

Business Plan 2012 - 2013

a partner in creating sustainable and liveable new communities in Melbourne's growth areas



INDEX

Chief Executive Officer's Report	4
Key Priorities for the GAA	6
Delivering on Our Objectives	6
About the GAA	13
Members of the Authority	13
Our Organisation	14
Our Resources	15

BUSINESS PLAN 2012 - 2013

MISSION

To be an active partner in creating sustainable and liveable new communities in Melbourne's growth areas.

our Values and Behaviours

The GAA aims to demonstrate the following values in its work

VALUE	BEHAVIOURS
Leadership	We provide clarity and certainty, develop new and innovative solutions to problems, provide authoritative advice and lead by example to get things done and make a positive difference.
Partnership	We work in collaboration with our stakeholders through genuine consultation, sharing of information, and harnessing their expertise and resources.
Professionalism	We act with honesty and openness, are accountable for our actions, are respected for our expertise and high quality and balanced advice.
Responsivenes	We are aware of the needs of our stakeholders and strive to provide a high level of service and advice at all times.

MINISTER FOR PLANNING

Housing affordability, local employment and the quality of life for residents of Melbourne's new suburbs remain a key focus of the Victorian Coalition Government.

Having brought forward the structure planning for 50,000 residential lots, undertaken the Growth Corridor Planning for the land brought within the Urban Growth Boundary in 2010, and having undertaken the Logical Inclusions review over the last financial year, the Growth Areas Authority will now concentrate on progressing these significant changes over the coming years.



In particular this will include the continued roll out of the GAA's Precinct Structure Planning program with a new emphasis on integrated water planning. I am also expecting to see more state infrastructure initiatives being proposed and undertaken which impact upon Melbourne's growth areas, including Growth Areas Infrastructure Contribution (GAIC) activities.

The Hon. Matthew Guy MLC Minister for Planning September 2012

CHAIRMAN'S MESSAGE

Planning for the creation of Melbourne's new suburbs is progressing well.

The GAA's main objective is to ensure that as our population heads towards 5 million, that our city continues to be one of the world's most liveable by retaining liveability, affordability and accessibility.

This can be achieved through provision of a wide choice of affordable housing at a variety of addresses for all household types, including families, singles and couples, students and the elderly.



Creating new suburbs that will deliver a wide variety of jobs close to home is one of the GAA's key objectives for the 2012/13 financial year. This can be achieved by planning vibrant suburbs and town centres that are attractive to potential residents and businesses and have access to quality shopping precincts, community services, open space and key infrastructure.

The GAA is also committed to working with developers, state agencies and local Councils to deliver high quality demonstration projects that set the tone for future urban development and provide a visible example of the benefits of high level planning.

Finally, the coming year will be an important one for the GAA as it works to implement the changes brought about by the completion of the Growth Corridor Plans and the Logical Inclusions review of Melbourne's Urban Growth Boundary.

Chris Banks AM
Chairman
September 2012

CHIEF EXECUTIVE OFFICER'S REPORT

Melbourne's newest suburbs and their planned growth are essential to the economic and social health of our State. The role of the GAA is to manage this growth to ensure they are affordable and excellent places to live and for business to grow.



A platform for growth

In the 2011/12 financial year, the GAA completed a number of significant achievements that create the platform for much of the planned growth of Melbourne. The Growth Corridor Plans, along with some adjustments to be made to the UGB from the Logical Inclusions process set a clear direction for the next 30 years for Melbourne and provide a major input to the Government's Metropolitan Planning Strategy. In addition, the achievement of the Minister's target of planning for 50,000 residential lots will provide adequate supply to meet the needs of housing demand that had been such a problem in the previous couple of years. This has also been achieved with more comprehensive transport plans for the new suburbs and Australia's first really significant regional Federal/State strategic biodiversity management agreement under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

However, creating Melbourne as a 21st century city involves more than simply continuing the trends of the past.

