



Business Plan

2008 - 2009

partners in
creating new
communities

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

The Growth Areas Authority aims to demonstrate the following values in its work with its partners to establish liveable and sustainable communities in Melbourne's growth areas.

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.

Responsiveness: We are aware of the needs of our stakeholders and strive to provide a high level of service and advice at all times.

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CHAIRMAN'S MESSAGE



The Victorian Government's sweeping changes to the planning process in the Growth Areas are a direct response to what our stakeholders have been telling us: we need to get more land to market far sooner.

We are pleased to step into a role that will enable us to make a significant contribution towards achieving this goal.

Working with our council partners and the development industry, these reforms will enable us to reduce the time it takes to get land ready for development by more than a year.

This in turn will help boost land supply, putting downward pressure on housing affordability while making sure the resulting communities are well designed and serviced.

We know - from research the GAA commissioned - that people want to live where there are job opportunities; healthy and safe communities; affordable living; and sustainable environments.

With work on 37 new communities in the growth areas now underway we are confident that in the years ahead the growth areas will be ready to accommodate an increasing proportion of Melbourne's rapidly growing population.

Chris Banks AM
Chairman

July 2008

CHIEF EXECUTIVE OFFICER'S MESSAGE



Melbourne is growing. The need to meet a significant part of Melbourne's growth in the growth areas while improving sustainability, employment, and liveability is the role of the GAA. On current trends Melbourne will need to house and employ in excess of 400,000 residents in its designated growth areas by 2030.

The GAA is committed to not only planning these areas, but to making our new suburbs excellent, affordable and sustainable places to live and work.

Since our formation in late 2006 we have grown to have a major role in:

- Reforming the planning and development processes leading to growth area developments
- Working with Councils, land owners and developers in creating new Precinct Structure Plans (PSP)
- Creating new systems to identify infrastructure requirements and to work with all Councils and Government agencies to assist in giving them the priority they need
- Facilitating specific high order developments
- Improving Precinct Structure Plan Outcomes; for transport, environment, employment, liveability, and finally the attractiveness and efficiency of the suburbs we create.

We reached an important milestone in March 2008 when the Premier announced the introduction of a new Urban Growth Zone (UGZ). The new zone will be used to streamline planning and land rezoning processes and place a direct focus on what is being planned rather than simply managing a cumbersome legalistic process.

There are some 90,000 lots of land to be planned and zoned over the next couple of years: home and work places for a population of over a quarter of a million.

Over the coming three years, the GAA will continue to reform the planning and construction approvals process as well as our planning work. We will play an increasingly stronger role in delivering locations for our new communities, and in doing so we are committed to working closely with all our partners.

The next three years will be the time when the GAA can play a significant role in building a better Melbourne.

Peter Seamer
Chief Executive Officer

July 2008

MEMBERS OF THE AUTHORITY

The Growth Areas Authority is overseen by a highly experienced board that brings a broad range of disciplines including planning, development, economics, financial management, local government and housing. Chaired by Chris Banks, five board members were appointed by the Minister on 1 September 2006 with Di Fleming joining in November 2007. They report to the Minister for Planning, the Hon. Justin Madden MLC. A profile of each board member is below.



CHRIS BANKS AM (CHAIRMAN)

Chris Banks brings more than four decades of exposure in 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 (ACTING DEPUTY CHAIR)

Frank King is a former deputy secretary of the Department of Treasury and Finance and is Chair of the Audit Committee. Frank also holds the roles of President of the Emergency Services Super Board, Chair of the Centre for Adult Education and Board Member of Victoria Legal Aid.



FELIX BLATT

Until recently Felix Blatt has been the chief advisor project management for Rio Tinto and has extensive experience managing greenfield engineering projects.



DI FLEMING

Di Fleming is a former Victorian Telstra Businesswoman of the Year, associate professor in Digital Design at RMIT University and director of lab.3000. She steered lab.3000's evolution to become the state's first Centre of Excellence in Digital Design.



CAROL SCHWARTZ AM

Carol Schwartz is a director of the Highpoint Property Group and is on the boards of a number of property and arts-related institutions.

ABOUT THE GAA

OUR ROLE

The GAA is an independent statutory body that was established on 1 September 2006 to oversee the planning, use, development and protection of land declared as growth areas by the Minister for Planning. Our primary focus is to reduce the regulatory burden on developers and local government, and to maintain housing affordability in the growth areas.

Put more simply, the GAA's role is to improve planning and infrastructure coordination in five growth areas: Casey-Cardinia, Hume, Melton-Caroline Springs, Whittlesea and Wyndham (refer to Figure 1).

