Supporting Local Communities

STREAMLINING FOR GROWITH

PROJECT REPORT AUGUST 2020

INTERFACE
COUNCILS

Version Control

Prepared for the Interface Group of Councils
Streamlining for Growth

FINAL REPORT.
Report – Version 6.0
August 2020

Creative Commons

This work is licensed under a Creative Commons Attribution
Non-commercial 4.0 International License.

$$[42]^2$$

42 Squared Consulting
ABN 87 607 446 766

Consultant:
Craig Kenny OAM
craig@42squared.com.au
0412 492 387

Table of Contents

$[42]^2$

Executive Summary

The aim of this project is to identify an integrated whole-of-government services and infrastructure planning framework for growth areas that would facilitate key Victorian government agency alignment and contribution to the Precinct Structure Planning (PSP) process. It was funded by the Victorian Planning Authority's Streamlining for Growth program in conjunction with the Interface Councils.

The Interface Group of Councils has long advocated for the early delivery of services and social infrastructure to meet the needs of emerging communities in the growth areas of Melbourne.

Early delivery of community development, a broad range of services and supporting infrastructure is vital to meet the needs of families and individuals in the early stages of development as well as an effective means of supporting early intervention to prevent more critical problems arising.

Victorian government agencies responsible for service delivery have not developed coordinated and integrated planning processes or been in a position to take advantage of strategic land-use planning processes such as the PSP to ensure efficient and effective delivery of regional and local infrastructure requirements. This was highlighted through consultation and engagement processes but has also been recognised in multiple Victorian Auditor General Reports that have made recommendations aligned to the directions contained in this report.

This project included research and sector engagement with a broad range of State Government agencies and Interface Councils. The key issues identified during the project include:

- priority infrastructure and services that are the responsibility of Victorian government agencies are not being delivered in a consistent manner in the early stages of new suburb development
- key government agencies are not engaged at all in PSP processes and therefore are not at the table to ensure adequate land is transferred at an efficient price or appropriate sites allocated with any certainty
- key government agencies must undertake regional or growth corridor infrastructure and service planning to ensure that major infrastructure can be appropriately located within PSPs – this will allow appropriate locations to be secured in or adjacent to activity centres and support master-planning for transport and connectivity
- those agencies who are engaged in the PSP process are constrained and limited by government policy and budget processes and cannot secure land prior to the PSP process and significant value uplift
- the development contributions process is complex and burdensome for most Interface Councils, it creates significant risk and government agencies do not engage in a strategic manner to ensure delivery of public value
- land in the right location and coordinated planning and investment decisions would support master-planning for social infrastructure and potential for joint procurement
- the Victorian Government budget cycle constrains efficient and effective land acquisition and limits opportunities for master-planning and joint project development
- securing government land at an affordable price was a real challenge for multiple agencies – this should be an area of special focus as there are significant financial and budget savings as well as securing land in the right location to promote accessibility and master planning

There are many reasons why Victorian Government agencies should be engaged in coordinated and integrated planning in the growth areas, these include:

- delivering better outcomes for communities
- accessible services
- securing better locations for local and regional infrastructure, and
- pursuit of opportunities for master-planning.

However, the largest driver is the cost-efficient delivery of infrastructure given the extraordinary demands on the Victorian Government budget for the foreseeable future. High level estimates prepared by the project indicate that early land acquisition before or during the PSP process in growth areas could have resulted in savings of $10 million to $30 million per year just for education facilities.

Through consultation with Interface Councils and key agencies the project has developed a place-based services and infrastructure planning and delivery framework that incorporates regional and growth corridor service and infrastructure needs and intersects with the PSP 2.0 review that the VPA are currently implementing. This includes:

- a common platform for social planning and research – developing and agreeing on a 'single source of truth' to inform services and infrastructure planning
- translation of growth corridor and regional needs-based planning into land and infrastructure requirements that can be translate to PSP processes and project delivery mechanisms
- audit of existing infrastructure to understand existing capacity and fitness for purpose to service emerging needs
- whole-of-government community infrastructure planning which includes strategic needs assessment, proposal and options development and joint business cases
- intersection with PSP, infrastructure contributions programs and other strategic land-use planning processes
- coordinated capital planning and investment decisions

Key agencies and Interface Councils have agreed that a co-design process that tests the application of a framework or model is required to better understand the policy, authorising environment and structural changes that will be required to support change across government. One of the key recommendations is that this framework is further refined by applying it to two pilot studies. Through the pilot projects, the next stage would make recommendations based on solid research to be made to the Victorian government on:

- State-level policy and authorising environment – what changes are required to ensure that key agencies are required and motivated to intersect with strategic land use planning processes in the growth areas
- Whole-of-government policy setting for regional service planning and translation into local area plans and PSPs
- Structural and system changes – how will key agencies with responsibility for service and infrastructure provision undertake regional and growth area planning, how will this intersect with PSP processes in a systemic manner and how does this translate into business-as-usual activity

To develop the framework, the project recruited and coordinated three sub-consultants to support specialist areas of research and development. The following reports have been developed as part of the project

Ethos Urban – literature review, economic research and modelling including potential of 'social cost prevented' framework

ASR Research – social infrastructure planning and linkages to Precinct Structure Planning – specific focus on The Department of Health and Human Services (DHHS) and development of a draft PSP Practice Note for government agency engagement in land-use planning

Dr Iain Butterworth – exploration of university-based liveability research and translation of this into a future pilot phase

Key recommendations

The high-level recommendations from the report include:

- Implementation of a pilot project for government agencies and Interface Councils to 'co-design' an integrated framework for the planning and commissioning of services and supporting infrastructure with a brief to make recommendations to government regarding:
  - the development of an appropriate authorising and policy environment
  - whole-of-government policy setting for regional service planning and translation into local area plans and PSPs
  - how service planning, commissioning and infrastructure investment and delivery processes could better intersect with land-use planning (specifically the PSP process)

- Regional services and infrastructure planning model – each Victorian government agency responsible for delivery of services into growth areas to develop regional (or growth corridor) plans outlining service models, service standards and the planned location of supporting infrastructure. Each agency to have a single point of entry to facilitate better coordination between its planning and provision mechanisms and external agencies and consultants involved in land-use planning activities.

- Common platform for social planning and research – all levels of government and agencies commit to using a common platform for social planning and research – population forecasts, needs analysis, models of service and community development approaches.

- Whole-of-government services planning – translation of needs planning into comprehensive services plans for each LGA so that these can translate infrastructure and service requirements into individual PSP areas and the strategic land use planning processes (PSP 2.0).

- Alignment with PSP 2.0 – prior to initiating Precinct Structure Plan processes an all agencies strategic needs assessment will identify individual service stream infrastructure needs, actively develop, and explore options for co-investment and joint planning for facilities. This will result in a technical report (as an input into the PSP process) that outlines and documents the amount of land required for each class or type of infrastructure, preferred location, timing of delivery, facility size and an high-level functional brief for each facility.

- Efficient acquisition of land – government to pursue the most efficient acquisition of land and it is in the public economic interest to negotiate purchase, transfer or acquisition of sufficient land to be delivered in the right location and at the right time prior to adoption

of the PSP. This would deliver government significant cost savings and result in better planned and located services and infrastructure.

- Land-use literacy program – that the VPA develop a detailed land-use literacy program for Victorian government agencies that provides practical guidance on how to interpret land use plans, effectively engage with the land use planning process and access existing developer contribution mechanisms.

$[42]^2$

1. The Project

1.1. Background

42 Squared Consulting was engaged by the Interface Group of Councils to undertake the project in October 2019.

Project Objective

Develop an evidence-based, best practice model to guide the development of community infrastructure and service delivery designed to improve community outcomes across the Interface Councils Region and reduce the long-term financial burden on other levels of government caused by social disadvantage.

Establish a 'liveability and community outcomes' measures framework to enable monitoring of the development of viable and sustainable communities over time.

42 Squared Consulting had previously completed several projects exploring service models to support families and equitable distribution of human services for the Interface Councils.

The Interface Group of Councils has long advocated for the early delivery of services and social infrastructure to meet the needs of emerging communities in the growth areas of Melbourne.

Early delivery of community development, a broad range of services and supporting infrastructure is vital to meet the needs of families and individuals in the early stages of development as well as an effective means of supporting early intervention to prevent more critical problems arising.

This VPA funded project identifies a framework and model for integrated services and infrastructure planning in growth areas that can be piloted as an aligned activity to the Precinct Structure Plan Guideline Review (PSP 2.0) process.

The project has six main goals:

- to co-design a place-based services and infrastructure planning and delivery model that accounts for the identified needs of individual PSPs but also incorporates whole-of-government regional and Growth Corridor service and infrastructure requirements

- to design a framework model for an innovative place-based services and infrastructure planning model under the PSP 2.0 Guidelines innovation stream with the goal to achieve early delivery of whole-of-government human services and supporting (community) infrastructure in growth areas and strategic development sites

- to ensure integrated planning for services and community infrastructure prior to PSP process and land value uplift (i.e. at time of rezoning) to enable efficient allocation of land and developer / infrastructure contributions to meet early and long-term human service requirements

- to identify and facilitate the transfer of adequate land in the right locations to support early delivery of services and infrastructure and improved community access to basic human services and supporting infrastructure

- to identify anchor or trigger points within the PSP process to support inter-government agency planning to support the coordinated delivery of early services and infrastructure, and

- establish a framework that identifies and measures the cost burden of not providing services in a timely manner, the positive social impact and standards of 'liveability', model policies to create an authorising environment and decision-making frameworks.

1.2. Project partnerships

This project required the recruitment and coordination of several sub-consultants to support specialist areas of research and development.

Ethos Urban – literature review, economic research and modelling including potential of 'social cost prevented' framework

ASR Research – social infrastructure planning and linkages to Precinct Structure Planning

Dr Iain Butterworth – exploration of university-based liveability research and translation of this into a future pilot phase

Each partner has produced a stand-alone report which have been provided with this final project report.

1.3. Project methodology and timing

The project was initiated in late 2019 and was broken into five distinct phases of work as outlined below.

Phase One: Stakeholder Consultation and Literature Review

- Individual meetings with key stakeholders across Victorian government, local government, and partner CSOs.
- Review of relevant academic and other literature

Phase Two (concurrent with Phase One): Project Partner Coordination and Case Studies

- Individual desktop research by Project Partners.
- Case studies (what has and has not worked from Interface Councils.)

Phase Three: Framework Development

- Development of a framework for facilitating and achieving place-based integrated planning (post-PSP) and discussion brief that incorporates the research work of the project partners.

Phase Four: Workshop Exposure

- Exposure to workshops:
     1 x cross government
     1 x Interface Councils and delivery partners
- Update of framework

Phase Five: Strategic Workshop – Final Report

- Finalisation at strategic workshop with senior delegates from Interface Councils + key agencies + VPA

[42]²

Project Close

Project timing

The project was initiated in October 2019 and was expected to be completed by the end of June 2020 with the following milestones:

- October 2019: Finalisation of return brief and appointment of project team
- January 2020: Completion of stakeholder consultation and review of Consultation Findings Report
- February 2020: Project Partner Desktop Research and Discussion Paper completed
- March 2020: Presentation of draft research results, outline of model and workshop(s) with key stakeholders to review and provide input
- May 2020: Strategic workshop and partner commitment
- June 2020: Receipt of draft and final reports – including a steering group review and amendments to the Final Report.

Additional deliverable

A requirement for an additional deliverable was included in the project soon after initiation, the scope of the deliverable was briefed as:

- to influence the review of Precinct Structure Planning (PSP) Guidelines to achieve early delivery of required human services and supporting community infrastructure in growth areas and strategic development sites

- achieve early integrated planning for services and community infrastructure prior to value uplift (i.e. at time of rezoning) to enable efficient allocation of land and developer / infrastructure contributions to meet early and long-term human service and requirements

- to facilitate the transfer of land in appropriate locations to support early delivery of services and infrastructure and community access, and

- to provide anchor or trigger points within adopted PSPs for inter-government agency planning to support the coordinated delivery of early services and infrastructure

A survey was sent to all Interface Councils via Human Service Directors to seek feedback on priority services and programs for communities in the early stages of development as well as the spatial requirements for supporting infrastructure. A workshop to engage senior officers and social planners from Interface Councils provided advice on the survey findings to develop an initial framework that is discussed at section 2 in this report.

COVID-19

Consultation and engagement with Interface Councils and state agencies were completed by late February 2020 and partner reports were received in draft form around the same time.

Towards the end of February 2020, it was clear that COVID-19 was going to disrupt the project and it was becoming increasingly difficult to find times in diaries and organise consultation meetings.

The declaration of a Victorian State of Emergency in response to the COVID-19 pandemic from midday on 16 March 2020 and introduction of social distancing measures meant that all face-to-face meetings and workshops had to be abandoned and an alternative plan for completion of the project initiated.

Two key workshops had been planned for the week commencing 16 March 2020, one for senior representatives of Interface Councils and one for Victorian state agency representatives. The workshops were designed as an opportunity to engage with, and process feedback from the consultation activities and to frame priorities for a future pilot project. These workshops were ultimately abandoned, and an alternate course of action developed.

2. Priority services and infrastructure for early delivery

2.1. Background

In the early stages of project, a request was received for the development of a list of priority services and supporting infrastructure that might be considered for 'early delivery' in new development areas.

'Early delivery' was defined as from the time first residents arrived in a new development area to a population level of 5,000. This definition was in response to a perception that the first social infrastructure service platform was being delivered too late and missed opportunities to support important community development and early intervention activities within newly forming communities.

2.2. Methodology

A survey was developed and circulated to Interface Council Human Service Directors seeking feedback on priority initial 'services and supporting community infrastructure' that would provide appropriate levels of support for new growth area communities. The survey asked relevant senior officers to think about community needs in the early stages of development, population of up to 5,000.

The survey used a MoSCoW analysis process to prioritise services using the following criteria.

MoSCoW Analysis (Prioritisation Matrix)

Must have – services and programs that are critical to establishing a liveable community. Should be delivered as 'local' on-the-ground services from the earliest stages of development.

