Interface Councils Streamlining for Growth

Regional Services and Planning Infrastructure Model (Phase 2) – Socio-Economic Analysis

Ethos Urban

Prepared by Ethos Urban for the Victorian Planning Authority

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'Dagura Buumarri'
Liz Belanjee Cameron

'Dagura Buumarri' – translates to Cold Brown Country. Representing Victoria.

The river system illustrated in this visual image is bound in greens and golds to acknowledge the warmth often felt in a colder climate. The rich earth hues of green, reds and browns reflect the local landscapes of this state while the extensive use of rhythmical patterning captures the unique landscapes of flat and mountainous areas. The use of earth colours imparts a sense of strength and serenity while contrasting greens throughout the image reminds us of the lushness of the natural world, where animals and humans once lived in harmony – it reminds us of the

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We acknowledge the Wurundjeri Woi Wurrung people, of the Kulin Nation, the Traditional Custodians of the land where this document was prepared, and all peoples and nations from lands affected.

We pay our respects to their Elders past, present and emerging.

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1.0 Introduction

The Regional Services and Infrastructure Planning Model (Phase 2), is a Victorian Planning Authority (VPA) funded project, that seeks to identify and address the barriers and challenges faced by key Victorian government agencies in planning for the delivery of key regional and sub-regional social infrastructure in Growth Areas.

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

The objectives of this Phase 2 project are to:

- Engage with key state agencies responsible for the provision of services, social infrastructure, and outcomes for communities in Growth Areas; in the co-design of an integrated planning model to ensure effective and efficient delivery of services and supporting infrastructure
- Ensure integration and alignment with the VPA Precinct Planning Process (PSP) 2.0 - with a specific focus on three PSP areas
- Make recommendations to the Victorian government and local government on:
  - Land, infrastructure, and facility requirements for the project focus areas relating to state, regional and local social infrastructure
  - Timing and coordination of planning, budget decision, and implementation
  - Policy and authorising environment changes required to support whole of government integrated and coordinated planning
  - Process and systems improvement
  - Structural changes required to support improved planning and delivery

Phase 2 of the project has involved targeted consultation with:

- Local Government Areas of Cardinia Shire, Melton City Council and Mitchell Shire Council
- Stage Government agencies including Department of Education, Department of Health, Department of Justice, Department of Environment Land Water and Planning, Homes Victoria and Sport and Recreation Victoria.

Key findings arising from these consultation are:

- Increased population density in Growth Areas (over and above what was originally planned) is creating significant planning issues.
- Low availability and diversity of local jobs in PSPs/Growth Areas is apparent compared to metropolitan Melbourne and Victoria.
- Social housing provision in Growth Areas is lower than metropolitan Melbourne and Victoria.
- Absence of key state agencies from open-space planning may be leading to missed opportunities for creating linkages such as pedestrian, cycling, and biodiversity.
- Land acquisition for key regional infrastructure is inefficient (i.e. not acquired at time of PSP).
- ICP/DCP funding is inadequate for required service delivery and the gap is growing.
- Smaller Growth Area councils do not have the human or economic capital to effectively manage growth.
- Lack of adequate community infrastructure may be having negative impacts on health and social outcomes in Growth Area LGAs.

This purpose of this report is to provide qualitative/quantitative analysis as an evidence base to highlight the above stakeholder findings, which will enable the broader consultant team (42 Squared and ASR Research) to prepare policy recommendations for the VPA's consideration.

2.0 Population and Dwelling Growth

Issue: Increased population density in Growth Areas is creating significant planning issues:

Growth Area Dwelling Growth, Household Size and Population Growth 2011-2041

id. Consulting have prepared population, household size and dwelling forecasts for small geographical which generally align with Melbourne's seven Growth Areas/PSPs (Growth Areas).

In 2021, the Growth Areas had an estimated population of 571,290 persons, representing 11% of metropolitan Melbourne's total population. Growth Area population levels are underpinned by 187,800 dwellings and an average household size of 3.04 persons per dwelling.

Between 2011 and 2021, the population of the Growth Areas increased by +355,930 persons, representing average annual growth of +35,590 persons or +10.2% per annum (pa). For context, the population of metropolitan Melbourne grew by only +1.8% pa across this period. Growth Area population acceleration was driven by an additional +110,050 dwellings and an average household size which increased from 2.78 to 3.04 persons per dwelling over the 10-year period.

Id Consulting forecasts that the Growth Areas will support a population of approximately 1,404,300 persons by 2041, or an additional +832,990 persons compared to 2021 levels. Over this 20-year period, Growth Area dwellings are forecast to increase by +296,380 dwellings to 406,610 dwellings, and household size is anticipated to reduce from 3.04 to 2.90 persons per dwelling (averaging 2.95 across the 20 years).

