTRACTIVE INDUSTRIES

OPTIONS FOR DISCUSSION

32 Implement the outcomes of the Extractive Industries Taskforce through the planning scheme, including Regional Growth Plans, to affirm that extractive industries resources are protected to provide an economic supply of materials for construction and road industries.

The value of production from quarries in Victoria is estimated to be around $760 million per year. The availability of a reliable supply within economic transport distances from the demand is an important factor for the Victorian economy. Some 880 works approvals allow quarrying activity across the state which produce around 52 million tonnes of stone, limestone, gypsum, sand and gravel each year.

Melbourne has a clear comparative advantage to Sydney when it comes to extractive resources. These costs feed in to the cost of housing, roads and new public and private infrastructure.

Areas set aside for quarries more than 30 years ago are now depleted or unavailable due to the spread of the city and protection of native grassland areas. Strategic resources needed for future supply out to 2051 may be at risk due to other land uses encroaching.

The Resources branch of DEDJTR last year established an Extractive Industries Taskforce, following the recommendations from the Victorian Parliament’s Economic Development and Infrastructure Committee’s Inquiry into greenfields mineral exploration and project development in Victoria (May 2012).

The Taskforce has started by commissioning a quarry materials supply and demand analysis and will then map potential demand and sources out to 2051. This will help identify which resources (including location) are likely to be of strategic value and will assist in future planning. This work will enable planning for the supply of Victoria’s extractive resources to be secured and to deliver public infrastructure, housing and private sector investment in development affordably.

Plan Melbourne 2014 recognises the importance of extractive industry including Initiative 1.3.3 Recognise And Protect Natural Resource Extraction which states:

Quarries and natural resource assets are important to support the state’s growth by maintaining a cost-effective and timely supply chain for the construction industry. Access to natural resources needs to be protected from incompatible development or encroachment that would prevent their ability to operate.

The relevant actions include:

• Identify and map significant natural resource assets, including existing quarries and their buffer areas and natural resources suitable for future quarrying.

• Review planning provisions to protect quarries and future natural resource assets from incompatible land use and development.
A MORE CONNECTED MELBOURNE

KEY POINTS

Plan Melbourne will be updated to reflect revised and new transport projects.

While it should outline the broad transport needs of the city over the next 35 years, the detail and timing of projects should be subject to transparent assessment and approval processes.

Plan Melbourne 2016 will reincorporate the Principal Public Transport Network to help guide decision making.
While Plan Melbourne 2014 sets out a long-term strategy for the city’s growth and development, it also includes goals and directions for critical city-shaping transport projects.

Adaptive transport planning is vital to respond to Melbourne’s growth patterns as they emerge and change over time. The detail and timing of transport initiatives demand assessment and analysis so the right transport network investments are made at the right time.

Infrastructure Victoria had been established to advise on infrastructure investments and policy directions. Plan Melbourne 2016 will identify committed transport projects and future options for strategic linkages.

4.1 UPDATING TRANSPORT COMMITMENTS

The Victorian Government has a plan to transform our road and rail network. Plan Melbourne 2016 will reflect these changes.

The policy emphasis and directions of these new projects continue to align well with Plan Melbourne 2014 and transport system development. They will also:

- Drive spatial change and support development of areas of concentrated jobs and housing
- Integrate the transport system across modes and with land use
- Increase the network’s capacity, particularly to strategic employment, gateway and industrial locations
- Plan for higher capacity and more sustainable transport such as public transport, walking and cycling as the city grows and consolidates
- Use existing transport assets efficiently, with system improvements and support for more development near existing public transport corridors and key nodes
- Ensure transport improves Melbourne’s liveability and amenity and supports development of key places and precincts.
Rail and road projects

Plan Melbourne 2014 will be updated to reflect key new rail projects announced since Plan Melbourne 2014 was published including:

- The Melbourne Metro Rail Project, which returns to the vision of the draft Plan Melbourne 2014 alignment and includes new stations to generate new land use and interchange opportunities, particularly around Arden and Parkville
- The removal of 50 metropolitan level crossings (also a key road project)
- The Cranbourne Pakenham Rail Upgrade, which includes removing all level crossings between Dandenong and Caulfield allowing more frequent services and relieving congestion. The enhanced network will better support the Monash National Employment Cluster and land development along the rail corridor
- The Mernda Rail Extension to integrate the new station into the town centre
- Commitments to improving the quality and efficiency of the tram network remain. This includes upgrading specific tram lines to light rail service levels, focusing on higher patronage routes and responding to land use changes.

These projects align with the Plan Melbourne 2014 initiative to develop Melbourne’s rail network as a metro style system and to boost network capacity to support city growth. They include increasing train numbers and adding next-generation rolling stock.

Road based initiatives to be included in Plan Melbourne 2016 are:

- The Tullamarine Freeway widening
- The Western Distributor or the West Gate Distributor will be subject to the outcome of assessments of the options underway. A decision on the Western Distributor or the West Gate Distributor is likely before Plan Melbourne 2016 is published
- Road initiatives relating to cycling such as the strategic cycling corridor network remain and Active Transport Victoria will lead development of cycling and walking networks across the city
- Commitments remain to expand the bus network with better facilities and access along with greater on road priority at critical parts of the network
- Potential road initiatives such as connecting the Eastern Freeway and Metropolitan Ring Road in the north-east will remain as options that require further assessment
- The East West Link will be removed from Plan Melbourne 2016.

Ports, freight and airports

Port capacity is critical for employment and economic growth. While Plan Melbourne 2014 committed to a second container port at Hastings it is recognised the development of Webb Dock and Swanson docks now provides more time to determine the best location for a second container port. Infrastructure Victoria will provide independent advice to government on the most appropriate site for a second container port, including locations at Hastings and Bay West. Plan Melbourne 2016 will reflect these options.

The existing Dynon interstate rail terminals are likely to reach capacity in the early 2020s. In consultation with key industry stakeholders, potential site options to replace these terminals will be assessed, including the currently proposed Western Interstate Freight Terminal and the Beveridge alternative.

Sufficient airport capacity is vital for Melbourne and Victoria’s economic future. Current development options for Melbourne and Avalon airports are expected to provide sufficient airside capacity for the state over the life of Plan Melbourne 2016. Corridor protection for rail links to Melbourne and Avalon airports are in place. Plan Melbourne 2014 identifies a potential third airport site in the city’s south east but would require a needs assessment.

Further attention will be given to future demands for secondary airports and the role of Essendon, Moorabbin and Point Cook. The provision of training airports in Melbourne’s green wedges also needs consideration.
Future commitments

**OPTIONS FOR DISCUSSION**

33 Include future transport options in Plan Melbourne 2016 as areas for further development and assessment through transport planning and Infrastructure Victoria’s advisory role.

Plan Melbourne 2016 should outline strategic transport links and options, but aside from those committed to, should not include specific transport initiatives for the medium term. Melbourne’s growth patterns and economic needs will change over time and successive governments will need to respond to the challenges and opportunities this presents for the transport network. This response will be guided by Victoria’s transport planning obligations under the Transport Integration Act 2010 which require the periodic revision of transport planning in the context land use planning, and in the context of advice from Infrastructure Victoria.

Plan Melbourne 2016 will inform medium and long-term transport options and support protection of transport corridors. Future projects and their timing must be made in a transparent and informed environment and be based on solid evaluation processes that include land use development trends, budget considerations and funding priorities.

Transport planning will incorporate key land use strategies such as Plan Melbourne 2016 and regional growth plans and advice from Infrastructure Victoria.

**4.2 TRANSIT CORRIDORS AND THE PRINCIPAL PUBLIC TRANSPORT NETWORK**

**OPTIONS FOR DISCUSSION**

34 Include the Principal Public Transport Network (PPTN) in Plan Melbourne 2016.

The MAC (2015) report recommends adopting ‘transit corridors’ as a key transport and land use concept for Plan Melbourne 2016. Transit corridors are rail and road corridors that predominantly focus on people movements (rather than freight) and link key activity areas across a city, especially into the central city.

The MAC (2015) report also recommends that a 2030 SmartBus Network be included in Plan Melbourne 2016 to reinforce land use and the transit corridor concept.

The transit corridors approach represents a modification to the land direction of Plan Melbourne 2014. It is regarded as out of scope for the Plan Melbourne refresh. This may warrant further development, evidence and community consultation to better understand what the transit corridors approach would mean for Melbourne and its communities and to identify specific corridors as priorities for development.
Adopting the Principal Public Transport Network

A potential response to the recommendation to include the specific transit corridor proposal and the SmartBus proposal is to include the Principal Public Transport Network (PPTN) in Plan Melbourne 2016.

The PPTN depicts a long-term vision for a network of public transport corridors expected to provide high-quality public transport services across the metropolitan area. These typically connect activity centres which may be able to support more intensive land development. The role of the PPTN is to indicate to planners where greater activity could be accommodated on the public transport network. The PPTN includes tram, rail and high-frequency bus routes, including SmartBus routes and key transport interchanges.

The PPTN has previously been a feature of Victoria’s metropolitan planning documents. The current PPTN is being updated and could be included in Plan Melbourne 2016. This will provide certainty for planners and the community, and is consistent with the urban and economic geography directions of Plan Melbourne 2014.

Another advantage of the PPTN is the clarity it provides for local governments and communities about key public transport routes to guide local development decisions. It encourages development along and near public transport routes and nodes and demonstrates how the network can underpin future growth.

4.3 ACTIVE TRANSPORT VICTORIA

OPTIONS FOR DISCUSSION

35 Incorporate references to Active Transport Victoria and linkages to land use outcomes in Plan Melbourne 2016.

The Victorian Government has announced a new Active Transport Victoria unit to increase participation and safety among cyclists and pedestrians. A new Safer Cyclists and Pedestrians Fund will invest in cycling and pedestrian infrastructure improvements with a focus on new, dedicated paths.

Active transport is critical to an integrated transport system. Land use planning and major urban renewal development precincts are enablers in the development of an integrated transport system, including an inclusive walking and cycling network.
KEY POINTS

Plan Melbourne 2016 needs to articulate long-term land use policies and reforms to meet forecast housing needs and expand housing choice and affordability. The MAC [2015] report proposes a large number of initiatives relating to housing supply, diversity and affordability.

As a growing city Melbourne needs to facilitate the mobility, education and economic opportunities of its households. Boosting housing choice for all households will have significant social and economic benefits for individuals and all Victorians.

Options canvass actions that will establish new housing development goals, increase certainty for housing development, facilitate housing supply in Melbourne’s established areas and develop comprehensive data and strategies to better guide housing planning.

Further initiatives to support housing diversity and the provision of more social and affordable housing are discussed.
Plan Melbourne 2016 needs to articulate long-term land use policies and reforms to meet forecast housing needs and expand housing choice and affordability. The MAC [2015] report proposes a significant number of initiatives relating to housing supply, diversity and affordability.

This chapter addresses the issues the MAC (2015) report raises relating to the appropriate balance of housing development in established areas and greenfield growth areas. It highlights the importance of clearly communicating housing needs and clarifying locations that support population and housing growth and considers how the planning system might support more housing choice and better affordability.

A number of housing initiatives proposed in the MAC (2015) report are not discussed here, such as apartment standards, the review of the Reformed Residential Zones and issues relating to taxation and financing. These are being covered by other processes or considered outside the scope of a land use document.

5.1 THE BALANCE BETWEEN ESTABLISHED AND GROWTH AREA DEVELOPMENT

OPTIONS FOR DISCUSSION

36 Increase established area housing supply by one or more of:

36A Establishing a 70/30 target where established areas provide 70 per cent of Melbourne’s new housing supply and greenfield growth areas provide 30 per cent.

36B Investigate a mechanism to manage the sequence and density of the remaining Precinct Structure Plans based on land supply needs.

36C Focus metropolitan planning on unlocking housing supply in established areas, particularly within areas specifically targeted for growth and intensification.

36D Identify planning tools and reforms to boost established area housing supply.

Plan Melbourne 2014 maintains the footprint of the city set down by the 2012 Logical Inclusions process. Figure 3 shows the current footprint of the city and local government boundaries, growth corridors and the parts of Melbourne considered established areas.
A 70/30 target

The MAC (2015) report p.26 recommends that Plan Melbourne 2016 introduce a target to deliver 70 per cent of new housing in Melbourne’s established areas and 30 per cent in greenfield growth areas – the 70/30 target (Recommendation 17). This would serve the inter-related aims of:

**Increasing the number of new households closer to existing jobs, services and transport infrastructure**

This is an expected outcome of housing supply in established areas as established areas tend to provide easier access to existing jobs

**Reducing demand for new infrastructure on the fringe**

However, housing development in established areas may also demand more infrastructure which can be more expensive to provide in built-up locations

**Extending the number of years of greenfield land supply**

Assuming other factors such as the density of development and lot sizes keep moving toward higher density.

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5 The MAC proposed that ‘urban growth areas’ be measured to include all land within the urban growth boundary (UGB) which is not yet finalised as at 2013 and that the established urban areas include all urban land already developed in 2013. Achieving a 70/30 target according to this definition would entail increasing growth area development which is not the intent of the MAC (2015) report recommendation. Instead, growth areas have been defined as the six growth area municipalities (Casey, Cardinia, Wyndham, Whittlesea, Brimbank, Melton and Hume) and the portion of Mitchell in the UGB. The other 28 municipalities that make up metropolitan Melbourne are defined as established.
The MAC (2015) report identifies the city’s middle ring suburbs as a key focus for the 70/30 target. Due to their activity centre networks, access to jobs and existing infrastructure the middle suburbs are seen as ideally positioned to support greater housing supply.

To some extent, middle ring suburbs are already supporting higher proportions of housing supply. Since 2000, Melbourne’s middle ring municipalities have accommodated a steadily increasing share of Melbourne’s housing growth – from around 25 per cent of building approvals in 2002 to 40 per cent in 2014. Growth in the inner city has been particularly strong and there are large areas such as Fishermans Bend – which are being planned to continue this growth for decades.

A 70/30 target would also mean more households living in medium and higher density housing, which is also a trend well underway with housing growth in established areas now almost exclusively townhouses and apartments.

Policy objectives to increase housing in established areas and to make better use of existing infrastructure are not new and represent long-standing policy aspirations for state planning (State Planning Policy Framework Clause 16). A 70/30 target would add quantifiable dimension to these objectives.

How does the 70/30 target compare with current trends?

As at May 2015, 72 per cent of building approvals were for housing in established areas and 28 per cent in greenfield growth areas. The city is therefore already achieving a 70/30 target, although this is not presently a specific policy objective for planning.7

Victoria’s official long-term population projection in Victoria in Future (VIF) does not anticipate a 70/30 outcome. To 2051, VIF 2015 envisages a lower level of long-term housing growth in established areas (contributing 61% of new dwellings to 2051) and higher housing supply in greenfield growth areas. The 70/30 target and VIF projections are not, however, contradictory, as the MAC recommendation represents a preferred policy outcome for the city, while the VIF projection identifies a likely outcome given the government’s best information of market dynamics, known opportunities, housing capacity, planning frameworks and anticipated housing supply.

How can government implement a 70/30 target?

While the Victorian Government controls the overall footprint of the city via the urban growth boundary, it does not directly control where development occurs. Victorian and local government planning policy determines where development is permitted and at what scale, while the market choices of households, developers and businesses determine whether, when and how that opportunity is realised. In this way government policy can influence the location of development but does not prescriptively control the outcome. Adopting a prescriptive requirement of a 70/30 mix is therefore not appropriate.

The government might, nonetheless, seek to influence the balance of established and greenfield growth area housing supply to achieve a continuing 70/30 balance by:

- Exercising greater control on the timing and sequencing of greenfield land release. This would involve establishing a mechanism to identify the appropriate timing for the approval and development of the 31 remaining Precinct Structure Plans (PSPs) that are yet to be approved. Figure 3 above shows the location of approved and yet to be approved PSPs
- Focusing metropolitan planning efforts towards unlocking housing supply in established areas, particularly within areas specifically targeted for growth and intensification
- Introducing planning reforms and new tools to support the ongoing renewal of established areas. This could include lot consolidation incentives, reforms to the planning scheme amendment process and codified planning processes.

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6 This is an indicative measure of change in middle suburbs as building approvals include knock down and rebuild developments and therefore not necessarily net additional dwellings. While knock down rebuilds distort the data, overall, new supply has increased in middle suburbs.

7 Melbourne 2030 (2002) projected that from 2001 to 2030, 71 per cent of the city’s new housing would be constructed in established areas and 29 per cent in greenfield growth areas. This projection envisaged a gradual shift in development from growth areas to established areas, with higher levels of development initially in greenfield areas and greater levels of consolidation in established areas in the medium to long term. The scale and rate of growth has been much faster than anticipated. Melbourne 2030’s projected growth of 620,000 dwellings to 2030 is likely to be reached by 2020.
The new residential zones are intended to identify areas with development potential and those where retaining existing character is a priority. Underutilised land – particularly former commercial and industrial sites – provide substantial future development opportunities.

When compared with other Australian states, Melbourne’s greenfield housing market performs strongly both in terms of affordability and diversity. Further controls on the supply of greenfield lots may risk adverse consequences in growth areas including an increase in the cost of land, higher house prices, greater incentives for land banking and a reduced capacity to respond to shifts in demand. These risks could nonetheless be managed through an appropriate mechanism that responds to changes in land markets.

Plan Melbourne 2014 recommends a 15-year land planning horizon so that limited supply does not affect affordability. There are currently 217,320 lots in approved PSPs which is sufficient to satisfy current demand to at least 2030 and potentially longer. Any government action to control future land release is only likely to influence development patterns in the long term.

In addition a focus on making growth area communities more accessible and liveable will provide long-term benefits. Plan Melbourne 2014 includes a variety of directions to facilitate liveable communities and neighbourhoods. Delivery of these directions will be enhanced by the Melbourne Metro Rail project and ongoing improvements to bus services and road infrastructure in greenfield growth areas. The government’s Managing Growth plan also sets out a plan for delivering coordinated infrastructure across Melbourne’s outer suburbs.

It should also be recognised that urban areas evolve and grow their amenities over time. At different points of time, areas of Melbourne currently accepted as established were initially greenfield growth areas. For example, suburbs such as Chelsea and Pascoe Vale were greenfield growth areas in the 1950s and Boronia and Croydon in the 1960s and 70s. These areas have steadily developed a range of community infrastructure and services that provide a predictable level of amenity attractive to many households. It may be argued that Melbourne’s current greenfield growth areas are likely to follow the same model.

Table 1 lists the distances between Melbourne’s General Post Office (GPO) and growth and established area suburbs. It shows that many newer growth areas in Melbourne’s west and north are relatively the same distance from the CBD as established suburbs in the south and east. Each location currently has different travel times to the CBD.

### Table 1 Distance from the GPO Growth area and established area suburbs

<table>
<thead>
<tr>
<th>Established area locality</th>
<th>Growth area locality</th>
<th>km from GPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitcham</td>
<td>Point Cook</td>
<td>19.60</td>
</tr>
<tr>
<td>Ringwood</td>
<td>Tarneit</td>
<td>23.43</td>
</tr>
<tr>
<td>Chelsea</td>
<td>Mernda</td>
<td>29.75</td>
</tr>
<tr>
<td>Springvale</td>
<td>Caroline Springs</td>
<td>22.22</td>
</tr>
</tbody>
</table>

8 In the first quarter of 2015 the median price of growth area lots in Melbourne for new housing was $475 m² while in Sydney the average price of a growth area lot was approximately $640 m². Since the 2010 expansion of Melbourne’s UGB, land prices in growth areas has been stable at approximately $450–$490 m².

9 Two examples are Direction 4.1: Create a city of 20-minute neighbourhoods and Direction 4.3: Create neighbourhoods that support safe communities and healthy lifestyles. These directions are for all communities whether in a growth or established area. Plan Melbourne 2014 also includes directions relating to the sustainable development of growth areas. These include Direction 1.1: Define a new city structure to deliver an integrated land use and transport strategy for Melbourne’s changing economy and Direction 1.5: Plan for jobs closer to where people live.
5.2 POPULATION GROWTH AND HOUSING

OPTIONS FOR DISCUSSION

37 Better define and communicate Melbourne’s housing needs by either:

37A Setting housing targets for metropolitan Melbourne and each sub-region relating to housing diversity, supply and affordability.