Should have – important programs and services but not absolutely necessary in early stages of development. Might be delivered on outreach or mobile basis or sub-regional delivery model. Planning for delivery in medium term is a priority.

Could have – programs and services that are desirable but not necessary in early stages of development. Might be delivered on outreach or mobile basis or sub-regional delivery model. Planning for delivery in medium term is a priority.

Won't have (at this time) – least critical services and programs that will be delivered on a sub-regional or regional model and may be provided when community reaches appropriate scale.

The priority services identified in Table 1 below were categorised as 'must have' through the survey process. A 'life-stage' approach to describe service types and sought feedback on the services that should be considered a priority in the early stages of development.

2.3. Survey Recommendations

The survey results informed a workshop with social planners and senior officers from Interface Councils. A summary of priority services and infrastructure for early delivery is outlined in Table 1 below.

Population Catchment Hierarchy	Services & Infrastructure	Notional Space Allocation	Notes
Level 00 0 to 500 people Early community development needs.	Meeting Space (Small) Consulting Room	$20m^2 - 30m^2$ $20m^2$	May be provided by developer attached to Sales Office at prominent central location or by relocatable provided by Council on a site provided by the developer. Most likely local government, community health and some DHHS funded services.
Level 0 500 to 5,000 people Early delivery of core services and platform for 'visiting' or outreach service providers. Up to $1,500m^2$ internal + $2,000m^2$ external	Early Years Active Learning Spaces Community Meeting & Activity Consulting / M&CH Shared Office Storage & Circulation Total Internal External Space	$400m^2$ $200m^2$ $300m^2$ $150m^2$ $300m^2$ $1,500m^2$ $2,000m^2$	Pre-school (3 rooms) and playgroup Engagement and community development M&CH and visiting specialists Council and NGO service providers and specialists (DHHS, Justice etc.) Estimate for internal circulation Play, parking and external activity Requires accessible location near transport and activity centre. Engage funded non-government service and community health providers to deliver on an out-reach basis in response to emerging needs. May be first stage of development on the site for larger hub development or library development[1] – land allocation up to $10,000m^2$

Table 1: Recommended Service Model

Observation 01: Over the past decade most Interface Councils have created strategies to ensure
        early delivery of social infrastructure to support service needs during the early stages of

---

[1] May be smaller footprint if vertical hubs are developed.

development. A priority requirement is to understand how early delivery can be supported through the strategic land-use planning process and how state agencies are better engaged in the process.

Recommendation 01: That the VPA, local government and other agencies involved in land use planning for new developments in growth areas should consider and include mechanisms to deliver social infrastructure (Level 00) in the initial stages of development to meet the needs of the first residents. This should be delivered before population reaches 500 and could easily be delivered from a locations such as an attachment to the Sales Office or in a relocatable building provided by Council and located on developer land within an activity centre.

Observation 02: Community and social infrastructure planning practice has identified five levels of provision based on population and catchment. This project has identified that additional work is required on planning for two additional levels of early infrastructure that could be delivered flexibly through innovation and partnerships with developers or state agencies.

Recommendation 02: That the VPA, local government and other agencies should also consider the provision of more permanent community infrastructure (Level 0) to meet the needs of up to 5,000 people, this could be provided as the first stage of a larger hub development or as a temporary structure to be relocated or re-used for other purposes.

2.4. Informing Work

Growth Area Social Planning Tool

A recurring theme in literature reviewed and raised in the development of the Growth Area Social Planning Tool was:

… the need for early delivery of social infrastructure including the need for a community meeting place through which information, programs, support services can operate. Early community engagement through a community development officer, for example, can begin the process of

- *linking residents to each other and to local programs and services*
- *ascertaining residents' aspirations and strengths*
- *establishing a sense of belonging*

The Growth Area Social Planning Tool outlined how it might align and coordinate with the precinct structure planning process to undertake a needs analysis, develop a community infrastructure background study incorporating community building as well as physical infrastructure requirements.

Figure 1: Growth Area Social Planning Tool alignment with PSP process
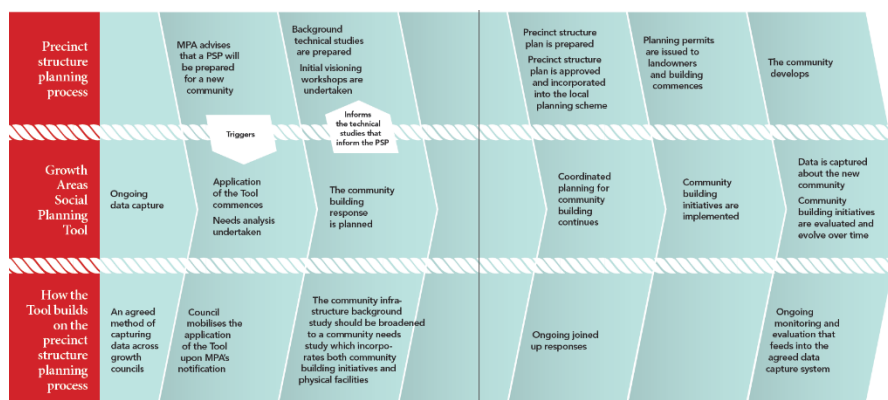
Planning for Community Infrastructure in Growth Areas

A comprehensive report developed by a group of Interface Councils, Planning for Community Infrastructure in Growth Areas (2008)[2] outlined a population-based hierarchy over five levels as outlined in Figure 2.

Hierarchy	Items
Level 1 *Up to 10,000 people*	• Government Primary Schools (including out of schools hours care)/Early years' facility • Level 1 Council Community Centres/ Early years' facility/Neighbourhood House • Level 1 Active Open Space • Level 1 Passive Open Space (including Level 1 playgrounds) • Long Day Child Care Centres • Social housing
Level 2 *Between 10 and 30,000 people*	• Government Secondary Colleges • Catholic Primary Schools • Level 2 Indoor Recreation Centres • Level 2 Council Community Centres/Early Years' Facility/Neighbourhood Houses • Low Order Tennis Facilities • Low Order Youth Facilities • Maternal & Child Health (within every second Level 1 Early Years' Facility) • Occasional Child Care (as part of every Neighbourhood House and Leisure Centre) • Residential Aged Care
Level 3 *Between 30 and 60,000 people*	• Libraries • Aquatic Leisure Centres • Community Arts Centres • Catholic Secondary Colleges • Higher Order Active Open Space Reserves • Level 3 indoor recreation centres • High Order Tennis Facilities • Lawn Bowls Facility • High Order Dedicated Youth Facilities • Level 3 Council Community Centres • Level 2 Community-based health precincts (dedicated outreach health precinct sites) • Early Childhood Intervention Service • PAG facility • Delivered meals facility • Level 3 adventure playgrounds • Other independent schools
Level 4 *Total municipality*	• Main Council Civic Centre • Level 3 Community-based health precincts – Day hospitals that contain main or outreach Community Health Centre site (including Mental Health) • Synthetic athletics track
Level 5 *Two or more municipalities*	• Highest Order Performance Arts Facility • Universities/TAFEs • Level 4 Community-based health precincts - Hospitals with community-based health services • Regional Parks

Figure 2: Population Hierarchy - ASR Research 2008

One of the shortcomings to be addressed by this report is how community infrastructure and therefore required services and programs might be delivered earlier. As outlined in the previous section there are two additional levels are recommended for early provision:

- Level 00 (0 to 500 population) – small meeting space with consulting room that might be delivered as an adjunct to a developer sales office, and
- Level 0 (500 to 5,000 population) – first stage of a larger hub development that would support the early delivery of core services in the early development phase of a community

---

[2] ASR Social Research, A. Fernon & R. Panozzo (2008)

Supporting Interface Families Report

Completed in 2017, the Supporting Interface Families Report surveyed local government and non-government practitioners and sought feedback on the importance and effectiveness of a range of services in growth areas.

Figure 3 below indicates that on a scale of 0 to 10 the importance of all services is rated more than 8.5 with the most important services being mental health, Family Support, Primary and Secondary Education, Family Strengthening and Maternal & Child Health. Except for education, these services can be delivered at the Level 00 and 0 stage using the infrastructure outlined above.
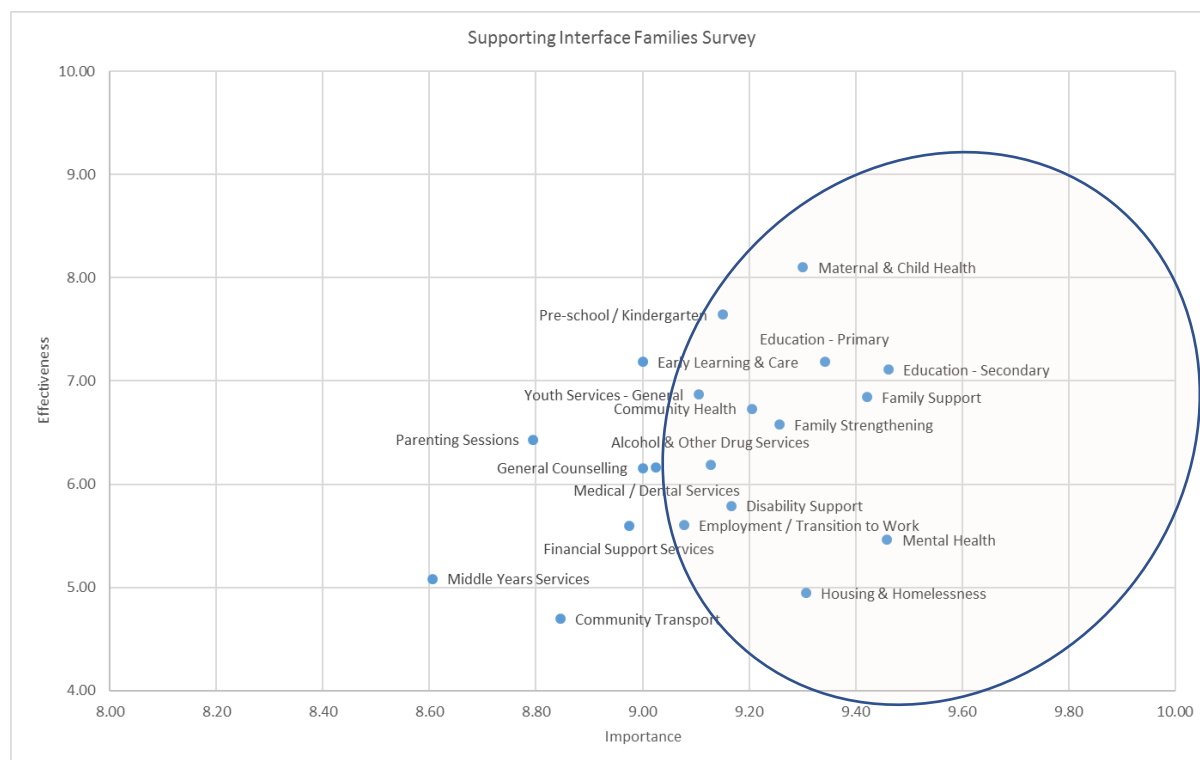
Figure 3: Supporting Interface Families Report - Importance and Effectiveness of Services Survey (2017)

Observation 03: The issue of early delivery of social and community infrastructure to support required services and community development activities in new development areas has been on the agenda for decades. What is required is the appropriate planning and project delivery mechanisms to be embedded in strategic land-use planning and cooperative participation across all state government agencies.

3. Partner Reports

3.1. Ethos Urban

Ethos Urban was engaged to:

- Quantify the long-term financial burden to government associated with higher levels of disadvantage if services are not delivered in a timely way.
- Develop an evidence-based, best practice model to guide the development of community infrastructure and service delivery designed to improve community outcomes across the Interface Councils and reduce the long-term financial burden on other levels of government caused by social disadvantage.
- Establish a 'liveability and community outcomes' measures framework to enable monitoring of the development of viable and sustainable communities over time.

The intent of the Ethos Urban discussion paper is to present a preliminary Economic Assessment framework that could be confirmed and implemented as a pilot in the next phase of the project.

Social Cost Prevented

The Ethos Urban report outlines initial indicators that might be used to measure the benefits of improved services and social infrastructure planning in the context of social cost prevented.

Domain	Issues	Social & Economic Costs
Crime – lack of social infrastructure and associated preventative services can result in higher crime rates in communities.	The Socio-Economic Indexes for Areas (SEIFA) highlight that there is a significantly higher level of disadvantage in Interface Councils Region areas and this trend has been consistent over time.	Financial costs – value of property damaged or lost. Prevention and mitigation costs – amount spent on safety and security measures in anticipation of crime. Court and detainment costs for convicted persons. Insurance costs – additional premiums. Productivity costs – lost economic output due to lost time and property damage Victim services costs – cost of providing social and community support. Reputational costs – perceptions of high-crime area on economic development and investment.
Health – poor health outcomes, including mental health, can lead to	Factors such as household income, education, housing and social connectedness are	Employment – leads to increased tax revenue and reduced welfare payments.

Domain	Issues	Social & Economic Costs
a range of costs to society and government.	key indicators of health outcomes.	Incomes – improved wage levels lead to greater disposable income and tax receipts. Savings to the health system – reduced costs of hospitals, primary care and prescribed medicines.
Congestion – lack of access to local social infrastructure and services adds to congestion pressures.	Principal causes of congestion include: – Inadequate public transport – High car dependency – Lack of enough local jobs – Lack of adequate local health, education and community services – Lack of adequate local recreation, cultural and leisure facilities	The Ethos Urban One Melbourne or Two? Report (2018) estimated the cumulative social cost of congestion in the Interface region to be $42 billion between 2016 and 2031. Victorian Grants Commission data indicates significant growth in the length of urban and rural roads carrying high traffic loads.
Employment – early provision of infrastructure has the potential to generate direct and indirect local employment.	Clustering can have a multiplier effect if facilities are planned in an integrated manner. Interface Councils have consistently higher unemployment rates and low employment self-sufficiency rates compared to metropolitan Melbourne and regional Victorian areas. There are job deficits across all occupation types, but white-collar job deficit accounted for two-thirds of the total deficit in 2016, for example.	Centrelink and other payments (federal) Reduced income tax, Medicare levy and superannuation tax receipts (federal) Reduced payroll receipts (state)

Table 2 – Initial Indicators – Social Cost Prevented

Financial Cost Indicators

A critical issue for all levels of government (especially in a post COVID-19 environment) is the efficient use of available resources. There are significant opportunities for the Victorian Government to deliver greater public and financial value from existing investment and to ensure that facilities are planned and delivered in a coordinated and integrated manner.