More jobs close to home

As Melbourne grows, our new areas must align better with the needs of business development and job creation. Our planning should differentiate development based on the economic fundamentals of the areas and corridors in which they exist. New town centres must be places for office as well as the local and industrial employment that are usual in our past developments. Adequate private and public transport capacity must be planned in, so that businesses can grow and attract workers to bring about the long term goal of the GAA: "Jobs close to home."

We must reduce the funding pressure on transport infrastructure by spreading the load of peak hour travel on roads and trains so it is in both directions, not just into the CBD in the mornings, and the reverse in the evenings.

New projects to demonstrate the way forward

Our new suburbs should no longer just be dormitory suburbs but should exhibit a complex pattern of housing, schools, shops, businesses, open space and recreation facilities. New approaches to all these areas should be planned and demonstrated through real projects as we have done in Selandra Rise in Cranbourne East in partnership with Stockland, the City of Casey, Planning Institute of Australia (PIA) and VicHealth.

Another example will be the planning for the new East Werribee Precinct, to be developed on the old State Research Farm, which is anticipated to have the capacity for businesses with 40,000 office and high tech jobs as well as higher density and executive housing around new waterways and with new freeway and train connections.

Our new housing should be able to accommodate a variety of different needs, including families, singles, older residents, the well off and those who struggle. Each PSP should provide affordable options despite the continuing upward pressure placed on housing prices.

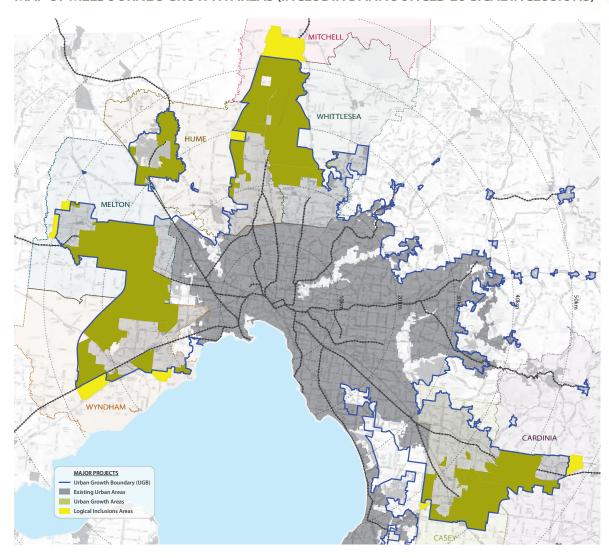
Maintain momentum

The momentum generated by the GAA in recent times will continue into the coming year and those that follow as we continue to support Councils, Government Departments, local communities and developers and landowners in the development of Melbourne as a great 21st century city. We look forward to working with you during the coming year.

Peter Seamer
Chief Executive Officer
September 2012

MAP OF MELBOURNE'S GROWTH AREAS (INCLUDING ANNOUNCED LOGICAL INCLUSIONS)





KEY PRIORITIES FOR THE GAA

With the confirmation of the GAA's direction by the Victorian Government, the GAA intends to focus on the following key aspects in the coming period:

- Continued roll out of the Precinct Structure Plan program, with 32 PSPs in various stages of preparation;
- · Implementation of Growth Areas Infrastructure Contribution (GAIC) Work in Kind arrangements;
- Conduct "corridor" planning for areas included within the Urban Growth Boundary resulting from the Logical Inclusions;
- Further development of identified demonstration projects in partnership with Councils and other stakeholders;
- Conduct economic infrastructure planning in partnership with state agencies, Councils and other stakeholders.

DELIVERING ON OUR OBJECTIVES

The objectives of the GAA are listed in Section 46 AR of the Planning and Environment Act 1987. For each of the objectives, the GAA's scheduled activities for the coming 12 months, and also the priorities and plans for achieving these over the next three years, are outlined below.