OR

37B Developing a metropolitan Housing Strategy that includes a Housing Plan which:

- Identifies preferred housing outcomes (rather than targets)
- Specifies key Victorian and local government actions
- Includes preferred housing scenarios for sub-regions and defined locations.

Accurate and detailed information on Melbourne’s projected growth is vital for metropolitan and local land use and transport planning, as well as for public and private investment. It also sets the context for community debate on major decisions that influence Melbourne’s future.

The long-term housing needs of the city set out in Melbourne 2030 and Melbourne@5 million guided the development of subsequent structure plans, municipal housing strategies and other strategic frameworks that now direct the development of the metropolitan area today.

Plan Melbourne 2014 sets out Melbourne’s future housing challenge based on projected population growth, demographic change and household formation patterns. It estimates that to 2051, an additional 1.6 million dwellings will be needed and that based on current and anticipated trends this may be delivered in the form of 530,000 detached houses, 480,000 apartments and 560,000 townhouses.

Beyond aggregate population objectives there is also a need for effective housing and population planning at local levels. As a city grows, populations look to their particular region for higher-order services, education and employment opportunities. Plan Melbourne 2014 identifies the importance of sub regional planning to the city’s productivity and liveability and establishes five sub-regional groups: the east, west, north, south and central groups.

To initiate the sub-regional planning process, Plan Melbourne 2014 estimates the aggregate growth challenge for each sub-region (Plan Melbourne 2014, pp. 171–184). This includes sub-regional population projections and future dwelling requirements to 2031, broad allocations of housing supply by housing type (estimates of townhouses, apartments and detached dwellings based on current and expected trends) and estimated housing supply within the established parts of the sub-region and growth areas.

Housing targets

The MAC (2015) report recommends replacing the above future information with more specific housing targets set by the Victorian Government in consultation with local governments (Recommendation 17). The targets would define a range of housing outcomes including aggregate housing supply, the mix of housing types needed and preferred housing affordability outcomes. The benefits of this are not directly discussed in the MAC (2015) report but would seem to entail:

- A greater commitment and ownership by local governments to sub-regional planning goals as they would represent a ‘bottom up’ expression of sub-regional objectives
- A stronger understanding of local opportunities and constraints
- A greater alignment of local planning frameworks with sub-regional goals
- Potentially clearer responsibilities for meeting local housing needs.

To date, the sub-region planning groups have met several times with a primary focus on regional infrastructure needs. Establishing housing targets would significantly expand their scope to consider issues of land supply, internal migration, demography and population growth.
What is the experience of housing targets?
Planning instruments resembling housing targets have been progressed twice in Victoria over the last decade. The Regional Housing Statements (2005) and Housing Growth Requirements (2009) projects sought to develop housing supply goals via extensive consultation and analysis. While they generated high levels of collaboration, information sharing and new data sets (such as housing development and capacity data), commitment to housing targets was not generally strong and an enduring legacy of aspirational and transformative housing targets was not generated.

The MAC (2015) report acknowledges that housing targets may not necessarily achieve their aim. For example, recent analysis of housing targets set a decade ago for the City of London (The London Plan 2004) suggests that successive targets have not effectively influenced local planning and development decisions, nor directly increased metropolitan housing supply. While some London municipalities have met and exceeded their housing targets, a significant number have not. The London targets are also criticised for requiring an insufficient number of new dwellings, as a gap exists between the housing targets allocated to municipalities and London’s considerably greater overall housing needs. Nonetheless, London’s housing targets endure as a planning mechanism with broad support.10

Any initiative to set sub-regional targets must apply a robust method that considers the role of targets and what is practical and achievable. As a first principle, this will need to ensure that targets achieve the population and housing projections of Victoria In Future and that sub-regional targets cumulatively address metropolitan housing needs.

It could be argued the sub-regional housing projections in Plan Melbourne 2014 (referred to as requirements) already provide a type of housing target that outlines the aggregate growth challenge, and that what is needed is more detailed information about the range of housing needs within a sub-region and the housing supply expectations for defined areas, particularly those identified for increased densities. This strategy may appropriately be state-wide.

Communicating long-term housing needs
While housing targets have limitations they can help clarify and communicate the scale of the housing challenge to planners and the general community.

Several recommendations in the MAC (2015) report advocate for a greater range of information on housing needs. This includes information on housing mix, size and affordable housing needs (Recommendations 18, 21, 22, 23 and 25).

During the recent implementation of the Reformed Residential Zones, concern was raised as to whether local planning frameworks provided sufficient long-term housing opportunities. As the report points out (2015, p. 27), it is unknown “whether these housing strategies will collectively deliver the amount and type of housing needed to meet Melbourne’s current and future housing needs”.

The Reformed Residential Zones process highlighted a need for more spatially-specific information on housing needs that can be used to test planning frameworks and ensure they support local and metropolitan objectives. The MAC (2015) report recommends the development of a metropolitan Housing Strategy that includes a Housing Plan. As an alternative to targets, a Housing Strategy might provide detailed housing information and include preferred housing scenarios for sub-regions and for the sub-region’s activity centres and National Employment Clusters. This strategy may appropriately be state-wide.

5.3 CLARIFY LOCATIONS THAT SUPPORT POPULATION GROWTH AND NEW HOUSING

OPTIONS FOR DISCUSSION

38 Introduce a policy statement in Plan Melbourne 2016:
- To support population and housing growth in defined locations
- That acknowledges that some areas within defined locations will require planning protection based on their valued character.

39 Clarify the direction to ‘protect the suburbs’.

Plan Melbourne 2016 must clearly inform where future residential change and increased densities are supported and where change is limited. This is critical for defining the preferred future form of the city, guiding planning decisions and providing certainty for the community and investment.

How to resolve contradictions in Plan Melbourne 2014?
While Plan Melbourne 2014 supports greater housing options and increased density in defined locations, the first element of the Plan Melbourne 2014 vision is ‘protect Melbourne’s suburbs’. The Neighbourhood Residential Zone has identified large parts of existing residential areas to be protected from multi-unit development other than dual occupancies.

Supporting growth in specific locations and constraining it in others is sensible. However, many defined locations are also suburban locations and therefore may be subject to contradictory directions. In these locations Direction 1.5: Plan for jobs closer to where people live would see increased density as desirable, while in the same location Direction 4.2: Protect Melbourne and its suburbs from inappropriate development might suggest development is undesirable.

Plan Melbourne 2016 might clarify development expectations by:
- Confirming that population, housing and employment densities in defined locations will increase and that the balance of planning controls should generally favour change and increased densities in these locations. The local and broader benefits of increased densities in these locations should also be identified and communicated as part of the implementation of Plan Melbourne. Some of these defined locations may, however, include heritage precincts or other existing values that require planning protection
- Clarifying the direction to ‘protect the suburbs’ by identifying the rationale for protection, the local circumstances in which suburbs require protection, what they are being protected from and the circumstances where protection may not be warranted.

This will help resolve ambiguities in Plan Melbourne 2014 and improve its capacity to guide strategic planning in local areas and statutory processes. It will also help clearly communicate to the community expectations relating to the intensity of future development and change.

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11 Such as the central sub-region, urban renewal precincts, National Employment Clusters, areas within the Residential Growth Zone, activity centres and near railway stations.
5.4 HOUSING DIVERSITY

Like most growing cities, Melbourne has the challenge of facilitating the mobility, economic opportunities and social needs of its people. Greater housing choice through greater housing diversity is part of the way a city can support the mobility of its citizens.

Housing diversity is already an objective of the State Planning Policy Framework in seeking to “promote a housing market that meets community needs” (cl.16.01-1) and more specifically to “provide for a range of housing types to meet increasingly diverse needs” (cl.16.04-1).

Local housing policies include similar aspirations: “provide a mix and range of housing types and forms” and “maintain and increase housing choice and diversity within existing residential areas” (Boroondara Planning Scheme, cl. 21.07), “encourage a mix of housing” and “support increased housing choice by providing a diversity of dwelling types, sizes and tenures” (Maribyrnong Planning Scheme, cl. 21.07).

Diversity policies and objectives are then implemented via a range of local zones, overlays and plans that determine where and how diversity objectives are realised.

This section discusses the barriers and opportunities for achieving greater housing diversity, which is a key focus of the MAC (2015) report. Social and affordable housing outcomes—a major part of housing diversity—is dealt with in the next section. The MAC (2015) report recommendation relating to a code assess approach for new multi dwelling development (Recommendation 18) is discussed in Chapter 7.

Why does housing diversity matter?

The majority of Melbourne’s housing stock comprises single detached dwellings. This, however, is changing. Figure 4 shows Melbourne’s housing stock has been steadily diversifying, with more high density and medium density housing (townhouses and apartments) added than detached houses, particularly since 2012. These new dwellings provide new opportunities for households and increased mobility throughout the city.
Housing diversity can be defined in various ways and relates to the size, cost, number of bedrooms, character and age of dwellings. It could also extend to the availability of low cost rental aged care, rooming houses, student accommodation, public housing and ancillary accommodation.

However diversity is defined, there are clear benefits in expanding the variety of locations where people can live and the type of dwelling they can afford to occupy.

Diversity provides greater housing choice, which can generate economic and social benefits. For newly-formed households, housing choice may enable them to remain within a preferred location, while for older couples it may enable them to realise the value of their detached dwelling and ‘downsize’ to more compact accommodation within the same area. Housing diversity might allow students to live near their peers and close to educational institutions and enable workers to live close to their employment. Businesses and service providers can also benefit from a more diverse available workforce and a greater number of customers.

The benefits of more diverse housing often derive from the price competitiveness of townhouses and apartments which tend to be the cheapest dwellings to rent or buy, although this is not always the case.

The dramatic increase of house prices over the last two decades has reduced the locations affordable to low and middle-income earners. In response, Melbourne’s planning system has sought to promote new housing opportunities by providing policy support for high and medium-density development in preferred locations such as activity centres and urban renewal locations, and by permitting townhouse development through ResCode.

Melbourne is now experiencing significant growth in its activity centres and the central city. Small-scale subdivision continues to provide a high proportion of new dwellings in established areas (up to 50%). This is increasing choice and supporting the adaptability, resilience and economic vitality of individual areas and the wider city. There is also more housing diversity emerging in greenfield growth areas with the Urban Development Program 2015 showing more apartments being proposed and constructed in these areas. The Cotter’s Apartments in Epping represents a medium density development recently built on Melbourne’s fringe.
Research by Birrell et al. (2012) suggests that Melbourne’s young adults are most acutely impacted by a lack of housing choice. This research identifies a shortfall between the number of young adults expected to start families and the number of ‘family friendly’ dwellings (with a third bedroom and reasonably generous living space) available to them in established areas. The research suggests the current development of 1 and 2-bedroom apartments will not provide ‘family friendly’ housing.

Research by the Grattan Institute (2011) confirms this, showing the addition of children significantly alters housing priorities. However, the Grattan research also shows that many households are willing to trade-off housing type to live in a preferred location and there is unmet demand from households willing to make these trade-offs in Australian capital cities. The extent to which Melbourne’s households are able to successfully make housing trade-offs and whether there is evidence of market or planning system failure warrants further research.

There is also the issue of households that wish to downsize and the barriers they face including financial risks, transactional costs, and priorities in relation to inheritance. As is true for the issue of housing diversity in general, policies relevant to downsizing cross all levels of government and range from commonwealth and state taxes to local housing supply, of which planning is just one element.

While the city, in aggregate terms, needs to provide housing diversity and choice, there is also a need to be sensitive to what diversity entails in different local contexts and to different households. For example, Figure 5 shows a map of the City of Maroondah which highlights that lone person and couple without children households are the predominant household in many of the municipality’s suburbs. This might suggest greater numbers of semi-detached and apartment dwellings are desirable, and in fact 3-bedroom townhouses are the main source of Maroondah’s new housing.

However, it may be a mistake to assume all smaller households prefer smaller dwellings. Many older Australians prefer to maintain extra space for family and hobbies and regard their dwelling as well utilized. The ABS Census 2011 also shows many young couples with children moving to Maroondah, most likely attracted to the municipality’s plentiful detached dwellings. In this way, Maroondah’s detached and semi-detached dwellings provide choice for households within the municipality but also for households within the eastern region.

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Efforts to encourage greater housing diversity also need to account for issues of density and urban change which are deeply intertwined. The development of local housing strategies provide a forum for planning for future housing needs in the context of other urban priorities, such as the preservation of character. This is often challenging as the benefits of greater housing choice need to be balanced with concerns about change and character, which for local communities can sometimes appear more pressing and tangible. The MAC (2015) report advocates for government “to embark upon informing the Melbourne community of the benefits of more diversity and choice in the housing sector” (Recommendation 18).

What is the role of the Reformed Residential Zones in delivering diversity?

OPTIONS FOR DISCUSSION

40 Clarify the action to apply the Neighbourhood Residential Zone to at least 50 per cent of residential land by:

40A Deleting the action and replacing it with a direction that clarifies how the residential zones should be applied to respect valued character and deliver housing diversity.

OR

40B Retain at least 50 per cent as a guide but expand the criteria to be applied in variations between municipalities.

The MAC (2015) report advocates greater development and choice in Melbourne’s established areas, particularly in Melbourne’s middle suburbs. Protecting the suburbs is a key element of Plan Melbourne 2014 which includes the short-term action to Deliver the Neighbourhood Residential Zone across at least 50 per cent of Melbourne’s residential-zoned land. The Neighbourhood Residential Zone (NRZ) privileges the existing character of locations over urban change. This is expressed in the purpose of the NRZ: To manage and ensure that development respects the identified neighbourhood character, heritage, environmental or landscape characteristics and To limit opportunities for increased residential development. The NRZ implements these objectives by limiting the number of dwellings per site to two and prescribing building heights.

Implementing the NRZ across at least 50 per cent of residential land will likely constrain housing diversity in some suburbs. The MAC (2015) report recommends deleting the NRZ initiative (Recommendation 34) as “It has the effect of potentially ‘locking up’ infrastructure-rich and job rich suburbs from further major growth and development”. However this view may overstate the problem. Councils have selected the areas for NRZ protection based on their assessments of critical values and the expectations of their community. Table 2 shows that 20 per cent of residential land is subject to the NRZ. Most metropolitan councils have now implemented the Reformed Residential Zones. This means that, in the short to medium term, the percentage of land subject to the NRZ will likely only increase by small amounts.

Table 2 Implementation of the Reformed Zones January 2015

<table>
<thead>
<tr>
<th>Sub-region</th>
<th>Residential (ha)</th>
<th>GRZ (ha/%)</th>
<th>NRZ (ha/%)</th>
<th>RGZ (ha/%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner</td>
<td>5,653</td>
<td>4,813 (85%)</td>
<td>720 (13%)</td>
<td>120 (2%)</td>
</tr>
<tr>
<td>East</td>
<td>30,878</td>
<td>19,347 (63%)</td>
<td>11,016 (36%)</td>
<td>516 (2%)</td>
</tr>
<tr>
<td>North</td>
<td>24,050</td>
<td>21,514 (89%)</td>
<td>2,508 (10%)</td>
<td>28 (0%)</td>
</tr>
<tr>
<td>South</td>
<td>39,888</td>
<td>32,746 (82%)</td>
<td>6,607 (17%)</td>
<td>537 (1%)</td>
</tr>
<tr>
<td>West</td>
<td>22,201</td>
<td>18,127 (82%)</td>
<td>3,651 (16%)</td>
<td>427 (2%)</td>
</tr>
<tr>
<td>All metro</td>
<td>122,670</td>
<td>96,547 (79%)</td>
<td>24,502 (20%)</td>
<td>1,628 (1%)</td>
</tr>
</tbody>
</table>
Over time, different densities and dwelling types will emerge in each residential zone, with higher density outcomes in the Residential Growth Zone, greater medium-density development in the General Residential Zone and low-density housing retained within the NRZ. When applied on the basis of sound strategic planning, the zones can facilitate housing diversity. This is why focusing exclusively on the NRZ as a barrier to diversity may distract from the strategic intent of the Reformed Zones.

The principle of applying a zone according to a percentage is, however, very unconventional and raises concerns. Land use zones are traditionally applied to land according to strategic policy and the attributes of land, and not according to blanket percentages. This is the basis of Practice Note 78: Applying the Residential Zones which indicates that sound strategic planning is vital in implementing the zones and defines the land and built form attributes appropriate for different zones. Applying zones according to percentages entails the risk that a range of sites may be subject to unwarranted zoning, which in the case of the NRZ could be sites nearing the end of their lifecycle or those located near significant public infrastructure.

The Victorian Government has committed to reviewing the application of the Reformed Residential Zones. This includes considering the process used to apply the zones in 2013/14 and the contents of the practice note. Notwithstanding this, Plan Melbourne 2016 needs to set the broad strategic directions for the Reformed Zones, which as Plan Melbourne 2014 states is about affirming the role of the Reformed Residential Zones in delivering diversity, specifically by applying each zone in combination.

**Greyfield renewal**

41 Introduce a policy statement in Plan Melbourne 2016 supporting greyfield renewal and investigate planning scheme mechanisms to achieve coordinated and sustainable renewal of established suburbs.

The MAC (2015) report recommends including greyfield renewal precincts in Plan Melbourne 2014 as locations for greater housing diversity and density (Recommendation 21).

Greyfields are residential areas where the building stock is near or ending its physical life and land values make redevelopment attractive. Melbourne has many residential areas like this that are typically subject to uncoordinated small-scale infill development which delivers a suboptimal outcome. DELWP is a key sponsor of a project which is currently working with a number of local governments in Victoria, Western Australia and New Zealand and has created tools to help identify, consult on and implement greyfield renewal precincts.

Greyfield areas are a vision of precinct planned infill that provides local government and the community with a framework to better direct and achieve more sustainable outcomes from small scale cumulative change in residential areas.

While greyfield renewal is a new and untested concept, over time with appropriate policy support this may change. The concept of renewing industrial areas (brownfield renewal) is only 25 years old but is now well understood and accepted. Plan Melbourne 2016 can help initiate this form of innovation which will become more feasible and attractive as the city’s housing stock ages.
Promoting housing diversity through design

OPTIONS FOR DISCUSSION

42 Include an action in Plan Melbourne 2016 to investigate how the building and planning system can facilitate housing that readily adapts to the changing needs of households over the life of a dwelling.

Internal design can also contribute to housing choice and diversity. Design can increase the flexibility and adaptability of dwellings for households as their needs change. For example, a flexible internal design can help accommodate adult children returning home or elderly parents moving. Flexible housing design may also enable a single dwelling to be separated into two dwellings as a household downsizes. The opportunities for internal design to increase choice and diversity and whether current regulations create barriers to this require further investigation.


5.5 AFFORDABLE HOUSING

OPTIONS FOR DISCUSSION

43 Affirm that the Minister for Planning should be the responsible authority for social housing planning applications recommended by the Director of Housing (and include definitions of housing affordability and social and affordable housing in planning schemes).

44 Introduce expedited planning approvals processes for selected social housing projects, including modified third-party appeal rights.

45A Consider introducing planning tools that mandate or facilitate or provide incentives to increase social and affordable housing supply.

45B Evaluate the pilot affordable housing initiative on land sold by government to determine whether to extend this to other suitable land sold by government.

45C Identify planning scheme requirements that could be waived or reduced without compromising the amenity of social and affordable housing or neighbouring properties.
Melbourne’s rising housing prices and rents have generated significant housing affordability challenges. Prices have particularly increased in inner and middle suburbs with good access to jobs, which is generating inequality and social exclusion and will likely reduce Melbourne’s liveability and productivity.\(^\text{14}\)

Moderate income first home buyers have more limited choices than in the past so even when they can afford to buy, they usually can no longer afford well-serviced locations with good access to jobs.

Fewer lower income households are entering home ownership than in the past. Many must choose between buying homes with poor access to services and jobs or remaining in the private rental market.

Lower income households in the private rental market experience the most severe housing affordability problems and this is getting worse. The proportion of low-income households in the private rental market paying more than 30 per cent of their income in rent increased from almost 73 per cent in 1996 to just over 76 per cent in 2011. The proportion paying more than 50 per cent increased from 29 per cent to almost 39 per cent.\(^\text{15}\)

**How can Plan Melbourne 2016 improve housing affordability?**

While Plan Melbourne 2014 recognises the role of planning in facilitating social and affordable housing and proposes actions to increase supply, the MAC (2015) report recommends a stronger focus, particularly for increasing the supply of social housing.