We aim to have Australia's best land development system to create well-designed neighbourhoods that provide more lifestyle, housing and employment choices.

In doing this we will contribute towards:

- Improving housing and industrial land affordability.
- Ensuring new communities are created by delivering a good supply of quality, serviced residential and employment land.
- Improving living standards for Victorians.
- Ensuring we have a healthy development industry in our State.
- Leaving a very positive legacy for many generations to come.

The key is improving the planning processes around the release of land and providing the Government with in-depth and long-term advice on infrastructure needs.

OUR OBJECTIVES

Our objectives¹ under the Planning and Environment Act are:

- (a) To ensure that development in growth areas occurs in a coordinated and timely manner.
- (b) To ensure that infrastructure, services and facilities are provided in growth areas in a coordinated and timely manner.
- (c) To promote sustainable development of land in growth areas.
- (d) To promote housing diversity and affordability in growth areas.
- (e) To promote employment opportunities in growth areas.
- (f) To ensure that land is provided for commercial and industrial purposes in growth areas in a co-ordinated and timely manner.
- (g) To foster the development of communities in growth areas.

¹ Section 46AR, Planning and Environment (Growth Areas Authority) Act 2006

These statutory objectives are summarised for the organisation as to:

- Develop communities in growth areas that are socially, environmentally and economically sustainable.
- Work with industry and local Councils to ensure economic, employment and housing priorities are achieved in Melbourne's five growth areas.
- Improve the operation of regulatory and administrative processes over time to reduce costs and increase efficiencies for developers and local Councils.



Figure 1 - Melbourne's Growth Areas

MANAGING THE GROWTH AREAS

In all the work the GAA undertakes there is a clear focus on liveability, environmental sustainability and the broad goals of affordability, and access to jobs and services.

Over the next year, we will continue to work on a range of projects in collaboration with council, industry bodies and Government departments to address a number of pertinent issues for the growth issues.

MAINTAINING AN ADEQUATE SUPPLY OF LAND FOR RESIDENTIAL AND EMPLOYMENT DEVELOPMENT

In March 2008, the Premier announced that new population forecasts show Victoria's population is set to hit 6.2 million, and Melbourne, 4.5 million, by 2020, rather than by 2030² as anticipated when *Melbourne 2030* was developed. This will result in land in the growth areas being consumed faster and shortening the years of land supply within the current Urban Growth Boundary (UGB).

The Government has set a benchmark of 15 years supply of broadhectare residential land across all growth areas, of which at least 10 years should be zoned to permit development³. Maintaining a residential land supply in designated growth areas is a key tool for ensuring supply constraints does not put additional pressure on the cost of land and housing packages. Careful management of development and densities occurring in the growth areas will be vital.

There is also a need to plan for an adequate supply of employment land in the growth areas to achieve sustainable growth. Access to jobs that are easily accessible through a variety of transport options close to where people live contributes to the liveability of places. The number of dwellings being planned for in the growth areas is therefore proposed by the GAA to be matched by an equivalent amount of new jobs in order to meet local needs.

MANAGING THE SEQUENCING OF DEVELOPMENT

The GAA is committed to strengthening a whole of Government approach to the planning and prioritisation of infrastructure to facilitate timely delivery of services to newly developing communities.

In the past, new residential estates on the fringe of Melbourne have been commonly developed without full public transport and social and community services. Parks, local roads, water, sewerage, maternal and child care are provided at the time of subdivision, but services such as public transport, schools, arterial roads, and emergency services facilities can sometimes be missing initially.

It is vital that development occurring in the growth areas happens in step with infrastructure provision. Fragmented development of land without accompanying physical and social infrastructure can lead to substandard results and additional financial, environmental and social costs to local councils, the Government and the community, as service providers try to keep up with demands on multiple development fronts. This approach is at odds with the need to create more liveable and sustainable communities.

² Source: DPCD (2008), Revision to Victoria in Future 2004

³ Source: DSE (2007) Urban Development Program 2007 Annual Report

CREATING LIVEABLE NEW COMMUNITIES

Improving liveability in growth areas is a central concern for Government. The challenge is how to meet the demands of greater Melbourne's growing population at the same time as maintaining liveability.

We launched a *Strategic Framework for Creating Liveable New Communities* in April 2008, which contributes to a whole of Government approach to ensuring new communities are truly liveable, particularly in planning our precincts.

