

Statutory Planning Controls – GC81

SPURR Submission in Response

Speaker's Notes

[Slide 1 - Who we are]

SouthPort Urban Responsible Renewal (SPURR) welcomes the opportunity to respond to the Fishermans Bend Draft Framework. SPURR is a collective of forty-nine (49) community groups with a combined membership of over 9,500 people who live, work and/or enjoy their leisure time in and around the Fishermans Bend Urban Renewal Area (FBURA).

- Understand initial subs are taken as read, but need to express our concern that key elements of submission have been overlooked in the Minister's response. Deeply disappointed our points have not even been acknowledged. Will incorporate the overlooked issues in today's presentation.
- SPURR's focus is on the human impact from the urban renewal
 - Success will be measured by the 5 key needs of people in any community
 - Health, Safety, Mobility, Productivity, Connection to community
- Therefore we're uneasy with urban design strategy that appears focussed on character, building typology, housing diversity and population targets than liveability.
- Comments will concentrate less on the content of GC81, more on its timing, and in particular whether it can meet its objectives.

[Slide 2 Role of GC81]

Reason for concentrating on objectives-

- At its simplest, GC81 provides the guidance for Responsible Authorities when deciding whether to issue a permit for construction within a property's boundaries.
- More than that, all the major planning documents, all the expert evidence and many background reports recognize its role in tandem with the draft Strategic Framework in delivering the Vision – the impact individual developments will have on the shared infrastructure outside the property's boundaries.
- Therefore, a direct impact on the liveability of the area, an impact which will spill over into surrounding areas and wider Melbourne.

The objectives of these documents are perfectly aligned with SPURR's hopes for the area
a great place to live, work, visit and invest

Worth noting investment doesn't just apply to developers and businesses, but also to the rest of the community which has already made significant investments in the area, to Melbourne and to its culture as a whole. Also, there is little recognition of the importance of the interaction of the urban renewal area with the existing community.

Also, need to be clear on the notion of "State significant". Apart from mentioning a particular floor area, the discussion so far hasn't discussed what the term actually means.

There doesn't seem to be any criteria for declaring a project to be State Significant, nor any responsibilities on anyone in delivering the project

- Emphasis of the Vision and the Draft Framework is all on the positives – a lot of marketing woven into the planning basics
- If we don't get planning right, the area will become significant for all the wrong reasons

Implies we need to take especial care throughout the process - something which didn't happen at the beginning, something that has made the job considerably harder than it already was.

[Slide 3 – Objectives of GC81]

So what are the criteria for determining whether GC81 can fulfill its role – ignoring for the time being the effectiveness (or otherwise) of the Vision and Strategic Framework

These criteria seem pretty fair and logically focused on producing a liveable city.

More importantly, the inclusion of a review mechanism in GC81 should allow us to track progress towards 'liveability' - more on that later.

In the context of FBURA, the key terms to assess whether the objectives are being met here are–

- Fair – as a finite resource, all landholders have an equal opportunity to share in the benefits of development.
- Orderly – permits must be issued so that available land is used for all the needs of all the community,
- Economic – efficient and effective use of all of the land within FBURA. Developments cannot impose unnecessary costs on the community. Costs cannot outweigh the benefit to the community, cost defined as financial and/or non-financial
- Sustainable - elimination of the use of non-renewable resources, elimination of solid waste production, elimination of air, soil and water pollution, healthy indoor environments, and Protects and enhances natural eco-systems and cycles,
- benefit of the community – the SPPF sets out a range of factors that taken together will determine whether a net community benefit can be achieved by a planning decision – especially where competing priorities,
- Balance – between the development industry, landowners, current residents and future residents, AND their neighbours. Implies that interests of any subset of the broad community should not be promoted over the interests of anybody else.

[Slide 4 - FBURA in Context]

It's worth reiterating the challenges to FBURA in delivering the Vision, meeting these objectives and assessing the criteria. Broad range of variables in FBURA that make it unique – taskforce is on the record noting FBURA is unique in the world, not just in Australia.

As a brownfield site, FBURA has a legacy of problems, complicating factors and existing assets contributed by the existing community.

Urban renewal area owned by over 300 different entities – most expert evidence has already noted the difficulty this poses for delivering the Vision.

Many buildings have cultural and heritage significance – even if they are not formally protected. Example of the Rootes factory and the rush for last minute preservation through heritage listing. CoPP has less than stellar track record of heritage protection generally.

FBURA is already home to 30,000 workers (2016 estimate) across a range of industries –

- some of whom wish to continue operating, and all face difficult decisions in light of increased rates following re-zoning and potential interruptions to business if relocating.
- Already have examples of Surveyors Place and Gladstone St hub where efforts to deliver the Vision have failed to take into account the needs of existing businesses - firstly in understanding the access required by the businesses; the 2nd in identifying a business hub as open space.
- Barro and Hansen groups have also identified the problems of continuing heavy industrial business in proximity to sensitive use development in Lorimer.

Open space and sports facilities are particularly important to locals – Murphys Reserve is the largest open space in the FBURA, and has been fully utilized by a diverse range of sporting codes with both senior and junior memberships; casual users including dog owners, lunchtime walkers, personal trainers and local residents.