The MAC (2015) report recognises that many actions to improve housing affordability and social housing supply are beyond the land use planning system and makes a broad range of recommendations relating to the need to develop new funding sources for affordable and social housing, reduce production costs and how existing social housing assets could be managed to increase social and affordable housing supply.

There is also a range of other issues associated with the ongoing operating costs of housing such as utilities, which particularly affect low-income households.

Improving housing affordability may also benefit from a whole-of-government approach and the MAC (2015) report recommends the broad actions required to tackle housing affordability should be coordinated through a Housing Strategy that includes a Housing Plan for Melbourne.

These issues are beyond the scope of this refresh and will be considered by several government initiatives across different policy areas relating to affordable and social housing.\(^\text{16}\)

**Improving housing options for moderate income first home buyers**

Planning can help improve choices for moderate income first home buyers by facilitating more housing supply, including housing suitable for families with children, in high demand locations with good access to jobs and transport.

Increasing supply can also help contain inflation in particular sub-markets, as has been achieved in Melbourne’s growth areas over the last five years, although this must be balanced with other policy imperatives. The large increase in apartment supply in the inner city and now in middle-ring suburbs has also helped contain apartment prices and provided some households with a more affordable housing option in well-serviced suburbs with good access to jobs.

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\(^\text{15}\) Jane-Frances Kelly and Paul Donegan City Limits: why Australia’s cities are broken and how we can fix them, Melbourne University Press, 2015.

\(^\text{16}\) These include: The Review of the Residential Tenancies Act; the Future Industries Fund Construction Technologies consultation. In May the government announced that it will undertake a broader review of current policies affecting housing affordability, including taxation, regulatory settings and the suite of grants and concessions available to different categories of property purchasers. The review will be completed in early 2016 and will guide future reforms. The government is also consulting with stakeholders from the community housing sector to discuss how they can partner with government in the renewal and growth of social housing.
Facilitating social and affordable housing

Plan Melbourne 2014 recognises the serious housing affordability problem for low-income households in the private rental market and includes directions to facilitate social and affordable housing in urban renewal and other sites. However, the actions do not identify specific processes or mechanisms to achieve this. In the MAC (2015) report, it is the view that Plan Melbourne 2014 places too high a reliance on increasing housing supply to tackle affordability problems.

Boosting the supply of market-rate housing alone will not improve housing affordability for low-income households in the private rental market who require decent low-cost rental housing. Increasing the supply of social and affordable housing managed by not-for-profit providers is part of the solution.

Victoria’s current supply of social and affordable housing does not meet demand with just under 35,000 households on the waiting list. Around 3.5 per cent of our total housing stock is social housing compared with around 4.5 per cent for Australia. Just maintaining Victoria’s current proportion in the context of a rapidly growing population means Melbourne needs around another 1,600 social housing homes each year.17

This is far greater supply than achieved in recent years and regulatory reform and new funding sources are needed and new strategies for meeting demand by other means.

Should there be incentives or requirements to include affordable housing in new development?

Victoria’s planning system contains only relatively broad objectives and strategies relating to affordable housing supply via the State Planning Policy Framework (SPPF), and no specific tools exist to achieve these objectives. Plan Melbourne 2014 proposes several revisions to the planning system to help increase the supply of social and affordable housing.

The MAC (2015) report supports these but notes that other effective and tested planning instruments are also needed to meet current and future social housing needs.

It recommends considering inclusionary zoning and/or incentive zoning for all designated urban renewal precincts and areas undergoing significant change and investigating the costs, benefits and opportunities of how planning incentives could facilitate more social housing in strategic urban renewal precincts and other areas experiencing significant change (Recommendation 25).

There is a range of possible planning mechanisms to facilitate social and affordable housing, including: mandatory inclusionary housing obligations that require developments to contribute dwellings or land or money; development incentives such as additional building height and reduced building setbacks; voluntary negotiated agreements; various forms of impact mitigation; approval process advantages and cost reduction strategies; and developing surplus or underutilised government sites.

Victoria’s planning system does not effectively facilitate the development of social and affordable housing in a number of critical ways:

- There is insufficient explicit support for social and affordable housing in the Planning and Environment Act 1987 and the SPPF
- Planning legislation lacks a clear definition of affordable housing
- There is no clearly defined shortfall of social and affordable housing for suburbs, municipalities and the metropolitan area making it difficult to draw a nexus between the need for affordable housing and the level of contribution sought.

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17 These calculations are based on the assumption that Melbourne currently has about 55,000 social housing dwellings and that household growth will accord with Victoria in Future projections.
Planning mechanisms also need to be accompanied by adequate funding and coordination of social housing agencies so they can take on new housing stock at the same time as developments proceed. Ongoing operating funding will also be required to meet the costs of managing housing and providing the required support for those households in social housing with complex needs.

The design and operation of these potential mechanisms and the timing of their introduction needs careful consideration. Developers have little capacity to absorb additional costs and these are passed back to the purchase price of land or passed forward to the end price of the dwelling. Whether the additional cost is subtracted from the land’s purchase price or added to the sale price of the end product depends on a complex set of variables including the timing and method of how such requirements are imposed, the effect of market conditions on the willingness of vendors to sell land at a reduced rate and the capacity of the market to bear higher end prices.

**Should development approval processes be expedited to increase viability of social housing proposals?**

Another way to increase the viability of social housing projects is to reduce development costs by streamlining development approval processes for some social housing developments.

**Plan Melbourne 2014** actions to increase the social housing include amending the Victoria Planning Provisions (VPP) to make the Minister for Planning the responsible authority for selected social housing planning applications recommended by the Director of Housing, and to include social housing and affordable housing definitions in the VPP.

The MAC (2015) report recommends shortened and guaranteed time frames for assessing planning permit applications for some affordable and/or social housing developments as well as limiting and even removing third-party appeal rights to minimise decision delays and provide greater project certainty.

An expedited approvals process was adopted under the Nation Building Social Housing Initiatives in 2009 to successfully streamline the delivery of 4,663 new social housing homes and significantly reduce costs for providers and consideration could be given to revisiting that process.

However, it is also important those affected by a proposed development have opportunity to present their views. If this occurs early in the planning process it may be appropriate to adjust third-party rights in later stages. Expedited processes can maintain the opportunity for community involvement while meeting the objective of transparency and facilitating development.

**Can regulatory reform increase social and affordable housing?**

The MAC (2015) report notes there may be scope to remove or reduce particular planning requirements for projects providing affordable and social housing. This might include car parking requirements in sites within walking distance of public transport and removing planning obstacles to smaller-scale infill housing programs, such as accessory or ancillary units (granny flats, secondary suites) or laneway units. The MAC (2015) report recommends identifying provisions in Victoria’s current permit approval system that could be waived to facilitate more social and affordable housing.

The MAC (2015) report also suggests that consideration be given to the range of planning provisions incentives to provide social and affordable housing through private development. In particular they believe there is merit in the concept of ‘incentive zoning’ such as Floor Space Ratio bonuses.

It is important such provisions and incentives are carefully considered. These should not compromise amenity for residents and neighbours. Community and stakeholder views are sought about current requirements on the permit approval system that could be reviewed to facilitate more affordable housing.
A MORE RESILIENT AND ENVIRONMENTALLY SUSTAINABLE MELBOURNE

KEY POINTS

The planning system can help reduce greenhouse gas emissions and build our resilience to reduce our exposure to climate change impacts.

Strategic environmental principles, improving hazard mapping and new planning tools can help respond to climate change challenges and build resilience.

Environmentally sustainable design and actions to encourage renewable energy will deliver environmental outcomes, such as reductions in greenhouse gas emissions, and create a more sustainable Melbourne.
Better integrating climate change planning responses into land use planning and the natural and built environment is a clear challenge for the planning system.

While Plan Melbourne 2014 contains significant directions on ‘environment and water’ that are widely supported and will be retained in Plan Melbourne 2016, it lacks recognition of the climate change challenge. The regional growth plans that complement Plan Melbourne 2014 address the issue more thoroughly.

The MAC (2015) report highlights that climate change and sustainability issues in its 2013 report were not sufficiently addressed in Plan Melbourne 2014. It identifies the need to put climate change front and centre and to highlight it as a significant pressure on Melbourne’s development. Reducing the heat island effect and ensuring Melbourne’s infrastructure and communities can withstand climate change impacts and strengthening actions to reduce greenhouse gas emissions are also a focus.

The Victorian Government has committed to a whole-of-government approach to climate change mitigation and adaptation. Plan Melbourne 2016 and the planning system have a role in this.

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18 It refers to city structure driving sustainability; the importance of habitat protection and restoration; the importance of food production; the need to reduce noise and protect air quality for human health; whole-of-water cycle management; water and sewerage infrastructure protection; reducing energy consumption; managing land contamination and planning for better waste management amongst others.
6.1 CHALLENGES AND OPPORTUNITIES

Providing pathways for better integrating climate change planning and responses into land use planning and the natural and built environment is a clear challenge for the planning system and the Plan Melbourne refresh.

The Victorian Government is committed to playing a stronger role in helping communities, businesses and government reduce greenhouse gas emissions and respond to climate change impacts. Previous consultation has shown that Victorians want a greater understanding of climate change impacts and how they can reduce their exposure. They believe more should be done in Victoria to tackle climate change. Acting on climate change represents significant challenges but also opportunities for Victoria to:

- Better protect and enhance the health and wellbeing of Victorians, particularly vulnerable Victorians
- Create new jobs, grow and modernise our economy
- Reduce air pollution
- Better protect our natural environment
- Ensure our communities, cities and towns remain great places to live as our climate changes.

Even if we act quickly to reduce greenhouse gas emissions, we will need to adapt and build resilience to climate change impacts because of emissions already in the atmosphere.

While we contribute a relatively small amount of total global greenhouse gas emissions, we are amongst the highest emitters per person in the developed world.\(^{19}\) The government is committed to implementing measures to reduce greenhouse gas emissions and harness opportunities that support jobs growth as part of the transition to a more sustainable economy.

Taking action to address climate change is an important environmental justice and inclusion issue. Vulnerable members of the community are less resilient to climate change impacts such as extreme heat events, and this vulnerability is likely to increase. The cost of climate change mitigation and adaption should be shared equitably across the community.

Climate change science indicates more frequent and severe events in the future. Future generations will face greater threats to their wellbeing without significant action now.

Opportunities to address climate change can generate new jobs in emerging industries (such as renewable energy and energy efficiency), improve our health (better air quality, less exposure to heatwaves) and create a more liveable city (a greener more attractive cityscape). Through early action we have the opportunity to realise these multiple benefits and avoid the significant and escalating costs of inaction.

Directions contained in Plan Melbourne 2014, and options canvassed in this discussion paper will also help to build the resilience of our natural capital in a time of climate change. Natural capital refers to our natural assets, such as our forests and waterways, which provide us with ecosystem services, such as clean water and air. They also support the economy providing opportunities for sectors such as the tourism industry.

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Climate change impacts

Victoria is particularly susceptible to the effects of climate change. The CSIRO and the Bureau of Meteorology have projected increases in temperatures and changing patterns of rainfall and more extreme weather events such as drought and bushfires, heatwaves, flooding and increased coastal inundation.\(^\text{20}\)

Without effective action, climate change poses increasing risks for public safety and health, jobs, infrastructure, industry, agriculture, tourism, and our natural environment.

High level impacts include:

**Economic impacts**

Between 2003 and 2013, the Victorian Government has spent over $4 billion on response and recovery to climate-related events such as bushfire, flood and drought. The Garnaut Review found the costs of unmitigated climate change are expected to reduce Victoria’s Gross State Product by approximately 1 per cent by 2025, 2.2 per cent by 2050 and 4 per cent by 2100.\(^\text{21}\)

**Health impacts**

Climate change will likely affect air quality, drinking water, food and housing. Rising temperatures and more extreme heat days will increase the risk for people with cardiovascular and respiratory disease, leading to a higher death rate, particularly among vulnerable groups such as the elderly. Changes to rainfall patterns will increase the frequency and severity of drought, increasing the costs of fresh food. More droughts, floods and bushfires will also impact mental health by increasing economic insecurity and stress and anxiety levels.

**Biodiversity impacts**

Ecosystems are particularly vulnerable to climate change, especially those with limited habitat ranges and capacity to migrate. DELWP research into 42 fauna species in south-eastern Australia indicated 41 of these species are likely to suffer reduced habitat from climate change impacts.\(^\text{22}\) More than half are predicted to lose 90–100 per cent of their range if temperatures increase an average 3°C.


Specific impacts of climate change-driven events will likely include:

**Heatwaves**
Heatwaves already significantly impact human health (through increased rates of morbidity), the lifespan and operation of critical infrastructure and the environment. Climate change is projected to increase their number and severity. The January 2009 heatwave caused 374 deaths in Victoria.\(^\text{23}\) CSIRO and Bureau of Meteorology predict the number of days over 35°C in Melbourne per annum may increase from an average of 11 days (from 1981 to 2010) to 13 days by 2030.\(^\text{24}\)

**Bushfires**
Changes in climate such as less average rainfall and higher average temperatures by 2030 will likely increase the number of severe fire danger days in Victoria by 20 per cent.\(^\text{25}\) This will likely see more large and uncontrollable ‘bushfires’ and more unpredictable fire behaviour.

**Drought**
The frequency of drought will increase with reduced runoff, stream flows, water storage levels and ground water recharge. Natural systems can tolerate drought but more frequent longer droughts will severely impact ecosystems. Drought has significant economic and social impacts.

**Coastal inundation**
Even moderate sea-level rises and more frequent extreme weather events such as storm surges will increase coastal inundation and erosion.\(^\text{26}\) Potential impacts include the loss of beaches and coastal land, damage to infrastructure and property, loss of habitat and biodiversity, and negative impacts on liveability and amenity.\(^\text{27}\) Sea level rise in Victoria has been measured at 2.4–2.8mm/year since 1911; and the planning system requires planning to consider sea level rise of 0.8m by 2100.\(^\text{28}\)

**Flooding**
Despite overall warmer and drier conditions, climate change is anticipated to lead to more intense rainfall and flood events. This has significant implications for the design of stormwater infrastructure. As the city develops with more hard surfaces the effects of flooding are magnified.

These risks all pose challenges for land use planning and the urban development process. As part of the development of the next Climate Change Adaptation Plan, the Victorian Government is updating climate change science relevant to Victoria. This will outline changes in climate across each region, potential impacts on key industries, and how Victorians can, and are, adapting.

**Victoria’s current legislative and policy framework for climate change**
Victoria has an evolving legislative and policy framework to address climate change. This work is ongoing and the Plan Melbourne refresh forms part of this process. Table 3 lists legislation, policy and plans that relate partly or solely to climate change.

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Table 3  Legislation, policy and plans relating to climate change

<table>
<thead>
<tr>
<th>Legislation/policy</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change Act 2010</td>
<td>Supports consideration of climate change in government decision-making.</td>
<td>Currently being reviewed by an Independent Panel with a focus on identifying options to strengthen the Act to provide a robust foundation for Victorian action on climate change.</td>
</tr>
<tr>
<td>Climate Change Adaptation Plan</td>
<td>Supports adaptation efforts. Plan Melbourne 2016 will support implementation of the next Plan, including managing risks to public assets and services.</td>
<td>The Victorian Government is currently developing a new plan, with consultation expected to begin in early 2016.</td>
</tr>
<tr>
<td>Planning and Environment Act 1987</td>
<td>Contains objectives for planning including environmental protection and sustainability Planning schemes prepared under the Act by local government contain provisions that contribute to addressing climate change.</td>
<td></td>
</tr>
<tr>
<td>Victoria Planning Provisions</td>
<td>Clause 13.01: Climate Change Impacts Objective to plan for and manage the potential coastal impacts of climate change. Clause 11: Settlement Identifies climate change as part of regional strategies but not metropolitan strategies. Clause 11.05-4 States that in responding to the impacts of climate change and natural hazards and promoting community safety by: • Siting and designing new dwellings, subdivisions and other development to minimise risk to life, property, the natural environment and community infrastructure from natural hazards, such as bushfire and flood. • Developing adaptation response strategies for existing settlements in hazardous and high-risk areas to accommodate change over time. • Encouraging reduced energy and water consumption through environmentally sensitive subdivision and building design.</td>
<td></td>
</tr>
<tr>
<td>Victorian Energy Efficiency Target Act 2007</td>
<td>Commonly called the Energy Saver Incentive, this Act seeks to make energy efficiency improvements more affordable, contribute to reducing greenhouse gases and encourage investment, employment and innovation in industries that supply energy-efficient goods and services.</td>
<td></td>
</tr>
<tr>
<td>Renewable Energy Action Plan</td>
<td>The Action Plan will seek to increase renewable energy jobs and contribute to reducing greenhouse gas emissions by increasing the amount of renewable energy generated in Victoria.</td>
<td>Currently being developed.</td>
</tr>
<tr>
<td>Energy Efficiency and Productivity Strategy</td>
<td>The Strategy will establish a tangible work program aimed at improving energy affordability, creating jobs and delivering a sustainable economy in Victoria.</td>
<td>To be released later this year.</td>
</tr>
<tr>
<td>Victorian Coastal Strategy 2014</td>
<td>The Strategy is being developed with input from a variety of stakeholder groups including, manufacturers, energy efficiency businesses, the building and property sectors and local government.</td>
<td></td>
</tr>
<tr>
<td>Revised Draft Victorian Floodplain Management Strategy</td>
<td>The Strategy aims to clarify the roles and accountabilities of agencies and communities in floodplain management. It enables the better understanding and management of flood risks through catchment management and planning processes, and set priorities for future investment in flood mitigation measures.</td>
<td>Released in June 2015 and expected to be finalised by the end of 2015.</td>
</tr>
<tr>
<td>Catchment and Land Protection Act 1994</td>
<td>Establishes the framework for the integrated management and protection of catchments and seeks to encourage community participation in the management of land, water and biodiversity resources. Victoria’s 10 catchment regions, including Port Phillip and Westernport, are managed by a catchment management authority which has responsibility to prepare a regional catchment strategy in partnership with communities and stakeholders.</td>
<td></td>
</tr>
<tr>
<td>State Water Plan</td>
<td>Will set out the government’s vision and policy directions for water. Development of the updated State Water Plan will focus on key themes, including preparedness for drought and climate change and improved environmental outcomes and healthy waterways.</td>
<td>To be released in 2016.</td>
</tr>
</tbody>
</table>
6.2 CITY STRUCTURE

Plan Melbourne 2014 recognised the role of city structure to support sustainability and contribute to greenhouse gas reductions. The polycentric city and 20-minute neighbourhoods are the land use planning building blocks for addressing climate change and building a more sustainable city. They encourage local living, walking and active transport over car travel, promote the location of jobs closer to home, lead to more connected social relationships and build local character and identity.

It is widely acknowledged that transport using fossil fuels is a major contributor to greenhouse gas emissions and climate change. A more sustainable polycentric city model that contains urban sprawl and the need to travel long distance will help minimise the city’s carbon footprint. This will also help prepare for possible future energy ‘shocks’ and result in a city better equipped to manage climate change impacts.

Focusing growth in key urban renewal areas and activity centres will also reduce the number of people living in areas at risk from increased hazardous events such as bushfires. Actions to make our city greener also maintain the liveability of Melbourne as it grows and helps provide shade and cooler havens during heatwaves. The Plan Melbourne refresh process will place greater emphasis on how the links and interconnections between these planning strategies support sustainability and the reduction of greenhouse gas emissions.

6.3 STRATEGIC ENVIRONMENTAL PRINCIPLES

OPTIONS FOR DISCUSSION

46 Introduce the Strategic Environmental Principles in Plan Melbourne 2016 to guide implementation of environment, climate change and water initiatives.

These overarching environmental principles will help facilitate sustainability actions to address pressures such as population growth, climate change and changing community expectations. They could be introduced into Plan Melbourne 2016 to guide planning authorities in developing and amending planning schemes so they are meeting sustainability outcomes. The proposed principles are outlined in Box 3.