It is important to note that Growth Areas LGAs are at differing stages of the development cycle; some are fairly mature (e.g. Cardinia, Hume) while others are just embarking their main growth period (e.g. Melton, Mitchell). These factors re reflected in Table 1,

Table 1 Growth Areas: Dwelling Growth, Average Household Size and Population Growth, 2011 to 2041

Growth Area	2011	2016	2021	2026	2031	2036	2041	Growth 2011 to 2041	Average Annual Growth 2011 to 2036
Dwellings									
Casey Growth Area	2,930	11,590	27,480	40,540	54,560	67,470	78,150	+75,220	+2,507
Cardinia Growth Area	15,680	21,950	29,220	37,810	45,370	50,280	52,190	+36,510	+1,217
Melton Growth Area	940	2,790	12,050	28,380	41,440	50,900	62,190	+61,250	+2,042
Hume Growth Area	24,280	31,060	43,620	53,160	63,970	75,150	86,810	+62,530	+2,084
Mitchell Shire Growth Area	3,190	4,660	6,630	12,300	20,130	30,360	41,460	+38,270	+1,276
Whittlesea Growth Area	13,550	22,980	31,950	42,270	53,850	64,770	73,860	+60,310	+2,010
Wyndham Growth Area	17,000	26,480	36,850	52,680	66,270	79,950	89,520	+72,520	+2,417
Growth Areas	**77,570**	**121,510**	**187,800**	**267,140**	**345,590**	**418,880**	**484,180**	**+406,610**	**+13,554**
Average household size									
Casey Growth Area	2.60	2.86	3.19	3.22	3.18	3.12	3.05	+0.46	+0.02
Cardinia Growth Area	2.60	2.67	2.76	2.75	2.71	2.65	2.60	-0.00	-0.00
Melton Growth Area	2.52	2.70	3.31	3.09	3.05	3.01	2.95	+0.43	+0.01
Hume Growth Area	2.81	2.88	2.95	2.94	2.93	2.91	2.88	+0.08	+0.00
Mitchell Shire Growth Area	2.82	2.89	2.95	3.02	3.06	3.09	3.09	+0.27	+0.01
Whittlesea Growth Area	2.90	2.91	2.98	2.83	2.74	2.68	2.65	-0.25	-0.01
Wyndham Growth Area	2.83	2.96	3.25	3.17	3.11	3.08	3.04	+0.21	+0.01
Growth Areas	**2.78**	**2.86**	**3.04**	**3.00**	**2.97**	**2.94**	**2.90**	**+0.12**	**+0.00**
Total Population									
Casey Growth Area	7,610	33,190	87,730	130,470	173,410	210,500	238,740	+231,130	+7,704
Cardinia Growth Area	40,820	58,700	80,590	103,990	122,800	133,410	135,640	+94,820	+3,161
Melton Growth Area	2,370	7,530	39,870	87,560	126,400	153,060	183,730	+181,360	+6,045
Hume Growth Area	68,170	89,400	128,580	156,360	187,590	219,050	250,360	+182,190	+6,073
Mitchell Shire Growth Area	8,980	13,480	19,580	37,110	61,690	93,800	128,060	+119,080	+3,969
Whittlesea Growth Area	39,270	66,950	95,300	119,650	147,580	173,820	195,430	+156,160	+5,205
Wyndham Growth Area	48,140	78,480	119,640	166,820	206,190	246,250	272,320	+224,180	+7,473
Growth Areas	**215,360**	**347,730**	**571,290**	**801,960**	**1,025,660**	**1,229,890**	**1,404,280**	**+1,188,920**	**+39,631**

Source: Id. Consultants (Forecast Id, Community Id); Ethos Urban

Melton City Council Feedback

"Council is consistently experiencing dwelling / population creep in all PSP areas. All PSPs developed in the City of Melton specify the minimum density of housing and have identified small average household sizes.

All PSPs developed in the City of Melton to date have used an average household size of 2.8 people, which is well below the average household size of 3.05 people identified in the latest Census results (2021). It is noted that many of our PSP areas have recorded even larger average household sizes (Plumpton PSP area: 3.24 people, Toolern PSP area: 3.27 people, and Rockbank North PSP area: 3.56 people).

Council recently engaged ASR Research to undertake a review of the projected number of dwellings and population in the Toolern PSP area. ASR Research found that the number of dwellings should be increased from 24,000 to 25,030. ASR Research found that the Toolern PSP assumed an average household size of 2.3 people, and have recommended that this should be increased to 2.8 people, which results in the population needing to be increased from 55,000 to 68,000 people (20% increase).

Id Consulting have prepared population forecasts for all PSP areas to 2051 and have identified that all PSP areas will have more dwellings / population than the original PSP forecasts. Id Consulting have estimated that the increase of population in each PSP area is anticipated to be around 20% greater than the original PSP estimate".

Mitchell Shire Feedback

"The majority of PSPs appear to be exceeding the originally planned dwelling density. In Mitchell Shire, Beveridge Central PSP is a clear example of this 'dwelling density creep'.

Gazetted in 2018, the Beveridge Central PSP Land Budget assumed a residential development yield of 15 dwellings per hectare. This would result in 3,389 dwellings. With a population assumption of 2.8 persons/dwelling this resulted in an estimated, and planned for, population of 9,489 persons (page 13 of the PSP).

However, as the PSP has begun to develop, the yield average is closer to 20 or 21 dwellings/per hectare. Even at the lower of these figures, this results in a dwelling yield of 4,519 dwellings, an increase of 1,130 dwellings. At the same time, the assumption of 2.8 persons/dwelling has been proven inaccurate with corridor figure averaging above 3.1, and often closer to 3.4 persons/dwelling. Again, assuming the lower figure of 3.1, the resulting Beveridge Central PSP population yield is 14,009 persons. This represents an increase of 4,520persons or 48% compared to what was planned for.