[42]²

Domain	Issues	Financial Costs
Land Purchases – stage of development	The cost of land purchase can vary greatly depending on the stage of development (refer Figure 4 below): Farmland – $1/m^2 DCP/ICP – $25/m^2 Permits approved – $420/m^2 Post permit – $840/m^2	Purchasing land later in the development cycle leads to significantly higher costs. Negotiations for land when under demand pressures can lead to higher cost outcomes. Late acquisition may also mean less ideal site or location.
Resource Allocation – timing of investment decisions.	Fragmented or delayed delivery of social infrastructure.	Missing opportunities for joint-procurement and delivery to take advantage of economies of scale. Oversupply of services in some areas. Pressure bottlenecks and waiting lists in services over-run with demand from a wide catchment. Increased service delivery costs.

Table 3 – Initial Indicators – Financial Measures

Figure 4: Development Chain Framework (From Acil Allen (2019), Streamlining for Growth Evaluation for VPA)

Financial savings and other benefits

The *One Melbourne of Two (Update 2018)* report estimated that $1.48 billion would be required to provide new infrastructure to support primary and secondary schools in Interface Council growth areas between 2016 and 2031.

Around $75 million of this estimated budget is related to the cost of purchasing 150 hectares of land at $500,000 per hectare or $50/m2.

The *One Melbourne or Two* estimate of land cost in this analysis appears to be very conservative:

- The 2018/19 Education Department Financial Statements includes reference to land for 8 schools in the growth areas being purchased for $60 million (50% funded through GAIC

Building New Community Fund)[3], this equates to approximately $1.3m per hectare or $130/m2.

- An analysis of Valuer General data on property sales for Metropolitan Melbourne and Melton Shire Council indicates that the actual cost of acquisition of Government school land ranges between $2m to $3.6m per hectare ($200/m2 to $360/m2).

The real price of land acquisition is probably between $150/m2 and $200/m2 and therefore if DET/VSBA and other state agencies were able to acquire land more efficiently through the PSP process there are opportunities for significant financial savings and other benefits:

– Assuming a $150/m2 price and total budget of $225 million for land, a 20% saving on land price for primary and secondary schools translates to a potential $45m saving for the Victorian Government budget over the period

– land would potentially be acquired in better locations with opportunity for better master-planning for other complementary facilities, roads, traffic, and open space

– opportunities for joint planning, investment and development of facilities could deliver additional savings though economies of scale and efficient procurement processes

– if the same principles around land acquisition and transfer is applied to a broad range of state infrastructure (health, community health, human services, justice, police and emergency services etc.) there are enormous opportunities for real savings to the Victorian Government budget.

Observation 04: Significant positive feedback on the social and financial cost-prevented framework was received from Interface Councils indicating that there was further interest in exploring how this could be explored and benefits through a proposed pilot phase.

Observation 05: High-level estimates of potential Victorian Government budget savings from acquiring land for primary and secondary schools earlier in the development process range from $150m to $400m for the period from 2016 to 2031. There are other planning and project delivery benefits that would also come from greater certainty in land acquisition.

Recommendation 03: That the VPA ensure that any pilot project commissioned out of the findings of this project include the further exploration of the social and 'financial cost prevented' framework developed by Ethos Urban and that a specific focus be given to how land to support all Government services can be more efficiently and effectively acquired to deliver budget savings, broader project benefits and greater public value.

3.2. Practical application of Liveability research

Dr Iain Butterworth (formerly of DHHS) was engaged to develop a discussion paper to:

- Discuss the practical application of the liveability research in the context of a new integrated planning model.

---

[3] https://www.education.vic.gov.au/Documents/about/department/2018-19-financial-statements.pdf Note 74 - page 136

- What would that mean in terms of assembling data and what would the methodology look like?

The discussion paper provides a broad overview of policy commitments to the concept of Liveability as expressed in Plan Melbourne, the Planning & Environment Act 1987, Victorian Health & Wellbeing Act 2008, Transport Integration Act 2010, Metropolitan and Regional Partnerships and other relevant plans and strategies.

It describes how a practical Liveability framework might be applied at a local level to provide evidence of inequities, act as a diagnostic tool to assist policy makers and identify risks to inform policy and urban planning decision making.

A key government policy, the Victorian Public Health and Wellbeing Plan (2015-2019) and (2019-2023), define a 'Liveable community' as one that is:

safe, attractive, socially cohesive and inclusive, and environmentally sustainable; with affordable and diverse housing linked by convenient public transport, walking and cycling infrastructure to employment, education, public open space, local shops, health and community services, and leisure and cultural opportunities.

The following definition of Social infrastructure is provided from Davern et al (2018):

… life-long social service needs related to health, education, early childhood, community support, community development, culture, sport and recreation, parks and emergency services. These services are needed to promote health and wellbeing. Underinvestment and poor planning of social infrastructure has been linked to area-based health inequities.[4]

The Department of Land, Water and Planning (DELWP) in collaboration with Resilient Melbourne have commissioned a series of research reports around the concept of 20-Minute Neighbourhoods, these were due for release during 2019 and 2020:

- ***Living Locally – Mambourin:*** Recommends strategies to stage social infrastructure through temporary activation and land use (led by Urban Planning and Design, Monash University)
- ***Living Locally - Beveridge North-West:*** A review of key literature, precinct structure planning and 20-minute neighbourhoods (School of Global, Urban and Social Studies, RMIT University)
- ***Assessment of retail model in greenfield development settings****: The social and health impacts of the form of shopping centres in new suburbs (School of Global, Urban and Social Studies RMIT University)*
- ***Identifying and valuing the economic benefits of 20-minute neighbourhoods****: Higher density mixed use and walkability dimensions (School of Economics, Finance and Marketing, RMIT University)*

The discussion paper outlines a number of issues and opportunities to be explored for a 'liveability and community outcomes' framework for Interface Councils, these include:

---

[4] Davern, M., Gunn, L., Whitzman, C., Higgs, C., Giles-Corti, B., Simons, K., Villanueva, K., Mavoa, S., Roberts, R., & Badland, H. (2018): Using spatial measures to test a conceptual model of social infrastructure that supports health and wellbeing, *Cities & Health*, DOI: 10.1080/23748834.2018.1443620

1. Adaptation of the RMIT Urban Liveability Index to assess and measure social infrastructure provision at a local, municipal, sub-regional and regional level.

2. Contribution to the development of the RMIT Liveability Observatory and assess its utility to map social infrastructure provision at different geographical scales.

3. Examining opportunities to integrate the RMIT Urban Liveability Checklist and the Monash Social (community) Infrastructure Audit Tool.

4. Exploring the opportunity to partner with the Australian Urban Research Infrastructure Network (AURIN) to develop a reference data set and potentially support the RMIT Liveability Observatory to conduct a systematic social infrastructure audit.

There was limited feedback from Interface Councils on the Liveability Report but interest in exploring the concept and engaging with Monash University, RMIT and the 20-Minute Neighbourhood Unit within DELWP. Feedback provided included:

- Interest in exploring the linkages between 'liveability' and new suburb development through a 'pilot phase'
- The approach outlined in the discussion paper was supported and should be included in the proposed pilot.

Recommendation 04: That the VPA ensures a future pilot project includes the further exploration of the concept of liveability and the practical application of liveability research in a new integrated planning model, this will include:

- Adaptation of the RMIT Urban Liveability Index to assess and measure social infrastructure provision

- Application of the RMIT Liveability Observatory to assess its utility to map social infrastructure provision at scale

- Exploring integration of the RMIT Urban Liveability Index with Monash Social Infrastructure Audit Tool

- Partnering with the Australian Urban Research Infrastructure Network (AURIN) to develop a reference data set and potentially support the RMIT Liveability Observatory to conduct a systematic social infrastructure audit.

3.3. ASR Research & Community Planning

ASR Research was commissioned to undertake a review of existing processes and methodologies and identify gaps in health and human service infrastructure planning and provision.

The ASR report provides analysis on a limited number of services within the portfolio responsibility of the Department of Health & Human Services (DHHS) with the aim of outlining general principles that would improve the planning of services and supporting infrastructure. The report provides:

- An overview of DHHS portfolio and responsibilities and current initiatives in the growth areas
- An outline of DHHS roles and responsibilities as identified in Plan Melbourne

- Analysis of DHHS portfolio responsibilities in Precinct Structure Planning (PSP) processes and approved PSPs
- Analysis of a select number of services to determine current provision levels and project demand for each of them over the next 20 years
- Practical recommendations, highlights and opportunities for how DHHS (and therefore other agencies) might improve service planning and provision outcomes in the growth areas

Key observations from the ASR Report include:

- DHHS is responsible for funding, policies, programs and services that support the health, wellbeing and safety of all Victorians
- It funds over 2,000 non-government organisations to deliver health and human services and care
- It partners with other parts of the Victorian public service, local governments, non-government agencies and others to build community infrastructure capacity, participation and resilience
- The 2019-20 DHHS budget was just over $25.5 billion with $14.1 billion funding acute health services (57%), mental health $1.7 billion (7%), primary, community and dental $645 million (2.5%) and child & family services just on $1.45 billion (5.7%)
- Active state agency engagement in the land use planning processes is important for many reasons, the most important is responding to the growth in Melbourne's population by 2 million people to a total of 7 million over the next twenty years
- DHHS is identified as lead or partner agency in 15 of the 112 actions within the Five-Year Implementation Plan: Plan Melbourne 2017-2050, key actions with relevance to this report include:
    - Action 1 – Land use framework plans for each metropolitan region – land to be set aside for business and employment generating purposes – additional regional scale community, health, education, recreation, sporting and cultural facilities
    - Action 6 – Health and education precincts – review planning provisions for health and education precincts to support continued effective operation and future growth and expansion
    - Action 75 – whole-of-government approach to 20-minute neighbourhoods – identify and undertake flagship 20-minute neighbourhood projects with regions and private sector
    - Action 77 – Neighbourhood health and community wellbeing precincts and education services – plan for existing and new neighbourhood health and community wellbeing precincts and education services, particularly in growth areas, to ensure delivery of key services
- A review of approved Precinct Structure Plans across the seven main growth areas found that community infrastructure outcomes are largely limited to:
    - Passive and active open space (including local and higher order parks and reserves)
    - Indoor recreational facilities
    - Community service facilities owned and managed by Councils (multi-purpose facilities and libraries)
    - Government and independent school facilities
- Aside from engagement in the designated higher order health and education precincts, DHHS is largely not involved in the current batch of 'conventional' PSPs
- A VAGO Audit into Managing Development Contributions (March 2020) concluded:

"Overall, we found that Victoria's development contributions are not delivering the infrastructure that developing communities need to support their quality of life. This is largely because state agencies have not managed development contributions tools strategically to maximise their value and impact."

- The VAGO audit found that over 90% of Growth Area Infrastructure Contribution (GAIC) committed funds were directed to education or transport projects
- The report discusses the mechanics of the Infrastructure Contributions Plan scheme that has operated since 2015 which includes the authority to impose a standard levy for Community and Recreation facilities and a supplementary levy to fund health, emergency, education facilities and *other state works or services.*
- ASR notes on page 29 of the report that:

"The 'currency' of land use planning is land and infrastructure. If a service system or sector cannot express future need in terms of land and facility requirements and geographic placement, it risks being left out of the land use planning process altogether."

Observations from the service analysis section of the report include:

- Approximately 28% of the Greater Melbourne population currently lives in the seven growth area Councils, by 2041 this will increase to 34%. Up to half of Melbourne's total population growth in the period to 2041 will be in the growth areas of the Interface Councils.

Acute Health

- The Victorian Government has committed to significant improvement in acute health infrastructure in the growth areas but most of this planning is occurring outside the PSP approval process and in already approved PSP areas. This means that DHHS capacity to secure optimal locations, secure developer funding and look for integrated planning opportunities is significantly limited.

Community Health

- Community Health service are an important provider of primary care and often the first point of community contact with the broader health system. The report notes that the DHHS Community Health Reform Plan 2020-2024 states:

"There is no long-term plan for investment in capital and digital infrastructure for community health services. This impairs the sector's understanding of how to deliver joined up, appropriate care to vulnerable Victorians".

Mental Health

- The Statewide Infrastructure Plan includes an action item to address critical gaps in mental health services. The plan acknowledges that Victoria does not have enough mental health community and bed capacity to meet the growing demand and complexity of needs in the community which means that only people with severe symptoms or very acute illness are able to get access to a bed, and opportunities to support them in the community are very limited.

Family Support (Family Violence)

- The Statewide Infrastructure Plan includes an action item to respond to vulnerable and complex needs groups by establishing health and wellbeing hubs. These will be community-based hubs for a range of health and social services to be coordinated from and/or delivered in a single location. The mix and level of services within the health and wellbeing hubs will vary, depending on the needs of the local community. They will be linked to wider service networks and hubs, including the Support and Safety Hubs, to promote stronger systems of prevention and care.

The ASR Report makes these recommendations:

- DHHS to assemble a centralised provision planning unit to provide a single point of entry into the DHHS service system for external agencies and consultants involved in land use planning activities
- VPA to provide DHHS with a detailed land use literacy program that provides practical guidance on how to interpret land use plans and effectively engage with the land use planning process
- DHHS to prepare a Strategic Planning Framework and DHHS Growth Corridor Infrastructure Plans which includes provision guidelines that identify and articulate ideal provision levels, service models, locations and land and facility size.