These principles are not intended to replace or supersede Plan Melbourne 2014’s high-level principles but will provide more detailed guidance for consideration of environmental and sustainability issues in Melbourne and its peri-urban area, perhaps through a new Direction in Plan Melbourne 2016.
**Box 3 Strategic environmental principles**

<table>
<thead>
<tr>
<th>Promote a metropolitan structure that minimises greenhouse gas emissions and other air pollutants</th>
<th>Evolving Melbourne into a ‘polycentric city’ will help focus the location of employment, services and higher density living close to transport access points and nodes, to reduce greenhouse gas emissions and travel times. The 20-minute neighbourhood will also contribute to minimising greenhouse gas emissions by meeting everyday (non-work) needs locally, primarily within a 20-minute walk.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify and respond to natural and climate change hazards in making decisions about future urban development</td>
<td>We will apply consistent hazard management principles that systematically incorporate consideration of latest climate change information in urban planning processes. Appropriate planning and building requirements will be applied based on identified hazards so that new development and redevelopment across exposed parts of Melbourne meets appropriate design responses to protect life and property.</td>
</tr>
<tr>
<td>Optimise water and energy efficiency, and waste minimisation and recovery through the planning system to help achieve a more sustainable city</td>
<td>Precinct planning and urban development processes will be identified to improve opportunities for resource efficiency and to support waste minimisation and recovery, and retention of water in the landscape. Recycled stormwater and treated wastewater will be increasingly used to support productive landscapes. Best available technology is utilised in water recycling and water sensitive urban design to support greener suburbs and cleaner waterways.</td>
</tr>
<tr>
<td>Enhance the community’s access to nature across our urban areas, increase recognition of our natural capital, better protect state significant biodiversity and maintain the productive agriculture and landscapes that make Melbourne distinctive</td>
<td>In the face of population growth and climate change, the community’s access to the natural environment will be improved through greater attention to enhancing natural values across neighbourhoods and waterways, and better protection of high priority areas with state significant biodiversity. Greater emphasis will also be placed on the value of natural resource assets such as waterways, productive agricultural land and significant landscape areas that give Melbourne and its surrounds its distinctive character and liveability.</td>
</tr>
<tr>
<td>Green the city to better prepare for higher temperatures and heatwaves</td>
<td>Through the planning system, identify opportunities to reduce the impacts of heatwaves across urban areas through water sensitive urban design, greening strategies, and urban development standards that increase soil moisture and promote selection of ‘cool’ surface materials to minimise heat absorption.</td>
</tr>
<tr>
<td>Use the planning system to better recognise and support healthy catchments, waterways and bays</td>
<td>Apply approaches, including improved design standards for urban development to retain water in landscapes and protect waterway flow regimes and water quality by reducing stormwater volume, peak flows and contaminated run-off into our bay, rivers and streams. Use recycled stormwater and wastewater to support improved waterway baseflows through irrigation, infiltration and the greening of Melbourne, helping every suburb become a leafy suburb.</td>
</tr>
<tr>
<td>Sustainable urban development requires effective coordinating planning and response action across government</td>
<td>Strategic planning processes will be effectively coordinated across government to help apply an integrated approach to addressing sustainability and climate change challenges while supporting economic and social wellbeing.</td>
</tr>
<tr>
<td>To support vulnerable or disadvantaged communities, environmental justice principles of equity and inclusion should guide land planning decision makers</td>
<td>Victoria’s most vulnerable people and communities are often disproportionally affected by environmental issues and are likely to be the most severely impacted by climate change. Vulnerable groups such as the elderly, the chronically ill and low-income households, have low adaptive capacity, and are more exposed to environmental risk. They are also more likely to be affected by the economic and social impacts of climate change including rising food prices and increased demand for essential services.</td>
</tr>
<tr>
<td>Achieve sustainable outcomes by empowering the community through meaningful involvement in decision-making and access to useful information</td>
<td>The community needs to be thoroughly informed about climate change impacts and environmental risks, and how the planning processes can help us to achieve sustainable outcomes. To ensure their needs are fairly represented, it is important that the community, and particularly vulnerable groups, is involved meaningfully in decision-making processes that affect them. Work with relevant stakeholders to develop effective communication tools and guidance material to keep the community informed. Work with relevant stakeholders to support and facilitate effective community involvement in decision-making processes. This will incorporate meaningful involvement from vulnerable and disadvantaged groups.</td>
</tr>
</tbody>
</table>
6.4 MELBOURNE A RESILIENT CITY PREPARED FOR CLIMATE CHANGE

The MAC (2015) report recommends we identify at risk areas and reduce their vulnerability and update the planning system to adapt to the risks of extreme climate events and hazards. The ways the land use planning system could make Melbourne a more resilient and environmentally sustainable city are suggested below with the hazards associated with climate change in mind.

To assist in managing these climate change impacts, Victorians will need to adapt. Adapting to climate change means taking action to manage or reduce the consequences of a hotter, drier and a more extreme climate.

Our city and state will also need to become more resilient. Resilience to climate change risks requires preparedness (such as avoiding risk entirely or building in flexibility to adapt), response and recovery across all levels of government and is not solely the domain of the land use planning system.

Most of these measures have significant co-benefits, and support improvements in the liveability and attractiveness of Melbourne.

Protection of our natural assets such as waterway corridors and open space networks will help connect people with nature and lead to a healthier community in the face of climate change and increased urban density.

To further support adaptation outcomes, the MAC suggests reinstating MAC 2013 Direction 5.1: Reduce the consequences of extreme climate events and related environmental risks. Under this Direction the MAC suggests including initiatives focused on:

- Identifying ‘at risk’ areas and reduce their vulnerability
- Ensuring settlement planning in growth and peri-urban areas responds to natural hazards
- Cooling Melbourne by creating more green spaces, ‘greening our buildings’, roads and open space, and planting urban forests.

The Council of Australian Governments recognises that long-term increased resilience requires sustained behavioural change.29 For governments, business, communities and individuals to become more resilient to climate change impacts, a clearer understanding of the risks and liabilities, and what to do about them is needed, particularly at the community level.

The Victorian Government, through Plan Melbourne 2016 and other policy work, could support planning tools and policies to assist decision-makers to make consistent and robust decisions regarding climate change hazards. Understanding what level of climate change risk and impact is acceptable to the community is critical.

29 https://www.coag.gov.au/node/81
Better information and guidance for climate hazards

OPTIONS FOR DISCUSSION

47 In consultation with land and emergency management authorities, review policy and hazard management planning tools (such as overlays) to ensure the planning system responds to climate change challenges.

48 Update hazard mapping based on the best available climate change science and review risk management actions to promote resilience and avoid unacceptable risks.

49 Update the legislative and policy framework so the best available climate change science and data at regional and local spatial scales is periodically incorporated into the planning system.

One action under Recommendation 51 of the MAC (2015) report is: Ensure settlement planning in growth areas and peri-urban regions responds to natural hazards. The 2013 MAC report proposed updating the planning system to identify extreme risk locations as part of all rezoning and strategic planning, and ensuring appropriate development in high hazard areas. Plan Melbourne 2016 will ensure that links to the planning system deliver a more resilient city. This will require different approaches to current responses based on historic patterns of events.

Victoria has a mix of land use planning legislation and policies and statutory tools that deal with climate change and risk. The principles of sustainable development and protecting natural resources are incorporated in the objectives at s. 4 of the Planning and Environment Act 1987. One area where planning does address these risks is stipulated in the Victoria Planning Provisions (see Victoria’s current legislation and policy). Victoria’s Climate Change Act 2010 also provides important principles to inform decision-makers.

Land use planning processes should already adopt a best practice environmental management and risk management approach which aims to avoid or minimise environmental degradation and hazards. Planning should identify and manage the potential for the environment, and environmental changes to impact our economic, environmental or social wellbeing. In addition, a number of local governments have prepared local planning policies around sustainability and the environment.

There are also statutory tools such as zones and overlays which can be used to advance sustainability outcomes and manage the risks and hazards of climate change. For example there are specific zones to manage risk such as the Urban Floodway Zone which prevents sensitive land use and development (such as houses) in areas which convey stormwater and floods during high rainfall events.

Planning schemes also have a broad range of overlays so that development is properly assessed to make sure it is not subject to, or causes, significant environmental risk. Examples of relevant overlays include the Erosion Management Overlay, the Bushfire Management Overlay, the Flood Overlay, the Land Subject to Inundation Overlay, the Special Building Overlay, the Airport Environ Overlay and the Environment Audit Overlays (for potentially contaminated sites).
When combined with higher-level strategic planning such as township or urban structure planning, regional strategies and issue specific plans, these provide a state-wide approach to risk management and a flexible but powerful framework for addressing climate change hazards and risks.

To position Melbourne to effectively respond to a changing climate it is vital that existing planning standards and tools are reviewed and updated regularly to better inform decision-making by planning authorities, infrastructure providers and the urban development industry.

Many government agencies have specific responsibilities for risks and hazards outside the land use planning system. These agencies will help define what information (such as up-to-date hazard mapping and best practice standards) need to be applied as part of the planning process.

Local government also has significant experience and skills in identifying and working with hazards in their local areas. Continued engagement to ensure the planning system responds to its needs in the face of climate change is critical.

One way of responding is to map the hazard and apply relevant tools and guidance. This requires accurate mapping of the hazard (such as bushfire risk or land subject to inundation) and making sure the right tools exist in the planning toolbox. The MAC (2015) report specifically recommends hazard mapping and this option will need to be considered in the context of resources required. We need to build upon previous and current work and Plan Melbourne 2016 can help strengthen the requirements.

**Improving hazard assessment within planning**

**OPTIONS FOR DISCUSSION**

50 Incorporate natural hazard management criteria into Victorian planning schemes to improve planning in areas exposed to climate change and environmental risks.

Integrated hazard management planning is essential to improving the capacity to respond to future risks. Risks can be reduced but not all risks can be eliminated. Whether for flood, fire or the impact of extreme heat events it is not physically feasible to protect all properties across greater Melbourne from large emergency events.

Table 4 sets out Draft Hazard Management Criteria based upon the hazard management principles of the Council of Australian Governments and relevant Victorian strategies and policy. Presented here for discussion, these criteria could be applied through land use planning, such as being considered in state or local policy, to ensure all natural hazards are systematically assessed and managed.

It is important that planning identifies some overarching criteria to mitigate natural hazards. One way Plan Melbourne 2016 could tackle identification of hazards and implementation of risk management strategies to reduce climate change impacts on communities is by ensuring high-risk areas are identified and that risk mitigation measures are appropriately implemented.

Such criteria are integral to considering hazards and their risks in our planning for a resilient and liveable city into the future.
**Table 4 Draft Hazard Management Criteria**

<table>
<thead>
<tr>
<th>Draft Hazard Management Criteria</th>
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</thead>
<tbody>
<tr>
<td>• Identify all relevant hazards</td>
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<tr>
<td>• Prioritise the protection of human life</td>
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<tr>
<td>• Don’t create circumstances that place people in harm’s way</td>
</tr>
<tr>
<td>• Risk avoidance and risk reduction are fundamental aims of an integrated land use planning response</td>
</tr>
<tr>
<td>• Apply the hazard response hierarchy to planning – avoid, manage, resist, respond, react</td>
</tr>
<tr>
<td>• Incorporate consideration of increased risks as a consequence of climate change where authoritative guidance is available</td>
</tr>
<tr>
<td>• Use the planning system to help mitigate natural hazard risks through strategic planning and appropriate development performance measures</td>
</tr>
<tr>
<td>• Ensure an integrated and complementary approach between the planning and building regulatory systems</td>
</tr>
<tr>
<td>• Adopt a consistent state-wide approach to mitigating risk that informs fit-for-purpose local solutions (mapping hazards, setting the right rules in place)</td>
</tr>
</tbody>
</table>

**Hazard response hierarchy**

Avoid
Avoid the hazard (not locating vulnerable communities in high hazard areas)

Manage
Eliminate or reduce the impact of the hazard via mitigation, (e.g. fuel reduction, seawalls/infrastructure)

Resist
Where hazards can be effectively managed, enhance the resilience of developments to match the hazard, (e.g. via overlays, permit requirements/triggers)

Respond
Ensuring emergency response capability

React
Personal emergency responses including education and individual emergency plans

**Climate change and water**

A key Victorian Government priority is to develop the State Water Plan. This high-level plan will set out the government’s vision and policy directions for water with the priority of ensuring water security by managing all aspects of the water cycle. Development of the updated State Water Plan will focus on key themes, including preparedness for drought and climate change and improved environmental outcomes and healthy waterways.

As part of the State Water Plan, the Water Planning Framework is being updated to bring together key stakeholders to collaborate in the development of plans to manage all aspects of the water cycle to deliver:

• Affordable, efficient and reliable water and sanitation and stormwater management services
• Communities resilient to flood, drought and extreme heat events
• Communities able to experience the benefits of access to healthy catchments, waterways and bays.

The Water Planning Framework will also provide for application of the most up-to-date climate science relating to water. Any planning systems recommendations arising from this process will be incorporated as necessary.

Key outputs of the State Water Plan are expected to include new approaches to support water retention in landscapes and protect flow regimes and water quality in waterways. Irrigation and infiltration with recycled water and stormwater will also contribute to protecting waterway baseflows during drought. These alternative water sources can support productive agricultural landscapes and the greening of Melbourne.
Infrastructure resilience

OPTIONS FOR DISCUSSION

51 Investigate consideration of climate change risks in infrastructure planning in the land use planning system, including consideration of an 'infrastructure resilience test'.

The Victorian Government has recently amended the Emergency Management Act 2013 to help build resilience of Victorian critical infrastructure. Supporting this change is the Critical Infrastructure Resilience Strategy which details the vision, principles and strategic priorities for the new arrangements. The strategy focuses on resilience of established infrastructure, but can also be applied to consideration of new infrastructure. Plan Melbourne 2016 can support the strategy’s implementation by encouraging consideration of climate change hazards and impacts on infrastructure within the planning system, and associated referral and consultation processes.

The MAC (2015) report suggests an infrastructure resilience assessment test is developed for new major capital works which is subject to modelling that indicates (through siting, design, specifications and construction) the infrastructure will withstand a range of major shocks and/or likely climate change impacts.

The extent to which climate change hazards are presently considered in the design of new infrastructure is unclear, but it is known that some capital works (for example new boat harbours) include climate change resilience as a key design element. However, given the scale of capital investment made in new projects, the differing level of risks and their often long life-span it is worth considering whether Plan Melbourne 2016 can support a more consistent consideration of the issue. Clauses 18 (transport) and 19 (Infrastructure) of the SPPF would appear to be an area where changes could be made to include consideration of infrastructure resilience. A second area for investigation could be to require planning authorities to apply the new Australian Standard ‘Climate change adaptation for settlements and infrastructure – A risk based approach’. This could provide a common approach to assessing climate change risk across both levels of government in Victoria.
6.5 NATURAL HABITATS

OPTIONS FOR DISCUSSION

52 Strengthen high-priority habitat corridors throughout Melbourne and its peri-urban areas to improve long-term health of key flora and fauna habitats.

The MAC (2015) report identifies that urban development is causing the loss and endangerment of native species and that this is avoidable if biodiversity is considered when designing new suburbs. Melbourne prides itself on its parks, waterways, natural features and open spaces. Our parks and green spaces make an important contribution to individual and community health, education, and play an important role in the city’s economy and liveability.

The protection and restoration of important habitats associated with these parks and reserves is vital to a healthy, resilient and sustainable city in a time of climate change for current and future generations.

Our planning system already provides a suite of tools for protecting native plants and animals. Our planning system also requires decision-making considers impacts of land use and development on Victoria’s high-value biodiversity and protects parks and reserves with appropriate zoning and controls. Recommended actions by the MAC have mostly been implemented (or are underway) as part of the Melbourne Strategic Assessment. Amendment VC68 gave effect to key aspects of the Victorian Government’s urban development program, including expanding the urban growth boundary, reserving land for the Regional Rail Link and outer Melbourne Ring Road and establishing grassland reserves in Melbourne’s west.

The government will also consider biodiversity outcomes and the threat of climate change in the development of a new Victorian Biodiversity Strategy that covers the whole of Victoria. Planning will support implementation of that Strategy to strengthen habitat corridors throughout Melbourne and its peri-urban areas. Strengthening habitat corridors to improve key flora and fauna habitats and protect biodiversity will be important for climate change resilience.

Maintaining and enhancing natural areas in Melbourne suburbs is important for biodiversity, amenity and for their contribution to greening and cooling the city.
6.6 COOLING A HOT CITY

CSIRO and Bureau of Meteorology future climate projections predict the number of days over 35°C in Melbourne may increase from an average of 11 days (from 1981 to 2010) to 13 days by 2030 and 16 days by 2090. Mean, daily maximum and daily minimum temperatures are also projected to increase. These conditions will create a hotter and drier city more susceptible to infrastructure failure and economic disruption and increase the risk of severe health impacts to the most vulnerable members of our society, such as the elderly, children and those with chronic diseases.

In addition to temperature rises and greater frequency of heatwaves from climate change, increasing urbanisation of Melbourne and its surrounds is already contributing to warmer conditions than the surrounding land due to the ‘urban heat island’ effect. Illustrated in Figure 6, the urban heat island effect is caused by replacing vegetated areas with buildings, roads and other impervious surfaces as a city expands and develops. These conditions reduce evaporative cooling, heat the metropolitan environment due to the slow release of heat overnight, and confine hot air due from ‘urban canyons’ between buildings. These conditions also contribute to greater runoff of pollutants into our waterways (because of more surfaces are impervious) and increase natural environment pressures. The MAC (2013) report identified the urban heat island effect as a key issue for Melbourne and highlights this challenge again in its (2015) report.

Plan Melbourne 2016 can help to tackle the urban heat island effect in various ways that also generate other benefits such as improved liveability. Cooling the city can involve:

- Urban greening by planting more vegetation to create more shady areas, greater transpiration and cooling of hard surfaces
- Greening buildings to cool internal and external environments, increasing the use of appropriate materials to cool hard surfaces and permeable surfaces to absorb water and heat.

![Figure 6 Urban Heat Island effect](image)

*Please note this graphic is indicative only and does not represent specific temperatures locations in Melbourne.

![Figure 7 Urban greening approaches](image)

*Please note this graphic is indicative only and does not represent specific temperatures locations in Melbourne.

Planting more vegetation to cool our city

OPTIONS FOR DISCUSSION

53 Adopt strategies to encourage the:

- Increase of tree canopy, vegetated ground cover and permeable surfaces throughout Melbourne
- Use of Water Sensitive Urban Design and irrigation with various water sources to cool the city by providing water features, supporting trees and vegetation.

Urban greening involves increasing vegetation cover in a city with trees and ground cover. More vegetation also helps trap water in soil and increases transpiration. More shading and higher soil moisture creates ‘microclimates’ which help reduce temperatures and heat stress on people and the environment.

In addition to cooling our built environment through shading and greater transpiration, urban greening has amenity benefits and supports urban biodiversity. Water Sensitive Urban Design will be key to supporting the greening of the city by maximising the alternative water use in vegetated areas.

One approach to cool the city is the City of Melbourne Urban Forest Strategy. This sets a range of targets to increase the city’s tree canopy and sets out actions to achieve this, including increasing canopy cover to 40 per cent by 2040 and ensuring 90 per cent of its trees are healthy by 2040. Actions to achieve this include:

- Identifying areas most in need of planting programs and which vegetation and species types are most appropriate
- Improving tree health through more appropriate watering regimes, mulching and soil preparation
- Ensuring adequate high quality open space areas in greenfield developments
- Involving the community in greening landscapes.

The City of Melbourne, the Victorian Government and the 202020 Vision have also recently produced the guide to ‘How to Grow an Urban Forest’ to help local governments create an urban forest. This guide helps fill an information gap in how local governments can green their local area.

Greening the West is a regional initiative that aims to use urban greening to enrich communities in Melbourne’s west. City West Water facilitates the program on behalf of a committee comprising representatives from local government, water corporations, Victorian Government agencies, industry and the community.

Greening the West received the 2014 Victorian Health Promotion Foundation ‘Research into Action’ award in recognition for its innovative focus on urban greening to promote community health. The Australian Government provided $5 million of funding to the Greening the West partners to plant one million trees in Melbourne’s west over the next two years.

In the draft Plan Melbourne 2014, the MAC suggested developing tree canopy targets for the city to reduce the heat island effect over time. The Victorian Government could partner with metropolitan local governments to achieve these as aspirational targets.

Plan Melbourne 2016 can include strategies to support greening of the city. Structure planning, local policies and overlays (such as Design and Development Overlays and Development Plan Overlays) can be used to promote more vegetation cover and cool hard surfaces.