A. DEVELOPMENT IN GROWTH AREAS OCCURS IN A COORDINATED AND TIMELY MANNER

One of the key activities of the GAA is to ensure an adequate supply of appropriately zoned land is available for the development of our newest suburbs. Without an adequate supply of zoned growth area land, the development of these areas is impossible to achieve in a co-ordinated and timely manner.

Over the next 12 months the GAA plans to:

- Conduct strategic planning for new areas included through the Logical Inclusions Program;
- Continue to explore funding models for structure planning in the growth areas;
- Make significant progress in completing 10 additional PSPs by 30 June 2013.

The priorities for this objective over the next three years are to:

- Manage the completion of the PSPs for Melbourne's growth areas by:
 - · Substantially completing another 32 identified PSPs in the PSP preparation program;
 - Making substantial progress in planning for the preparation of the remaining outstanding PSPs in accordance with the program.

The completion of the additional residential PSPs contained in the existing PSP program is expected to provide land zoned for a further 140,000 residential lots and 2,500 employment hectares by the end of 2016.

Other priorities identified to assist in delivering the objective are:

- Further streamlining of growth area planning processes;
- · The GAA performing the role of Planning Authority for growth areas; and
- The GAA facilitating growth area transport planning activities.





The provision of appropriate infrastructure and services in a timely manner is a critical objective of the GAA to ensure the continued development of the growth areas.

Over the next 12 months the GAA is planning to:

- Develop and implement the processes required for the announced GAIC Works-in-Kind;
- Work with proponents to develop, investigate and make recommendations in relation to potential GAIC Works-in-Kind applications;
- Develop the processes for the funding to be allocated from the two GAIC Funds, namely the Building New Communities Fund and the Growth Areas Public Transport Fund;
- Hand over ongoing management of the Growth Areas Engineering Standards project to growth area Councils, but continue ensuring that all new PSPs incorporate the Standards;
- In conjunction with others, introduce new approaches to Council Development Contribution Plans (DCPs);
- Develop more detailed plans for key infrastructure roll out, in conjunction with development timing.

The priorities for this objective over the next three years are to:

- Develop Infrastructure Plans for each PSP to inform State and Local Government budget programs;
- Work closely with growth area Councils on growth area infrastructure plans;
- Work in conjunction with other agencies to identify and facilitate infrastructure required by new vehicle technologies;
- Integrate the planning of transport and road infrastructure and associated services;
- Monitor PSP roll out schedules to influence integration with infrastructure provision;
- Work with other Government agencies and non-Government providers to co-ordinate the implementation of education infrastructure; and
- Develop and implement processes for the allocation of GAIC funding and GAIC WIK applications so as to align with timely infrastructure provision.

C. PROMOTE SUSTAINABLE DEVELOPMENT OF LAND IN GROWTH AREAS

Develop progressive new suburbs from an economic, environmental and social perspective. The GAA's role with regard to the activities aligned with this goal are broad, and many of the other GAA objectives also incorporate aspects of this goal.

Over the next 12 months the GAA plans to:

- Develop a strategy for promoting the sustainable development of employment areas in the growth areas;
- Complete the Corridor Planning process in relation to areas brought within the Urban Growth Boundary through the Logical Inclusions process;
- · Work with Department of Sustainability and Environment in refining biodiversity controls; and
- Work closely with Living Melbourne Living Victoria initiative to complete Integrated Water Cycle Strategies of the growth corridors and reflect these into the GAA's PSPs to optimise water retention and usage in planning Melbourne's growth areas.

The GAA's focus and priority over the coming three years will be in relation to environment, infrastructure and social aspects of this objective:

Environment

- Seek water utilisation solutions to be implemented in the PSPs for Melbourne's growth areas that optimise sustainable water outcomes in an affordable and equitable way;
- Refine and implement biodiversity controls to be applied to Melbourne's growth areas.

Infrastructure

- Seek optimum transport and land use solutions that minimise the need for travel and manage the need or investment;
- Implement innovative planning solutions to reduce resource consumption, e.g. water/energy.