There was positive feedback from Interface Councils on the ASR Report, this included:

- The general approach outlined to services and social infrastructure planning outlined in the report was supported by Interface Council feedback
- The development of a centralised planning and provisioning unit would provide a single point of entry for local government and other non-government providers and stakeholders
- The concept of a land-use literacy program for all levels of government was highly supported by Interface Councils

---

Observation 06: The ASR Report focused on a narrow band of services funded by DHHS but it is clear that the learning, observations and recommendations could be translated as a standard methodology to other government agencies (Police, SES, Ambulance, Justice, etc.) charged with planning and commission of services and supporting social infrastructure.

Observation 07: There is general support from DET/VSBA, DHHS and other Government agencies to explore how services and infrastructure planning can better integrate with strategic land-use planning processes. There are a range of issues related to state policy and authorising environment that will need to be engaged with and resolved through a pilot phase.

Observation 08: The framework and approach to whole-of-government services and infrastructure planning proposed in this report was generally supported by agencies and whilst the ASR Report had a focus on DHHS the principles around single-point-of-entry, development of clear service models, land and infrastructure requirements, authorising environment and ensuring regional needs connect with local area planning are applicable to all agencies.

Recommendation 05: That the VPA develops a detailed land-use literacy program for Victorian government agencies that provides practical guidance on how to interpret land use

---

plans, effectively engage with the land use planning process and access existing developer contribution mechanisms.

Recommendation 06: That the Victorian Government fund a whole-of-government project led by the VPA for government agencies to co-design (with input from local government and other stakeholders such as developers, landowners, Catholic Education etc.) a common framework for planning and commissioning services and make recommendations regarding:

- The creation of an appropriate authorising and policy environment
- The establishment of a whole-of-government policy for how services might be planned at a regional-level and translated into local area land use plans (at LGA and PSP level)
- How service planning, commissioning and infrastructure investment and delivery processes of key Government agencies could better intersect with land-use planning (specifically the PSP process)

Recommendation 07: That the VPA commission a series of pilot projects to assess the effectiveness of the framework and conduct a longitudinal study to assess the cost to Governments to determine if the earlier provision of infrastructure and services resulted in long-term financial savings for governments and better livability outcomes for residents.

Recommendation 08: That the VPA engage with the Land and Infrastructure Working Group on how government land can be more efficiently acquired for use by DHHS, VSBA, Police and other agencies through the Precinct Structure Planning process. This review should consider the acquisition and transfer of 'generic government land' (i.e. Crown Land) at an efficient price to avoid raising expectations, support better coordinated planning and ensuring the best locations for major infrastructure.

4. Consultation Outcomes

A discussion paper based on findings from the first stage engagement was developed to inform Stage Two consultations with Interface Councils and state agencies. This paper provided an overview of feedback received through face-to-face consultation in the first stage of the project as well as a summary of the project partner reports.

Extracts of the discussion paper are attached at Appendix One: First Stage Consultation Outcomes.

Full copies of final reports are available with the final project report.

4.1. Interface Councils Feedback

There was generally positive feedback on the consultation report and support for the directions outlined in the paper. The four top-priority issues identified by Interface Councils in the Stage Two feedback were:

- Regional planning framework
  - Incorporating planning for regional and sub-regional services and infrastructure is incorporated into planning for new PSPs, this includes:
    - Feed into LGA based services and infrastructure planning

- Avoiding the need to purchase land at higher cost at a later stage in the development process
- Acquisition of land in a less-optimal location (i.e. away from activity centres or transport hubs)
- Retro-fitting major social infrastructure will impact on transport and other physical infrastructure planning and miss out on collaborative planning and co-location opportunities

- Human service delivery
    - perceived lack of a coherent service model for many human service programs
    - reliance on capitated funding and commissioning models means that there is often no physical platform for early delivery of outreach services or programs, and
    - absence of DHHS from PSP and municipal services planning was identified as a key issue.
- Transport
    - the need for better place-based approaches to transport
    - more innovative solutions to local issues
    - delivery of government (VPA) policy objectives (higher accessibility and walkability ratings)
- Infrastructure lag
    - addressing the causal factors contributing to infrastructure lag was highlighted by several Interface Councils, this includes
        - the development and sequencing pressure
        - multiple growth fronts within a single PSP
        - lack of certainty around capital funding
        - competing priorities for rate funding, and
        - compounding impact of rate capping for some Councils.

Other issues identified in feedback included:

- Land acquisition – feedback generally related to the location, timing, and cost of land acquisition
    - Land in or adjacent to Activity Centres for government and non-government services was identified as a critical issue. Given that Activity Centres are focus areas for transport, and a destination, it is critical that non-government service agencies, government and local government can locate programs and services in these locations
    - Timing of release or acquisition of land was a critical issue:
        - Timing of release is impacted by internal development sequencing that might not be a priority for the developer
        - Acquisition of land for social infrastructure and services after the PSP process is concluded means location, cost and ability to undertake collaborative planning is compromised – this is particularly critical for the location of major infrastructure such as hospitals, community health, tertiary institutions etc.
- Coordinated investment decisions was identified as a key issue for some councils:
    - Having certainty about sources of funds (DCP/GAIC/rate revenue/grants) would support better coordination of investment decisions

- o Coordination on investment would support better master-planning around schools and joint-use community centres, facilities, and open space
- The developer contributions system attracted feedback from Interface Councils, this focused on:
  - o Existing system excludes some types of social infrastructure – libraries and recreation and aquatic facilities
  - o Lack of coordination between funding sources and budget processes on state and local infrastructure
  - o Need for a more strategic approach to funding and investment in social infrastructure
- Existing PSP review – most adopted PSPs are not being reviewed due to time and resource constraints and a sense that it is not worth the effort
- Better sequencing
  - o Introducing mechanisms to control the release of land within an adopted PSP would ease the pressure on resources and mean that infrastructure could be delivered in a more effective manner
  - o PSP preparation in a more logical order to support delivery of required infrastructure
  - o Lack of controlled sequencing means a greater number of 'growth fronts' – this spreads government resources thinly and slows development of required infrastructure
- Needs planning – whole-of-government needs planning based on agreed development and demographic parameters would be welcomed and create opportunities for tailored social and community infrastructure responses
- State government land – Interface Councils identified that by ensuring state agencies acquire land in the appropriate location this would support better transport and community planning and facilitate joint-planning and procurement opportunities
- Community impact – the real community impact of lack of local services and programs, this includes increased travel time, waiting lists, congestion, lack of local access and little opportunity for early community building initiatives

---

Observation 09: The issues identified by Interface Councils will need to be incorporated into the proposed pilot projects, some will have relevance to the pilot and improved strategic land-use planning processes and others will need to be addressed through other mechanisms.

Recommendation 09: That the VPA work with key government agencies and Interface Councils on the design and commissioning of the pilot project consider each of the issues raised through consultation and incorporate those relevant to the development of an integrated planning framework and PSP and other land-use planning processes.

Recommendation 10: That Interface Councils reviews the outcomes from the consultation phase of this project and develop an advocacy and action plan to address priority issues that fall outside of the integrated planning framework and proposed pilot project.

4.2. State agency feedback

Consistent feedback from state agencies included:

- Annual state budget cycle – the constraints on efficient and effective land acquisition and cooperative project planning imposed by the annual budget cycle was listed as the highest priority by four state agencies. Agencies are by necessity wanting to plan in longer cycles (5 to 10 years) for required infrastructure but there is no ability to effectively commit to projects unless they are approved through the budget cycle.
- Regional planning framework – three state agencies noted that regional planning for services and supporting infrastructure needed to be improved and supported by structural changes to organisations, commissioning models and budget processes. High level planning for services and supporting infrastructure must start at the regional (or Growth Corridor) level and then drop down into sub-regional, municipal, neighbourhood and PSP areas.
- Government land – was identified as a priority issue by three agencies, this includes being able to secure land at an affordable price, in the appropriate location and at the right time to support planning for joint use and development as well as place-based master-planning. Transfer of land after PSP approval and during mid-stages of development creates several issues for government, these include:
  - Entering negotiations for acquisition of land when demand for services is high allows developers to charge for higher prices
  - Compulsory acquisition adds cost through time lost, legal fees and solatium paid (usually 15% of land price) to the developer / landowner
  - Sufficient land may not be available in the right location, especially if density has increased and larger facilities are required
  - Land prices escalate dramatically through the PSP process and it would be significantly more efficient to acquire prior to PSP approval or permit issue

Specific feedback was received from the following agencies:

DELWP (Local Government Victoria)

- Local Government Victoria (LGV) is responsible for the administration of the GAIC Funding Program and participate in the whole-of-government Land and Infrastructure Working Group (LIWG) and associated sub-groups.
- LGV supports the development of a framework and model for integrated services and infrastructure planning in growth areas that can be piloted as an aligned activity to the Precinct Structure Plan Guideline Review (PSP 2.0) process.
- The consultation report has certainly highlighted a highly complex operating environment, and we acknowledge that GAIC is one of several infrastructure funding mechanisms.
- Although DELWP is the policy owner and financial manager of GAIC, it has no direct influence over allocations made through the state budget process. This means that DELWP cannot take an overarching strategic approach to selecting GAIC projects in areas of greatest need and benefit.
- LGV is the view that reform is possible in this space, and that the GAIC Funding program has the potential better direct funds to the areas of greatest benefit and consider a more flexible and strategic delivery model.

- LGV support the development of a strategic infrastructure pipeline, which aligns with SIDAs and the PSP 2.0 program.
- We would encourage greater collaboration with the Local Government sector and as well as Ministerial engagement/authorisation. With the right environmental settings, the GAIC program has the potential to provide a greater degree of funding certainty and support timely delivery of infrastructure.
- We would also urge that this project gives due consideration to the Managing Development Contributions Audit findings and recommendations.

Victorian Planning Authority

- Noted that the goal of the project was to support councils, state agencies and non-government providers who plan and provide for human services. This would be achieved
- The VPA disputes feedback from Interface Councils regarding *'limited though being given to increasing density near transport infrastructure'.*
- The VPA advocates for better coordination between DCP/ICPs and GAIC and ensuring plans are appropriately executed.
- The variability in service planning models and the need for stronger PSP input from DHHS and VSBA is noted and is an area that the DHHS project is intending to address.
- The development of a draft PSP Practice Note for inclusion in the PSP 2.0 Planning Toolkit is noted.
- The suggested pilot projects that are included in the report are projects that the VPA would be interested in seeing advance as part of the next tranche of PSPs.

Victorian School Building Authority

- It is understood that the Streamlining for Growth project aims to identify a framework and model for integrated services and infrastructure planning in growth areas. The project will involve working with key agencies and local government to design a best-practice response and develop recommendations on potential changes to policy, regulation, and legislation. It will be developed and tested through a pilot process over a six- to nine-month period.
- While the VSBA already works closely with the Victorian Planning Authority and local councils in the development of Precinct Structure Plans (PSPs), the Streamlining for Growth project provides scope to recommend improvements to PSP development and implementation processes. Some topics of interest for the VSBA include: addressing development sequencing and site readiness challenges; securing land in a timely manner; smoother processes to adapt to changing circumstances, such as increased population and housing densities, post PSP approval; and better consideration of the need for non-mainstream government education services, such as provision for specialist schools, in the development of PSPs.
- I note the Discussion Paper includes a broad overview of the project outcomes, with limited detail on the proposed process, outputs, and resource implications. I understand a more detailed project plan will be developed in a subsequent

Framework Document. As such, the VSBA is happy to participate in the project, with the details of our involvement to be agreed as your project planning progresses.

DHHS

- **Integrated Planning:** DHHS acknowledges that the planning for health and human services has previously not integrated well with planning for growth areas. With the formation of the Precincts Unit, we are moving toward an effective and efficient mechanism to engage with planning decisions.
- **Service Provision Levels:** DHHS has concerns about the concept of service provision levels. DHHS provide a huge variety of services across several domains of need, serving a range of population sizes. Demand for DHHS services changes depending on many factors, such as levels and concentrations of disadvantage in a community, changes in economic conditions affecting unemployment and housing prices, demographic trends and advances in policy and technology, among many others. While formulaic provision levels may be appropriate and accurate for services such as transport and education, they would not be appropriate for health and human services.
- While DHHS does not support rigid service provision levels, it is our intention to improve our forecasting and planning abilities to better respond to community need. Further work is required before a robust model is available.
- **Local and Regional Planning:** Most DHHS services are planned and managed on a regional basis. Services are typically based in Major or Metropolitan Activity Centres, as these are accessible and convenient to large numbers of clients. Neighbourhood Activity Centres would not usually host any DHHS-funded services. The only exception would be social housing, which can and should be available in any suitable location near everyday services and transport. Because our services are operated at regional scales, it would not be appropriate for DHHS to be involved in PSP level planning. For this reason, we strongly support the recommendation for regional-level planning areas and processes. Working at a regional level would be more efficient and feasible from a resourcing perspective and would also be more compatible with the department's structure of four Divisions across the state, each divided into a number of Areas. DHHS would suggest discussion between VPA and relevant departments to identify suitable regions for planning purposes.
- **GAIC:** The administration of GAIC funding is ineffective, with DHHS receiving an unduly small proportion (90% is expended on education and transport). This funding is distributed through an intra-government grants-like process, where a method of dividing funds between portfolios might be fairer. DHHS would like to see discussion and reform of the operation of GAIC.
- **Generic government land:** DHHS supports the recommendation of reserving generic government land for future use early in the development cycle, in order to obtain a reasonable price. In line with other comments, such reservations would need to be in identified Major and Metropolitan Activity Centres.
- **Co-location of government services:** DHHS would also like to explore opportunities for co-location of government services. We are already working with other departments to improve outcomes for *'common clients'*. Depending on community characteristics and need, there may be benefits to having, for instance, maternal

and child health services alongside childcare facilities, schools, and training providers. DHHS intends to discuss such opportunities with other departments. This concept should be considered in early decisions to reserve land and plan centres in order to drive efficiencies for government as well as good community outcomes.

- **Scope of planning processes:** Any process to integrate planning across government should also be applicable and suitable for urban renewal projects within Melbourne, especially Priority Precincts. DHHS appreciates that there are important differences between growth areas and urban infill development areas but planning mechanisms and decisions should result in effective distribution of resources across metro and regional areas.