Greening buildings and surfaces

OPTIONS FOR DISCUSSION

54 Introduce strategies to encourage the uptake of green roofs, facades and walls, as appropriate materials used for pavements and buildings with low heat-absorption properties.

Cool surfaces such as walls, roofs and pavements come in a variety of different forms but include the use of materials and vegetation to reflect heat from heat-absorbing surfaces. Cooler building surfaces, particularly including ‘green’ roofs, walls and facades can generate multiple benefits including:

- Lower temperatures surrounding a building
- Better thermal performance of a building (which can deliver energy cost savings)
- More efficient use of rainwater and storm water benefits
- Increased property values
- Increased aesthetic and amenity values
- New industries and jobs.

Victoria has seen an increase in efforts to green our buildings. A recent project supported by the Victorian Government and four local governments (the cities of Melbourne, Port Phillip, Yarra and Stonnington) drew on advice from industry experts and academic researchers to develop the Growing Green Guide. This explains how to create high-quality green roofs, walls and facades. While this will help increase the number of green roofs, facades and walls across Melbourne, further work is needed to encourage implementation. Suggestions for further improvement include addressing:

- Market development barriers such as insufficient demand
- Research gaps relating to which plants and substrates (soil that plants grow in) achieve the best results.

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6.7 SUPPORTING RENEWABLE ENERGY THROUGH PRECINCT SCALE PLANNING

OPTIONS FOR DISCUSSION

55 Seek lead partners in research, property investment or government to facilitate innovative demonstration projects in greenfield and urban renewal precincts.

56A Investigate opportunities in the land use planning system, such as strong supporting planning policy, to facilitate the increased uptake of renewable and low-emission energy in Melbourne and its peri-urban areas.

56B Strengthen the structure planning process to facilitate future renewable and low emission energy generation technologies in greenfield and urban renewal precincts.

56C Strengthen the structure planning process to require consideration of the costs and benefits of renewable or low-emission energy options across a precinct.

The development of new and renewal of existing urban precincts provides an opportunity to reduce greenhouse gas emissions by encouraging low-emission and renewable energy use and ensuring the future urban structure supports local living, walking and active transport over car travel.

The most practical forms of low-cost, renewable and low emission technologies in Melbourne are likely to involve solar power, although other technologies may become viable in future (such as ground source heat pumps). While forms of low emission energy, such as cogeneration have been a cost-effective option in the past, rising fuel costs may impact this in the future.

Over the last decade Victoria has seen a large increase in households using solar photovoltaic and solar hot water systems. As of 2014, a total of capacity 708.10 (MW) of solar photovoltaics were installed in Victoria. A large proportion of these are in ‘new suburbs’ such as Hoppers Crossing, Werribee/Point Cook, Caroline Springs and Craigieburn. A range of Australian, Victorian and local government policies have supported solar panel use. Rapid advances in battery technology and pricing at the household or small-area scale will also likely disrupt traditional centralised grid power and assist uptake of household generation.

Through the Precinct Structure Planning (PSP) process master plans are prepared that determine the layout of roads, location of schools and open space and connections to transport amongst other things. A variety of different stakeholders are involved in this process, which offers opportunity to encourage renewable and low-emission energy options during design of a master plan. This process could be strengthened to more effectively identify opportunities and/or locations in a precinct where the roll-out of distributed generation would be cost effective. This could involve identification of areas where distributed generation infrastructure could be installed in the future. Alternatively, the government could partner with interested stakeholders to further help demonstrate the benefits of renewable and low emission technologies.

As part of the Victorian Government Renewable Energy Roadmap, the government has committed to investigating the viability of different purchasing and leasing arrangements to support innovative distributed energy business models. This could involve leasing arrangement for solar panels, or third party contract models, such as those used under Environment Upgrade Agreements (EUAs) by local councils.

36 Cogeneration is the use of gas (such as natural gas) to produce low greenhouse gas intensive electricity (when compared with other fuel sources such as coal) and heating and cooling.
The roll-out of distributed energy business models could be attractive to customers in new precincts as a way to finance, at low up-front cost, renewable energy technologies when purchasing a new property. This could be packaged with energy efficiency options to increase the sustainability of development. The structure planning process could support consideration of these opportunities.

There have also been suggestions the planning permit process for distributed generation projects is time consuming and lacks the necessary degree of certainty for a proponent to proceed past the concept stage. These concerns may apply to any large industrial-type facility, but the broader benefits of facilitating renewables may be worthwhile.39

6.8 ENVIRONMENTALLY SUSTAINABLE DESIGN

OPTIONS FOR DISCUSSION

57 Support a Victorian Government integrated planning and building approach to strengthen Environmentally Sustainable Design, including consideration of costs and benefits.

Extensive research demonstrates significant potential to deliver climate change, water and environmental outcomes through better building design. Commonly known as Environmentally Sustainable Design (ESD), the planning and the building systems can help deliver cost-effective environmental outcomes and a lower cost of living, over the lifetime of a building.

The planning system can encourage more energy-efficient buildings by orientating the building and internal layout in a way that maximises shade in summer and sun in winter and encourages early consideration of sustainability in the planning, design and building process. This helps reduce energy used for heating, cooling, lighting and thus greenhouse gas emissions. In addition to regulations, incentives associated with the planning system could help motivate sustainable development (such as building in trade-offs for energy efficient design and faster approval times).

The building system, through the National Construction Code (NCC) sets minimum standards for elements of a building (such as insulation and window glazing) that help reduce energy consumption. To deliver better water outcomes, the Victorian planning system (such as through the ResCode provisions in Cl. 55.03-4) establishes minimum requirements for permeable surfaces around buildings to reduce stormwater run-off.

The costs and benefits of ESD will vary depending on the type of building, and in some cases are shared across multiple groups. Improved building standards delivers financial benefits to building owners and tenants, while requirements for water retention systems reduces water consumption and pressure on waterways during floods. While ESD benefits typically accumulate over the life of a building (up to 50 years or more) they can add up-front design and construction costs. However, these costs are typically recouped over the life time of the building.

Recent consultation for the government’s Energy Efficiency and Productivity Statement found strong support amongst stakeholders for it to take the lead in fixing compliance and strengthening building standards in the NCC over time. There is also support for incorporating greater energy efficiency and sustainability principles in the planning system. Principles should be sector-specific (such as apartments and precincts), applied at the Masterplan level and cross-referenced with the NCC. A similar approach has been in place in New South Wales since 2004. The Building Sustainability Index (BASIX) tool integrates planning and building requirements to achieve water and greenhouse gas reductions for residential developments. It is among a range of approaches that may be worth consideration in Victoria if practical, administratively feasible and cost effective for government, proponents and prospective home owners.40

39 For example, a generally facilitative framework for Wind Energy Facilities is provided through the Policy and Planning Guidelines for WEF 2015.
NEW PLANNING TOOLS

KEY POINTS

The MAC recommended new planning scheme tools for National Employment Clusters and designated urban renewal precincts, however, existing planning scheme mechanisms may achieve the intended purpose.

A code assess approach to multi dwelling developments may provide greater certainty and investment. It would need to be carefully crafted.
OPTIONS FOR DISCUSSION

58 Evaluate whether:

58A New zone(s) are needed for National Employment Clusters and urban renewal areas

OR

58B Existing zones (and overlays), possibly with standardised schedule templates, can provide effective planning frameworks.

59 Evaluate the merits of code assessment for multi-unit development, taking into account the findings from the ‘Better Apartments’ process, to either:

59A Replace ResCode with a codified process for multi-unit development

OR

59B Identify ResCode standards that can be codified.

The MAC (2015) report recommends new planning scheme tools to:

- Support, enhance and facilitate growth of National Employment and Innovation Clusters ( Recommendation 7). The MAC indicates that existing zones (such as the Capital City Zone) do not provide an effective planning framework for these areas to preserve growth opportunities in health, education, research and innovation over and above other competing uses
- Apply a new zone (and policy) to designated urban renewal precincts of metropolitan significance ( Recommendation 20)
- Replace ResCode with a new code assess approach (which would embrace good building design and urban design) for new multi dwelling developments (Recommendation 18)
- Protect productive agricultural land
- Provide planning incentives to facilitate social housing development in strategic urban renewal precincts and other significant change areas (Recommendation 25). This recommendation is addressed in Chapter 3.
- Facilitate more innovative and cheaper construction techniques (without compromising housing quality and durability). This recommendation is being addressed by the Victorian Construction Industry Technologies Strategy.

The Victorian Government proposes to review Victoria Planning Provisions to reduce the complexity of existing planning schemes, and these recommendations will be considered as part of that work.
Planning tools for National Employment Clusters and strategic urban renewal areas

The right planning tools for National Employment Clusters (NEC) and strategic urban renewal areas will depend on the area’s size, location, history of use, urban context and the complexity of development to be facilitated.

Effective planning processes and tools for these types of areas need to address a wide range of factors, such as:

- Pre-planning to identify key strategic planning issues, development opportunities and constraints. This may facilitate capturing part of the value uplift for the benefit of the community.
- A planning framework that sets out a vision and the desired land use, built form and public realm outcomes. It should address access to services, transport, jobs, recreation facilities, the provision of social and physical infrastructure, and development sequencing.
- Planning for an appropriate mix of uses, including vertical arrangements within buildings, to create vibrant precincts and to derive optimal use of the scarce land resource.
- Effective community and stakeholder consultation balanced with efficient processes to create certainty for development. It may be reasonable to modify third-party notice and appeal rights where a properly consulted Framework Plan provides certainty for stakeholders and community.

The form of new zones would require careful consideration to serve the intended purpose. A new zone(s) for NECs and strategic urban renewal areas that establishes structure planning as the foundation for use and development could be considered.

While the creation of new zones for NECs and urban renewal areas might enable appropriate planning frameworks, existing planning scheme tools may achieve the same result.

A range of existing zones and overlays could be used, including:

- Special purpose zones that apply to or can be tailored to specific areas. These include the Comprehensive Development Zone, the Special Use Zone, the Priority Development Zone, the Activity Centre Zone, Capital City Zone and the Docklands Zone.
- Generic zones such as the Mixed Use and Residential Growth Zones.
- The Development Plan, Incorporated Plan and Design and Development Overlays can provide complementary planning tools to guide development, including urban design parameters and other planning provisions to improve overall liveability.

For example, the Comprehensive Development Zone can provide for framework plans, and land use, built form and third-party provisions tailored to the particular circumstances of the site/area. The Special Use Zone, with an associated local policy if necessary, can also provide area-specific planning frameworks. A Special Use Zone applies to much of the Monash National Employment Cluster with the aim to ensure a ‘wide range of institutional activities, collaborating to provide leadership in education, health, research and innovation’.

If existing special purpose zones are used, the preparation of schedule templates for urban renewal or NECs could facilitate a consistent approach to their use. The templates could provide for standard provisions to be ‘turned on’ or ‘turned off’ based on the circumstances that apply. A practice note could guide how to craft the zone provisions, promote consistency and avoid provisions that are unnecessarily complex.
Are new medium-density planning tools required?

The MAC (2015) report recommendation to advance a code assess approach for new multi dwelling development was in the context of advancing housing diversity policies and objectives.

**Plan Melbourne 2014** already proposes a streamlined codified approval process for defined locations (Initiative 2.4.1) as a means of directing population and housing growth to defined change areas. **Plan Melbourne 2014** notes this would require “that proponents achieve a set of premium development standards related to dwelling design, open space and urban design”.

The MAC’s proposal would see codification extended to all medium density development as follows:

- **Initiative 2.3.1-1**: Prepare a new code assess approach (which would embrace good building design and urban design) for new multi dwelling developments to replace ResCode. As part of preparing this code review the design, layout and internal living amenity of new multi dwelling developments including apartment developments taking into account the requirements of short-term accommodation, student accommodation and family-friendly apartment living.

Such a code may mean development would be approved if it meets specific requirements. Compliance with requirements could also determine the extent of third-party rights to notice of applications and to appeal decisions. This could encourage housing diversity and reduce development costs by increasing certainty and providing a more efficient planning application process.

A codified process that achieves good design outcomes would need to be carefully crafted to achieve acceptable, site-responsive design outcomes. It is noted that previous attempts to codify dual occupancy and multi-unit development (‘deemed to comply’ standards in VicCode) generated issues about neighbourhood character and generic developments that did not respond to local context. This resulted in renewed emphasis on exercising discretion to achieve performance objectives (ResCode). However, the Metropolitan Planning Authority has recently implemented a Small Lot Housing Code to provide certainty and efficient approval processes and good quality form of housing that meets the needs of some households.

Striking the right balance between certainty and discretion is a long-standing planning challenge. A key question is whether the existing assessment process unduly constrains medium density development. Will code assessment, for instance, reduce the cost of new housing or stimulate or progress more medium density development than would proceed under the existing application process? Perhaps greater certainty and efficiency in the planning process can be achieved by identifying elements of ResCode suited to clear rules to be ‘codified’.

The MAC’s recommendation also suggests that internal amenity of dwellings are subject to a codified approach. The Victorian Government is currently investigating the appropriate approach to regulate the development of apartments, which could then inform revisions to ResCode provisions for less intensive forms of housing.
KEY POINTS

The role of the Metropolitan Planning Authority and sub-regional planning groups in Plan Melbourne’s implementation should be more clearly articulated.

Metropolitan sub-region boundaries could be adjusted to better align with planning outcomes.

A review and refresh of Plan Melbourne 2014 actions is proposed to develop a new ‘rolling’ implementation plan.

The Plan Melbourne 2014 monitoring framework will be rationalised and updated, including addressing gaps in relation to environment and climate change.
OPTIONS FOR DISCUSSION

60 Review the existing Central Sub-region boundary to better align with the Central City planning area.

61 Review and refresh Plan Melbourne 2014 actions to form the basis of a new ‘rolling’ implementation plan.

62 Rationalise and update indicators, including addressing gaps relating to environment and climate change.

Plan Melbourne 2014 was developed as a long-term, whole-of-government, implementation-focused land use and transport strategy. Its introduction outlines several initiatives essential to its successful implementation, including a new metropolitan planning authority, new metropolitan sub-regions, a new spatial form and definition, legislative and regulatory reform, delivering city-shaping infrastructure and integrated planning for Victoria including the regional growth plans.

Plan Melbourne 2014 also contains 117 Initiatives and 334 Actions (284 short-term, 44 medium-term and six long-term actions). This is heavily weighted toward short-term actions, many of which are well progressed or have been overtaken by circumstances.

The objective Implementation: Delivering Better Governance seeks to “achieve clear results and deliver outcomes through better governance, planning, regulation and funding mechanisms” and includes the establishment of the Metropolitan Planning Authority and sub-regional planning groups to help drive delivery of the plan (Direction 7.1), development sequencing and the timely provision of infrastructure for areas identified for growth (Direction 7.2), making more efficient use of existing resources (Direction 7.3) and opening up new funding sources (Direction 7.4).

The final Direction establishes a framework to monitor, report and refresh Plan Melbourne 2014 actions and outcomes including the proposed ‘Eye on Melbourne’ monitoring framework, an annual statement of the Metropolitan Planning Authority’s (MPA) progress in implementing the plan’s initiatives across the five metropolitan sub-regions and a commitment to a 5-yearly review of the plan and its delivery.

The chapter’s content will be revised to outline the general approach to implementing the Plan and to align with current government priorities on governance and decision-making, and could maintain an emphasis on planning legislative and regulatory reform, pursuing new funding mechanisms, such as value capture and the strategic use of existing resources. The MAC (2015) made a number of recommendations in relation to these issues (see Appendix A).

The MAC (2015) report supports retaining the MPA as Melbourne’s planning authority and consulting with other Victorian regions about preferred governance arrangements. It also recognises the roles and responsibilities of existing and proposed state agencies will require progressive clarification such as Infrastructure Victoria, Places Victoria, Major Projects Victoria and the MPA.

The MAC recommendations relating to the role of the MPA and the sub-regional planning groups going forward will be considered during the Victorian Planning Authority establishment process.

The government view is that planning for Melbourne can’t be separated from planning for the rest of Victoria which functions as a ‘State of cities’ in the same way Melbourne is a polycentric city.
8.1 METROPOLITAN SUB-REGIONS

Plan Melbourne 2014 proposes that planning and project coordination occur between state and local government and regional stakeholders at the sub-regional level through sub-regional planning groups led by the MPA. It establishes five new metropolitan sub-regions defined by existing municipal boundaries. The new Central Sub-region comprising Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong. As a consequence of existing municipal boundaries, the Central Sub-region extends beyond the Central City to areas of substantially different character and economic profile such as Chadstone and the established areas of Malvern and Toorak.

To recognise and support the Central City’s strategic role in Melbourne’s future development and in Plan Melbourne 2016 implementation, alternative boundaries could be considered for the Central Sub-region which better align with the Central City planning area, in consultation with the relevant councils. For example, in the City of Stonnington the area east of Williams Road could form part of the Eastern Sub-region. Other metropolitan sub-region boundary adjustments could also be considered for review if issues have been identified by councils.

8.2 IMPLEMENTATION PLAN

A long-term land use strategy with a separate implementation plan with a shorter time frame could create a more enduring strategy.

Developing an implementation plan will require considering issues such as its time frame (5 or 10 years), the timing of its release, and what the implementation plan would detail.

The time frame for the implementation plan is proposed to align with the review of Plan Melbourne 2014 and other government processes. The MAC’s suggestion of a 10-year time frame and for a ‘rolling’ plan are noted for further consideration. A ‘rolling’ plan would enable an extension of the implementation plan by 1 year, with each review resulting in an updated new 5-year plan at the end of each year. The independent 5-yearly review of Plan Melbourne 2016 would also signal a major review of the implementation plan.

In terms of content, it is envisaged the Plan Melbourne 2014 short-term actions would be moved to an implementation plan. Actions would be updated to reflect progress with implementation, changes from parallel processes currently underway (see Appendix B) and as a result of the refresh process. Medium and long-term actions would be reviewed for potential integration into the long-term strategy or the implementation plan as appropriate.

Some actions may be deleted or amended depending on their status, and completed actions removed. The wording of actions may be changed to improve clarity, intent or emphasis. New actions may be included in Plan Melbourne 2016.

The Plan Melbourne 2014 short-term actions take many forms. Some are significant, longer-term projects, others are short-term regulatory changes relatively straightforward to deliver. Actions may be restructured and grouped by ‘theme’ in the implementation plan to assist implementation coordination within and outside government, support communication on implementation and the framing of ongoing monitoring and reporting on Plan Melbourne 2016 outcomes.

An implementation plan provides opportunity to clarify the roles of government departments and agencies in implementation (lead and contributing) and to particularly recognise and reinforce the role of local governments in delivering Plan Melbourne 2016, and to align their actions with Victorian Government efforts.
8.3 PERFORMANCE MONITORING

Plan Melbourne 2014 recognises the need for a transparent and reliable monitoring framework to measure implementation success and changes to the city’s development over time. It outlines a framework for monitoring and reporting on Plan Melbourne 2014’s actions and outcomes (‘Eye on Melbourne’), commits to annual reporting to government on progress with implementation by the MPA, and a 5-year review including any required refresh of its initiatives and actions.

The ‘Eye on Melbourne’ was put forward as an initial outcome monitoring framework to be tested and refined. It is proposed to review the indicators, including to address gaps relating to environment and climate change.