Similar percentage increases are also likely to be witnessed in Mitchell Shire in Donnybrook PSP, Lockerbie PSP, and Lockerbie North PSP. It is positive that the VPA has increased assumptions for the newer PSPs (Beveridge Northwest PSP, Wallan South PSP, and Wallan East PSP). However, the historical PSPs still present significant challenges. The dwelling densities, and persons/household require continued monitoring in all PSPs as any increases have significant ramifications on need and provision for almost all services.

It is key to note here that, as described above, it is not just the dwelling density increases which are having an impact, but also increases (or under-assumptions) with regards to the persons/household. As noted, combined in Beveridge Central PSP, even on the most conservative figures, the impact is an almost 50% increase in residents."

3.0 Local Employment

Issue: Low availability and diversity of local jobs in PSPs/Growth Areas compared to metropolitan Melbourne and Victoria.

Place of Work Analysis

According to ABS Place of Work data for 2021, metropolitan Melbourne has a job provision ratio (i.e. number of jobs provided as a share of labour force residents) of approximately 90% (noting a proportion of jobs are accessed in peri-urban/regional locations). However with the exception of Hume LGA, all Growth Area LGAs have a job provision ratio of less than 60%. The data shows Melton, Casey and Cardinia LGAs have job provision ratios below 50%. Overall, the Growth Area LGA have a job provision ratio of approximately 55%.

The VPA released the Precinct Structure Planning Guidelines: *New Communities in Victoria* (the Guidelines) in October 2021. The new Guidelines were prepared to ensure a consistent, best practice approach to preparing PSPs. Of relevance to this project are the following:

- The Guidelines outline the plan for a 20-minute neighbourhood and state that it is about living locally and ensuring residents can meet most of their daily needs within a 20-minute return walk from home.
- PSP principle *F9 – Local employment opportunities* outlines *“Local economic activity and employment opportunities that provide jobs and services close to where people live”.*
- Further, key target T10 identified in the Guideline’s states: *“Land provided for local employment and economic activity should be capable of accommodating the minimum job density target of one job per dwelling located within the wider growth corridor.”*

Due to the limitations of ABS Place of Work data, local jobs v dwelling analysis has not been undertaken a specific Growth Area level; however, the broader LGA results clearly indicates a significant jobs deficit exists at a local level across the Growth Areas (refer to Table 2).

Table 2 Local Employment Provision – Selected Areas, 2021

Municipality	Resident Workers in the Labour Force	Local Jobs Provided (Place of Work)	Local Jobs Deficit	Local Job Provision Ratio
Casey	183,980	78,230	-105,750	42.5%
Cardinia	61,340	29,960	-31,380	48.8%
Hume	111,270	99,190	-12,080	89.1%
Melton	87,090	35,850	-51,240	41.2%
Mitchell	24,600	13,170	-11,430	53.5%
Whittlesea	113,800	65,880	-47,920	57.9%
Wyndham	145,740	82,770	-62,970	56.8%
Growth Area LGAs	**727,830**	**405,050**	**-322,780**	**55.7%**
Metro Melbourne	**2,581,740**	**2,262,860**	**-318,880**	**87.6%**
Victoria	**3,330,560**	**3,018,530**	**-312,030**	**90.6%**

Source: ABS Census of Housing and Population, 2021

Mitchell Shire Feedback

"Mitchell Shire has yet to have any regional, sub regional, or even town centres delivered through our PSPs. Mitchell Shire does, however, in our currently developing PSPs have significant job shortfalls.

Beveridge Central (which as explored above has a new population estimate, at the low end, of 14,009 people) was gazetted with no employment figures calculated. The PSP notes 'employment in the PSP will be largely generated through home-based business and small scale retail in planned convenience centres'.

Lockerbie North PSP (which had a gazetted population yield of 12,500, but which is now likely to be home to 18,187 people) 3.8% of the land was set aside for town centres and mixed-use zones. However, no employment estimates were provided. Using the upper-end estimate of 40 jobs/ha favoured by the VPA, this would equate to just 456 jobs.

The public consultation version of Beveridge North West PSP (which is projected to be home to 50,099 people), estimated a total of only 3,131 jobs within the precinct.

These three precincts alone will be home to approximately 82,295 people, but are estimated to only provide 3,587 jobs. Presuming 1.75 adults per household this is one job for every 13 working-age people (or a provision rate of only 7.7%). By comparison, a target rate of one-job per household would equate to a provision rate of 57%. To get to one-job per household these three PSPs would require an additional 22,960 jobs to be locally provided. "

4.0 Social Housing

Issue: Social housing rates in growth areas are lower compared to metropolitan Melbourne and Victoria.

Social Housing Provision Analysis

Growth Area LGAs have a significantly lower share of social housing (defined by the ABS as dwellings rented through State or territory housing authorities or a community housing provider). ABS Census data for 2021 shows metropolitan Melbourne has 2.3% of dwelling being used for social housing, with the Victorian benchmark being slightly higher at 2.5%. In contrast, the Growth Area LGAs have just 1.3% of dwellings used for social housing purposes.

This undersupply of social housing is especially apparent in Cardinia, Wyndham and Melton with each of these LGAs having less than 1.0% of dwelling stock used for social housing purposes (refer to Table 3).

It is also important to recognise that the benchmark shares of social housing provided across metropolitan Melbourne and Victoria are likely to be inadequate to support actual and growing need; further highlighting the poor social housing provision situation across the Growth Areas.