DHHS has also indicated that highest priority issues are:

- Regional Infrastructure: an integrated approach to planning for regional health and human services infrastructure is needed as part of the precinct structure planning process. Provision of social and affordable housing should be included in the planning for growth areas and the precinct structure planning process.
- GAIC funding is problematic with health and human services receiving a relatively small proportion (90% is expended on education and transport). DHHS would like to see discussion and reform of the operation of GAIC. Currently, this funding is distributed through an intra-government grants-like process. DHHS recommends a more equitable method where funds are divided between portfolios and community needs would be more equitable.
- Reserving generic government land: DHHS supports the recommendation to reserve generic government land for future use early in the development cycle, to obtain a reasonable price and strategic location.
- Co-location of government services: DHHS would like to explore opportunities for co-location of government services and improved outcomes for *'common clients'*. DHHS intends to discuss opportunities to do this with other departments. This concept should be considered in early decisions to reserve land and designate centres in order to drive efficiencies for government as well as community outcomes.

DHHS is not supportive of involvement in each PSP process and believes that planning for infrastructure on a regional basis will better support the approach for health and human services.

Observation 10: The feedback from state agencies is very encouraging and there appears to be enthusiasm at senior levels for participation in a co-design pilot project to test how services and infrastructure planning can work better and integrate with strategic land-use planning processes such as PSP 2.0.

Recommendation 11: That the VPA engages with DJPR/LGV, DHHS, VSBA and other key agencies on the design of the pilot projects to ensure the issues, impediments and barriers identified through consultation are incorporated into the project brief and confirm that agencies are committed to participation in the pilot phase.

4.3. Victorian Auditor General

The Victorian Auditor General has completed two audits in the past three years with direct relevance for this report.

1) *Effectively Planning for Population Growth* (August 2017)

This audit focused on the planning for services and infrastructure in response to continuing and projected rapid population growth in the greenfield growth areas in the Interface Councils Region. This audit looked specifically at planning for birthing, MCH and kindergarten services but the recommendations and learning are applicable to other human and health services.

The audit found that although the timely provision of services and infrastructure to communities through orderly development is a key objective for government, the arrangements that support coordinated planning and implementation are not clear.

Under the existing arrangements, there is no mechanism to require key state government agencies to fully participate in the integrated land use planning process or to fulfil any commitments they make through these plans.

Key findings included:

- There is scope to improve integrated planning for services and infrastructure by ensuring key agencies, departments, and other stakeholders from government fully participate in the VPA's precinct structure planning processes.
- There is a need for improved coordination and integration of planning processes and decision-making on local service delivery and supporting infrastructure across government agencies.
- Existing cross department and agency coordination and collaboration processes have recurring problems that should be addressed, these include insufficient accountability for outcomes, limited oversight for performance and unclear leadership roles and responsibilities.
- There is a need for improved collection of system-wide information on services and infrastructure requirements to inform integrated planning.

Recommendations:

- In collaboration with state agencies develop and advise government on mechanisms that will support them to participate effectively in the precinct structure planning process and integrate proposals into planning and delivery processes.
- Develop guidelines that clarify the concept of timely provision of services and infrastructure.
- VPA and DHHS to monitor the effectiveness of PSP processes in relation to Health Precincts.
- Develop and clarify the governance and oversight arrangements for the Office for Suburban Development and other planning and delivery coordination mechanisms.

2) *Managing Development Contributions* (March 2020)

This audit focused on the management of development contributions and how well the program is delivering required infrastructure for growing communities.

Key findings included:

- Development contributions tools have been developed over decades with seemingly little thought as to how they inter-relate, interact or if they have collective aims.
- There is a need for an over-arching strategy or management structure to guide and coordinate development contribution tools.
- There is a lack of program specific goals and evaluation which prevents government from understanding the impact of the program.
- The Victorian government's outcomes architecture provides a suitable foundation for establishing an evaluation framework.
- GAIC funding is not strategic and is split between two processes – DELWP interdepartmental committee and the annual budget process.
- The DCP program carries significant risks and barriers to participating for councils, these include:
  - The cost of developing a DCP
  - The time it takes to have a DCP approved
  - The complexity and resources required to manage a DCP
  - The financial risks associated with entering a DCP

The audit concluded that Victoria's development contributions are not delivering the infrastructure needed by growing communities to support their quality of life. This is because:

- State agencies have not managed development contributions tools strategically to maximise their value and impact.
- Tools are managed in isolation with no overarching strategy, goals, or plan to drive and measure collective success.
- The GAIC program is inefficient and lack strategic effect due to funding decisions split between two disconnected processes.
- The Infrastructure Contributions Plan (ICP) program implementation has been delayed and the Development Contribution Plan (DCP) program remains complex an, costly and time-consuming.

Recommendations

- That DELWP, VPA, State Revenue Office (SRO) and councils create an overarching framework that establishes:
  - A strategic direction for development contributions
  - Clear and holistic accountability
  - A central source of development contributions advice
  - A development contributions tool to support and assist councils and agencies
- That DELWP and the VPA complete outstanding work to implement the Infrastructure Contributions Plan program and improve the Development Contributions Plan program by reducing the time, cost and administrative burdens associated with the program.

Observation 11: The recommendations from the Victorian Auditor General reports provide significant impetus for implementation of whole-of-government coordinated planning and delivery mechanisms that are focused on early delivery of services and supporting infrastructure in the growth areas of the Interface Group of Councils. VAGO has expressed an interest in remaining engaged in the process and mentioned the potential for a follow up audit in coming years.

4.4. Community Health Taskforce Report 2010

In the 12 months to September 2019 a comprehensive review and consultation process with the community health sector was led by a Community Health Taskforce. The report provided advice to the Minister for Health and Ambulance Services which is summarised in Table 4 below.

In the context of this project it is critical that:

- government clarifies and articulates the role of community health in the context of the broader health system
- integrated regional needs analysis and services planning consider the important role that community health should play in provision of primary health services in growth areas, at first on an outreach basis but then from purpose-built infrastructure co-located with appropriate community facilities
- DHHS ensures that community health is included in planning for the rollout of regional infrastructure including its responsibility in community hospital implementation
- the VPA ensures that community health providers are included as key service partners in land use planning processes

Advice	Actions
1. Clarity from government regarding the role of community health in the broader health system	• Articulate the integral role of community health in the broader health system. • Identify community health services as the preferred delivery partner in system innovation, reform and planning. • Formalise the role for community health as part of the community hospital implementation.
2. Support a sustainable sector to enable services to integrate with the broader system	• Support community health to source funding to update ageing infrastructure, including exploring innovative finance options such as zero or low-interest loan schemes and shared equity models. • Facilitate sourcing innovative financing options for community health service delivery such as social impact bonds. • Build data capability to enable greater integration. • Ensure community health is a fundamental part of Victoria's health workforce planning. • Develop sector capability to maximise use of Medicare Benefits Scheme (MBS) items and other funding sources. • Support development of a business model that facilitates service delivery in thin markets, particularly the delivery of general practitioners, allied health and mental health workers.
3. Creating a system and policy environment that drives quality and outcomes	• Develop a community health outcomes framework. • Develop a performance management framework and sector capability framework. • Provide flexible and outcomes-based funding that is adjusted for social complexity. • Enable community health services to deliver and design models for greater active care coordination, and referral pathways for complex clients. • Leverage community health services to reduce avoidable hospital demand by providing incentives for collaboration and integrating acute interfaces with primary and community health. • Develop innovative models of care for target groups such as children in out of home care and people with complex chronic conditions. • Test digitally enabled models to support the delivery of high-quality care for Victorians, including exploring the expansion of telehealth capabilities to facilitate greater care coordination.

Table 4: Summary Advice to Government - Community Health Taskforce (2019)

Community health services provide an important element of primary health and integrated care for all Victorians but particularly those from disadvantaged backgrounds. Community health is well placed to be able to provide integrated models of primary care including general practitioner, allied health, disability support, mental health, and other critical services.

Unfortunately, there has not been a clear articulation of the role of community health and certainly no integrated planning for how services are expanded into the growth areas of the Interface Councils. Often it has been left to councils and community health centres working together to lobby and advocate for funding rather than this being in a planned and integrated manner.

Community health centres operate under two distinct legal and governance arrangements:

- Integrated community health services operate as part of Victorian public hospitals, and

- Registered community health services operate as independent companies limited by guarantee and receive funding from DHHS.

Observation 12: Community health is an important provider of primary health services in Victoria but there is a need to clarify its role in the context of the broader health system and also better integrate into how services are planned and supporting infrastructure delivered.

Recommendation 12: That DHHS includes consideration of community health services in its services and infrastructure planning for growth corridors and that the VPA incorporates community health as a key service provider in precinct structure planning and other land use planning processes.

---

5. Proposed Planning Framework

There was consensus that a pilot project should proceed to further develop the indicative planning framework for services and supporting infrastructure outlined below. The pilot projects could be aligned to the VPA's PSP 2.0 Review process.

5.1. Indicative Planning Framework

An indicative services and infrastructure planning framework outlined at Figure 8 was tested through the consultation phase and is recommended as the initiation point for discussions in designing pilot projects. It has been adapted from social infrastructure planning frameworks currently being developed within some Victorian councils.
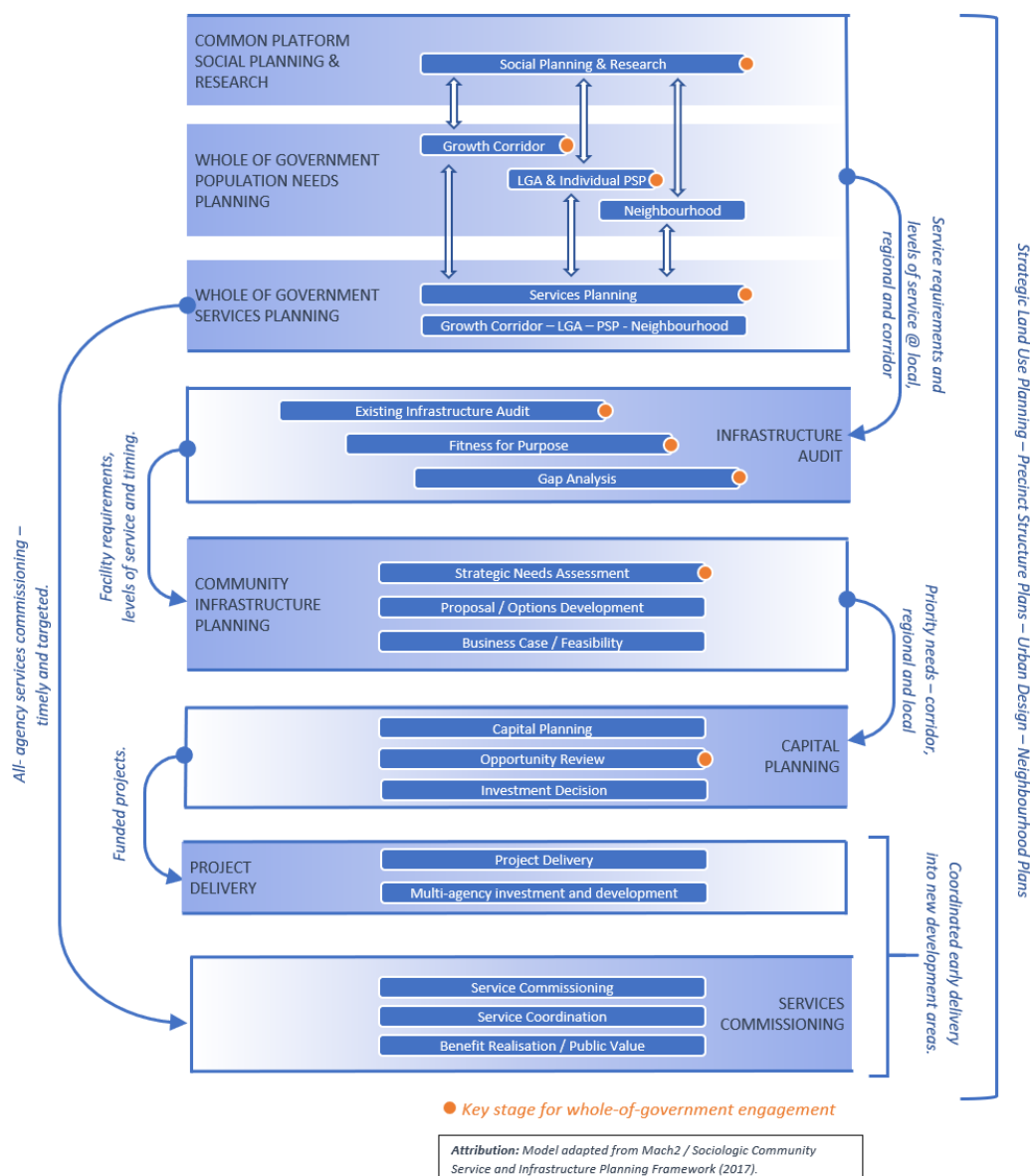
$[42]^2$

Figure 5: Indicative Services and Infrastructure Planning Framework

Explanatory notes to the framework:

Common Platform Social Planning and Research – all levels of government and all agencies commit to utilising a 'single source of truth' to inform services and infrastructure planning.

Whole-of-government population needs planning – regional cross organisational planning that plans for current and emerging population at Growth Corridor, LGA and individual Precinct Structure Plan and Neighbourhood level.

Whole-of-government services planning – translation of needs planning into services plans – established 2 to 5 years out from strategic land use planning (PSP) and development cycle commencing. This includes consideration of regional infrastructure needs such as hospitals, community health, regional sports, performing arts etc.)

Infrastructure Audit – place-based audit of existing infrastructure to understand existing capacity and fitness-for-purpose of facilities – access-based audit for new growth areas. This will rely on service standards and expectations being known.