The MAC (2015) report recommendation that in addition to the annual report to Parliament, the MPA prepare a statement for the Minister for Planning to table in Parliament outlining progress in implementing the strategy’s initiatives across Melbourne’s sub-regions every four years is noted for further consideration.
<table>
<thead>
<tr>
<th>ACRONYMS</th>
<th>Description</th>
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<tbody>
<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CSIRO</td>
<td>Commonwealth Scientific and Industrial Research Organisation</td>
</tr>
<tr>
<td>DEDJTR</td>
<td>Department of Economic Development, Jobs, Transport and Resources</td>
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<tr>
<td>DELWP</td>
<td>Department of Environment, Land, Water and Planning</td>
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<tr>
<td>ESD</td>
<td>Environmentally Sustainable Design</td>
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<td>EUA</td>
<td>Environmental Upgrade Agreement</td>
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<td>GPO</td>
<td>General Post Office</td>
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<td>LGA</td>
<td>Local Government Authorities</td>
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<td>MAC</td>
<td>Ministerial Advisory Committee</td>
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<td>MPA</td>
<td>Metropolitan Planning Authority</td>
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<td>NCC</td>
<td>National Construction Code</td>
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<td>NEC</td>
<td>National Employment Cluster</td>
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<td>NEIC</td>
<td>National Employment and Innovation Clusters</td>
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<td>NRZ</td>
<td>Neighbourhood Residential Zones</td>
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<td>PPTN</td>
<td>Principal Public Transport Network</td>
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<td>PSP</td>
<td>Precinct Structure Plans</td>
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<td>SPPF</td>
<td>State Planning Policy Framework</td>
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<td>TAFE</td>
<td>Tertiary and Further Education</td>
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<td>UGB</td>
<td>Urban Growth Boundary</td>
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<td>UN</td>
<td>United Nations</td>
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<tr>
<td>VIF</td>
<td>Victoria in Future (August 2015)</td>
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<tr>
<td>VPP</td>
<td>Victoria Planning Provisions</td>
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</tbody>
</table>
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Active transport</td>
<td>Transport requiring physical activity, typically walking and cycling</td>
</tr>
<tr>
<td>Activity centres</td>
<td>Suburban centres that provide a focus for services, employment, housing, transport and social interaction</td>
</tr>
<tr>
<td>Affordable housing</td>
<td>Housing where the cost (rent or mortgage payments) is no more than 30 per cent of gross income for households in the bottom two quintiles of area (i.e. Greater Melbourne) median income</td>
</tr>
<tr>
<td>Brownfield land</td>
<td>Land previously used, often for industrial purposes, but which has subsequently become vacant, derelict or contaminated. Brownfield development sites are often sites for urban-renewal projects and typically require remediation work before any new development goes ahead</td>
</tr>
<tr>
<td>Central city</td>
<td>The area within the central sub-region that contains key capital city functions and civic facilities, as well as several precincts identified for major and strategic change. It is a larger area than the Melbourne CBD</td>
</tr>
<tr>
<td>Central sub-region</td>
<td>Includes the municipalities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong</td>
</tr>
<tr>
<td>Green wedges</td>
<td>Green wedge land is defined under Part 3AA of the Planning and Environment Act 1987 as &quot;land that is described in a metropolitan fringe planning scheme as being outside an Urban Growth Boundary&quot;. There are 12 defined green wedges spanning parts of 17 municipalities</td>
</tr>
<tr>
<td>Greenfield land</td>
<td>Undeveloped land identified for residential or industrial/commercial development, generally on the fringe of metropolitan Melbourne</td>
</tr>
<tr>
<td>Greyfield</td>
<td>Greyfields are residential areas where the building stock is near or ending its physical life and land values make redevelopment attractive</td>
</tr>
<tr>
<td>Growth areas</td>
<td>Locations on the fringe of metropolitan Melbourne designated in planning schemes for large-scale transformation, over many years, from rural to urban use</td>
</tr>
<tr>
<td>Housing density</td>
<td>One of several measures that describe how intensively an urban area is developed. Low-density, standard suburban residential areas have traditionally been between 8–20 dwellings per net residential hectare in Australian cities. Net residential hectare includes lots, local streets and connector streets but excludes encumbered land, arterial roads, railway corridors, government schools and community facilities and public open space. Medium-density housing is about 21–80 dwellings per net residential hectare, though most commonly is between 30–40 dwellings per net residential hectare. Medium-density housing may be detached, semi-attached, attached or multi-unit. More than 80 dwellings per net residential hectare (such as apartments) is high-density.</td>
</tr>
<tr>
<td>Infill</td>
<td>Development of unused or underutilised land in existing urban areas. Most infill development sites are in inner and middle suburbs, offering the possibility of better utilising existing infrastructure to accommodate population growth</td>
</tr>
<tr>
<td>Liveability</td>
<td>A measure of a city’s residents’ quality of life, used to benchmark cities around the world. It includes socio-economic, environmental, transport and recreational measures</td>
</tr>
<tr>
<td>MAC (2013) Report</td>
<td>Ministerial Advisory Committee 2013 report to the Minister for Planning on the draft Metropolitan Planning Strategy for Melbourne to the year 2050</td>
</tr>
<tr>
<td>MAC (2015) Report</td>
<td>Ministerial Advisory Committee 2015 report to the Minister for Planning to provide advice to inform the development of the Plan Melbourne refresh</td>
</tr>
<tr>
<td>Metropolitan Activity Centres</td>
<td>Higher-order centres with diverse employment options, services and housing stock, supported by good transport connections. Existing centres include Box Hill, Broadmeadows, Dandenong, Epping, Fountain Gate/Narre Warren, Frankston, Ringwood and Sunshine. Future centres will include Lockerbie and Toolern</td>
</tr>
<tr>
<td>Metropolitan Melbourne</td>
<td>The area within the outer limits of the 31 municipalities that make up metropolitan Melbourne, plus part of Mitchell Shire within the Urban Growth Boundary</td>
</tr>
<tr>
<td>Glossary Term</td>
<td>Definition</td>
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<tr>
<td>Ministerial Advisory Committee (MAC)</td>
<td>Advisory Committee appointed by the Minister for Planning pursuant to Part 7, Section 151 of the <em>Planning and Environment Act 1987</em> to report on Plan Melbourne 2015 review.</td>
</tr>
<tr>
<td>National Employment Clusters</td>
<td>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.</td>
</tr>
<tr>
<td>Peri-urban regions</td>
<td>Comprise the hinterland beyond the proposed metropolitan urban boundary.</td>
</tr>
<tr>
<td>Plan Melbourne 2016</td>
<td>The Victorian Government’s metropolitan planning strategy to be published in the first half of 2016 following further advice from the MAC, a review of updated data and submissions on the discussion paper.</td>
</tr>
<tr>
<td>Plan Melbourne Refresh</td>
<td>Describes the process undertaken by the Victorian Government to develop Plan Melbourne 2016, including:</td>
</tr>
<tr>
<td></td>
<td>• Consideration of advice presented in the MAC (2015) Report</td>
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<tr>
<td></td>
<td>• The production of a discussion paper and consideration of submissions on the discussion paper</td>
</tr>
<tr>
<td></td>
<td>• Consideration of further advice from the MAC and a review of updated data.</td>
</tr>
<tr>
<td>Polycentric city</td>
<td>A city model with more than one centre with a diverse range of employment and higher-order services.</td>
</tr>
<tr>
<td>Precinct structure plans</td>
<td>Detailed plans for future growth corridor developments, informed by growth corridor plans. Before development begins, the Metropolitan Planning Authority and the relevant local government will develop these plans to identify alignments of transport routes, town centres, open-space networks, densities of residential areas, and areas for industry and employment. They also produce other plans for state and local government infrastructure needs, development contributions and native vegetation protection.</td>
</tr>
<tr>
<td>Reformed residential, commercial and industrial zones</td>
<td>Five new zones (Residential Growth Zone, General Residential Zone, Neighbourhood Residential Zone, Commercial 1 Zone and Commercial 2 Zone) were introduced across Victoria on 1 July 2013.</td>
</tr>
<tr>
<td>Regional growth plans</td>
<td>Plans have been prepared and implemented in the SPPF. They were developed through partnerships between local governments and state agencies and authorities, to provide broad regional planning direction for land use and development across Victoria.</td>
</tr>
<tr>
<td>Significant change areas</td>
<td>Places where investment and change will deliver a future preferred character that is different from the existing character of an area.</td>
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<tr>
<td>Urban greening</td>
<td>Growing plants and vegetation wherever possible in cities to contribute to urban cooling by creating more shady areas, greater transpiration and cooling of hard surfaces.</td>
</tr>
<tr>
<td>Urban growth boundary</td>
<td>The current geographic limit for the future urban area of Melbourne.</td>
</tr>
<tr>
<td>Urban renewal</td>
<td>The improvement or rehabilitation of urban areas. Urban renewal traditionally involved demolishing old or run-down buildings on brownfield sites in inner-city areas to build new residential or commercial developments or large-scale public works projects (such as convention centres, stadiums or freeways). Urban renewal can also build on an area’s existing strengths to make better use of underutilised land located close to jobs, services and transport.</td>
</tr>
<tr>
<td>Victoria planning provisions</td>
<td>The comprehensive set of planning provisions for Victoria. It is not a planning scheme and does not apply to any land. It is a statewide reference, used as required, to construct planning schemes.</td>
</tr>
</tbody>
</table>
Appendix A summarises the preliminary response from DELWP to MAC recommendations. The table below lists all the MAC’s recommendations and indicates whether:

- The issue is addressed in the discussion paper

- Appropriate changes will be incorporated in Plan Melbourne 2016 (and do not need to be addressed in this discussion paper)

- The recommendation is being progressed through the ongoing work programs of responsible departments and agencies, or will be referred for consideration to other government strategy or policy reviews currently underway (including details of which process)

- The recommendation is considered out-of-scope (these recommendations could be considered as part of the 5-year review of Plan Melbourne 2016)

- The recommendation is not supported and will not be advanced. The Victorian Government’s final response to the MAC recommendations will be informed by the consultative process.
<table>
<thead>
<tr>
<th>MAC recommendation</th>
<th>Addressed in discussion paper</th>
<th>Changes to be incorporated</th>
<th>Underway/concurrent process</th>
<th>Out of scope</th>
<th>Not supported</th>
<th>Comments</th>
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<tr>
<td><strong>INTRODUCTION</strong></td>
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<tr>
<td>Recommendation 1</td>
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</table>
| Prepare a new introduction to the strategy to include:  
  - Reinstatement of the text in MAC 2013 about the strategic principles (including renaming Principle 4 ‘Strong and healthy communities’)  
  - A long-term vision, big ideas and timeframes for the short and long term  
  - The MAC 2013 commentary on changing demographics, congestion, accessibility, low urban density and climate change. | ✔️ |                           |                             |              |               | Discussed under **Growth challenges, fundamental principles and key concepts**. |
| Recommendation 2   |                               |                           |                             |              |               |          |
| Update the text in the Introduction to align with the recommended changes to PM 2014 in the substantive chapters of this report. | ✔️ |                           |                             |              |               | Discussed under **Growth challenges, fundamental principles and key concepts**. |
| **DELIVERING JOBS AND INVESTMENT** |                           |                           |                             |              |               |          |
| Recommendation 3   |                               |                           |                             |              |               |          |
| Delete the PM 2014 objective for the Jobs and Investment Chapter and replace it with MAC 2013 wording, as follows:  
  Create a city structure that drives productivity, attracts investment, supports innovation and creates more jobs. | ✔️ |                           |                             |              |               | To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016. |
| Recommendation 4   |                               |                           |                             |              |               |          |
| Delete Initiative 1.1.2 which relates to An Integrated Economic Triangle and remove all other references to this concept. | ✔️ |                           |                             |              |               | Discussed under **Growth challenges, fundamental principles and key concepts**. |
| Recommendation 5   |                               |                           |                             |              |               |          |
| Reword Initiative 1.5.1 to read Facilitate the development of National Employment and Innovation Clusters and use this term consistently throughout the document. | ✔️ |                           |                             |              |               | To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016. |
| Recommendation 6   |                               |                           |                             |              |               |          |
| Review the possible status of Box Hill and East Werribee, taking into consideration relevant work previously undertaken by the National Institute of Economic and Industry Research. | ✔️ |                           |                             |              |               | Review is considered to be premature. To be considered as part of the 5-year Plan Melbourne 2016 review. |
| Recommendation 7   |                               |                           |                             |              |               |          |
| Add additional Initiatives in this chapter to:  
  - More tightly define the planning boundaries for each NEIC, focusing on the core knowledge and innovation institutions and businesses and not the wider catchment, and put in place appropriate planning scheme arrangements to facilitate jobs and investment growth  
  - In consultation with the key stakeholders in each NEIC, define and implement appropriate governance arrangements for the cluster (which, while they may be tailor made for each cluster, should ensure that the MPA is an active partner and a conduit to government)  
  - Create a new zone to support, enhance and facilitate growth of National Employment and Innovation Clusters. | ✔️ |                           |                             |              |               | The MPA has commenced work on several of the identified clusters in partnership with local Councils. Governance arrangements, boundaries and planning provisions form part of this work. Planning boundaries are discussed under **Delivering jobs and investment**. New zone is discussed further under **New planning tools and Delivering jobs and investment**. |
**Recommendation 8**
Under PM 2014 Initiative 1.5.3 include a new action:
Prepare a new policy with a practice note for New Activity Centres. The practice note should specify the following requirements:

- 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)
- Contribute to the delivery of a network of 20–minute neighbourhoods.

**Recommendation 9**
Delete PM 2014 Initiative 1.6.1 Identify New Urban-Renewal precincts and sites around the existing rail network, based on Transit-Oriented Development Principles, and replace it with MAC Initiative 1.4.1, Identify additional urban renewal sites based on public transport development principles. For consistency replace PM 2014 Initiatives 1.6.2-1 to 1.6.1-7 with the associated MAC 2013 initiatives 1.4.1-1 to 1.4.1-6.

**Recommendation 10**
Designate a set of strategic public transport corridors that are suited for transit oriented development, these being major radial and trunk public transport corridors that connect NEICs, join NEICs to the Central City, join NEICs to growth corridors or are corridors already showing strong characteristics of transit oriented development.

**Recommendation 11**
Embed the Central City, connecting transport corridors and the city of 20–minute neighbourhoods as the key spatial foundations for PM Refresh, and include the expanded Central City, NEICs and major designated transit corridors on a map.
<table>
<thead>
<tr>
<th>MAC recommendation</th>
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<tr>
<td><strong>HOUSING CHOICE AND AFFORDABILITY</strong></td>
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<tr>
<td><strong>Recommendation 12</strong></td>
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<td>Issues discussed under Housing.</td>
</tr>
<tr>
<td>Reword the Objective to the Housing Choice and Affordability Chapter as follows: Provide a diversity of housing in defined locations to cater for different households and income groups, and close to jobs and services.</td>
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<tr>
<td><strong>Recommendation 13</strong></td>
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<td>Issues discussed under Growth challenges, fundamental principles and key concepts and Housing.</td>
</tr>
<tr>
<td>Delete reference to a permanent boundary from the State of Cities chapter and insert the following initiative and actions under Direction 2.1: Initiative 2.1: Deliver a permanent urban boundary around Melbourne 2.1.1.1: The MPA will advise the Minister for Planning (by a nominated date) on the alignment of the proposed Metropolitan Urban Boundary for Melbourne taking into account: The views of local government The findings and recommendations of the Logical Inclusions Advisory Committee, November 2011 Relevant submissions to PM Draft 2013.</td>
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<td><strong>Recommendation 14</strong></td>
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</tr>
<tr>
<td>Replace the definition of Affordable Housing in the Glossary with the following: Housing where the cost (rent or mortgage payments) is no more than 30% of gross income for households in the bottom two quintiles for area (ie Greater Melbourne) median income.</td>
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<td><strong>Recommendation 15</strong></td>
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<td>Issues discussed under Housing.</td>
</tr>
<tr>
<td>Delete Direction 2.1 – Understand and Plan for Expected Housing Needs and all of the initiatives and actions in this Direction.</td>
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<tr>
<td><strong>Recommendation 16</strong></td>
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<td>Issues discussed under Housing.</td>
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<tr>
<td>Insert a new Direction 2.1 as follows: Implement a spatial framework for future population growth.</td>
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</table>
### Recommendation 17

Insert new initiatives and actions under Direction 2 as follows:

**Initiative 2.1.2: Establish housing targets for 2025 and 2050**

2.1.2-1: 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 after 2015 will be accommodated within the established urban areas of Melbourne and the remaining 30 per cent in the urban growth areas. This is referred to as the 70/30 target.

2.1.2-2: In consultation with local councils within each of the five sub-regions establish sub-regional 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
  - The estimated additional housing within the urban growth areas based on approved precinct structure plans
  - Changes in housing prices.

2.1.2-3: Ensure local planning schemes identify areas for more housing development.

2.1.2-4: Collect, analyse and publish annual housing development data at both the local government and sub-regional levels and correlate this data with the sub-regional housing targets.

**Initiative 2.1.3: Prepare a Housing Policy for Metropolitan Melbourne**

2.1.3-1: Include a whole-of-government Housing Policy for Metropolitan Melbourne in the SPPF.

<table>
<thead>
<tr>
<th>MAC recommendation</th>
<th>Addressed in discussion paper</th>
<th>Changes to be incorporated concurrently</th>
<th>Underway/ Out of scope</th>
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<td>Recommendation 17</td>
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<td>Issues discussed under Housing. The Minister for Housing, Disability and Ageing is developing options for reform to social housing and potential action across government on housing affordability more generally.</td>
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<td>MAC recommendation</td>
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<td>Recommendation 18</td>
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<td>Build a good housing legacy for Melbourne’s future.</td>
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<td>Recommendation 19</td>
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<td>Delete Direction 2.2: Reduce the cost of living by increasing housing supply near services and public transport in PM 2014 and replace with the following:</td>
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<td>MAC recommendation</td>
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<td>Recommendation 20</td>
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<td>Replace Initiatives 2.2.1, 2.2.2, 2.2.3 and 2.2.4 and accompanying actions in PM 2014 with the following: Initiative 2.2.1: Establish the governance, funding, planning and development structures for urban renewal precincts. 2.2.1-1: Identify and designate urban renewal precincts of metropolitan significance and establish a policy and new zone for such precincts. 2.2.1-2: Require the lead agency for 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 for these precincts 2.2.1-3: Apply the new zone to each urban renewal precinct after the preparation and approval of a place-based Structure Plan which addresses a range of factors including the public benefits to be delivered by redevelopment such as affordable and social housing, the delivery of urban infrastructure and a thorough land economic assessment determining the land use mix and densities for each precinct. 2.2.1-4: Reduce the uncertainty of investigation and clean-up requirements, streamline the regulatory process, and bring the land to market sooner. 2.2.1-5: 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. 2.2.2-5: 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.</td>
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<td>Recommendation 21</td>
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<td>Insert a new initiative and actions for Direction 2.2 as follows: Initiative 2.2.4: Encourage redevelopment of selected greyfield precincts in providing more housing choice and diversity. 2.2.4-1: Require local government sub-regional groups to identify greyfield areas suitable for regeneration for medium density housing. 2.2.4-2: Devise planning incentives and provisions for inclusion in the VPP which identify these greyfield precincts and the ways of unlocking their potential for medium density housing including social and affordable housing eg a Regeneration Overlay in the VPP.</td>
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### APPENDIX A HOW THE MAC RECOMMENDATIONS ARE BEING ADDRESSED

<table>
<thead>
<tr>
<th>MAC recommendation</th>
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<td><strong>Recommendation 22</strong></td>
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<td><strong>Being partly considered as part of Managing Growth and structure planning guidelines review.</strong></td>
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<td>Add a new initiative and actions under Direction 2.2 as follows:</td>
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<td><strong>Being partly considered as part of Managing Growth and structure planning guidelines review.</strong></td>
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<tr>
<td>Initiative 2.2.5: <strong>Sequence and stage development in the urban growth areas</strong></td>
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<td><strong>Being partly considered as part of Managing Growth and structure planning guidelines review.</strong></td>
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<tr>
<td>2.2.5-1: 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.</td>
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<td><strong>Being partly considered as part of Managing Growth and structure planning guidelines review.</strong></td>
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<td>2.2.5-2: Require the MPA, in consultation with DELWP, local councils and the greenfield developer community to identify the list of basic community facilities and services which must be delivered in the first stage of development of all new Precinct Structure Plans and apply an appropriate mechanism that does not allow any subsequent stages to proceed until such time as these facilities and services are operational.</td>
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<td><strong>Being partly considered as part of Managing Growth and structure planning guidelines review.</strong></td>
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<tr>
<td>2.2.5-3: Ensure the MPA, in consultation with councils, manages the timely delivery of local community infrastructure using a combination of a sequencing plan linked to capping or limiting subdivision and development approvals, DCP expenditure, council funded works, and works-in-kind delivery of infrastructure funded by DCPs.</td>
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<td><strong>Being partly considered as part of Managing Growth and structure planning guidelines review.</strong></td>
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<td>2.2.5-4: Amend the Precinct Structure Planning Guidelines and State Planning Policy Framework mandating greater housing diversity and minimum dwelling density in the urban growth areas of 25 dwellings per net hectare for residential areas to meet the needs of all household types. The amended Guidelines are to ensure the retention of large allotments in appropriate locations to accommodate higher density housing.</td>
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<td>Combine Direction 2.3 and 2.4 of PM 2014 into the following new Direction 2.4:</td>
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<td><strong>Facilitate the supply of more social and affordable housing.</strong></td>
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<td><strong>Issues discussed under Housing.</strong></td>
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<td><strong>Recommendation 24</strong></td>
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<td><strong>Issues discussed under Housing.</strong></td>
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<tr>
<td>Delete the following initiatives and actions from PM 2014:</td>
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<td><strong>Issues discussed under Housing.</strong></td>
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<td>• Initiative 2.3.1: Facilitate growth in the social housing sector</td>
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<td><strong>Issues discussed under Housing.</strong></td>
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<tr>
<td>• Initiative 2.4.1: Develop a codified approval process for defined locations (note that it is recommended this initiative be reworded as stated above in Initiative 2.3.1)</td>
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<td><strong>Issues discussed under Housing.</strong></td>
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<td>• Initiative 2.4.2: Increase our understanding of affordable housing in the context of changing household types and needs</td>
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<td><strong>Issues discussed under Housing.</strong></td>
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<td>MAC recommendation</td>
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<td><strong>Recommendation 25</strong></td>
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<td>Issues discussed under Housing.</td>
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<tr>
<td>Insert the following initiatives and actions for the new Direction 2.4.</td>
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<tr>
<td>Initiative 2.4.1: Facilitate growth in the social housing sector</td>
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<tr>
<td>2.4.1-1: 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.</td>
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<td>2.4.1-2: Include in the Victoria Planning Provisions a definition for social housing consistent with the proposed Social Housing Framework, and a definition for affordable housing.</td>
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<td>2.4.1-3: 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.</td>
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<td>2.4.1-4: 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, explore the capacity to capture a proportion of the increased land value, to directly contribute to the costs of providing social housing.</td>
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<td>Initiative 2.4.2: Accelerate investment in affordable housing</td>
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<td>2.4.2-1: Explore specific planning provisions and development mechanisms to deliver more affordable housing, especially within Significant Change Areas. Provisions could address:</td>
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<td>• The provision of affordable or social housing components as decision criteria for development assessment</td>
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<td>• Application of a VicSmart process to affordable and social housing projects to reduce landholding costs.</td>
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<td>2.4.2-2: 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.</td>
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<td>2.4.2-3: Introduce mechanisms to ensure that when affordable housing is provided it remains in that category for the long term.</td>
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<td>2.4.2-4: Encourage greater investment in affordable private rental housing by working with the Commonwealth and other jurisdictions to investigate:</td>
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<td>• 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</td>
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<td>• The potential for the creation of an investment vehicle (similar to the Defence Housing Authority) to develop and manage rental housing in key locations, for low to moderate income households.</td>
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</table>
### Recommendation 25 continued

**Initiative 2.4.3: Implement a suite of planning provisions to deliver more social housing and affordable housing**

2.4.3-1: Develop and implement a planning policy and appropriate planning provisions for inclusionary zoning and incentive zoning as tools for assisting in the delivery of social housing and affordable housing in Significant Change Areas as well as other designated sites as identified by the MPA and the sub-regional groupings of local councils.