In growth areas, housing estates largely comprise detached dwellings. However, in the future, we are likely to see a greater demand for a range of housing choices in Melbourne's growth areas given the projected increase in one and two-person households, an ageing population and greater ethnic diversity. Buyers will seek well-designed and well-located units, apartments and town houses.

There will also be increased demand for dwellings that cater for flexible living and working arrangements, such as shared accommodation, home offices and shop tops, as well as dwellings that can be easily adapted to suit changes in family life cycles.

High quality employment opportunities and a thriving local economy are crucial foundations for a liveable community. Residents need access to a broad mix of local employment, local shops and services.

Strengthening the economic and social well-being of individuals and communities by assisting them to avoid financial stress should also be a major priority in our growth areas. New communities need to be affordable places to live. Access to affordable housing, transport, food, water and other household essentials all contribute to this.

Creating attractive and sustainable growth areas in terms of the natural and built environments must also be a priority. Expectations about environmental sustainability are increasing rapidly as awareness grows about the consequences of climate change.

OUR PEOPLE AND CAPABILITY

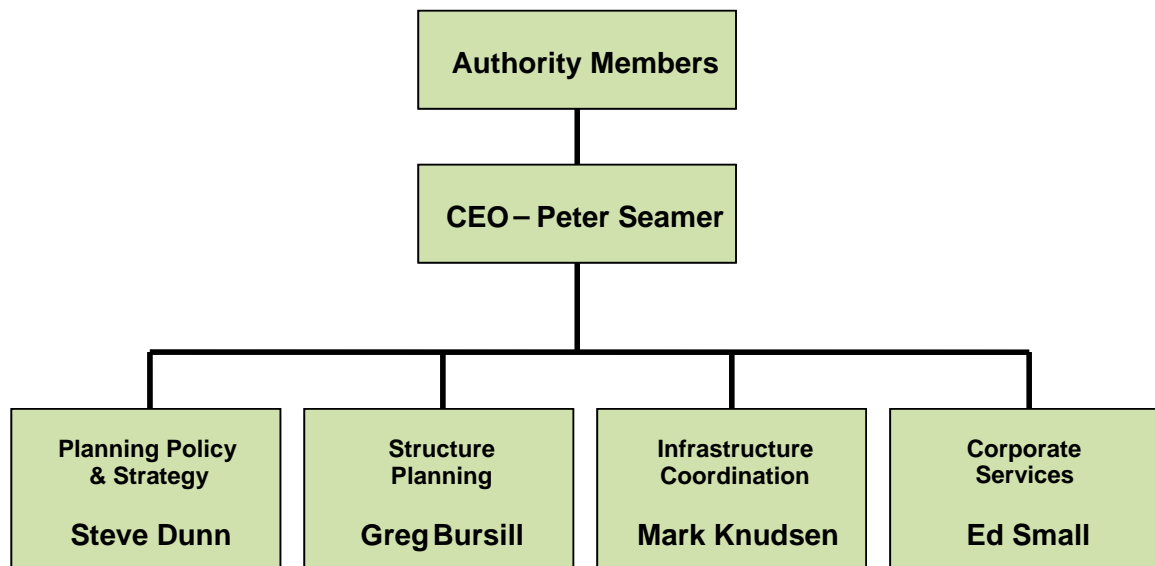
OUR ORGANISATION

EXECUTIVE TEAM

The CEO and the Directors form the Executive Management Team which is responsible for delivery against the overall strategy of the GAA and its relationships with Government and its partners and stakeholders.

The organisation is structured around 4 major areas. These different streams are organised in such a way as to optimise the GAA's activities to achieve its objectives:

- The Planning Policy and Strategy team is responsible for reviewing the growth area planning system, and developing reforms.
- The Structure Planning team is responsible for working in partnership with the growth area councils to complete the precinct structure plans in accordance with the agreed timetable.
- The Infrastructure Coordination team is responsible for working closely with other agencies to ensure that infrastructure in the growth areas is planned and provided in a coordinated and timely manner.
- The Corporate Service team is responsible for good governance and for coordinating economic research activities.



STAFF

The capacity of our organisation and the capability of our people are critical to our success in achieving the GAA's objectives. The GAA is committed to recruiting, developing and retaining high performing staff.

The GAA has a small core of staff - approximately 32 permanent staff (up from around 24 in 2007/08), which is supplemented by secondments or contract support to meet work priorities and to provide expert assistance in key areas.

A significant proportion of the staff have an urban planning background, as the initial Precinct Structure Plan preparation and other aspects of Planning reform are enhanced by having experienced staff available to engage with the GAA's stakeholders. Generally, the organisation is staffed by individuals trained in the professions, and other areas of expertise represented within the GAA include infrastructure planning and co-ordination, policy development, economic analysis and corporate support.