Community Infrastructure Planning

–   strategic needs assessment by all agencies – identify individual service stream infrastructure needs (i.e. health network & hospitals, schools, community health, M&CH, pre-school etc.)
–   Proposal/Options Development – active exploration of options for co-investment and joint planning for facilities – pre-project status allows flexibility
–   Business Case/Feasibility Study – options analysis and refined cost model development – this will determine prioritisation for land transfer, investment, and project delivery

Capital Planning – priority needs at a Growth Corridor; regional and local level are transferred into agency capital planning processes as active projects[5]. A further 'Opportunity Review' for coordinated cross-government investment is conducted within the capital planning process.

Investment Decision – coordination of investment decision will be critical for delivery of multi-agency projects and priority to be given to gateway projects.

Project Delivery – investment is approved, and Project Delivery phase marks the start of implementation. There is little or no chance of major variation or departure from approved scope.

Services Commissioning – during Project Delivery all agencies review initial Services Planning and ensure that funding is available to support infrastructure activation and operational costs. Service coordination and agreement on operating model and governance is essential prior to construction starting.

Strategic Land Use Planning – Precinct Structure Plans and land use planning (rezoning) will be the primary vehicle for allocation and transfer of land to support services and infrastructure development. Urban Design and Neighbourhood Planning will have a significant impact on liveability and access to services, infrastructure, and community development initiatives.

---

[5] This is the first time that 'initiatives' will be called 'projects' in the process to manage expectations.

5.2. PSP 2.0 Practice Note - Draft

The project has developed a draft *Practice Note for State Government Agencies* that has been provided to the Victorian Planning Authority for inclusion in the PSP 2.0 Planning Toolkit. (Refer Appendix Two.)

The document seeks to provide guidance for State Government agencies responsible for the planning, funding, regulation, delivery, and operation of various forms of community infrastructure and associated services.

The purpose of the Practice Note is to provide relevant state agencies with high-level guidance on the preparation of agency-specific infrastructure plans and improve agency engagement processes that can assist the VPA and other local planning authorities to determine a number of matters including (but not limited to):

1. Whether specific Precinct Structure Plans (PSPs) should set aside land for a particular state agency funded, regulated, or operated service or facility?

2. How much land should be set aside?

3. Where such land should be located within a PSP?

4. Whether identified infrastructure items can be co-located with other State Government or Local Government infrastructure items for the purposes of reducing land acquisition and/or construction costs? and

5. Whether identified infrastructure items should be included within a PSP Infrastructure Contributions Plan (ICP) and/or eligible for Growth Areas Infrastructure Contributions (GAIC) funding?

A key aim of the Practice Notice is to increase the efficiency and effectiveness of the Precinct Structure Plans (PSPs) and processes in outer metropolitan growth areas and urban renewal locations in inner and middle ring Melbourne.

5.3. Alignment with PSP 2.0

A key objective for the project is to ensure alignment of any proposed services and infrastructure planning model with the Precinct Structure Planning processes. The VPA is currently in the end phase of developing revised guidelines for Precinct Structure Planning and will be in consultation with Local Government and other stakeholders from mid-2020.

Stakeholder feedback driving the review process included:

- Recommending shorter delivery times
- More upfront collaboration – whole-of-government approach required
- Planning for place – alignment to 20-Minute Neighbourhood Framework
- More innovation – alternative responses at different stages
- Balancing government objectives – meaningful performance targets

- Streamlining the PSP document – define an alternative pathway to support innovation or enhanced performance

It was noted that previous PSP processes could take on average three and a half years to complete and the target established for PSP 2.0 is for a two-year timeframe as outlined in Figure 6.
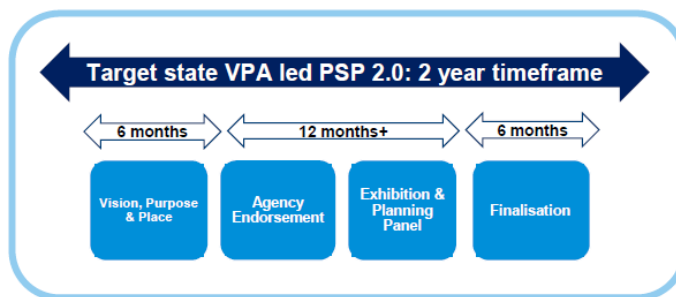

Figure 6: PSP 2.0 target timeframe

The PSP 2.0 guidelines propose that the 20-Minute Neighbourhood Framework and UN Sustainable Development Goals are used as the integrating planning framework. The hallmarks of the 20-Minute Neighbourhood Framework include:

- **Viable densities** – higher densities, especially around activity centres will encourage and support the delivery of appropriate social infrastructure and services
- **Safe, accessible & well connected** – early delivery of local infrastructure and services in the best location enhances accessibility, improves safety, and builds social inclusion
- **Connect people to jobs and services** – early delivery of education, health and community services will provide enhanced local employment opportunities
- **Services and destinations** – early delivery and coordination of whole-of-government services and infrastructure will reduce
- **Thriving local economies** – innovative approaches to attract and retain non-government and private services through government investment in hubs and activity centres
- **High quality public realm** – co-location of schools and community facilities with open space to enhance public safety and assist activation
- **Infrastructure coordination** – whole-of-government services and infrastructure planning – completed at growth corridor level and dropping into individual PSPs as required – efficient and effective delivery of regional and municipal-level social infrastructure
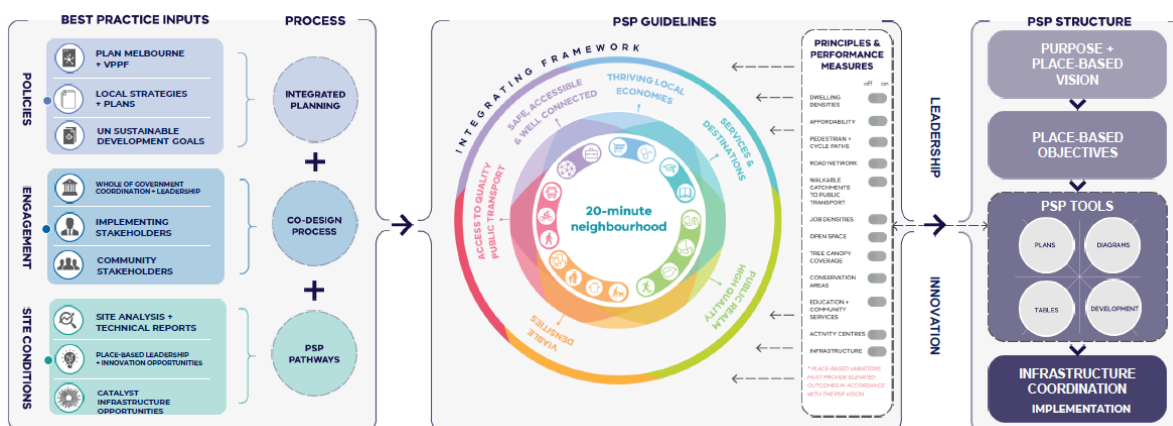

Figure 7: PSP Guidelines Model (VPA/Mesh March 2020)

5.4. Pilot design directions

The following design directions were tested through stage two consultation and have been amended based on feedback. They are offered as the starting point for development of the pilot projects.

Pilot design directions

A. Pilot objective – co-design of an integrated whole-of-government services and social infrastructure planning framework to ensure the most efficient timely delivery of required services and facilities within a nominated PSP area.

B. Timing – the 2-year target timeframe for PSP 2.0 development means that whole-of-government services and infrastructure planning must be conducted in the 9 to 12 months prior to the initiation of a PSP process and that it drop into individual PSPs as a 'Best Practice Input'.

C. Participants – it is proposed that key state agencies (DHHS, Justice, VSBA, Suburban Development, Economic Development and others as required) together with the VPA and host local government form a Steering Group supported by Technical Working Groups as required. The agency with the largest investment or stake in the project will chair the governance arrangements.

D. Governance – the pilot phase will explore the principles and structures for the effective governance of a whole-of-government approach to services and infrastructure planning that starts with regional needs and ends with localised land use planning processes (PSP).

E. Authorising environment – the pilot phase will explore the creation of an appropriate authorising environment (through policy or legislation) to support systematic and ongoing planning for services and infrastructure in growth areas?

Recommendation 13: That the VPA and/or other agency consider funding of a pilot project for government agencies and Interface Councils to co-design an integrated framework for the planning and commissioning of services and supporting infrastructure with a brief to make recommendations to government regarding:

- the development of an appropriate authorising and policy environment
- whole-of-government policy setting for regional service planning and translation into local area plans and PSPs
- how service planning, commissioning and infrastructure investment and delivery processes could better intersect with land-use planning (specifically the PSP process)

Recommendation 14: That key government agencies (including DHHS, DJCS, VSBA etc.) responsible for the planning, funding, commissioning, and delivery of services into growth areas should:

- develop regional (or growth corridor) plans outlining service models, service standards and the planned location of supporting infrastructure
- create a single point of entry to facilitate better coordination between its planning and provision mechanisms and external agencies and consultants involved in land-use planning activities

---

- ensure that regional service and infrastructure plans are translated into LGA level plans, and
- engage with the VPA-led Precinct Structure Planning processes to translate service models into land requirements, desired locations and opportunities for joint project development.

5.5. Pilot Project Governance

A key issue for the VPA and other stakeholders is to determine an appropriate governance structure for a pilot phase and how an appropriate authorising environment will be established.

The existing Land and Infrastructure Working Group inter-departmental committee should be tasked with developing the pilot phase project and ensuring that an appropriate policy and authorising environment is established for the project.

The intent of the pilot phase is to enter a whole-of-government co-design process to test the application of an integrated and coordinated services and infrastructure planning model for growth areas and make recommendations back to government on:

- State-level policy changes that will be required to support achievement of integration and coordination objectives on an ongoing basis
- Changes to systems and processes to institutionalise the changes and ensure programmatic coordination with land-use planning processes
- Measure and evaluate the effectiveness of the integrated planning and delivery processes

5.6. Whole-of-Government Approach

One of the key drivers for this project was to understand how state agencies could better engage with the Precinct Structure Planning process and therefore ensure the effective, efficient, and timely delivery of services and supporting infrastructure.

As previously stated, the currency of land use planning is land and infrastructure requirements. For an agency to be able to effectively participate in and benefit from land use planning processes it must be able to:

- Identify and define the model of service for each of its programs and activities and how this applies to differing levels of geography – i.e. growth corridor, regional, sub-regional, municipal, and local level
- Understand the drivers of demand and be able to articulate preferred service levels or service standards at each level of geography
- Articulate provision guidelines that identify preferred locations, land and facility size that can be translated into technical specifications and requirements

Effective planning for a PSP must include the potential requirement for:

- Location of regional-level infrastructure to support services for LGA or sub-region
- Development and location of municipal-level infrastructure to support services with demand beyond the individual PSP

- Local social and community infrastructure to meet the additional demand driven by the population of the PSP under consideration.

Pilot design directions

F. Pre-PSP input – the pilot phase project will develop and confirm a range of inputs into the individual PSP process, this will include: translation of local strategies and plans; service, infrastructure and land requirement schedules, identification of siting criteria and joint development opportunities and catalyst and infrastructure investments.

G. Regional and growth-corridor requirements – the pilot project will include consideration and placement of whole-of-government service and infrastructure requirements at a regional, LGA and local level.

H. Agency and government planning – should consider the requirements for locating regional, municipal and local community and social infrastructure within the PSP and be able to translate these into preferred locations and land and facility size.

I. Common social planning platform – an objective of the pilot will be to establish an agreed social planning and research platform to inform all-agencies planning. This will include negotiation on target population, housing density, high-level future-community needs analysis and reference to existing tools such as the Growth Area Social Planning Toolkit.

J. Codesign of service and infrastructure framework – the pilot phase will develop recommendations through a co-design process for the establishment of a service and infrastructure planning framework that could be adopted by each state agency to ensure systematic coordination with land use planning processes such as Precinct Structure Planning.

K. Technical report – a key output from the pilot phase will be a technical report (as an input into the PSP process) that outlines and documents the amount of land required for each class or type of infrastructure, preferred location, timing of delivery, facility size and an high-level functional brief for each facility.

L. Land schedule – government should pursue the most efficient acquisition of land and it is in the public economic interest to negotiate purchase, transfer or acquisition of sufficient land to be delivered in the right location and at the right time prior to adoption of the PSP. The pilot will explore the mechanisms and processes associated with the efficient acquisition of land to deliver greater public value and most efficient use of government funds.

M. Strategic resource plan – the pilot project will identify likely sources of funding for land acquisition or transfer and infrastructure development. It will also seek to make recommendations on how feasibility studies and inter-government investment decisions can be aligned and coordinated to deliver greater public value and efficiencies for government.

Recommendation 15: A consistent platform for social planning and research – all levels of government and agencies commit to using a common platform for social planning and research – population forecasts, needs analysis, models of service and community development approaches.

Recommendation 16: Whole-of-government services planning – processes should be developed to translate regional needs planning into comprehensive services plans for each LGA so

---

that these can translate infrastructure and service requirements into individual PSP areas and the strategic land use planning processes (i.e. PSP 2.0)

Recommendation 17: Alignment with PSP 2.0 – prior to initiating Precinct Structure Plan processes an all agencies strategic needs assessment will identify individual service stream infrastructure needs, actively develop and explore options for co-investment and joint planning for facilities. This will result in a technical report (as an input into the PSP process) that outlines and documents the amount of land required for each class or type of infrastructure, preferred location, timing of delivery, facility size and an high-level functional brief for each facility

Recommendation 18: Efficient acquisition of land – government to pursue the most efficient acquisition of land and it is in the public economic interest to negotiate purchase, transfer or acquisition of sufficient land to be delivered in the right location and at the right time prior to adoption of the PSP. This would deliver government significant cost savings and result in better planned and located services and infrastructure.

5.7. Pilot site locations

Following consultation with Interface Councils, two possible sites have been proposed as locations for pilot projects at the next stage.

(a)   Beveridge North West Precinct Structure Plan – Mitchell Shire

VPA web link: http://vpa.vic.gov.au/project/beveridge-north-west/

The Beveridge North West Precinct Structure Plan (BNW PSP) was exhibited in August 2019 and is scheduled to proceed to Planning Panel in the middle of 2020.