- FBURA is part of the existing Port and South Melbourne communities – comments claiming it is home to only 200 people are particularly uninformed and narrow in understanding. SPURR is irrevocably wedded to the notion that living occurs wherever we are and whatever we are doing – not just where we sleep.

Use over the last 170 years as a dump, mine, industrial zone all while remaining as a floodplain catching the detritus from industries upriver has left the south bank of the Yarra highly contaminated.

- Earth and groundwater pollution is a feature of almost the entire area –
- pollutants cover the full gamut of threats to redevelopment for sensitive use; many of which require complex safeguarding while remediation is undertaken – mercury is one such, and strong anecdotal evidence exists that radioactive waste has also been disposed in the area.

Redevelopment of the area is further constrained by the proximity of the Port, the Westgate Freeway, the main utility lines and the existing parkland and sporting reserves.

- Webb Dock has recently undergone a \$1.6 billion expansion intended to make it the largest container port in Australia.
- All entry and exit from the port is supposed to be via the Todd rd access ramps to Westgate Fwy. Westgate is coming to the end of its useful life. Plummer St is the designated alternate route for heavy traffic. Frequent accidents and breakdowns on the Bridge, in the Tunnel and along the M1 already create unacceptable levels of congestion in Port Melbourne, South Melbourne and Southbank
- The main sewer, gas and oil lines come up Howe Pde and cross Williamstown Rd at Centre Ave – the terminal for the Plummer St light rail
- The 2 largest pieces of open space in FBURA can barely meet the needs of the existing population – an additional 80k people (and their dogs) and 50k workers will

lead to a Tragedy of the Commons unless significant new tracts of open space are found.

- Murphys and the PMCG are integral parts of the local community and the result of continuous investment by the Port Melbourne and nearby community since the 1870s, not just in \$ terms, nor just in the assets themselves but in time and involvement in building a community. Justifiably proud of the achievements of successive generations within the community

Many submissions and background reports note the geographical and geodetic shortcomings of FBURA, chief of which are the difficulty of ingress and egress from an isthmus, the Coode Island silt creating issues for foundations, the shallow watertable and presence of aquifers, and the low-lying land creating the need for flood prevention and mitigation.

GC81 could be strengthened to require developers to ensure construction techniques safeguard surrounding properties.

[Slide 5 – Assumptions implicit in Planning docs]

Number of assumptions ensconced in genesis documents which are a dangerous starting point

–

- Land is under-utilized – creates impression any development is better than what is there at the moment, and ignores number of businesses that are significant contributors to either economy and/or community
- No one lives there – promotes faulty logic that no community will be affected by development

Planners and Government have made a number of other assumptions that – if accepted – should result in delivery of the Vision.

1stly Funding

- Funds for land acquisition, infrastructure and service delivery can be provided by an appropriate mix of mechanisms and in time to meet the needs of the population as it grows

Infrastructure

- One extra bridge, 2 tramlines and a rail line is sufficient transport infrastructure to support an extra 260,000 residential movements per day (Integrated Transport Strategy Exec Summary).
- Any gap can be made up by additional services on existing routes
- One in five trips by private vehicle is achievable; and will result in less congestion
- Catalyst projects are the highest priority of infrastructure for short- to mid-term delivery
- Open space will be sufficient for target population and workforce

Density

The FAR/FAU arrangements provide an appropriate means of controlling population density while providing the flexibility and incentives to landowners/developers to deliver community facilities, affordable housing and open space

- Assumed buildout rate (75%) is reasonable and in line with schedule for infrastructure delivery
- Subsequent tracking of buildout and changes to FAU will limit detriment from a mismatch, without creating unintended consequences for stakeholders
- Metrics can be easily monitored and will accurately point to causes of mismatch => rectification will be properly targeted.

Precinct planning will not distort the framework plans for delivering the Vision.

- Completion of precinct plans will not require changes to GC81.

Finally GC81 will set the planning process back on course to deliver on the Vision.

- Developers can have certainty that they can submit plans that will not be subject to changes that will affect the feasibility of their proposals.

[Slide 6 – Testing the assumptions Pt I]

Looking more closely at these assumptions highlights their fragility –

There is no publicly available current information about how much money is required for public infrastructure

- Places Victoria (2013) attempted a needs audit and came up with \$907m.
- Without a funding plan – either DCP, ICP or other – no one knows how much can be raised, while preserving reasonable margins for developers – chicken and egg
- Govt doesn't know how much it will be required to inject
- Govt has already placed a caveat on funding, saying funding will be subject to normal budgetary processes – doesn't bode well for big ticket items.
 - means no developer can know when value uplift from provision of infrastructure will be available to them in terms of yield
- If funding goes down the business-as-usual approach, timing of infrastructure becomes even less certain, since DCPs are typically 10% upfront with the balance due on issue of occupancy certificates. Therefore, infrastructure will always lag population – in turn this increases the risk of needing to retrofit.
- On 2015 estimate of 42,000 dwellings at \$16k each, DCP will only deliver \$672m. On a 75% buildout by 2050, only \$504m would be available by then.