Melton City Council Feedback

"Research (titled 'Affordable Housing and Homelessness in the City of Melton Final Report January 2019', prepared by Affordable Development Outcomes - unpublished) commissioned by Council, estimated only one per cent of the City of Melton's dwelling supply is dedicated affordable housing in the form of social housing that is available and affordable for very low income households to rent.

Drawing on the evidence, Affordable Development Outcomes has estimated that the City of Melton had an affordable (social) housing shortfall of 1,747 dwellings in 2016. In order to meet this demand and ensure responsiveness to forecast demand, it was estimated 5.4 per cent of all forecast dwellings expected to be built in the municipality between 2018 and 2036 need to be provided as dedicated affordable (social) housing."

Table 3   Social Housing Provision – Selected Areas, 2021

Tenure type	Casey	Cardinia	Hume	Mitchell	Melton	Whittlesea	Wyndham	Growth Area LGAs	Metro Melbourne	Victoria
Owned outright	21.7%	22.6%	23.5%	27.3%	20.9%	26.9%	17.3%	22.2%	28.7%	31.0%
Owned with a mortgage	49.4%	48.0%	45.3%	44.7%	50.5%	42.8%	46.1%	46.9%	35.6%	34.6%
Rented: Real estate agent	17.0%	17.5%	16.7%	12.5%	17.1%	19.1%	24.7%	18.7%	22.1%	19.9%
Rented: State or territory housing authority	1.2%	0.6%	2.0%	1.7%	0.6%	0.9%	0.7%	1.1%	1.8%	2.0%
Rented: Community housing provider	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.4%	0.5%
Total: Rented government housing authority/ community housing provider	**1.4%**	**0.8%**	**2.3%**	**2.0%**	**0.9%**	**1.1%**	**0.9%**	**1.3%**	**2.3%**	**2.5%**
Rented: Person not in same household	3.2%	3.2%	3.8%	3.5%	3.1%	3.2%	3.2%	3.3%	4.1%	4.3%
Rented: Other landlord type	0.7%	0.5%	1.2%	1.8%	0.6%	0.7%	0.6%	0.8%	0.6%	0.7%
Rented: Landlord type not stated	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other tenure type	1.4%	2.0%	1.1%	1.5%	1.1%	1.4%	1.2%	1.3%	1.6%	1.7%
Tenure type not stated	5.0%	5.3%	5.9%	6.7%	5.8%	4.7%	5.8%	5.5%	4.8%	5.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: ABS Census of Housing and Population,2021

5.0 Open Space Provision

Issue: The absence of key state agencies from open-space planning can lead to missed opportunities for creating linkages such as pedestrian, cycling, and biodiversity.

Cardinia Shire Feedback

"Cardinia Shire Council has recently adopted an Open Space Strategy and an Active Cardinia Strategy (Sport and recreation strategy) which provide a 10 year framework for Cardinia Shire Council to plan, deliver and maintain open space, and sporting and recreation reserves to create an enticing, inclusive, well connected, sustainable and equitable open space network, that meets the current and future needs of our community.

A key focus of the Open Space Strategy was on the provision of and access to open space across the Shire. The provision benchmark employed by the Open Space Strategy is 5 hectares per 1,000 head of population. This measure is further broken down into 3 hectares for passive open space and 2 hectares for active open space. Access to open space has been measured in relation to the percentage of residents living in residentially zoned areas who are within 500m walking distance of a public open space. The decision was made not to adopt a percentage land area-based benchmark to assess the provision of open space as this does not adequately account for variations in density and associated demands on open space. Council was comfortable in setting overall targets for provision and access to open space, the question of "at what ratios should regional level open space be provided" was not able to be answered. As a result, not a lot of emphasis has been placed on this in the strategy and a gauge of how well or not well Cardinia Shire is provided for in relation to this largest type of open space could not be established.

This is an area that requires further direction and collaboration from the State Government, the VPA, Councils and Parks Victoria. As stated in our Open Space Strategy, Cardinia Shire Council will support further analysis of provision and access to regional open spaces within and adjacent to Cardinia Shire in partnership with surrounding local Councils and the State Government."

Melton City Council

"Melton City Council has not encountered any problems with the delivery of open space / linkages in and around PSPs. To date the PSPs have identified two regional parks to be delivered by Parks Victoria in the City of Melton - Toolern Creek Regional Park in the Toolern PSP and the Kororoit Creek Regional Park in the Kororoit Part 2 PSP area.

Two regional active open space reserves have been identified in PSP areas in the City of Melton - a regional active open space reserve in the Rockbank PSP, and a 30 ha regional active open space reserve located in the Melton East / Warrensbrook PSP areas.

Council and the VPA have worked cooperatively to create concept plans and cross-sections that allow high voltage transmission line easements and high pressure gas pipeline easements as encumbered open space (see R34, R35, Figure 4, G39, G40, G41, Table 5, Table 6 and Sections 31-34 in the Kororoit PSP)

Council, DELWP and the VPA have worked cooperatively to create concept plans for Biodiversity Conservation Areas to ensure that the conservation areas are well integrated with the surrounding development, and can perform an open space function. See Conservation Areas 1, 2 and 15 in the Kororoit PSP (two grassland reserves and Growling Grass frog conservation area - see R36, G35, Table 6, R38-R45, G42-G44, Appendices D and E in the Kororoit PSP).