Beveridge North West Partnership

The Beveridge North West Partnership comprises a broad range of stakeholders (council, private and not-for-profit service providers, the Victorian Government) focused on creating and promoting a partnership to shift the culture and practice of precinct planning and delivery. Its objective is to build a community at Beveridge North West that is fundamentally resilient: viable, sustainable, liveable, and prosperous.

> *"Beveridge North West presents an opportunity to set a benchmark for successful greenfield development, a place where people are proud to live, work, learn and play. The success of Beveridge North West requires early delivery of infrastructure and services that supports health, improves their resilience, future proofs their liveability and livelihoods and provides employment opportunities from the time residents move in."*

Partnership stakeholders are seeking to guide positive social outcomes for the future Beveridge North West community, with a focus on all aspects of liveability; including both physical and social infrastructure, the environment, transportation and access to services to meet the needs of the growing community. The partnership has been established since 2017.

Resilient Melbourne

The Beveridge North West Partnership is part of the Resilient Melbourne – Resilient Communities Initiative which has its focus how to plan for resilience in the early stages of planning metropolitan green field sites.

https://resilientmelbourne.com.au/resilient-communities/resilient-communities-beveridge-north-west/

Yarra Valley Water

Yarra Valley Water (YVW) owns 740Ha of land within the Beveridge North West PSP which equates to approximately 60% of the Beveridge North West PSP area.

The parcel, known as Hazelwynde, is intended to be used as a community asset to create further value for Victoria and for YVW customers. The land is currently required for operational purposes. YVW is currently exploring options for this land to be used to deliver a unique greenfield development opportunity that aims to deliver significant economic, social, and environmental outcomes of state significance. YVW is working closely with key stakeholders to pursue a course of action that will create a suburb that looks to set new standards for master-planned communities.

(b)   Packenham West – Cardinia Shire

Cardinia Shire has nominated Pakenham West PSP for inclusion in the pilot process. Pakenham West PSP is located between Cardinia Road Employment PSP and Pakenham South PSP and South East Business Park.

No strategic planning work has been completed on the PSP and this would allow a clean-slate approach to be taken in the pilot phase.

It is approximately 200ha in size and is part of the Officer State Significant Industrial Area and therefore it is assumed that it will deliver industrial and/or commercial outcomes.

It is not on the VPAs Statement of Expectations list from 2019.

It is adjacent to the future Pakenham Motorsports Facility to the South.

A high-level review has identified that significant investigations will be required on:

- Infrastructure
- Drainage
- Environmental design objectives
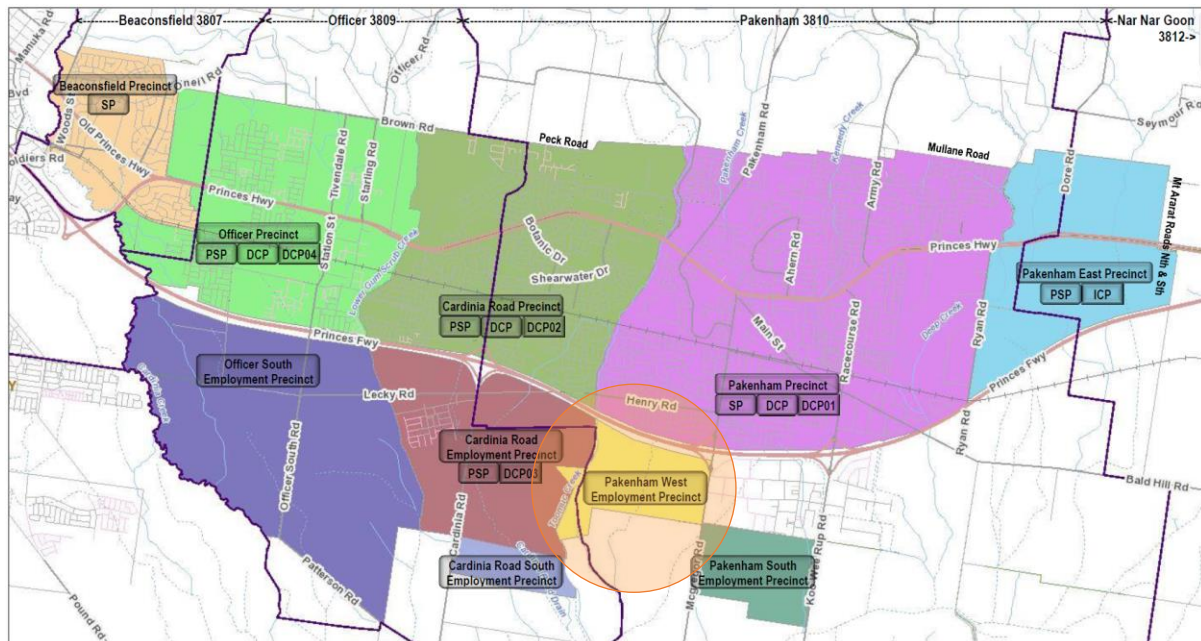- Economic objectives

Figure 8: Pakenham West Employment Precinct

Observation 14: The Beveridge North West PSP is under active development and consideration and provides a positive opportunity for a pilot project to be initiated to review how planning processes have been undertaken and how they might have been improved. There might also be an opportunity to feed into final PSP adoption processes.

Observation 15: There are several criteria that support the selection of Beveridge North West as a potential pilot site:

- a pre-existing partnership and stakeholder group can be used to evaluate the success of the approach and recommend enhancements of improvement for future PSP processes
- a large institutional landowner will allow engagement on establishing a clear vision for the site and how this might be translated through the land-use planning processes
- alignment with Resilient Melbourne and existing studies into how greenfield development might be better planned

Observation 16: The Packenham West PSP is a PSP with an employment focus but will require careful consideration of regional and local infrastructure to support services and jobs. This PSP has not had any strategic work undertaken and presents an opportunity for a clean slate approach.

Recommendation 19: That the VPA commission the further development of a brief for the conduct of a co-design pilot project to test the application of an integrated infrastructure and services framework at two locations: Beveridge North West PSP (Mitchell Shire Council) and Packenham West PSP (Cardinia Shire Council).

<<End of Report>> - August 2020

Appendix One: First Stage Consultation Outcomes

A series of consultation meetings were held with Interface Councils and senior representatives of key state agencies to identify and explore issues and impediments related to improved planning for services and infrastructure and the intersection with formal Precinct Structure Planning processes.

Local Government

Consultations with Interface Councils were successful and engaged multi-disciplinary and cross-Council groups in constructive dialogue and discussion. The two multi-Council sessions allowed comparison of approaches and confirmation of shared experience.

Planning matters

- **Existing PSPs** – many growth Councils are nearing the end of PSP approval cycle. Opportunity for five-year review not being used as there is no point of influence and expectations are baked in.

- **Development plan** – some Councils referred to loss of development plan or master planning to develop and influence finer grain view of community post PSP adoption. Understood this was resource intensive but was place where significant issues could be identified and dealt with.

- **20-minute neighbourhood** – needs much higher population densities to support the provision of social infrastructure at the required distance and frequency.

Development pressures

- **Interface Councils** – each Councils is in a different position on the development curve – Wyndham, Melton, Hume, Whittlesea and Casey well through PSP approvals. Cardinia and Mitchell are in quite different situations and need consideration due to disproportionate impact of the rate capping environment on internal resourcing and models.

- **Development sequencing** – lack of controls on sequencing creates multiple development fronts that stretches resources and elevates risk of infrastructure lag. Pace of development very much driven by market mechanisms with regard for government resource implications. Satellite developments do not have connecting transport, limited access to infrastructure and potentially isolated communities.

- **Intra-PSP sequencing** – increases the number of growth fronts with land for social infrastructure not released at right time or in the right place. Government and community 'pay' for costs and inefficiencies of non-sequential development.

- **Infrastructure lag** – caused by multiple development fronts, resource constraints and availability of land. Gap in cost of infrastructure sometimes filled by grant funding but often is ratepayer funded. Early delivery of infrastructure or service funding not proactively supported by the existing service model.

- **Increasing density** – PSP adopted at 15-17 lots per hectare and delivered at 20 to 23 lots per hectare. This creates issues for infrastructure planning assumptions and delivery of required schools, community centres and open space (active and passive). Smaller lots with large houses create increased demand for open space.

- **Minimum density** – PSPs only include minimum density requirements, lot sizes as small as 300m2 (or near 100m2 in one case) are being offered. Density controls stripped out of PSP

process so is now market driven. Limited thought is given to increasing density near transport infrastructure. Other impacts include impact on urban design, tree planting, crossovers, waste pick up, number of cars, open space.

- **Transport** – need to introduce a place-based rather than project driven approach – planning needs to be linked to investment decisions to enable exploration of social, economic and environmental benefits of major infrastructure projects.
- **Activity Centres** – tend to be larger than necessary, need to think creatively about the space allocated to deliver benefit for developers and community.

Regional planning

- **Regional infrastructure** – PSPs rarely include reference to regional infrastructure which then needs to be retrofitted at higher land cost and possibly non-preferred locations. Planning for regional facilities (hospitals, regional sports, performing arts, community health etc.) should feed into individual PSP processes at time of PSP development approval to enable efficient allocation of land and time for exploring opportunities.

Developer relationships

- **Side agreements with developers** – can be effective but also can lead to dispute, developers that understand value of community are better and tend to deliver on commitments.
- **Developers** – selling lots before they exist limits capacity of Council to negotiate and looks to coerce Council into a pre-committed position by the developer.

Contributions and other resources

- **DCP / ICP processes** – valued and work well but some issues remain in under-provision, agreeing quality standards, durability of build and cost escalation risk vesting with Council.
- **GAIC** – supports state infrastructure but is often not tied in with sequencing and not all agencies are involved in process. There is evidence of some coordination issues with major infrastructure (e.g. Packenham GAIC / LXRA).

Community impact

- **Time** – the amount of time consumed by congestion, travel to work and appointments is having a significant impact on community development in growth areas. Need to improve local access, walkability and consider temporary activation strategies early in development cycle.
- **Transport** – major issue in developing areas, > 1.9 cars per household is high cost and not sustainable. Annualised and lifetime cost is significant for individual family.
- **Government land at PSP stage** – calculation of whole-of-government land transfer to support local and regional infrastructure at time of PSP. Purchase at efficient economic cost, hold as generic land by independent agency and allocate to agencies when required.

Service planning

- **Needs planning** – difficult when population increases dramatically. For instance, Officer PSP was adopted at 28,000 and is now at 35,000 population which is a 25% increase on the original projection and poses questions and challenges around social infrastructure and open space allocations.
- **Common social planning and population data** – most Councils utilise id Forecast which is based in fine grain assumptions and is potentially more accurate than Victoria in Future – need to move to a common research and data set to inform consistent corridor and local planning.

- **VSBA** – operate effectively in planning space and integration with PSP process. Pipeline meetings generally positive but delivery on plans and proposals does not always happen – reliance on competitive annual budget cycle.

- **DHHS** – have been generally absent from the land-use planning process in the past but there is evidence that DHHS are starting to think strategically around regional and possibly local infrastructure requirements.

- **DJPR** – involved in initial planning around land allocation for economic development but local government suggests greater involvement in development phase. Questions around assumptions underpinning '1 job per dwelling' and traditional activity centre model – will deliver for the future of work and local professional employment.

- **Human service delivery** – capitated funding model works efficiently at scale but does not service emerging communities – need a flexible funding tied to capital grants to enable early delivery of services and infrastructure platform. Inflexible funding models constrains and frustrates being able to meet local need and early community development and preventative opportunities.

State Agencies

Engagement with state agencies was also positive with good engagement from senior levels in key target agencies.

- **Annual budget cycle** – the inability to commit funds outside the annual budget cycle limits capacity to pre-plan, explore opportunities and commit to integrated and coordinated planning.

- **Authorising environment** – there is a lack of a clear authorising environment (policy and legislation) to ensure or compel coordination and integration of major state agency service and infrastructure planning with land-use planning processes in growth corridors and key redevelopment sites.

- **Land acquisition** – a consistent issue across government where land is acquired at an inefficient price well into the development cycle. Developers know that government is under pressure by the time land is to be purchased or negotiated and the starting price is well above market or complicated by compulsory acquisition processes. Purchase or acquisition of land to be used within 10 years in growth areas should not be considered land banking.

- **Generic government land** – consider acquisition of generic 'government land' which is aggregated at PSP stage and held by independent statutory agency for reallocation when required by agencies. This will potentially avoid the development of expectations within community by labeling land with specific functions or future uses (school, hospital, community health or other). Land would be purchased at an efficient price and held for less than 10 years until it is required for government use.

- **Planning and land acquisition funding** – often tied up in single budget bid prior to due diligence and risk assessment – this can lead to issues in project delivery.

- **Increased density** – increased density of development areas creates issues for delivery of required services infrastructure – there is a need for processes that review PSP delivery and thresholds for notification of planning and delivery agencies of significant changes. Service and infrastructure plans need to be updated on a dynamic basis.

- **Planning region** – metropolitan Melbourne is too large and an LGA is too small – there is a need to identify a common intermediate planning unit (Fairer Victoria regions or another configuration as an adjunct to new Regional Land Use Plans) to allow for whole-of-government coordinated planning that can drop down to LGA and then individual PSPs.

- **Service model** – each service agency to have high-level provision standards that can be applied to growth areas – these will inform generic service models focused on prevention and early intervention as well as core infrastructure requirements to support early delivery.

- **Commissioning models** – introduce incentives into the commissioning models to ensure services are dynamically allocated into new growth areas – this will also need to include evaluation of service delivery to ensure supply is mapped to increased demand in high need areas.

- **Regional planning model** – each agency to potentially develop high level corridor and regional plans for services that inform land and infrastructure needs within each LGA. This could then drop into PSP 2.0 process as negotiation on land acquisition, cost, siting and timing requirements.

Appendix Two: Draft PSP Guidelines – State Agency Community Infrastructure Plans

Draft Guidelines for the Preparation
of
State Agency Community Infrastructure
Plans

1.   Purpose of Practice Note

The Victorian Planning Authority (VPA) has prepared the following Practice Note for State Government agencies responsible for the planning, funding, regulation, delivery, and operation of various forms of community infrastructure.