Social

• Facilitate opportunities for the development of integrated community infrastructure.

D. PROMOTE HOUSING DIVERSITY AND AFFORDABILITY IN GROWTH AREAS

Over the next 12 months the GAA plans to:

- Continue to implement the process to enable the provision of dwellings on parcels less than 300 square metres in the growth areas. Changes to PSPs will allow dwellings to be constructed without planning permits subject to meeting design requirements;
- Continue to progress demonstration projects in partnership with growth area Councils and other Stakeholders:
- Promote variety in densities, building types and types of residential areas in PSPs to be completed.

The GAA's priorities for this objective over the next three years are to:

- Continue to implement, and where necessary, amend the PSP Guidelines to enable housing diversity and to contribute to housing affordability;
- Continue to focus on the provision of a range of housing types within the application of PSP Guidelines;
- Continue to enable the provision of dwellings less than 300 square metres in size in Melbourne's growth areas through the adopted PSPs; and
- Implement demonstration projects in partnership with growth areas Councils and other stakeholders.

E. PROMOTE EMPLOYMENT OPPORTUNITIES IN GROWTH AREAS



The GAA recognises that business and employment growth in the new suburbs is influenced by a range of factors, particularly drawing on the economic advantages of Melbourne.

The GAA is able to add to our State's economic development by influencing how land in the growth areas is planned to be used. The GAA will ensure that the PSP process supports the broad GAA goal of at least one job per household across the growth areas.

The GAA needs to continue to focus on raising awareness of the importance of creating a variety of real employment options in our new suburbs as this will underpin the success of these areas. Congestion on Melbourne's roads and public transport alone will make it increasingly important that we accelerate quality employment opportunities in our new suburbs. This change will improve the quality of travel on our roads and public transport, will encourage the use of counter cyclical (contra flow) travel where possible, and potentially defer the need for major transport infrastructure investment.

Acceleration of delivery of jobs close to home

As well as a focus on normal suburban jobs and economic activity, a primary catalyst for the GAA's jobs closer to home initiative is the early establishment of several significant city hubs as the focal points of our growth corridors. The establishment of quality urban city centres and related services create the incentive for employers to establish offices in these locations. This is also a fundamental issue influencing where tertiary education and regional health and community facilities are located and where the consequent education employment and business opportunities are created.

Over the next 12 months the GAA plans to:

- Complete a detailed plan on how we can accelerate the development of employment in growth area town centres:
- Work with local Government in order to facilitate the development of the new growth areas centres in order to produce significant economic and employment outcomes;
- Investigate better ways of creating town centres to provide more white collar employment in the new suburbs;
- Facilitate employment in the growth areas by detailed planning of identified employment land within the growth area PSPs; and
- Complete detailed planning for several major and principal town centres and major employment precincts in conjunction with Councils, owners and potential retail and business investors.

The priorities for this objective over the next three years are to:

- Ensure detailed planning of sufficient industrial and employment land, having regard for demand in the different corridors:
- Identify and plan for infrastructure required to support business investment and employment;
- Encourage and facilitate co-location of economically relevant facilities;
- Partner with local Government to identify, plan and lead commercial activity in the growth areas' new centres;
- Facilitate development of office warehouses, and other employment generating buildings; and
- Work with the growth area Councils and the Department of Business and Innovation (DBI) on local economic development opportunities.

F. LAND IS PROVIDED FOR COMMERCIAL AND INDUSTRIAL PURPOSES IN GROWTH AREAS IN A CO-ORDINATED AND TIMELY MANNER

The GAA works closely with the Department of Business and Innovation (DBI) to achieve the above objective.

Over the next 12 months the GAA plans to:

- Complete/progress PSPs for new employment areas to ensure adequate supply;
- Facilitate Agency/Council strategic and development planning to enable agreement on scope, priority and justification for Council and Agency Infrastructure projects;
- Identify commercial/retail zones for the land to be brought within the Urban Growth Boundary through the Logical Inclusions process.