Council is establishing shared paths along the entire length of the Kororoit Creek, the Werribee River, and the Toolern Creek in PSP areas. These works are to be delivered by developers as developer works."

Mitchell Shire Feedback

"Higher level, cross-PSP border planning for the PSPs is a serious challenge, and is potentially dramatically impacting the ability to deliver significant, and much needed passive and environmental open space.

A key example of this is the Wallan Wallan Regional Park. This parkland, would connect a series of significant swamps, hills, and raised ground stretches across four PSP areas. Three of these PSPs are currently on the VPA's fast track program, and one has yet to begin. None of the three PSPs currently in process are considering the regional parklands in any scope beyond the borders of the PSP area. This risks resulting in either a disconnected, incomplete, or undeliverable Wallan Wallan Regional Park. Equally the PSP process is out of sequence with any planning for the parklands, with the Wallan Wallan Regional Park feasibility study only just being completed, and there still being no masterplan for the parklands.

The inability to rise above the PSP level and consider items which are multi-PSP or regional in scope presents significant risks and challenges. Ultimately it imperils the delivery of infrastructure which would not only enhance the social, cultural and environmental fabric of the Growth Areas, but which would also be truly unique and celebrate the landscape in which these communities live."

6.0 Land Acquisition

Issue: Land acquisition for key regional infrastructure not acquired at the time of the PSP

Problems

- Land prices increase and land is not available as development proceeds. Public interest and public value is not served by land not being acquired at the PSP stage.
- Value capture by State government is essential – each stage of the statutory process increases the value of the land.
- Many government approved and funded projects are frustrated due to appropriate land not being available within or adjacent to Activity Centres.
- Master planning and market appetite undermined by lack of certainty and transparency. (i.e., location of major hospital etc).

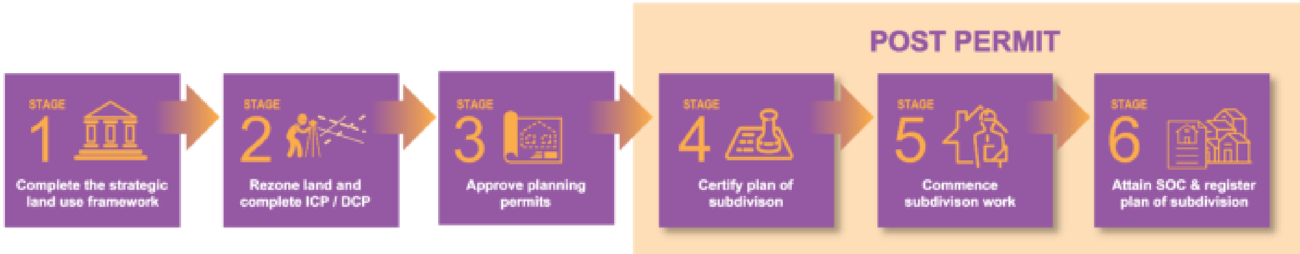
Development Chain

The cost of purchasing land for social infrastructure development can vary greatly depending on the stage of the development cycle the purchase occurs.

A Development Chain Framework has been prepared by ACIL Allen (*Streamlining for Growth Evaluation Framework*, 2019) in conjunction with the VPA. This Framework highlights six key stages across the pre and post development chain (refer to Figure 1).

The Development Chain represents a summary of the end to end process of moving from a council planning strategy to delivering subdivided blocks with registered individual titles. Note, the Development Chain relates to the planning and development of residential and employment land; however, the same approach would generally be applicable to land with any end use.

Figure 1 Development Chain Framework



Source: ACIL Allen, Streaming for Growth Evaluation Framework (2019)

ACIL Allen note the change in land value over the course of the Development Chain can be enormous, rising from farmland to a residential block. Land price assumptions in the report indicate the average cost of land in Growth Areas for each stage of the Development Chain is:

- Stage 1: $1/m² (farmland)
- Stage 2: $25/m² (imputed)
- Stage 3: $420/m² (imputed)
- Stages 4-6: $840/m² (observed)

Where practical; therefore, purchase of land at the early pre-planning stages will result in lower land purchase costs. That is, land purchased in the PSP in the pre-planning phase prior to value uplift is likely to result in significantly lower costs to the purchaser (e.g. government agency) than land purchased later in the cycle when demand for the land is more competitive and costly.

Land Acquisition Challenges

There are a number of factors that may limit the ability of government to 'landbank' sites for future community infrastructure. These include:

- The lack of a published criteria or provision ratio that identifies the circumstances where regional infrastructure should be provided means it is unclear where land for infrastructure needs to be identified within PSPs.
- Most Growth Areas are well advanced along the planning process; therefore, there may be limited land available for early purchase, especially withing key sites (e.g. identified MACs)
- Developers are constantly speculating as to the next outward movement of the Urban Growth Boundary (UGB) and are often willing to pay a high premium for available farmland. This factor increases land values around the UGB fringe, making it difficult for government to purchase ‘cheap’ land.
- Holding costs / debt servicing needs to be factored in when considering land banking, noting in that land might not be developed for a decade or more.
- Does Government have the financial appetite to purchase land early in the planning cycle given the uncertainty and risk involved in such an investment? Department of Treasury and Finance would need to be convinced such investments are prudent and stack up against competing government infrastructure investments. Events such as COVID-19 highlight unexpected economic shocks which can negatively impact demand drivers in land markets (e.g. reduced migration, rising unemployment, falling incomes and consumption).
- Political risk also presents a challenge with such an approach, noting government land banking would be a long-term policy commitment; however, with fixed four-year government political cycles this type of policy/approach may not be supported by an incoming government trying to balance expenditure commitments / election promises.