2013 Infrastructure Estimate	No of Dwellings	2015 Developer Contribution	Total Contribution	Shortfall
\$907m	42,000	\$16000	\$672m	\$238m

- According to the 2014 AECOM report, the cheapest option Plummer St lightrail including bridge would cost \$300m. Extending those costs to the Turner St route would add an extra \$110m. The AECOM estimate excludes all costs other than construction and material.

This means a substantial shortfall in funding. Therefore other mechanisms will need to be developed. And timing of development becomes less certain

[Slide 7 – Testing the Assumptions Pt II]

Even if the money can be found and made available in time for the growth in population, are the priorities indicated by the catalyst projects the correct ones?

- Almost all experts have noted the importance of transport to enabling the Vision, and meeting the employment target in particular.
- How much transport is required?? Doesn't seem to be an estimate for number of employment-related trips, but 260,000 for residential related.
- Back of the envelope calculations assuming Plummer St tram goes ahead – projected CoPP mode share (for 2020) is 27% public transport, with 80% of all trips made by active or public transport by 2050. The number of people catching the tram will then be 260,000 by 75% (taking out Montague population) by 27% divided by 2 peak times = 26,325. Latest trams carry 210 passengers max. On the basis of a 2 hour peak, 126 trams will be required to move those people out of Wirraway, Sandridge and Lorimer – or one tram every 57 seconds.

Trip Type	Tram Mode Share	Passenger No.	Trams Required	Interval	VITM Modelling
Residential (260,000)	27%	26,325	126	0:57	6:00
Employment (97,500)	27%	13,163	63	1:55	6:00

- Assuming similar ratios, and 30,000 workers in Fishermans Bend proper, the number of trams along Turner St required each peak would be 63 – or one just under every 2 mins.
- That could be do-able if acquire more rolling stock – until we start thinking about how Collins St and the CBD will cope with that number of trams plus the trams coming from Station Pier, St Kilda and Docklands (currently the 109 runs each 8 mins) over the same period.
- Using buses as a stop-gap is unlikely to meet the demand since one bus only carries ¼ the passengers of a tram. VITM Modelling (p23) proposes 2 bus routes operating every 10 mins in peak = 2*12*50 or 1200 passengers over the 2 hour peak

In any event, it is not likely that proposed transport will meet the needs of 160,000 residents and workers – certainly not before heavy rail is available.

Of the other major catalyst and medium-term projects, Montague vertical school was in response to an existing need for a 2nd primary school.

- Nothing to do with FBURA, but solely a response to overcrowding at the only Port Melbourne Primary School – agitation for 2nd school began in 2010.

The sewer mining treatment plant is an admirable initiative to use wastewater to reduce the need for mains potable supply.

- It is certainly a world class exemplar of urban renewal, but for it to work completely will require stipulations in GC81 that mandate developers to incur the cost of installing 3rd pipes, smart technology and rainwater tanks
- South-east Water may have advanced plans for the treatment plant, but the one thing missing is a location. It is also uncertain whether South East Water will pay for it themselves or rely on Govt funding

The GMH site is now to be the site of Melb Uni’s Engineering faculty, and will be a catalyst for employment and research.

- Synergies with Holden’s Design Facility and with Boeing and DSTO are obvious.
- Students are unlikely to be able to afford to live nearby, unless the Uni also builds a residential college south of the freeway.
- Without adequate public transport non-residential students will be forced to drive – creating further pressures on the road network.

Other medium-term projects for community hubs, schools, and the like all suffer from uncertainty of location, cost and funding.

[Slide 8 – Testing the Assumptions Pt III]

The 80:20 rule could also be problematic for delivery of the Vision. SPURR has tried several times to obtain current number of private trips from both CoPP and Taskforce, without success.

- Even at 0.5 cars per dwelling, there will be an additional 20,000 private vehicles competing for road space in Port Melbourne, so will there be more or less traffic in 2050 than now??

	2020 Estimates			2050 Estimates		
Trip Type	Population	Car Mode Share	No of trips	Population	Car Mode Share	No of Trips
Residential	17,000	55%	30,400	80,000	20%	52,000
Employment	30,500	55%	54,500	80,000	20%	52,000
TOTAL			84,900			104,000

- CoPP target for 2020 is 55% mode share for private vehicles (Fooks p25). Port Melbourne population is 17,000 (ABS 2015). Using earlier ratio, 80k residents anticipated to make 260,000 trips, => 17k residents make 55000 trips.
- 55,000 trips x 55% private vehicle = 30,400 car trips per day
- Area currently has 30,500 jobs (SGS 2016) = 54,500 car movements per day. Total of 85k car trips today
- In 2050, using the same numbers from the estimate for light rail, there will be an estimated 52,000 residential car trips from FBURA and a similar number of employment related trips per day – 104,000 private vehicle trips per day. On these

figures, there will be some 20% more private vehicle trips in 2050 than there are today.

- The Framework (p35) proposes six road closures, including Turner St and Johnson St which both carry substantial traffic.

Likely to be even greater levels of congestion, particularly with proposed changes to Plummer St.

Another issue affecting mode share is the state of the Westgate Bridge, the frequency of breakdowns/accidents in the M1 tunnels and the consequential impact on the FBURA road network.