The priorities for this objective over the next three years are to:

- Ensure sufficient industrial zoned land is maintained;
- Continue with comprehensive integrated planning of industrial precincts;
- Work with Department of Transport (DoT) to protect/plan significant freight terminal opportunities in Melbourne's west and north;
- · Facilitate the creation of opportunities for small/medium/ large footprint employers;
- · Co-ordinate activities with those of DBI;
- Ensure the supply of new employment land continues to increase.

G. FOSTER THE DEVELOPMENT OF COMMUNITIES IN GROWTH AREAS

Much of the work and activity of the GAA is focused on achieving this objective as an outcome for Melbourne's newest suburbs.

Over the next 12 months the GAA plans to:

• Continue to implement the PSP Guidelines by ensuring essential infrastructure required to support liveable communities in Melbourne's newest suburbs is identified in the PSPs and, where appropriate, in DCPs.

The priorities for this objective over the next three years are to:

- Through planning, develop opportunities to allow for the creation of integrated learning places and other shared community facilities;
- Implement PSPs in accordance with PSP Guidelines; and
- · Maintain focus on the creation of pedestrian friendly centres.





The GAA will work closely with VicRoads, the Department of Transport (DoT) and the Department of Planning and Community Development (DPCD) to implement this objective.

Over the next 12 months the GAA plans to:

- Ensure transport infrastructure required for development of new precincts is identified in PSPs, and where appropriate, incorporated in DCPs;
- Ensure the strategic transport network identified in the Growth Corridor Plans is refined and preserved through PSPS development;
- Work with relevant agencies to progress the development and assessment of any priority transport solutions identified as potential GAIC WIK arrangements;
- Ensure that a funding allocation method for the two GAIC Funds is developed and implemented;
- Work with VicRoads and the DoT to refine co-operative land use and multi-modal transport planning processes;
- Ensure the process for PSP preparation clearly links with co-ordinated multi-modal transport planning.

The priorities for this objective over the next three years are to:

- Develop and implement processes for considering and progressing GAIC WIK applications;
- Ensure transport alternatives are planned for in PSPs;
- Develop strategies for reducing the length and frequency of travel arising out of Melbourne's newest suburbs;
- Work with the DoT to protect/plan significant freight terminal opportunities in Melbourne's west and north;
- Ensure the processes for the administration of the GAIC and Growth Areas Public Transport Fund and Building New Communities Fund are developed and implemented;
- Ensure appropriate transport infrastructure and services are included in the Infrastructure Plans developed for each PSP;
- Work closely with Councils on growth area Infrastructure Plans;
- · Contribute to the Integrated Infrastructure Planning Committee;
- Work in conjunction with other agencies to identify and facilitate infrastructure for emerging vehicle technologies; and
- Integrate the provision of transport and road infrastructure, with associated services.

In addition to the statutory objectives the GAA has the broad internal objective reflected in item I.

I. DISCHARGE GOVERNANCE ACTIVITIES

The GAA has an obligation to the Victorian community to ensure that it conducts its affairs and operations in accordance with Government's standards and expectations.

Over the next 12 months the GAA will ensure that it:

- Conducts the financial operations of the organisation in a controlled and transparent manner by:
 - · Producing the annual report by the end of September each year with no qualifications in the Audit Report; and
 - Responding to GAIC related matters in a timely manner and reporting GAIC income and allocation as required by legislation.
- Conducts Authority meetings in accordance with legislative requirements by:
 - Holding at least six Authority meetings each financial year.
- Measures the outcomes set out in the GAA Environmental Strategy by:
 - Annually reporting on the outcomes of the GAA Environment Strategy actions.
- Discharges its Risk Management obligations annually by:
 - Including the completed Risk Management Attestation in the Annual Report.