The purpose of the Practice Note is to provide relevant State agencies with high level guidance on the preparation of agency specific infrastructure plans and improve agency engagement processes that can assist the VPA and other local planning authorities with determining a number of matters including (but not limited to):

(a) Whether specific Precinct Structure Plans (PSPs) should set aside land for a particular State agency funded, regulated, or operated service or facility?

(b) How much land should be set aside or acquired?

(c) Where such land should be located within a PSP?

(d) Whether identified infrastructure items can be co-located with other State Government or Local Government infrastructure items for the purposes of reducing land acquisition and / or construction costs? and

(e) Whether identified infrastructure items should be included within a PSP Infrastructure Contributions Plan (ICP) and / or eligible for Growth Areas Infrastructure Contributions (GAIC) funding?

A key aim of the Practice Notice is to increase the efficiency and effectiveness of the Precinct Structure Plans (PSPs) and processes in outer metropolitan growth areas and urban renewal locations in inner and middle ring Melbourne.

The Practice Note is specifically targeted at State agencies responsible for community infrastructure provision in Victoria. Table 1 on the following page identifies the main community infrastructure types that sit within the portfolio of each relevant State agency or authority.

Table 1 – Main State Agencies Responsible for Community Infrastructure

State Agency	Main Types of Community Infrastructure
Education and Training	Government primary, secondary and specialist schools and Kindergartens

State Agency	Main Types of Community Infrastructure
Environment, Land, Water and Planning	Regional and State Parks
Health and Human Services	Public health, Ambulance services, Housing, Mental health, Child protection, Family services, Disability services, Ageing, Family violence, Community health, Cemeteries
Jobs, Precincts and Regions	Sport & Recreation, Arts & Culture
Justice and Community Safety	Police, Prisons, Youth Justice, Victorian State Emergency Services
Fire Rescue Victoria (FRV)	Fire stations
Court Services Victoria	Law courts

2.   Plan Melbourne

State agency engagement and participation in the broader land use planning process is important for several reasons, not least of which is adequately responding to the enormous scale of population growth projected for Greater Melbourne.

Greater Melbourne currently has a population of more than 5 million people and is projected to grow to 7 million by 2041. *Plan Melbourne* is Melbourne's metropolitan planning strategy that defines the future shape of the city and state over the next 35 years. Integrating long-term land use, infrastructure and transport planning, Plan Melbourne sets out the strategy for supporting jobs and growth, while building on Melbourne's legacy of distinctiveness, liveability, and sustainability.

The Plan focuses on the area comprising the 31 metropolitan municipalities, plus the part of Mitchell Shire that is located within the urban growth boundary. It also covers important issues for municipalities outside metropolitan Melbourne, particularly peri urban areas and regional cities, and key transport corridors.

Plan Melbourne includes Principle 5 which refers to "Living locally—20-minute neighbourhoods". This principle is focused on creating accessible, safe, and attractive local areas where people can access most of their everyday needs within a 20-minute walk, cycle, or local public transport trip.

Of relevance to this Practice Note are the directions and policies outlined in Outcome 5 (social infrastructure related directions) of Plan Melbourne.

Plan Melbourne's Five-Year Implementation Plan sets out 112 new actions to implement *Plan Melbourne*. These build on initiatives already underway. Each action identifies the *Plan Melbourne* direction it delivers.

Integrating actions across government will be critical for the successful delivery of *Plan Melbourne*. *Plan Melbourne* takes a whole-of-government approach to metropolitan planning implementation by embedding actions across state government departments, authorities, agencies, and local government.

State agencies are identified as a lead or partner agency in a number of the 112 actions in the Five-Year Implementation Plan including as a participant in the preparation of land-use framework plans for each of the six metropolitan regions. The land-use framework plans will include strategies for population growth, jobs, housing, infrastructure, major transport improvements, open space, and urban forests.

3.   Precinct Structure Plans (PSPs)

PSPs are master plans for local areas that usually cater for between 5,000 to 30,000 people, 2,000 to 10,000 jobs or a combination of both. They are the "blueprint" for localised development and investment that will occur over many years and will incorporate any relevant directions already outlined in the higher-level Framework Plan.

PSPs provide more specific detail regarding how existing important features of local communities such roads, shopping centres, schools, parks, key transport connections and areas for housing and employment may evolve or transform over time and become better integrated. PSPs will usually be the mechanism for providing direction on any planning zone changes and they will also identify the need for new or additional infrastructure to support increased housing and employment, along with funding mechanisms such as council infrastructure contributions charges.

Together with the framework planning, precinct structure planning is an important part of the State Government's strategy to address population growth and the housing and employment demands that flow from this.

The PSP process is largely overseen by the Victorian Planning Authority (VPA), a State Government statutory authority that reports to the Minister for Planning. The VPA's main task to make sure Melbourne and Victoria's regions remain great places to live. This requires vision and long-term planning, to ensure Victorians have equitable access to employment, public transport, attractive public space, and affordable housing.

The VPA was founded in 2006, originally as the Growth Areas Authority (GAA), to plan Melbourne's new suburbs in our growth corridors. The organisation's work has since been expanded to undertake strategic planning and coordinated infrastructure for the future growth and transformation of Victoria's cities and regions – from new suburbs in growth areas, to areas undergoing change and growth in inner and middle Melbourne and our growing regional towns and cities.

4.   PSP Community Infrastructure Assessment Process

A VPA / LGA / Developer initiated, and / or managed PSP community infrastructure assessment process generally consist of the following steps:

(a) Multi-disciplinary team of consultants appointed who work closely with Local Government officers and external agencies to prepare technical background reports

(b) Mix of land uses determined: transport, employment, residential, education facilities, open space, and community facilities

(c) Dwelling and population assumptions calculated

(d) External agencies consulted

(e) Service and facility demand estimated

(f) Facility land area sizes and locations identified

(g) Development contributions plan prepared

[42]²

(h) Plan exhibited and public submissions received

(i) Panel hearing if required, and

(j) Final Approved Plan.

As outlined in Section 5 below, the Practice Note encourages relevant State agencies and authorities to implement several process and strategic planning recommendations to assist with enhanced community infrastructure planning outcomes in Melbourne's growth areas and strategic urban renewal areas.

5.   State Agency Recommendations

5.1.   Organisational & Process Recommendations

Each State Agency is encouraged to:

(a) Assemble a centralised provision planning unit and provide a single point of entry into the agency service system for external agencies and consultants involved land use planning and broader community infrastructure planning activities.

(b) Request the VPA to provide a detailed land use 'literacy' program that gives practical guidance on how to interpret land use plans and effectively engage with land use planning processes. The education program should also provide guidance on the development contributions system and how State agencies can utilise these instruments to further State agency infrastructure and service goals.

5.2.   Strategic Planning Recommendations

Each State Agency is encouraged to:

(a) Prepare a **Strategic Planning Framework** that outlines how the State agency proposes to undertake more detailed infrastructure planning. The Framework should include a broad vision statement, planning principles and contain broad strategic objectives that link with the Agency's Strategic Plan and other State-wide Strategies and Plans. The Framework should also seek to:

   (i)   identify the scope of services and facilities within the agency's portfolio that will be the focus of growth corridor infrastructure plans, and

   (ii)   articulate provision guidelines for each. Provision guidelines should ideally identify preferred provision levels, service models and locations, and land and facility sizes.

(b) Take a lead role in preparing more detailed Growth Corridor Infrastructure Plans that specifically respond to *Plan Melbourne*. These plans should ideally be developed in the form of three growth corridor plans:

   (i)   State agency South East Growth Corridor Infrastructure Plan

   (i)   State agency North Growth Corridor Infrastructure Plan, and

(ii)   State agency West Growth Corridor Infrastructure Plan.

(c)   Where appropriate, identify key agency partners to assist with the planning, delivery, and funding of each Growth Corridor Infrastructure Plan.

6.   Development Contributions

Development contributions are payments that developers and landowners make to the state government or a local council to help fund infrastructure for growing communities. These contributions can also take the form of in-kind works, facilities, or services[6].

There are four main development contributions mechanisms. These are:

(a)   The Growth Areas Infrastructure Contributions program, or GAIC, allow the state government to obtain funds from developers to help deliver state infrastructure in Melbourne's fringe suburbs.

(b)   The Development Contributions Plans program or DCP, allow councils to obtain funds from developers to help deliver community or transport infrastructure.

(c)   Then, instead of using a DCP, seven councils in growth areas can use the Infrastructure Contributions Plans program, or ICPs, to support infrastructure delivery. ICPs are meant to be simpler and cheaper than DCPs. The government is still implementing the ICP program and plan to expand it to more councils.

(d)   In addition to DCPs and ICPs, councils can also enter voluntary agreements (Section 173 agreements) with developers on a project-by-project basis.

The Victorian Auditor-General's Office (VAGO) recently tabled a report into 'Managing Development Contributions' (18 March 2020). The VAGO report concluded:

"Overall, we found that Victoria's development contributions are not delivering the infrastructure that growing communities need to support their quality of life. This is largely because state agencies have not managed development contributions tools strategically to maximise their value and impact".

6.1.   Growth Areas Infrastructure Contribution (GAIC)

GAIC is the most applicable and appropriate of the four main development contributions funding instruments for delivering State agency capital infrastructure projects. GAIC allows the state government to obtain funds from developers to help deliver state infrastructure in Melbourne's fringe suburbs.

Aside from the Department of Education and Training (DET) who are responsible for the planning of Government schools, very few State agency community infrastructure forms are represented in

---

[6] For example, if a developer buys an old factory site and wants to build an apartment complex, they may need to pay a levy to the council to fund nearby parks, community centres, sports grounds, or other local infrastructure.

approved PSPs. This has hindered and may continue to limit the capacity of State agency to source and utilise valuable GAIC funding.

6.2.   Infrastructure Contributions Plan (ICP)

In 2015, Parliament amended the Act to establish the ICP program. A 2016 ministerial direction made the ICP program available to the seven main growth area councils. VPA has developed eight ICPs so far, the first of which was gazetted in 2017. Currently, when a ministerial direction brings a new area into the ICP program, it replaces the DCP program. Existing DCPs continue until they are finalised.

The infrastructure levy may be made up of a standard levy, a supplementary levy or both.

The relevant Ministerial Direction[7] states that State infrastructure must not be funded from a standard levy. However, State infrastructure items shown in Table 2 on the following page may be funded by a supplementary levy. Any criteria in the Table for applying a supplementary levy must be met. This is particularly relevant for State agencies responsible for various forms of community infrastructure.

Table 2 - State Infrastructure Supplementary Levy Allowable Items

Supplementary levy allowable item		Criteria for applying a supplementary levy
Transport infrastructure	Construction of declared State roads, including intersections and bridges, and public transport infrastructure	• The infrastructure is identified in a growth corridor plan or equivalent State or local strategic plan adopted by a Minister, government department or a planning authority; • The development generates a need for the State infrastructure; • The provision of State infrastructure through the infrastructure contributions plan complies with section 46GH of the Act; and • The State or State government agency has agreed to be the development agency for the infrastructure item.
Community facilities	Construction of state education, health or emergency facilities	
Other State works, services or facilities	Construction of infrastructure that is essential to the development of the area	

---

[7] Source: Ministerial direction on the preparation and content of infrastructure contributions plans and Ministerial reporting requirements for infrastructure contributions plans, July 2018

7.   Priority Locations for State Agency Community Infrastructure

Derived from *Plan Melbourne*, Table 3 below provides an indication of potential (but not exclusive) priority locations for State agency infrastructure. Any future strategic planning work undertaken by State agencies should consider the role these centres will play in accommodating future capital infrastructure proposals. The list includes both existing and potential future precincts.

Table 3 – Priority Locations for State Infrastructure

Activity Centre Type	South East Growth Corridor		North Growth Corridor			West Growth Corridor	
	City of Casey	*Shire of Cardinia*	*City of Hume*	*City of Whittlesea*	*Shire of Mitchell*	*City of Wyndham*	*City of Melton*
National Employment & Innovation Clusters (NEIC)	-	-	-	-	-	Werribee NEIC	-
Health / Education Precincts	Berwick Health / Education Precinct	-		Northern Hospital		Werribee NEIC Health / Education Precinct	Melton Health
Metropolitan Activity Centres	Fountain Gate – Narre Warren Metropolitan Activity Centre		• Broadmeadows Metropolitan Activity Centre • Future Lockerbie Metropolitan Activity Centre	Epping Metropolitan Activity Centre	-	-	Future Cobblebank Metropolitan Activity Centre
Major Activity Centres	• Cranbourne Major Activity Centre • Future Clyde North Major Activity Centre • Future Clyde Major Activity Centre	• Pakenham Major Activity Centre • Officer Major Activity Centre	• Craigieburn Major Activity Centre • Sunbury Major Activity Centre • Future Sunbury South Major Activity Centre • Future Lancefield Road Activity Centre (contains a hospital / TAFE site)	• Mernda Major Activity Centre • Future Wollert Major Activity Centre	• Wallan Major Activity Centre • Future Beveridge Major Activity Centre	• Tarneit Major Activity Centre • Future Riverdale Major Activity Centre	• Future Rockbank Major Activity Centre • Future Plumpton Major Activity Centre • Future Rockbank North Major Activity Centre

Interface Councils represents the collective voice of City of Casey, Cardinia Shire Council, Hume City Council, Melton City Council, Mornington Peninsula Shire Council, Mitchell Shire Council, Nillumbik Shire Council, City of Whittlesea, Wyndham City Council and Yarra Ranges Shire Council.

The group of ten municipalities forms a ring around outer metropolitan Melbourne. The Interface Councils region (ICR) includes seven growth area councils. In addition, Interface Councils manages 90% of Green Wedges, some of Melbourne's most important assets.

For more information contact our secretariat on (03) 8317 0111.

www.interfacecouncils.com.au   f @InterfaceVic   🐦 @InterfaceVic

INTERFACE
COUNCILS