7.0 Infrastructure Funding Contribution Gap

Issue: Funding available through the ICP/DCP processes is inadequate and the gap is growing.

Cardinia Shire Feedback

"Just about all of our DCP/ICPs are underfunded for community infrastructure. Council get grant funding for essentially every community item we build – be it sports fields or MCH centres. There is a separate question around the standards Council are building, to compared to what has been considered.

However, a really good example is Pakenham East. The ICP sets aside a contribution to acquire land for an indoor sports stadium, but there is zero dollars allocated to actually building that stadium! Another example is the $10 million Officer South ramp, which was funded by the developer. No budget was allocated."

The standard change in the State Government has follow on effect on the funding. e.g. roundabouts standard set by VicRoads.

Suggest that DCP is better than ICP. Under funding is visible through these ICP/DCP documents."

Mitchell Shire Feedback

"The lack of funding for indoor recreation presents a serious challenge. In currently completed, or proposed underway PSPs in Mitchell Shire, there are currently at least four indoor recreation facilities for which land has been identified. The estimated cost for construction of an indoor recreation facility, and its accompanying amenities, ranges from $12,000,000 to $30,000,000 depending on size. Assuming the average for these four facilities, the total for just these amounts to $84,000,000. With no funding at all allocated in the ICPs/DCPs for these PSPs, Council is left in the position or attempting to find alternative funding means for these facilities (it is important to note that future PSPs in Mitchell Shire are likely to identify more indoor recreation facilities).

Indoor recreation is essential, local recreation. This has never been truer than in a post-COVID world, but indoor recreation is more often than not servicing a purely local catchment. It provides children, families and adults access to sporting and recreational opportunities including gymnastics, basketball, netball, and a range of other offerings across the life-stages.

A second consideration with respect to difficulties to deliver due to funding relates to the ever-increasing cost gap between the ICPs/DCPs and the actual cost of delivery to meet community need. Whilst developer contributions have always been just a contribution towards the delivery cost, the percentage collected has progressively diminished. Recent analysis has shown that the ICPs are likely to only delivery roughly 66% or less towards the delivery of a community facility. In a rate capped environment, this presents serious challenges for Council to provide the facilities and infrastructure required for the rapidly growing communities. "

Melton City Council Feedback

Welcoming/accessible spaces

"There exist gaps in funding generally from State Government regarding the adequate accessibility of community infrastructure. Examples include the grant approach to changing places - this should be standard provision, and also the funding model for recreation currently doesn't allow for women's change rooms and the cost is born by Council to meet requirements under the Gender Equality Act".

Libraries

"The lack of funding for the construction of libraries in DCPs in the City of Melton. The VPA benchmark cost estimates for ICPs show these facilities cost $13 million to build (for a small library). There are libraries identified in the Toolern, Rockbank and Rockbank North DCPs. The total cost of delivering these facilities is approximately $39 million. Council is pleased to see that the construction of libraries is now funded in ICPs. A library is proposed in the Plumpton ICP area".

Indoor Recreation Centres

"The lack of funding for indoor recreation centres presents a serious challenge for the City of Melton. Indoor recreation centres have been identified in the Toolern PSP area (6 courts), Rockbank PSP area (6 courts), Rockbank North PSP area (6 courts), Kororoit PSP area (6 courts), Mt Atkinson PSP area (2 courts) and the Diggers Rest PSP area (2 courts).

The Cobblebank Stadium (6 courts) was constructed for $31 million. Each indoor court in a stadium costs approximately $5 million to construct. Council will need to find approximately $140 million to build all the identified indoor courts in PSP areas".

Regional Active Open Space

"The purchase of land and the construction of regional active open space are not permitted items in DCPs and ICPs. These open space areas typically provide sports grounds that are used for local and regional purposes. Council has to find alternative means to fund these reserves".

Aquatic Facilities

"Aquatic Facilities are also unfunded in PSP areas. Aquatic facilities are identified in the Plumpton and Rockbank North PSP areas".

DCP/ICPs

"In DCPs, Council found that approximately 80-90% of the community and recreation construction cost was covered by the DCP (excluding indoor recreation centres, libraries and aquatic facilities).

In ICPs, Council has found that the ICP is contributing less money towards the delivery of community and recreation infrastructure:

- *In the Mt Atkinson ICP, only 63.5% of the construction costs of community and recreation infrastructure is recovered by the ICP, resulting in a funding gap of $21.1 million.*
- *In the Plumpton and Kororoit ICP, only 75.6% of the construction costs of community and recreation infrastructure is recovered by the ICP, resulting in a funding gap of $32.7 million."*

8.0 Local PSP Planning Resources

Issue: Some Growth Area councils do not have the human or economic capital to engage with the effective management of growth.

Melton City Council Feedback

"Council statutory planning services are divided into two teams. There is a statutory planning team focused on existing urban areas, which has had no increase in Full Time Equivalent (FTE) staff over ten years and has in fact lost 1 FTE administration officer.

The major developments team is focused on Growth Areas, and has grown from 2 FTE, 1 co-ordinator and 1 administrator to 7 FTE, 2 co-ordinators and 2 administrators.