ABOUT THE GAA



MEMBERS OF THE AUTHORITY

The GAA is overseen by a highly experienced board that brings a broad range of disciplines; including planning, development, economics, financial management, education and housing. Chaired by Chris Banks AM, four Authority members were appointed by the Minister from 1 September 2011. The Authority reports to the Minister for Planning, The Hon. Matthew Guy MLC.

A profile of each board member is below.



CHRIS BANKS AM (CHAIRMAN)

Chris Banks AM brings more than four decades of commitment to the housing and urban development industry, culminating as Chief Executive Officer of AV Jennings for 11 years and Managing Director of Delfin for 9 years.



FRANK KING (DEPUTY CHAIR)

Frank King is a former Deputy Secretary of the Department of Treasury and Finance. He is President of the Emergency Services Superannuation Board. He brings to the GAA board an appreciation of the process of government and governance.



DI FLEMING

Di Fleming brings experience across education, greenfield development and digital design. She is Director of Accelerated Knowledge Technologies Pty Ltd, Vice President of Africa Australia Business Council (Vic) and former founding director of Digital Harbour Pty Ltd with associate professorships at RMIT and Melbourne Universities. She is a recipient of the Telstra Business Woman of the Year Award (Vic).



ANN KEDDIE

Ann Keddie is an architect and urban designer with extensive experience within the industry, particularly in the area of infrastructure and housing. She is a sessional member of both the Victorian Civil and Administrative Tribunal and Planning Panels Victoria, and a former member of the Priority Development Panel and the City Link Authority.



IAN MUNRO PSM

lan Munro brings to the Board expertise in aligning Government and business to achieve investment and jobs growth. Ian has a detailed understanding of the critical role of land supply and planning in economic development. Ian is a Council member of the Victorian Environment Assessment Council and former Deputy Secretary/CEO of Invest Assist (former Dept of Innovation, Industry and Regional Development). Ian is currently a consultant to the Department of Business and Innovation and to Regional Development Victoria.

A new board is to be appointed from 23 October 2012.

OUR ORGANISATION

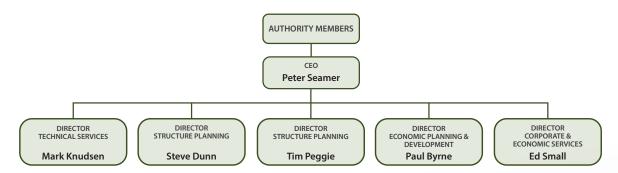
The GAA had an adopted staff complement of 58 (Effective Full Time) employees for the 2011/12 financial year, supported by some contract employees to help meet work targets and to provide expert assistance in key areas. With the change in funding and the change in the focus of the GAA's activities, the GAA has determined to reduce its staff levels accordingly. The GAA is expected to reduce its staff complement so as to fall within the range of 40 to 45 staff as at the end of June 2013.

The following table details expected staffing arrangements for the coming year:

STAFF	2012/13	2011/12 (as per adopted Business Plan
Executive	4	6
Non executive	41	52
TOTAL	45	58

The organisation is structured around 4 major activities (5 teams). The teams are organised to optimise the GAA in conducting its activities in the following areas:

- **Precinct Structure Planning** activity is handled by two separate teams to deliver the production of the existing residential PSP program within the tight timeframe of 2012. These two teams work in partnership with the growth area councils to complete PSPs for land within the existing UGB in accordance with the agreed timetable.
- **The Technical Services** team is responsible for supporting the planning and other operations of the GAA through the provision of technical advice, infrastructure coordination planning and graphics, GIS and drafting support.
- The Economic Planning & Development team is responsible for preparing employment PSPs and also developing planning and design approaches for town and city centres. The team also coordinates the economic research activities and manages PSPs for industrial and town centres, and is currently managing the Logical Inclusions Review.
- The Corporate and Economic Services team is responsible for good governance (including the finance, administration and information technology functions), and incorporates the implementation and administration of the GAIC, and the support of the GAIC Hardship Relief Board.