- Originally designed to carry 40k vehicles per day, that number is now up to 220,000, and trucks on both the Westgate and the Bolte are limited to a 68.5 tonne load (can carry up to 108 tonnes), despite the Westgate being strengthened in 2011 (VicRoads Oct 2016) and the Bolte being less than 20 years old.
- Super B-doubles are 30m long which is too long for the sharpness of the bends on the Todd Rd access ramps, forcing Port-related super B-doubles to and from the west to use either the Bolte Bridge or Montague St access ramps.
- Apart from the increase in cost for truck operators, the situation will increase the amount of traffic on Lorimer St and Williamstown Rd, further contributing to congestion through the area.
- Eastbound freeway traffic is also at the mercy of accidents and breakdowns in the tunnels under the Yarra, causing Port traffic to find alternate routes through Port and South Melbourne.
- The capacity upgrade of Webb Dock is expected to see a 3-fold increase in the number of containers and a 2-fold increase in the number of cars leaving the Port.

Attempts to protect freight routes will either increase congestion through FBURA or constrain the amount of money available for other infrastructure or both.

Also need to examine the usefulness of walkability as a measure of amenity. Walk Score doesn't provide any information about its sample demographic of who walks how far in 5 mins, its time of day or time of year profile. No indication of whether walkability is affected by climate or weather or age or disability.

Wouldn't this affect the travel mode targets, and the ability to deliver the Vision?

- Szafraniac evidence relies on this measure as a basis for claiming the area makes a "low" social contribution – normal economic consideration would determine social contribution on the basis of benefit derived from a host of factors, not simply walkability.
- Also raises the issue of whether provisioning transport networks to change behavior is more of a benefit than managing peak load using all modes for maximum efficiency.

[Slide 9 – Testing the Assumptions Pt IV]

Open space is an overriding concern for most SPURR groups, and is the one issue all agree on.

- The draft framework relies heavily on Murphy's reserve and the Port Melbourne Cricket & Recreation Reserve as the major areas for active recreation. Murphys is already at capacity.
- CoPP has nominated the Council Depot as its preferred site for a 2ndary school. Ace Body Corporate Management also wants the school investigation zone moved to the same area.
- Thompson evidence was that quality of open space is more important than quantity targets – overuse will rapidly reduce the benefits of these parks to the community.
- CoPP staff have provided current cost of maintaining open space in Port Phillip (maintenance for the Murphys alone is \$230k per annum) – Overuse will see the cost of this skyrocket, presumably at the expense of ratepayers
- Noted earlier the role of these iconic open areas of Port Melbourne in the character of the area and acting as a focal point for the local community.
- 65.42 ha in Port Melbourne =>per person allocation of open space is 38 sq m per person.
- Open space in 2050 will be 51ha or 6 sqm per resident
- If the Council and ABCM preferences are acted on, it is likely parts of Murphys will become off limits to the existing park users as well as new residents and workers at various times.
- Further closing off access to Murphys and other existing open space amounts to an unfair expropriation of community assets, and will lead to a diminishing of the amenity of the area.

Unlikely the Open Space strategy will result in preserving amenity, quality open space or cultural heritage of the community.

The Framework is silent on the location of emergency services.

- SPURR hasn't heard of any plans to re-locate the existing fire station, ambulance depot or SES base, but all 3 sites are on prime land in the Sandridge Precinct, and are no doubt under pressure to move.
- There is no mention of providing a police station to serve and protect 80,000 people.

Without these services, the safety of the area will be at risk.

[Slide 10 – Testing the Assumptions Pt V]

Much of the discussion til now has been funding related. Now turning to governance-related side of the process

SPURR is supportive of measures to align population density with amenity. **BUT...**

- It is apparent there is no clear idea what population will be by 2050, or what the final number will be when buildout is complete and the FAU has run its course
- Without an infrastructure needs audit, no clear idea of what is required for what population, or what the population upper limit is.
- Places Victoria (2013) identified a DCP amount of \$29k per dwelling to raise \$907m to meet the needs of 50,000 people. Didn't include schools, heavy rail, bus stops or the Employment Precinct.

- This may give some sort of ratio of infrastructure to people that would guide decision about the population the area can support, though it is obviously an underestimate.
- Since 2013, population target has increased to 80,000, employment target to 80,000, a buildout of 75% by 2050 has been set, and the FAU will allow a further unknown number of people to be ‘housed’. This could see a final population of 140,000-150,000 (Cross of Hodyl evidence) in FBURA with no idea whether such a number is sustainable either in terms of resources or quality of life.

If population is to align with community assets and facilities, someone will need to take responsibility for developing a matrix that matches infrastructure to population.

- In addition to an updated infrastructure needs audit, thought needs to be given to how to track any mismatch. There will be lag between the 2 at any point in time, so knowing when to intervene will be crucial.
- It would make sense to develop a series of trigger points for intervention, which should be based on the 5 key areas of health, safety, mobility, productiveness and connectedness to community.
- Critical to this is who will have carriage of this mechanism – we believe it should be an independent authority who knows the area, has a corporate memory of the planning process, has access to funds to redress any imbalance, and the power to place developments on hold while infrastructure catches up.
- Should population lag infrastructure (unlikely), such an authority would also have the power to delay further infrastructure builds until the cause of population ‘shortfall’ can be addressed.