2.4.3-2: Identify other planning provisions in Victoria’s current permit approval system which should be waived to facilitate the establishment of social and affordable housing. These may include:

- Reducing car parking requirements especially if the site is within walking distance of public transport
- Shortened and guaranteed timeframes for assessment of planning permit applications providing affordable and/or social housing, as well as limiting and even removing third-party appeal rights thus minimising time delays in decisions on such proposals
- Unnecessary planning obstacles to smaller scale infill housing programs such as accessory or ancillary units (eg granny flats, secondary suites) or laneway units.

2.4.3-3: Provide a suite of other planning provisions which give incentives to a developer if social and/or affordable housing is incorporated into new housing and mixed use developments. Proper consideration is to be given to the concept of ‘incentive zoning’ such as Floor Space Ratio (FSR) bonuses.

2.4.3-4: Establish a Melbourne Affordable Housing Fund which assists in providing grants to accredited community housing providers for approved social and affordable projects in designated or preferred locations.

**Initiative 2.4.4: Prioritise the regeneration of public housing estates**

2.4.4-1: The Minister for Housing facilitates the redevelopment of Melbourne’s older high rise public housing estates for public housing, community managed housing and private affordable housing.

<table>
<thead>
<tr>
<th>MAC recommendation</th>
<th>Addressed in discussion paper</th>
<th>Changes to be incorporated concurrently/underway</th>
<th>Out of scope</th>
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<th>Comments</th>
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<td>Issues discussed under <strong>Housing</strong>.</td>
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<td>Recommendation 26</td>
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<tr>
<td>Insert a new Direction 2.5, initiatives and actions as follows:</td>
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<td>Promote greater innovation in the housing market.</td>
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<td>Initiative 2.5.1: Promote and support innovative housing delivery methods</td>
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<td>2.5.1-1: Trial a Community Land Trust model and a Housing Development Co-operative model in the Melbourne region.</td>
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<td>Initiative 2.5.2: Lead innovation in the housing sector</td>
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<td>2.5.2-1: Require Places Victoria to demonstrate the use of modular housing and other innovative design and construction techniques in its development projects.</td>
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<td>2.5.2-2: In consultation with the housing industry benchmark more innovative construction methods against traditional construction methods to provide feedback to the housing market.</td>
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<td>2.5.2-3: Review planning and building regulations to identify opportunities for more innovative and cheaper construction techniques without compromising the quality and durability of our housing.</td>
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<td>Recommendation 27</td>
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<td>Insert a new Direction, new initiative and actions as follows:</td>
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<td>Direction 2.6: The State Government prepare a Housing Strategy and Housing Plan for Metropolitan Melbourne.</td>
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<td>Initiative 2.6.1: The State Government work with all levels of government (Federal and Local government) to deliver more housing choice and housing affordability within all regions of Victoria and, in so doing, explore a range of available options outside the planning system.</td>
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<td>Recommendation 28</td>
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<td>Change the chapter title to Healthy, vibrant and inclusive neighbourhoods.</td>
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<td>Recommendation 29</td>
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<td>Change the chapter objective to:</td>
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<td>Create neighbourhoods which promote strong communities, healthy lifestyles and good access to local services and jobs.</td>
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<td>Recommendation 30</td>
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<tr>
<td>Replace entire preamble to this chapter with the preamble in MAC 2013. The Preamble is to include the diagram showing the Building Blocks of Social Sustainability.</td>
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<td>Changes to be incorporated under way/concurrent process</td>
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<td>Recommendation 31 Reinstate MAC 2013 action in Initiative 4.1.1:</td>
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<td>- Beyond the nominated scope of the refresh. To be considered as part of the 5-year Plan Melbourne 2016 review.</td>
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<tr>
<td>• 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.</td>
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<td>Recommendation 32 Insert the following Initiatives and actions under Direction 4.1:</td>
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<td>- Discussed under Growth challenges, fundamental principles and key concepts.</td>
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<td>Initiative 3.1.1: Create mixed use neighbourhoods at varying densities</td>
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<td>• Use the Mixed Use Zone to enable greater mix of uses at varying densities in appropriate locations.</td>
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<td>Initiative 3.1.4: Measure and monitor the liveability of our neighbourhoods</td>
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<td>Recommendations regarding measuring and monitoring the liveability of neighbourhoods will be addressed and appropriate changes made in the refreshed document.</td>
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<tr>
<td>• In partnership with local governments, publish an interactive liveability index and map for Melbourne, which draws on local knowledge and is updated annually.</td>
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<td></td>
<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>Recommendation 33 Insert a new Initiative and actions as follows:</td>
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<td></td>
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<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>3.1.2: Make neighbourhoods pedestrian and cycle friendly</td>
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<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>• Develop a transport hierarchy that supports the delivery of 20-minute neighbourhoods with pedestrians prioritised in the design of roads and streets, followed by cyclists, public transport, private vehicles and road freight</td>
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<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>• Require councils and their communities to identify and develop pedestrian and cycle networks and pedestrian priority precincts within all of their neighbourhoods which increase access to local destinations</td>
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<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>• Consider using lower speed limits in mixed use and residential neighbourhoods in accordance with new guidelines for 40 km/h pedestrian zones</td>
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<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>• Amend the Precinct Structure Planning Guidelines to better plan for residents and especially children and families in new suburbs to walk and ride bikes locally to school, the shops, public spaces and places of work</td>
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<td></td>
<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>• Implement minimal local bus service levels of 20-minute frequency, 7 days a week, from at least 6 am to 9 pm</td>
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<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>• Support local initiatives to integrate local community transport and taxis with route bus services to expand access opportunities</td>
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<td></td>
<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>• Improve the quality of bus stops.</td>
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<td>Plan Melbourne 2014 and the structure planning guidelines already address this concept. Also being considered as part of structure planning guidelines review and transport network planning. A 20-minute neighbourhood is discussed further under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>Recommendation 34 Delete Direction 4.2: Protect Melbourne and its suburbs from inappropriate development and its associated actions.</td>
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<td>Beyond the nominated scope of the refresh.</td>
</tr>
<tr>
<td>Recommendation 35 Rewrite the preamble to Direction 4.3 to include references to the important role played by local government in creating healthy communities and the various plans and tools adopted by councils on health planning.</td>
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<td>To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016.</td>
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</tbody>
</table>

108 of 124 PLAN MELBOURNE REFRESH DISCUSSION PAPER
<table>
<thead>
<tr>
<th>MAC recommendation</th>
<th>Addressed in discussion paper</th>
<th>Changes to be incorporated concurrently</th>
<th>Underway/concurrent process</th>
<th>Out of scope</th>
<th>Not supported</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation 36</td>
<td></td>
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<td></td>
<td>Being considered as part of structure planning guidelines review. Healthy communities also discussed as part of 20–minute neighbourhoods under Growth challenges, fundamental principles and key concepts.</td>
</tr>
<tr>
<td>Recommendation 37</td>
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<td>To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016.</td>
</tr>
<tr>
<td>Recommendation 38</td>
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<td></td>
<td>Being considered as part of Managing Growth. Referred for consideration in the establishment of the Victorian Planning Authority and Infrastructure Victoria.</td>
</tr>
<tr>
<td>Recommendation 39</td>
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<td>Being addressed through the development of the Metropolitan Open Space Strategy.</td>
</tr>
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</table>

**Recommendation 36**

Reword Initiative 4.3.1 and its actions as follows:

**Initiative 4.3.1: Implement healthy design guidelines**

- Update the State Planning Policy Framework to support the application of the National Heart Foundation’s Healthy by Design Guidelines in the planning and development process.
- 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.
- 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.

**Recommendation 37**

Reword Direction 4.4 to read **Deliver social infrastructure to support strong communities** and rewrite the preamble to this direction to recognise the distinction between Neighbourhood Health and Community Wellbeing Precincts and Regional Health and Community Wellbeing Precincts.

**Recommendation 38**

Reword Initiative 4.4.1 and its accompanying actions as follows:

- Co-ordinate a whole-of-government approach to the delivery of social infrastructure. The MPA, in consultation with relevant government agencies and local government, to:
  - Provide advice on how government social infrastructure proposals can align with land use and transport objectives
  - Identify social infrastructure priorities both at the sub-regional and municipal levels and the timing of delivery with a specific focus on the needs of the urban growth area communities
  - 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
  - The MPA, in consultation with relevant government agencies, local government and social infrastructure providers, explore more creative approaches to the design of 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.

**Recommendation 39**

Add a new Direction 3.4: Involve communities in the delivery of local parks and green neighbourhoods with the following initiatives from MAC 2013:

- Develop a network of accessible high-quality local open spaces
- Encourage community gardens and productive streetscapes.
## A MORE CONNECTED MELBOURNE

### Recommendation 40

Retain PM 2014 action 3.1.3-1 but replace actions 3.1.3-2 to 3.1.3-8 with the following initiatives that could be implemented in the first ten years of PM Refresh:

- **3.1.3-1**: Prepare a Road Use Strategy to ensure trams and buses can operate efficiently alongside other vehicles, particularly as land uses change.
- **3.1.3-2**: 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).
- **3.1.3-3**: 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.
- **3.1.3-4**: Deliver 50 new low-floor, high capacity trams.
- **3.1.3-5**: Extend tram lines to E-Gate and Fishermans Bend and investigate the feasibility of completing the missing tram link between Dynon and Footscray.
- **3.1.3-6**: 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 NEIC and the new metro rail station.
- **3.1.3-7**: Upgrade to light rail standard further routes identified in the Road Use Strategy, focusing on those with highest patronage and greatest people-moving potential.

### Recommendation 41

Retain PM 2014 action 3.1.4-1 but replace actions 3.1.4-2 to 3.1.4-5 with the following:

- **3.1.4-1**: 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.
- **3.1.4-2**: 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.
- **3.1.4-3**: Enhance Doncaster (DART) bus services in inner Melbourne.
- **3.1.4-4**: 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.
- **3.1.4-5**: Extend and improve NightRider services to serve a 24/7 city.
<table>
<thead>
<tr>
<th>Recommendation 42</th>
<th>Addressed in discussion paper</th>
<th>Changes to be incorporated under way/concurrent process</th>
<th>Out of scope</th>
<th>Not supported</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Direction 3.2, add the following actions for Initiative 3.2.2 which could be implemented in the first ten years of PM Refresh:</td>
<td></td>
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<td>Referred for consideration as part of transport network planning.</td>
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<tr>
<td>3.2.2-1: 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.</td>
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<td>3.2.2-2: As part of the new bus franchise agreement, reallocate services to better meet demand for access to job rich areas including Monash, Melbourne Airport, Latrobe University, Footscray and Sunshine.</td>
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<td>3.2.2-3: 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.</td>
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<td>3.2.2-4: 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, Bandenong and Ringwood, Springvale Road, Warrigal Road and key routes serving Latrobe University.</td>
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<td>3.2.2-5: 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.</td>
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<td>Recommendation 43</td>
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<td>Referred for consideration as part of transport network planning.</td>
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<tr>
<td>Include a map of the planned SmartBus network at 2030 and 2050.</td>
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<td>Recommendation 44</td>
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<td>Referred for consideration as part of transport network planning.</td>
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<tr>
<td>Remove the action in PM 2014 under Initiative 3.2.4 and replace with the following actions which could be implemented in the first ten years of PM Refresh:</td>
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<tr>
<td>3.2.4-1: 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.</td>
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<tr>
<td>3.2.4-2: Deliver the Westall Road extension from Princes Highway to Monash Freeway to improve connectivity and support the Monash National Employment and Innovation Cluster.</td>
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<td>3.2.4-3: Complete the missing section of Dingley Bypass between the South Gippsland Highway and the South Gippsland Freeway.</td>
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<tr>
<td>MAC recommendation</td>
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<td><strong>Recommendation 45</strong></td>
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<tr>
<td>Replace PM 2014 actions in Initiative 3.3.2 with the following which could be implemented in the first ten years of PM Refresh: 3.3.2-1: 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. 3.3.2-2: 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. 3.3.3-3: Improve access to the rail network by building Caroline Springs railway station and develop Park and Ride and bike cage facilities in outer suburbs. 3.3.3-4: 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.</td>
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<td>Referred for consideration as part of transport network planning.</td>
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<td><strong>Recommendation 46</strong></td>
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<tr>
<td>Move PM 2014 Initiatives 3.4.1 Making Neighbourhoods Pedestrian-Friendly and 3.4.2 Create a Network of High-quality Cycling Links to the chapter dealing with Neighbourhoods.</td>
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<td>To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016.</td>
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<tr>
<td><strong>Recommendation 47</strong></td>
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<tr>
<td>Consistent with Infrastructure Australia’s recommendation that “there is a need for serious public discussion about infrastructure service levels and funding”, the Victorian Government should initiate a community consultation program into the way transport use is priced, as part of a wider program to ensure that resources used in land transport are used as efficiently as possible.</td>
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<td>Beyond the nominated scope of the refresh. Referred for consideration in the establishment of Infrastructure Victoria.</td>
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</table>
### ENVIRONMENT, WATER, ENERGY AND WASTE

<table>
<thead>
<tr>
<th>MAC recommendation</th>
<th>Addressed in discussion paper</th>
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<tbody>
<tr>
<td>Introduce a new objective for this chapter as follows: Protect our natural assets and ensure a sustainable and more resilient environment in the face of climate change.</td>
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<td>To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016.</td>
</tr>
<tr>
<td>Delete Direction 5.1 – Using the city structure to drive sustainable outcomes in managing growth and Initiative 5.5.1: Accommodate the majority of new dwellings in established areas within walking distance of the public transport network.</td>
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<td>![ ]</td>
<td>To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016.</td>
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</tbody>
</table>
| Re-instate MAC 2013 Direction 5.1: Reduce the consequences of extreme climate events and related environmental risks. Insert the following initiatives under the new Direction 5.1:  
  - Initiative 5.1.1: Identify at risk areas and reduce their vulnerability.  
  - Initiative 5.1.2: Cool Melbourne by greening buildings, roads and open space, and planting urban forests.  
| Insert new action 5.1.1: Develop an infrastructure resilience assessment test which requires that proposals for new major capital works are subject to modelling that indicates, through siting, design, specifications and construction, the infrastructure will be able to withstand a range of major shocks and/or the likely effects of climate change (particularly sea level rise). | ![ ] | ![ ] | ![ ] | ![ ] | ![ ] |  Discussed under A more resilient and environmentally sustainable Melbourne. |
| Delete all of the actions under Direction 5.2. and replace with the following actions which could be implemented within the first ten years of PM Refresh:  
  5.2.1-1: Implement the Biodiversity Conservation Strategy in Melbourne’s growth corridors and across Melbourne’s urban areas.  
  5.2.1-2: Establish a 15,000 hectare western grasslands reserve extending from Mt Cotterell, south-east of Melton to the area north of little river.  
  5.2.1-3: Create urban conservation reserves in the growth corridors including 3,000 hectares of land along major waterways.  
### Appendix A: How the MAC Recommendations Are Being Addressed