OUR RESOURCES



BUDGET

The Authority has approved the following budget and projections for 2012/2013 and has endorsed inprinciple the financial projections for the subsequent two years.

INCOME

	2012/13 \$m	2013/14 \$m	2014/15 \$m
Appropriation	4.6	4.7	3.9
Interest	0.4	0.3	0.2
Other Contributions	2.8	1.2	0.4
Expected Future PSP funding*	0.0	5.0 *	5.9 *
Total Income	\$ 7.8	\$ 11.2	\$ 10.4

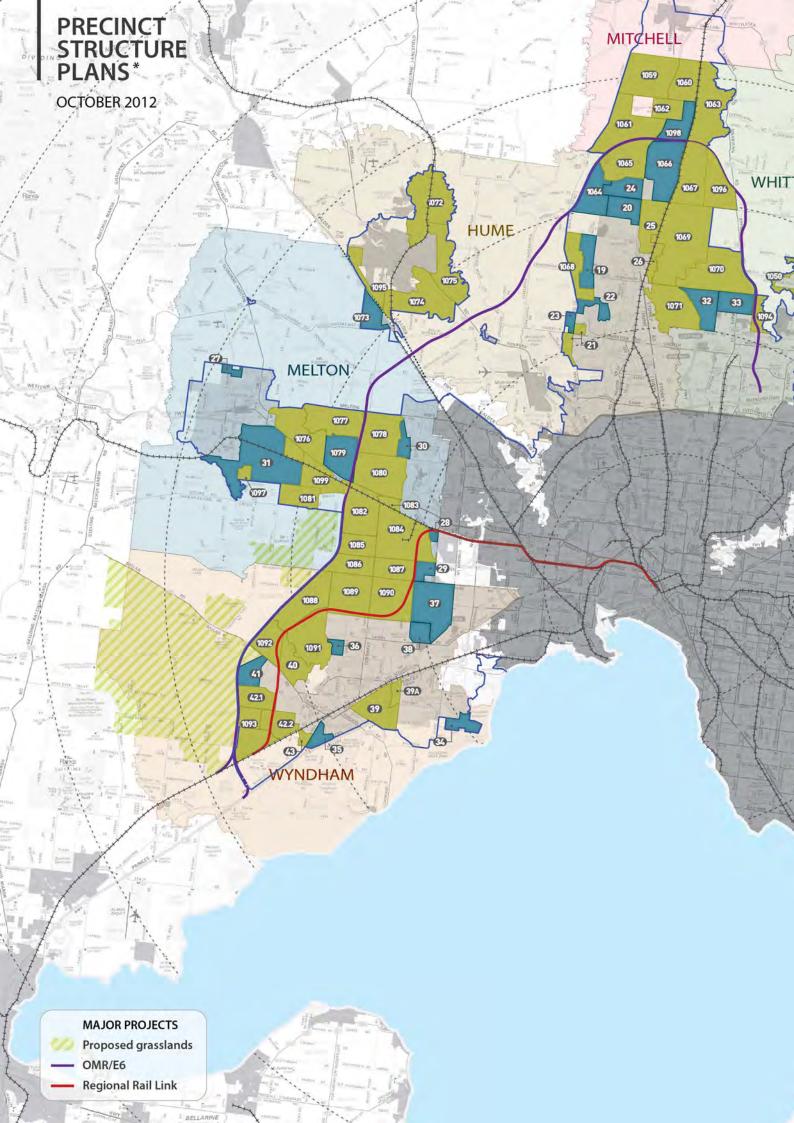
EXPENDITURE

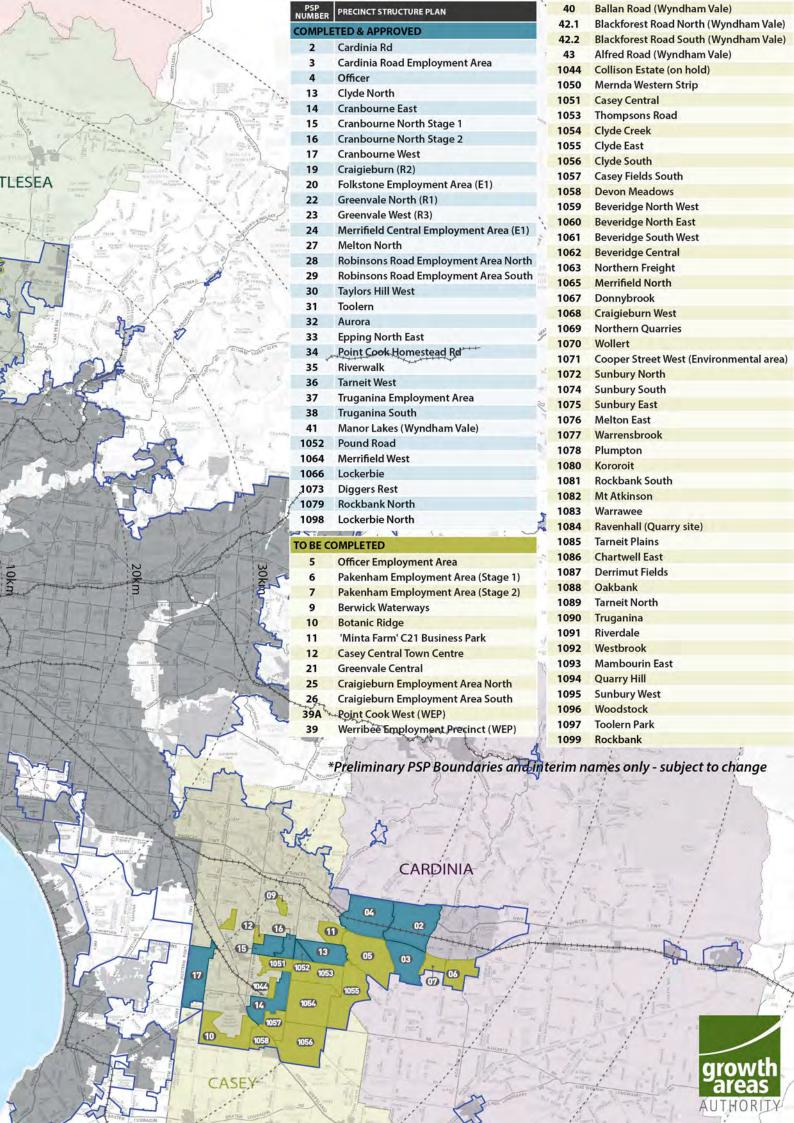
	2012/13 \$m	2013/14 \$m	2014/15 \$m
Executive	0.7	0.8	1.0
Corporate & Economic Services	2.1	2.2	2.1
Strategic Planning	0.2	1.0	1.1
Structure Planning	7.6	5.5 *	4.5 *
Technical Services	1.1	1.7	1.7
Total Expenditure	\$ 11.7	\$ 11.2	\$ 10.4
Net Operating Income	(3.9)	(0.0)	(0.0)
Accumulated funds Brought Forward (Forecast)	11.7	7.8	7.8
Accumulated Funds at end of the Period	\$ 7.8	\$ 7.8	\$ 7.8

EQUITY

	2012/13	2013/14	2014/15
	\$m	\$m	\$m
Net Equity	\$ 7.8	\$ 7.8	\$ 7.8

^{*} This represents additional income and expenditure for the ongoing rollout of the GAA's PSP program and other strategic planning initiatives in the years 2013/14 and 2014/15. The level of the GAA's planning activities outlined in the Business Plan for the 2013/14 and 2014/15 years will be dependent upon the level of funds sourced by the GAA, and the actual budget for the future financial years will need to be varied so as to be in accord with more accurate information which will be available closer to the time.







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