SPURR is concerned that GC81 is being finalized ahead of the release of the Precinct Plans, and Government acceptance of the Draft Framework

- Most of the criticism of FBURA has centred on the strategic planning being forced to play catch up to developments that have been approved in advance of an integrated plan with its associated timings, governance and funding arrangements
- there is now a further risk that the Precinct plans may advance ideas not in the Draft Framework, and therefore not allowed for in GC81.
- We understand the Precinct plans will undergo a period of public consultation, which will further delay the end of the strategic planning process.
- If GC81 is gazetted ahead of the release of the precinct plans, the statutory planning controls may need to be re-visited for the 7th time in as many years.
- Worse, developments may be approved that are at odds with the strategy for delivering the Vision, or at the least preclude possible world-class solutions for densification problems
- In other words, the cart will still be before the horse

Lastly, a number of expert witnesses (Milner, Adams) have noted that GC81 is only one part of the suite of planning mechanisms that must work together in order for the Vision to become reality.

- Even if the Precinct Plans align with the Draft Framework, even if GC81 accurately reflects the intent of both, and even if the Government accepts the whole of the package, SPURR is still concerned that the missing parts of the puzzle will prevent

developers from having certainty in their ability to gain a reasonable return commensurate with their risk – in other words, “Ghost City”.

- We consider confidence for all stakeholders is the result of certainty that the planning controls are settled (for good or bad), and that responsible and referral authorities will apply the controls consistently.
- Without a DCP or some other appropriate funding mechanism, the planning controls cannot provide the certainty that risk is worth the reward.
- Without strong governance arrangements, there can be no guarantee that the controls will be applied consistently.
- Without both funding and governance certainty, no one can be confident the Vision is realizable.

[Slide 11 – Assessment against the Objectives]

So returning to the objectives for GC81, current situation is such that –

The urban renewal will probably not be fair on landowners, developers or the existing community

- Siting of critical infrastructure means some landowners will not be able to gain the same level of return on their property as other owners unless an equitable compensation mechanism can be found and implemented.
 - As an aside and in answer to a number of arguments put forward by a number of landowners, the idea that they should be able to reap the full value of their windfall gain is not dissimilar to a beneficiary complaining about having to pay probate. We trust the Panel will treat claims of sovereign risk as an exaggerated idea of business risk.
 - In determining “highest & best use”, the key consideration is whether it’s “appropriately justified”. That needs to be decided in the context of the strategic impact of a development.
- Having said that, we believe 1st mover advantage is likely to shift cost of infrastructure unfairly from early to later developments. Given that a number of developments have already progressed beyond sales to near completion without being subject to a finalized DCP or FAR, it is likely those developers have avoided the same level of contribution as those who are in a later phase of the development process.
- As noted earlier, the Port and South Melbourne community are facing a diminution of their stake in assets like Murphys Reserve and the PMCG. Unrestrained population growth without appropriate investment in hard and soft infrastructure will result in a significant loss of amenity to the existing community, and may result in a downturn in property values in the affected areas.

There is nothing orderly in the use and development of the land in FBURA to date

- Six different sets of statutory and interim controls, 5 different responsible authorities, an ad hoc mix of discretionary and mandatory controls, and most lately the ministerial call-in of 26 live applications has done nothing to ensure delivery of the Vision.
- The 28 applications that have been approved were all allowed before the strategic planning process was complete, and of course is still incomplete

Is the land being developed in an economic and sustainable way?

- At the moment GC81 doesn't appear to contain any guidance linked to strategic planning on requirements for 3rd pipe, smart grid, water conservation or flood mitigation measures
- Without a funding model or an infrastructure needs audit for the area, who would know if it's economic or sustainable??

As for securing a pleasant, efficient and safe living environment –

- Uncertainty over delivery of required levels of infrastructure means that we're a long way short of securing necessary amenity
- We know there are no plans for police protection included in the planning framework, so safety is an issue.
- May also be exacerbated by overcrowding if the final density is above what the area can sustain.
- Congestion will also work against efficiency and ease of movement to, from and through the area

Co-ordination is one of the key functions of planning-

- With statutory planning controls released ahead of strategic planning and permits issued without clear consideration of impact on road network, parking, stormwater and community facilities, there has been a complete failure of co-ordination
- If this continues the community will be bearing the cost for years to come.

The development that has occurred to date has been limited, probably due to uncertain planning process.

- Most activity has been pure speculation and flipping of properties with or without a permit.
- We don't believe GC81 can reverse this trend or right the planning process because it is still only one part of the whole, and must act in concert with the framework, including the unfinished precinct plans.
- And as noted throughout this and our earlier submissions, the final package needs to include funding and governance arrangements.

Lastly, GC81 has to balance the interests of all Victorians.

- I have not heard any witness or submitter to date make an attempt at a comparative assessment of their own interests let alone that of all Victorians.