<table>
<thead>
<tr>
<th>MAC recommendation</th>
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<tbody>
<tr>
<td><strong>Recommendation 54</strong></td>
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<tr>
<td>Replace Direction 5.3, Initiative 5.3.1 and its actions in PM 2014 with the following:</td>
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<tr>
<td>Direction 5.3: Enhance the food production capability of Melbourne and its non-urban areas.</td>
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<tr>
<td>Initiative 5.3.1: Protect our high-quality agricultural land in Melbourne’s green wedges and peri-urban areas for food production.</td>
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<tr>
<td>5.3.1-1: 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.</td>
<td></td>
<td>Some work is in progress.</td>
<td>Plan Melbourne 2014 already addresses actions such as overlays.</td>
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<tr>
<td>5.3.1-2: 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.</td>
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<tr>
<td>5.3.1-3: 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.</td>
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<td>5.3.1-4: Review planning provisions to enable agricultural activities such as livestock, meat processing and similar industries to be located in the peri-urban areas close to Melbourne.</td>
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<tr>
<td><strong>Recommendation 55</strong></td>
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<td>Beyond the nominated scope of the refresh.</td>
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<tr>
<td>Add a new action to Initiative 5.4.1 as follows:</td>
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<tr>
<td>5.4.1-2: 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.</td>
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<td><strong>Recommendation 56</strong></td>
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<td></td>
<td>The intent of the recommendation is supported. Environmentally Sustainable Design (ESD) is discussed under A more resilient and environmentally sustainable Melbourne.</td>
</tr>
<tr>
<td>Add the following to action 5.5.1-3 with the intended purpose of applying water retention systems to buildings with a floor area in excess of 3,000m².</td>
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<tr>
<td><strong>Recommendation 57</strong></td>
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<td>The intent of the recommendation is supported. Water sensitive urban design is discussed under A more resilient and environmentally sustainable Melbourne, and will be considered in the development of the Victorian Government’s new Water Plan.</td>
</tr>
<tr>
<td>Include the following new actions under Initiative 5.6.1:</td>
<td></td>
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<tr>
<td>5.6.1-2: Work with Melbourne Water and councils to identify stressed waterways in the metropolitan area. Wherever possible this will be done as part of preparation of sub-regional and local precinct Integrated Water Cycle Management plans.</td>
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<td>5.6.1-3: Require 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.</td>
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<tr>
<td>MAC recommendation</td>
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<tr>
<td><strong>Recommendation 58</strong>&lt;br&gt;Recommendation 58&lt;br&gt;Reword Direction 5.7 as follows:&lt;br&gt;Reduce energy consumption and transition to renewable energy.</td>
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<td>To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016.</td>
</tr>
<tr>
<td><strong>Recommendation 59</strong>&lt;br&gt;Add the following actions to Initiative 5.7: Support local governments and the private sector in their efforts to promote energy efficiency:&lt;br&gt;• As part of a whole-of-government policy framework, investigate opportunities for local generation of electricity in growth areas and strategic sites around the city.&lt;br&gt;• 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.</td>
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<td></td>
<td>The intent of the recommendation is supported. Supporting low emissions technology and energy efficiency is discussed under A more resilient and environmentally sustainable Melbourne. The Victorian Government’s Renewable Energy Action Plan and the Energy Efficiency and Productivity Strategy will outline mechanisms to support renewable energy and energy efficiency within Victoria.</td>
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<td><strong>Recommendation 60</strong>&lt;br&gt;Add the following new initiatives and actions to Direction 5.7: Initiative 5.7.2: Encourage alternative energy technologies&lt;br&gt;5.7.2-1: Investigate as part of a comprehensive assessment of the economic and investment opportunities available in Melbourne’s peri-urban area the potential for renewable energy enterprises and, where appropriate, work with councils to identify areas where such activities could be encouraged to locate.&lt;br&gt;5.7.2-2: Prepare a planning policy which recognises the role of renewable energy technologies in transitioning Melbourne to become a low carbon city and encourages greater use of solar energy in all new development.&lt;br&gt;5.7.2-3: 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.&lt;br&gt;Initiative 5.7.3: Reduce energy use in buildings and encourage precinct based energy initiatives&lt;br&gt;5.7.3-1: Investigate opportunities and constraints for precinct scale use of renewable energy resources and develop a long-term transition plan for improving energy efficiency of all existing buildings, both at the individual building and precinct levels.&lt;br&gt;5.7.3-2: Advocate through national forums higher building energy standards that are consistent with broader energy efficiency policy.</td>
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<td>The intent of the recommendation is supported. Supporting low emissions technology is discussed under A more resilient and environmentally sustainable Melbourne. The Victorian Government’s Renewable Energy Action Plan will outline mechanisms to support renewable energy within Victoria.</td>
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<tr>
<td><strong>Recommendation 61</strong>&lt;br&gt;Replace the first action in Initiative 5.8.2 with the following:&lt;br&gt;Make changes to the VPP to better define the need and provision of waste infrastructure for all multi-unit residential developments.</td>
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<td>Referred for consideration as part of the Better Apartments project.</td>
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## APPENDIX A HOW THE MAC RECOMMENDATIONS ARE BEING ADDRESSED

<table>
<thead>
<tr>
<th>MAC recommendation</th>
<th>Addressed in discussion paper</th>
<th>Changes to be incorporated</th>
<th>Underway/concurrent process</th>
<th>Out of scope</th>
<th>Not supported</th>
<th>Comments</th>
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<tbody>
<tr>
<td><strong>Recommendation 62</strong></td>
<td>Under Direction 5.8 insert the following new initiative (including the relevant text from MAC 2013 under Initiative 6.4.4) and actions: Initiative 5.8.3: Maximise the economic recovery of waste 5.8.3-1: 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. 5.8.3-2: Investigate the marginal cost and environmental impacts of utilising water from the existing desalination plant to augment food production in the south-eastern growth area municipalities and the peri-urban areas. 5.8.3-3: Work with the Commonwealth Government to support the introduction of a national container refund scheme. 5.8.3-4: Investigate the potential for a state-based scheme to reduce litter and improve resource recovery.</td>
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<td>Referred for consideration as part of the Government’s new Water Plan.</td>
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<td><strong>Recommendation 63</strong></td>
<td>Introduce a new Initiative: Investigate the application within Melbourne of the development and operation of waste to energy plants and include relevant actions.</td>
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<td>Beyond the scope of a metropolitan land use strategy.</td>
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<td><strong>PLACE AND IDENTITY</strong></td>
<td><strong>Recommendation 64</strong></td>
<td>Reintroduce a chapter similar to the Place and Identity chapter in MAC 2013.</td>
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<td>Discussed under Growth challenges, fundamental principles and key concepts.</td>
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<td><strong>Recommendation 65</strong></td>
<td>Re-introduce, drawing on MAC 2013, the following:  • The objective to 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.  • The supporting introductory text about good place making.  • The initiative to include SmartRoad principles in the SPPF.  • Working with the sub-regions of the MPA review, and update the list of potential boulevard extensions.</td>
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<td>Discussed under Growth challenges, fundamental principles and key concepts.</td>
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<td><strong>Recommendation 66</strong></td>
<td>Include a specific direction about building on our cultural leadership, sporting legacy and strengthening our cultural industries supported by initiatives drawn from MAC 2013 (updated to align with current government priorities).</td>
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<td>Intent supported – to be considered as part of the strengthening of place and identity content in Plan Melbourne 2016.</td>
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<tr>
<td><strong>Recommendation 67</strong></td>
<td>Include the actions under Initiative 7.3.1 of MAC 2013 regarding the Victorian Heritage Act 1995 and place names plus a new initiative and actions relating to the nexus between heritage and environmental sustainability (supported by some additional explanatory text).</td>
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<td>The recommendation is being progressed through ongoing work programs.</td>
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### Review of the Heritage Act has been initiated – consultation is underway.
### MAC Recommendations

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<tr>
<th>Recommendation</th>
<th>Addressed in discussion paper</th>
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<th>Out of scope</th>
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<tr>
<td><strong>Recommendation 68</strong>&lt;br&gt;If the FSR bonus system approach is adopted in the VPPs then the restoration of major heritage buildings should qualify as a nominated public benefit in such a system.</td>
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<td>Beyond the nominated scope of the refresh.</td>
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<td><strong>Recommendation 69</strong>&lt;br&gt;Rewrite the initiatives and actions for Direction 4.8 in PM 2014 using the initiatives and actions of MAC 2013 Direction 7.4 – Achieve and promote design excellence as the basis.</td>
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<td>To be considered as part of the 5-year Plan Melbourne 2016 review.</td>
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<td><strong>Recommendation 70</strong>&lt;br&gt;Under Direction 4.5 in PM 2014 use the set of initiatives in Direction 7.5 in MAC 2013 (exclusive of Initiative 7.5.4 Create a green interface to the Melbourne Metropolitan Urban Boundary) and include additional initiatives about the retention of existing significant vegetation in Melbourne and the greening of places where people live and work.</td>
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<td>Discussed under Growth challenges, fundamental principles and key concepts and A more resilient and environmentally sustainable Melbourne.</td>
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<td><strong>Recommendation 71</strong>&lt;br&gt;Incorporate a new Direction in this chapter, Our Best Asset – Our People, and spell out initiatives for harnessing community input to planning for the city.</td>
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<td>Discussed under Growth challenges, fundamental principles and key concepts.</td>
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<td><strong>STATE OF CITIES</strong></td>
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<td><strong>Recommendation 72</strong>&lt;br&gt;Re-title this chapter A State of Cities and Regions.</td>
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<td>To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016.</td>
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<td><strong>Recommendation 73</strong>&lt;br&gt;Move Initiative 6.1.1 Confirm the mechanism and lock in a permanent boundary to the Housing Choice and Affordability chapter.</td>
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<td>Discussed under Growth challenges, fundamental principles and key concepts and Housing chapter.</td>
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<tr>
<td><strong>Recommendation 74</strong>&lt;br&gt;Under Initiative 6.2.1:&lt;br&gt;• Delete the words safeguard the interests of the state in the development and conservation of local resources as they make no sense (despite being in MAC 2013).&lt;br&gt;• Revise the action to state that the views of local government and communities will be sought in nominating any further towns in the peri-urban area as having growth potential and with specific eligibility criteria (including that substantial local employment or public transport access to other employment and strong locally based urban services can be provided) and within the framework of a single and broader peri-urban policy statement.&lt;br&gt;• Add an action To create a green interface at the Melbourne Metropolitan Urban Boundary.&lt;br&gt;Resources in peri-urban locations that are important to the state need to be safeguarded into the future.&lt;br&gt;There is no intention to investigate additional towns in peri-urban locations that could be identified for growth potential at this stage. This would occur as part of a future broader review.&lt;br&gt;The creation of a green interface is best achieved at the local level or through the development of Precinct Structure Plans.</td>
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<td><strong>Recommendation 75</strong>&lt;br&gt;Insert the following additional action from MAC 2013 under Initiative 6.3.1:&lt;br&gt;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.</td>
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<td>The G21 Regional Growth Plan recognises Geelong as Victoria’s second largest city and seeks to strengthen and build on this as the primary service centre for the south-western part of the state and as a key support role to Melbourne. To be addressed and appropriate changes made in the refreshed Plan Melbourne 2016 to acknowledge Geelong’s role as Victoria’s second city.</td>
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<td>MAC recommendation</td>
<td>Addressed in discussion paper</td>
<td>Changes to be incorporated concurrently</td>
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<td>Recommendation 76</td>
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<td>Under PM 2014 Initiative 6.2.1 – Better manage Melbourne’s Peri-urban regions, including designating towns for growth delete the action Determine whether any areas (such as parts of the Mornington Peninsula) should no longer be considered to be a part of metropolitan Melbourne.</td>
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<td>Recommendation 77</td>
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<td>Reword Initiative 6.2.2 to read Strengthen regional city growth opportunities.</td>
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<td>IMPLEMENTING THE PLAN</td>
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<td>Recommendation 78</td>
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<td>Retain the MPA as Melbourne’s planning authority, and consult with the councils in the State’s other regions about the preferred governance arrangements for their own regions.</td>
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<td>Recommendation 79</td>
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<td>Articulate the role and responsibilities of the MPA to make it clear that it is currently responsible for the implementation of Plan Melbourne 2014 and, in particular, high priorities such as NEIC planning, planning of major urban renewal precincts, identification of strategic public transit corridors, increasing the supply of housing which is affordable, coordinating the involvement of the five sub-regional groupings and implementing climate change responses.</td>
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<td>Recommendation 80</td>
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<td>Formalise the relationship between the MPA and the sub-regional groupings of councils through board membership and the establishment of sub-regional advisory committees.</td>
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<td>Recommendation 81</td>
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<td>Require the MPA to be the ‘voice’ of metropolitan Melbourne when that voice is required, for example at significant VCAT and planning panels where consistency of proposals against metropolitan objectives is being tested.</td>
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<td>Recommendation 82</td>
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<tr>
<td>Require the five sub-regional groupings of councils to:</td>
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<td>• Prepare, in partnership with the MPA, sub-regional land use and infrastructure plans and associated sub-regional performance targets.</td>
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<td>• Where relevant, advise the MPA on the best use of Growth Area Infrastructure Contribution funds for their sub-regions.</td>
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<td>Recommendation 83</td>
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<td>Request the MPA to work closely with local councils to clarify expectations of their roles in the implementation of PM Refresh.</td>
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<td>Recommendation 84</td>
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<td>Produce, in consultation with the MPA, a ‘rolling’ 10-year Plan Melbourne Implementation Plan that sets out specific details of projects to be delivered and the intended funding arrangements to assure delivery.</td>
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<td>MAC recommendation</td>
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| Recommendation 85  
Establish a working group with local government to identify constraints to, and opportunities for, local government playing a larger role in funding infrastructure and services that will be needed by their communities in the delivery of PM Refresh. | | | Underway/concurrent process | | | Referred for consideration in the establishment of the Victorian Planning Authority and other relevant government departments and agencies. |
| Recommendation 86  
Adopt the recommendation of the Standard Development Contributions Advisory Committee (2013) that a development levy apply to all additional dwellings across the metropolitan region at a rate of $3,000 per net additional dwelling (based on $2012). | | | | | Underway/concurrent process | The Victorian Government will be implementing standard levies for areas of high growth across the State, initially in greenfield growth areas and strategic redevelopment sites in both metropolitan and non-metropolitan areas, followed by the Melbourne CBD. |
| Recommendation 87  
Implement, in appropriate locations, available value capture opportunities under current planning legislation. | | | Underway/concurrent process | | | The Victorian Government is currently investigating value capture opportunities. Opportunities for value capture are also being built into specific projects (such as the level crossing removal program) to develop ways of using commercial and development rights to generate revenue that contributes to project funding. |
| Recommendation 88  
Examine beneficiary pays principles in the development of funding models for major urban transport projects and growth area developments. | | | Underway/concurrent process | | | Refer to Initiative 7.3.3 in Plan Melbourne 2014 in relation to growth area developments. Refer for consideration to the Department of Economic Development, Jobs, Transport and Resources and Infrastructure Victoria. |
| Recommendation 89  
Develop performance indicators which provide clear, comprehensive and timely information, and are firmly linked to each of the chapters in the plan. | | | | | Underway/concurrent process | Discussed under Implementation. |
| Recommendation 90  
Require the MPA to prepare every 4 years (and at the midpoint of a 4-year Parliamentary term) a statement for the Minister for Planning to table in Parliament, outlining progress in implementing the Strategy's initiatives across Melbourne's five metropolitan sub-regions. | | | | | Underway/concurrent process | Discussed under Implementation. |
| Other recommended changes to Plan Melbourne 2014 | | | | | | |
| Recommendation 91  
Use an improved base map for depicting metropolitan-wide information. | | | | | Underway/concurrent process | Discussed under Scope of options for discussion. |
| Recommendation 92  
Delete 'vox pops', quotes from submitters and case studies. | | | | | Underway/concurrent process | |
| Recommendation 93  
Review maps and graphics, taking into account the comments in the attachment to the MAC (2015) report. | | | | | Underway/concurrent process | |
VICTORIAN POLICY AND STRATEGY REVIEWS UNDERWAY THAT RELATES TO PLAN MELBOURNE
Economic development

The Regional Economic Development and Services Review will identify the best approach to deliver services that support regional growth and job creation, including regional planning arrangements across government.

Agricultural land and earth resources issues being addressed by the Department of Economic Development Jobs Transport and Resources (DEDJTR) include the changing nature of farm practices, competing land uses and increased export opportunities.

The Extractives Industries Taskforce is addressing supply, demand, protection and facilitation issues confronting this important sector.

The Trade and Investment Policy, Agriculture Strategy and Creative Industry Strategy will also be reviewed.

Priority Sector Strategies under development include:

- Food and Fibre
- International Education
- New Energy Technologies
- Medical Technology and Pharmaceuticals
- Transport
- Defence
- Construction Technologies
- Professional Services

Plan Melbourne 2016 will need to align with these policy development processes.

Housing

Housing-related policy development underway or foreshadowed expected to be complete by mid-2016 includes a Review of Housing Affordability in Victoria (led by the Department of Treasury and Finance), the development of a strategy to improve the response to Victorians in housing crisis (led by the Department of Health and Human Services) and the Review of the Residential Tenancies Act 1997 (led by Consumer Affairs Victoria).

In addition, consultation relating to ‘Better Apartments’ is underway and there is a commitment to an independent review of the implementation of the Reformed Residential Zones.

The Plan Melbourne refresh can contribute to these initiatives, particularly in relation to:

- Strategic goals for the location and type of housing to meet expected future needs – this should establish the strategic basis for the development, implementation and evaluation of planning provisions, including new residential zones and frameworks for renewal areas
- Providing mechanisms that ensure development standards and approval processes are appropriate, deliver more affordable housing and facilitate social and community housing
- Whether planning enables responses to housing needs for particular sectors, such as housing for older people, shared housing, housing for people with disabilities, crisis accommodation

Transport network

Various transport project and network recommendations from the MAC will be referred for consideration to transport planning under the Transport Integration Act in the context of advice from Infrastructure Victoria.

The cycling strategy will be updated and a new action plan will be developed to reflect the Government’s commitments and projects. Community and stakeholder feedback will be sought from late 2015 on the directions in the strategy. A draft strategy and action plan will be available for consultation in early 2016.

It is noted discussions are continuing with the Commonwealth Government about the preferred corridor for a possible east coast High Speed Rail network linking Brisbane, Sydney, Canberra and Melbourne. This is a long-term proposal.

Plan Melbourne 2014 establishes the strategic framework for land uses which the transport network will serve. The refresh will reflect the current Victorian Government’s commitments. It will also clarify the status of elements of the network that are options for evaluation.
### Climate change and energy efficiency

The Victorian Government is positioning itself as a leader in responding to climate change. This is being achieved through a number of means, including:

- There is a statutory requirement to independently review the *Victorian Climate Change Act 2010* by the end of 2015 and to develop the second Victorian Climate Change Adaptation Plan under that Act by 2016. The Independent Review of the Climate Change Act is to report to the Victorian Government by December 2015.
- Other key reforms currently underway include the recently released Renewable Energy Roadmap, the establishment of new targets under Victorian Energy Efficiency Target scheme, and the Energy Efficiency and Productivity Strategy.
- The Victorian Government will review other legislation and programs which reduce emissions to commit to an achievable emissions reduction target for Victoria.

MAC recommendations, refresh engagement and potential Plan Melbourne 2016 responses will be considered in the development of the government’s response to the review of the *Victorian Climate Change Act 2010*, in the development of an emissions reduction target and policies and the Climate Change Adaptation Plan. Plan Melbourne 2016 will strengthen the focus on key areas where planning has a leading role in delivery of climate change outcomes. For example, how the city structure can reduce emissions, and regulatory and planning powers to adapt to climate change, as well as enable or facilitate implementation of Plan Melbourne 2016 by others. Some important responses to climate change, such as emissions reduction targets, are beyond the scope of Plan Melbourne 2016, but are being addressed elsewhere by government.

### Water

The Victorian Government is positioning itself as a leader in responding to climate change. This is being achieved through a number of means, including:

- There is a statutory requirement to independently review the *Victorian Climate Change Act 2010* by the end of 2015 and to develop the second Victorian Climate Change Adaptation Plan under that Act by 2016. The Independent Review of the Climate Change Act is to report to the Victorian Government by December 2015.
- Other key reforms currently underway include the recently released Renewable Energy Roadmap, the establishment of new targets under Victorian Energy Efficiency Target scheme, and the Energy Efficiency and Productivity Strategy.
- The Victorian Government will review other legislation and programs which reduce emissions to commit to an achievable emissions reduction target for Victoria.

MAC recommendations, refresh engagement and potential Plan Melbourne 2016 responses will be considered in the development of the government’s response to the review of the *Victorian Climate Change Act 2010*, in the development of an emissions reduction target and policies and the Climate Change Adaptation Plan. Plan Melbourne 2016 will strengthen the focus on key areas where planning has a leading role in delivery of climate change outcomes. For example, how the city structure can reduce emissions, and regulatory and planning powers to adapt to climate change, as well as enable or facilitate implementation of Plan Melbourne 2016 by others. Some important responses to climate change, such as emissions reduction targets, are beyond the scope of Plan Melbourne 2016, but are being addressed elsewhere by government.

### Biodiversity

- Victorian Biodiversity Strategy, the Flora and Fauna Guarantee Act and Native Vegetation Regulations are being reviewed (see Chapter 6 of this Discussion Paper).

### Health and wellbeing


### Central City Framework

- Plan Melbourne 2014 includes a short-term action to prepare an Integrated Framework Plan for growth in the Central Sub-region (Initiative 1.4.2).

### Infrastructure Victoria (IV)

- Infrastructure Victoria is a new agency to guide investment in the state’s public infrastructure. It will:
  - Develop a robust process to deliver independent and expert advice on Victoria’s infrastructure needs and priorities
  - Prepare a 30-year Infrastructure Strategy for Victoria and assess progress on implementation of a 5-year Infrastructure Plan
  - Support strategic infrastructure planning by Victorian Government departments and agencies
  - Research infrastructure issues and opportunities, including barriers, improving how benefits are measured, financing and funding models, and policy and reform issues.

Plan Melbourne 2016 will establish the long-term strategy for city-shaping infrastructure, with Infrastructure Victoria establishing a robust process to advise the government of the day on investment decisions, having regard to assessment of the merits of projects and budget conditions at the time.

### Victorian Planning Authority

- It is proposed to establish the Victorian Planning Authority (VPA) and various MAC recommendations relating to the role and functions of the Melbourne Planning Authority and sub-regional planning processes will be referred for consideration in the formation of the VPA.

### Local government

- The Review of the *Local Government Act 1989* will shape future roles in planning, infrastructure provision and service delivery.
Accessibility
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