Planning Enforcement – no increase, stays at 2 FTE.

Subdivisions – was increased from 1 FTE sub officer and 1 FTE administrator to 2 x FTE sub officers (1 senior and 1 Band 5) and 2 x FTE sub support officers.

Council have two unfiled FTE positions (Land Acquisition Officer and Band 8 Development Contributions Officer) which are new positions in the last 10 years. Further to this there is 1 EFT Community Infrastructure Planning Officer that is located in Community Planning.

PPARS archive data shows 483 planning permit applications were received in 2012, climbing slowly to 552 planning permits in the 2021/22 financial year. However, the number of lots approved has increased dramatically. While PPARS data does not provide lot count summaries for years before 2015, it should be recognised that 1,044 lots were approved in the 2015/16 financial year, rising rapidly and consistently to reach 7,258 approved lots in the 2021/22 financial year (a seven fold increase).

Council internal records also show a large increase between 2015/16 and 2021/22 in subdivision lots certified per year, rising from 2,979 lots to 8,370 lots over the period. Similarly lots released per year increased from 2,970 lots to 6,229 lots. This represents a substantial increase in the number of lots being developed as vast new Growth Area suburbs are established.

In 2012 Council had 17 VCAT appeals, of which 4 upheld Council's decision, 1 was withdrawn, and 12 were overturned. In 2021/22 Council had 11 VCAT appeals, of which 6 upheld Council's decision and 5 were overturned it. This is a reduction in case numbers over time and an improvement in outcomes. This may be partly due to efforts made by planners to avoid any unnecessary appeals, and some improvements in local policy. Long tribunal hearing waiting times since COVID may also have reduced the number of appeals sought.

An example of the growing complexity and strain on resources can be found in the Toolern PSP. As an early PSP, this has eventually turned out to have many substantial funding shortfalls and other issues, and a large strategic amendment review process is underway to fix this, requiring significant Council resources. As a new metropolitan activity centre, Council needs to plan for a high level of development, provide Urban Design Frameworks, and is often engaged in advocacy for key facilities such as the proposed hospital".

There is an ongoing national urban planner skills shortage, but the ability to attract Planners is unequal across LGAs and the State Government agencies. The ability of Growth Area Councils to attract Growth Area planners can be affected by State Government – especially VPA/DELWP planner staffing levels and initiatives.

9.0 Community Health Analysis

Issue: Anecdotal evidence indicates that lack of key community infrastructure may be having negative impacts on health and social outcomes in Growth Area LGAs

The Victorian Department of Health conducts the Victorian Population Health Survey (VPHS) every three years via a phone interview with approximately 34,000 participants. The latest VPHS survey was completed in 2020.

Residents 18 years or older are surveyed and results are reported at three geographical levels (State, Regional and Local Government Area).

Information is collected on:

- Mental health and wellbeing status
- Chronic diseases
- Dental health
- Lifestyle risk factors (poor diet, physical inactivity, smoking, excessive alcohol consumption, hypertension and hyperlipidaemia)
- Other health risk factors (psychological distress, obesity, food insecurity, discrimination and racism, and family violence)
- Social determinants of health (socioeconomic status, stress, social exclusion, work, unemployment, loneliness and social support).

Results for 10 key community health indicators for Growth Area LGAs are shown in Table 4, with these results benchmarked against Victorian averages.

The main points drawn from the results for Growth Area LGAs are as follows:

- **Above average share of obese residents (with a BMI 30+):** The Victorian benchmark shows 20.9% of the state population having a BMI 30+; however, all Growth Area LGAs have a higher share of obese residents compared to the Victoria benchmark.
- **Poor levels of self-reported health:** Apart from Wyndham LGA, residents in all Growth Area LGAs report higher levels of poor health compared to the Victorian benchmark.
- **(Generally) above average levels of poor mental health:** Apart from Cardinia LGA, Growth Area LGA residents have levels of 'dissatisfaction with life' similar or well above the Victorian benchmark. With regard to "High/ Very High Levels Of Psychological Distress", Growth Area LGA residents have similar or higher levels of distress compared to the Victorian benchmark (with the exception of Cardinia and Melton LGAs)
- **(Generally) not feeling valued by society:** With the exception of Hume LGA, Growth Area LGA residents have a higher share of "Never or Not Often Feeling Valued by Society" compared to the Victorian benchmark.

Detailed VPHS results are included in Tables 4 and 5.

Table 4 Victorian Population Health Survey (VPHS) - Community Health Indicators (2020), Results by Growth Area LGAs – Benchmarked Against Victoria