[Slide 12 – Conclusion]

Our conclusion is inescapable – there is no plan in the meaningful sense of the word. All we have are a Vision and targets for 80k residents and 80k workers.

- There is no certainty about delivery of the infrastructure required to support these targets without impinging on surrounding areas, businesses or people passing through and around the area
- There is no certainty about who will be responsible for overseeing delivery of the Vision, or what criteria they will apply in making decisions about approving

developments, acquiring land for community facilities and public infrastructure, priorities for catalyst projects, or operating a review mechanism for tracking the success of the suite of planning controls

- There is no certainty about how much money is required or where it will come from
- There is therefore no certainty about when any of this can be brought about

Despite undoubted improvements in GC81 over earlier statutory planning controls,

- Both through its linkage to the draft framework and through the extended and thorough consideration of this Hearing process
- And despite the inclusion of a review mechanism for tracking the success or otherwise of the planning controls in delivering the Vision

It's highly unlikely GC81 can meet its objectives, or those of anyone else for that matter

[Slide 13 – The Way Ahead]

SPURR considers the only way to right the whole process is to concentrate on the twin enabling issues of funding and governance – business as usual just won't cut it

Preserve the good work done to date on GC81 by putting it to one side for the time-being while the rest of the planning package of Framework and Precinct Plans can catch up and be completed

The strategic planning can't be completed until we know how much infrastructure and what type is required for the target population and workforce.

- We also need to know where it will be located, where the transport corridors will be, etc. There is no certainty in investigation “zones”
- Once we know location, amount and type, we can work out how much money will be needed
- From there, we can work out who will pay what share – knowing full well the negotiations will take time.
- To speed things along, it wouldn't hurt to put pegs in the sand to flag a change from developer expectations of profit margin to something more affordable to the community as a whole
- This process should also ease priority setting for the different infrastructure and various developer projects, and enable scheduling of the delivery of the Vision.

We have already suggested a possible funding mechanism as a conversation starter – Refer to attachment 4 of our submission no 190 to the draft framework

- Although we didn't realise it at the time, the model is not dissimilar to the open space equalization scheme Ms Thompson referred to in her expert evidence
- That said, there is a complication in that not all owners in FBURA want to develop their land. This wasn't the case in the application of the scheme to Cranbourne, and will need to be addressed irrespective of the eventual agreed funding mechanism.

Attachment 3 of our sub no 190 sets out a possible model for a statutory authority that could unite all the planning functions under one roof including oversight of the funding arrangements

- Having a single authority responsible for delivery of the Vision allows for consistency of decision making, and consistency with the Vision over time
- Consistency irrespective of periodic changes in social, economic and political environment
- Accountability can be easily built into enabling legislation, and should be enhanced by reinstatement of 3rd party rights of notification. Rights of appeal may not be necessary if a robust and comprehensive engagement process is mandated, and the authority is required to fully justify decisions via a reporting regime.
- There should be a minimum range of factors that must be taken into account in decisions.
- As an example, SPURR prepared such a list of factors in relation to decisions for the roads around the vertical school at Ferrars st – see attachment 3.1 to sub 190.

SPURR is firmly of the opinion that both funding and governance arrangements are intrinsic to strategic framework, and must be included in the finalized framework documents

Congratulations on the work to date, and we urge you to advocate for the entire community in your final recommendations to the Minister.

Thank you

GOVERNANCE MODEL FOR FBURA

Issue:

What is the most appropriate governance mechanism for ensuring delivery of the Vision for the Fishermans Bend Urban Renewal Area.

Relevant Factors:

- FBURA is by far the largest urban renewal project in Australia, both in terms of area (458ha) and population (80,000 residents and 80,000 workers).
- There are current planning applications before four (4) different responsible authorities¹.
- Planning permits are being – or will be – considered under five (5) different Planning Scheme Amendments².
- Almost all land in FBURA is privately owned with over 300 different landowners; and lot sizes varying significantly.
- No provision has been made for reserving public land³ necessary for supporting the hoped-for population.

Assumptions:

- Under current arrangements, land owners and developers in FBURA have little incentive, scope or ability to formulate business cases that will meet requirements for securing venture capital.
- Reputable developers will not involve themselves in the FBURA project unless and until they have certainty about the regulatory regime, its duration and the decision making framework (DMF) applied by the planning authorities.
- Consistency of interpretation of the regulatory framework and the DMF is key to ensuring certainty for developers over the decades the urban renewal will take.

Possible Mechanism:

A single authority offers the best hope for consistency of decision making. However, such an authority is not guaranteed to deliver consistency without a number of other measures being in place over the life of the project.

- The authority must have a single objective to deliver – the realisation of the agreed Vision for FBURA.
- It must be accountable for delivery of the Vision.
- It must be independent.

¹ Cities of Melbourne and Port Phillip, the Minister for Planning and VCAT.

² Amendments C102, GC16, GC29, GC50 and GC81.

³ Public land refers to all land, rights of way and easements necessary for communal infrastructure including, but not limited to, transport corridors, open space, schools, community services and utilities.

- It must have sufficient power to bring together the various government agencies, private interests and the public to implement the various components of the project.
- It must have access to, and be responsible for, funding for the public infrastructure necessary for a world class renewal area.
- It must be responsible for day-to-day decision-making about what gets built, by whom and where.
- It must ensure FBURA integrates seamlessly with the rest of Port Melbourne, the Port of Melbourne, surrounding areas and greater Melbourne.

Structure

- The best option would appear to be an independent statutory authority constituted under an Act of State Parliament.
- The authority would comprise an odd number of members proposed by the Minister for Planning and appointed by 2/3 majority of parliament (to assist with bipartisan support).
- Members would be independent of political parties, would have experience in planning and construction, and would be selected on the basis of their expertise and standing in the wider community.
- Members would be appointed for a set term (5 years?) NOT coinciding with the electoral term.
- The members would be supported by staff employed under the Victorian Public Service Act, including a chief executive who would have administrative responsibilities for the organisation.
- The authority would be funded through the State budget process.

Responsibilities

- The primary objective would be to do all things necessary for the realisation of the 2017 FBURA Vision.
- Tasks would include all strategic planning for the area in consultation with all relevant agencies and local community groups, planning decisions on individual applications, operation of a special infrastructure fund, collection of fees, rates, duties and other monies payable to the fund.
- Relevant agencies include Local Councils, transport authorities, education and health departments, utility service providers, environmental agencies, the Port of Melbourne, Plan Melbourne, Infrastructure Victoria, Major Projects and other planning authorities.
- Strategic planning includes managing, reviewing, amending where it is at odds with the Vision and oversight of the FBURA strategic framework in its 2018 form. This would also include the proposed precinct plans, transport plan, open space plan and other plans under development by the FBURA Taskforce.

- Oversight and supervision of capital and infrastructure works, including catalyst projects. This would include management of all aspects of tendering and contract management, including developing rigorous tender processes and contract oversight to ensure value for money is achieved and projects are completed on time and within budget.
- Consultation would be through open processes consisting of issues papers, public hearings where appropriate, draft and final reports.
- Decisions on individual applications would be in accordance with planning rules and a comprehensive DMF to be developed by the authority in consultation with affected/interested parties.
- The DMF would cover areas including legal, economic, pollutant remediation, impact on physical conditions, social impact and temporary impacts during construction. (See separate attachment)
- Management and operation of the special infrastructure fund. The fund may be subject to external oversight and audit, but would not be open for use on any other project not directly related to delivery of the Vision.

Powers

- The authority would have all powers necessary to meet its objective and perform the tasks outlined above.
- It would have coercive and enforcement powers to ensure compliance with decisions and directions it might make.
- Enforcement powers would be through the Supreme Court.

Accountability

- The authority would be accountable to the Parliament, with responsibility for the governance framework vested in a suitably senior Minister (probably Treasurer or Premier) assisted by the Minister for Planning or equivalent.
- An annual report would be prepared, audited and tabled in Parliament within 3 months of the close of the financial year.
- Individual decisions of the authority would be subject to judicial review only on the grounds of failure to observe/follow legislated provisions or internal regulations.
- A public register of all decisions should be created and kept up to date.
- A public register of the details of all tenders and contracts should be created and maintained.

Duration

The authority would be subject to a sunset clause based on successful delivery of key benchmarks.

DECISION MAKING FRAMEWORK FOR FBURA ROAD CLOSURES

Issue:

To develop a methodology appropriate to decisions on road closures.

Relevant Factors:

- There are currently six Responsible Authorities who have (or have had) decision-making powers over planning in FBURA.⁴
- The Recast Vision for FBURA includes a number of ‘strategic directions’ that require mixed use of land, diversity of activity and encouragement for 21st century jobs.
- The Recast Vision proposes a greater reliance on active and sustainable transport options than the present reliance on fossil-fuelled vehicles.
- Roads are almost the only publicly owned land in FBURA.
- There is no clear framework that specifies the criteria relevant to a decision on road layout.
- There is no clear timeframe for the delivery of public infrastructure, including transport.

Assumptions:

- Some current land uses will have a continued importance and value to the delivery of the Recast Vision.
- A comprehensive decision making framework will improve the quality of decisions by all Responsible Authorities, and enhance consistency of decision-making.

Relevant Considerations in Decision Making:

How does the proposal contribute to the realisation of the Recast Vision?

1. Legal-

- What are the decision makers obliged to consider?
- Relevant Acts of Parliament?
- Requirements of legal instruments?
- Objectives of planning scheme and other planning documents?
- Is compensation of adversely affected stakeholders a possibility?

2. Physical-

- Ground conditions – type of soil, depth of watertable, height above sea level, condition of stormwater drains and flood mitigation infrastructure.
- Overshadowing – will the proposal allow adequate sunlight in green areas?
Discourage heat sinks?