Indicator	Victoria	Cardinia	Casey	Melton	Mitchell	Hume	Whittlesea	Wyndham
Obesity (BMI 30+)	20.9%	29.7%	25.6%	22.6%	37.1%	31.3%	24.6%	23.4%
High/ Very High Levels Of Psychological Distress	23.5%	20.3%	25.5%	21.4%	26.0%	23.4%	30.6%	24.6%
Self-Reported Health Status - Fair/Poor	21.4%	21.5%	25.6%	30.5%	26.3%	25.8%	24.2%	21.0%
Satisfaction With Life - Low Or Medium (0-6)	22.3%	14.9%	27.6%	22.9%	22.3%	23.7%	26.0%	22.9%
Feeling Of Valued By Society - Never, Or Not Often	11.0%	11.1%	12.5%	11.6%	15.9%	11.0%	13.2%	12.4%
Neighbourhood Tenure - <1 Year	13.3%	13.8%	10.3%	10.8%	7.7%	13.4%	12.3%	11.7%
Ran Out Of Money To Buy Food In Last 12-Months	5.9%	5.7%	4.3%	7.1%	5.9%	5.2%	10.0%	5.0%
Does Not Have Close Friends Or Family To Talk To Regularly	4.7%	3.0%	5.8%	3.9%	4.5%	4.2%	5.6%	5.6%
Talked Less Than Monthly With Friends	2.8%	3.1%	4.5%	1.9%	2.2%	3.2%	7.3%	3.2%
Talked Less Than Monthly With Family	3.0%	3.6%	2.0%	4.1%	2.4%	3.8%	3.3%	2.7%

Source: DHHS, VPHS Dashboard, 2020

Table 5 ***Victorian Population Health Survey (VPHS) Community Health Indicators (2020), Results by Growth Area LGAs - Benchmarked Against Victoria (RED indicates poor comparative outcome)***

Indicator	Cardinia	Casey	Melton	Mitchell	Hume	Whittlesea	Wyndham
Obesity (BMI 30+)	**+42.1%**	**+22.5%**	**+8.1%**	**+77.5%**	**+49.8%**	**+17.7%**	**+12.0%**
High/ Very High Levels Of Psychological Distress	-13.6%	**+8.5%**	-8.9%	**+10.6%**	-0.4%	**+30.2%**	**+4.7%**
Self-Reported Health Status - Fair/Poor	**+0.5%**	**+19.6%**	**+42.5%**	**+22.9%**	**+20.6%**	**+13.1%**	-1.9%
Satisfaction With Life - Low Or Medium (0-6)	-33.2%	**+23.8%**	**+2.7%**	0.0%	**+6.3%**	**+16.6%**	**+2.7%**
Feeling Of Valued By Society - Never, Or Not Often	**+0.9%**	**+13.6%**	**+5.5%**	**+44.5%**	0.0%	**+20.0%**	**+12.7%**
Neighbourhood Tenure - <1 Year	**+3.8%**	-22.6%	-18.8%	-42.1%	**+0.8%**	-7.5%	-12.0%
Ran Out Of Money To Buy Food In Last 12-Months	-3.4%	-27.1%	**+20.3%**	0.0%	-11.9%	**+69.5%**	-15.3%
Does Not Have Close Friends Or Family To Talk To Regularly	-36.2%	**+23.4%**	-17.0%	-4.3%	-10.6%	**+19.1%**	**+19.1%**
Talked Less Than Monthly With Friends	**+10.7%**	**+60.7%**	-32.1%	-21.4%	**+14.3%**	**+160.7%**	**+14.3%**
Talked Less Than Monthly With Family	**+20.0%**	-33.3%	**+36.7%**	-20.0%	**+26.7%**	**+10.0%**	-10.0%

Source: DHHS, VPHS Dashboard, 2020

10.0 Conclusions

1. Increased population density in Growth Areas (over and above what was originally planned for) is creating significant planning issues. Evidence shows that this is due to increasing dwelling densities which are often 20+ dwellings per ha, compared to a planned density of 15 dwellings per ha, and increasing household sizes which are often 3.0+ persons per household, compared to a planned household size of 2.8 persons per household.

2. Low availability and diversity of local jobs in PSPs/Growth Areas is apparent compared to metropolitan Melbourne and Victoria. The Growth Areas have a job provision ratio (number of local jobs provided / local residents in the workforce) of just 56% compared to 88% for metropolitan Melbourne and 90% for Victoria.

3. Social housing provision in Growth Areas is significantly lower than in metropolitan Melbourne and Victoria, with latest ABS Census data showing just 1.3% of Growth Area dwellings are used for social housing purposes compared to 2.3% for metropolitan Melbourne and 2.5% for Victoria.

4. The absence of key state agencies from open-space planning may be leading to missed opportunities for creating linkages such as pedestrian, cycling, and biodiversity. Council feedback (in some cases) indicates regional-level open space/parklands are not being planned for in an integrated way. Melton City Council's coordination with a number of state agencies in the delivery of regional parks provides an example of a successful integrated planning process.

5. Land acquisition for key regional infrastructure is inefficient (i.e. not acquired at time of PSP). This creates problems for government agencies both with regard to escalating costs as the development cycle progresses, and in securing land in the most appropriate locations (e.g. activity centres) to deliver efficient community infrastructure and services.

6. ICP/DCP funding is inadequate for required service delivery in Growth Areas and the gap is growing. Evidence shows underfunding could be the order of 25% to 35% in some cases – with councils/private sector having to fund the gap. Additionally, there are some key community infrastructure and services (e.g. indoor recreation) which are not funded under existing ICP/DCP mechanisms.

7. Smaller Growth Area councils do not have the human or economic capital to effectively manage growth. Additionally, larger Growth Area LGAs are also struggling to resource planning growth as population expansion outstrips what was previously planned for in many PSPs.

8. Lack of adequate community infrastructure may be having negative impacts on health and social outcomes in Growth Area LGAs. Victorian Population Health Survey data shows that, compared to Victorian averages, Growth Area residents (generally) have higher levels of obesity, poor levels of self-reported health, above average levels of poor mental health and higher levels of need feeling valued by society.