⁴ The Minister for Planning, the MPA, City of Port Phillip, City of Melbourne, VCAT and the Supreme Court of Victoria

- Wind effects – is the proposal likely to be affected by wind, or contribute to an increase in wind?
3. Environmental-
- Will the site need remediation?
 - Will construction result in release of contaminants into the atmosphere or watertable?
 - What is the most appropriate form of remediation?
 - Does the proposal conform to 21C Smart City Guidelines?
4. Economic-
- Who are the stakeholders – now and in the future?
 - What are the activities they (will) engage in?
 - What is their contribution to the Recast Vision?
 - What is their contribution to the local, Melbourne, Victorian and Australian economies – dollars?, jobs?, as an enabler of other industries/businesses?, reputation?, other relevant metrics?
 - What are (will be) their requirements of the road network?
 - Are there (will there be) alternative transport options that meet their requirements?
 - When?
 - What are the costs of the proposal? Tangible and intangible?
 - What are the benefits? Tangible and intangible?
5. Societal-
- What is the impact of the proposal on the broader community (indirectly affected stakeholders)?
 - Are there implications for emergency services? Short term? Mid-term? Long-term?
 - Are there priority activities in the broader community that may be adversely affected – Defence? International trade?
 - Will the proposal cause traffic/congestion issues in surrounding areas? Wider Melbourne?
 - Will the change in road layout place undue pressure on other transport networks?
 - Is this pressure likely to change? When?
 - Does the proposal provide for disabled access?
 - Does the proposal enhance safety for users of the space?
6. Transitional-
- Will the proposal place a disproportionate burden on particular stakeholders?
 - Will the proposal result in short-term changes in the way stakeholders operate?
 - How can such changes be managed to minimise disruption or other costs?
 - Will the proposal challenge the viability of any stakeholder activities?
 - What is the net benefit/cost of the loss of stakeholder activities?
 - Have the views of all local and state agencies with an interest in the land been taken into account?

FUNDING PUBLIC INFRASTRUCTURE IN FBURA

Issue:

How to raise capital for investment in land in and around FBURA suitable for public infrastructure.¹

Relevant Factors:

- Re-zoning to capital city zone has increased the value of land holdings in North Port, Montague and Fishermans Bend (FBURA).
- Almost all land in FBURA is privately owned; and lot sizes vary significantly.
- No provision has been made for reserving public land necessary for supporting 80,000 residents and 40,000 workers.

Assumptions:

- Further uplift in land value will be created by investment in transport infrastructure in particular, as well as in other public infrastructure including open space, schools and community facilities.
- In principle, beneficiaries of the re-zoning decision should be obliged to make appropriate contributions to ensuring FBURA is a world class example of urban renewal and living.
- Under current arrangements, land owners in FBURA have little incentive, scope or ability to contribute an appropriate portion of their windfall gains back to the community for the future use of the community.

Possible Mechanism:

Similar to rate valuations and Council Budget processes, estimate total cost of necessary infrastructure services and apportion cost per property (eg per sq m, per CIV, etc) –

- Need to identify each service, who it will serve, where it should be located and what it will cost. Costs could also include where services for the community are provided out of area eg schools.
- These costs should *NOT* include the value of the land itself.
- Implementation of this mechanism should be at the earliest stages of planning for the area. Agreement on the principles of this document and which services are necessary should be part of the revised vision for the area.
- Costs would be estimated as part of the initial planning and revised periodically if necessary (see below).

Planning controls such as height restrictions will limit the revenue able to be generated by different properties (fewer apartment sales, less floor space). Revenue will also be constrained for those properties reserved (wholly or in part) for public infrastructure.

¹ In this document, 'public infrastructure' includes all assets and facilities used for public purposes such as transport corridors (road, rail, lightrail); open space; sporting activity; education; aged, child and health care; etc.

- The entire FBURA could be treated as a super-lot where revenues are paid into a consolidated fund for the owners/developers as they are generated. As most sales seem to be off-the-plan, the consortium of owner/developers could receive monies ahead of incurring building costs as happens normally.
- Funds for infrastructure would be reserved, and drawn down from the fund as required and/or available. This would be in place of requirements under existing Developer Contribution Plan(s).
- The fund would have an initial injection of capital provided by the Government.
- Funds for construction would be drawn on from the fund as required.
- Where there is a shortfall of monies at any point in time, the fund could be supplemented by loans (ideally interest-free) from Government or infrastructure providers.
- Profits would be distributed from the fund to the owner/developers on the same basis as the initial allocation of cost per property.
- Timing of distribution of profits would be subject to negotiation, but might be staged as precincts are completed, or agreed milestones reached.

Governance

Adequate controls over the fund will be mandatory. Controls would include-

- A separate entity with specific accounting, oversight and safeguard functions;
- Statutory and/or legislative instruments that specify responsibilities, systems and processes;
- Ensuring value-for-money from infrastructure providers through robust and transparent tendering procedures. Safeguards will also be necessary to avoid cost shifting or transfer pricing to related entities.

Other Mechanisms:

The fund could be augmented by directing application fees, stamp duties, land taxes, rates and existing special levies for the area into it.

Other concerns such as affordable and diverse housing could also be addressed by setting fees, duties and rates such that it becomes more profitable for the owner/developers to provide higher proportions of 2- and 3-bedroom accommodation-

- Permit Application fees could be re-structured to be based on type and number of properties within a development. Single bedroom apartments would be charged a higher fee than doubles, with triples being the cheapest.
- Special rates could be struck for single apartments that make them less attractive to buyers and owner/developers.