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

Staff	Male	Female	Total
Executives	5	0	5
VPS	12	15	27
Total	17	15	32

It is not anticipated that the total number of GAA staff will alter significantly over the next 3 years, to meet our current priorities.

OUR RESOURCES

The Government announced an allocation to the GAA in the 2006 budget as follows:

2008/09	2009/10	2010/11	Ongoing
\$ m	\$ m	\$ m	\$ m
4.70	4.80	4.91	4.91

Where the Government has made new commitments to the GAA's work program, additional resources may be provided.

BUDGET

The Authority has approved the following budget for 2008-2009 and the subsequent two years:

Income

	2008/09 \$ m	2009/10 \$m	2010/11 \$m
Appropriation	4.70	4.80	4.91
Interest	0.19	0.14	0.15
Other Contributions	4.00	2.27	1.63
Total	\$8.89	\$7.21	\$6.69

Expenditure

	2008/09 \$ m	2009/10 \$m	2010/11 \$m
Executive	0.93	0.86	0.89
Corporate services	2.06	1.99	2.05
Planning Policy & Strategy	2.63	1.65	1.04
Structure Planning	2.29	1.66	1.73
Infrastructure Coordination	0.97	1.01	0.93
Total	\$8.88	\$7.17	\$6.64

Net operating income (expenditure)

\$0.01	\$0.04	\$0.05
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Equity

	2008/09 \$ m	2009/10 \$m	2010/11 \$m
Net equity	\$1.55	\$1.59	\$1.64

RISK MANAGEMENT

The GAA's risk management processes aim to minimise the consequences of events that could impact on the GAA's ability to achieve its objectives.

The GAA has a Risk Management Policy and a Risk Register in place that is consistent with the Australian Risk Management Standard - AS4360:2004.

Risks have been assessed against a range of risk categories including:

- Strategic risks - external factors that may drive and/or impact on the GAA's ability to perform its activities in the medium to long term.
- Operational risks - day to day risks.
- Process risks - human resources, financial and information technology risks.
- Environmental risks - external factors that may have a direct bearing on the way the GAA conducts its business in the short to medium term.

The GAA's staff have been selected for their experience, and one of their roles is to ensure that appropriate Risk Management practices are in place. Risk Management has been incorporated as a Performance Measure in the attached annual priorities.

OUR STRATEGIC PRIORITIES

To meet our legislative objectives (see page 6) the GAA has identified the following strategic priorities for the three year period 2008 to 2011:

- To manage the program of precinct structure planning occurring in the growth areas *(meets objectives a, b & f)*.
- To undertake the planning of precincts in conjunction with our partners *(meets objective a, b, c, d, e, f, g)*.
- To facilitate the delivery of better quality, sustainable and affordable developments in the growth areas *(meets objectives a, b, c, d, e, f, g)*.
- To streamline the planning and construction approval process *(meets objectives a, b, d, f)*.
- To report the supply and demand for both residential and employment land within the Urban Growth Boundary *(meets objectives d and e)*.
- To contribute to whole of Government policy making in creating liveable communities in the growth areas *(meets objectives c, d, e, g)*.
- To ensure transport, community and utilities infrastructure is delivered in step with the development of precincts *(meets objectives a & b)*.
- To co-ordinate the planning and funding of State and local infrastructure across the growth areas in conjunction with other authorities *(meets objectives a & b)*.
- To discharge all financial and governance responsibilities of the Authority.

With the GAA still in the process of undertaking its initial planning reform program, including the completion of the remaining Precinct Structure Plans in the Growth Areas and drafting of the Precinct Structure Planning Guidelines, the detail associated with the some of the GAA's medium term objectives is still under development.

PRIORITIES AND MEASURES FOR 2008/2009

The table below identifies GAA's proposed activities for the coming twelve months to address our strategic priorities, which reflects our corporate objectives.

Priority	Proposed Activity	Performance Measure
To manage the program of precinct structure planning occurring in the growth areas.	Implement the Precinct Structure Planning Program.	Complete the gazettal of 37 precinct structure plans by June 2012 (providing quality land supply for 90,000 residential lots or 250,000 people).
To undertake the planning of precincts in conjunction with our partners.	Work with councils, State agencies and developers to deliver priority Precinct Structure Plans.	Substantial progress towards Planning scheme amendments being gazetted for the following 8 precinct structure plans by June 2009: <ul style="list-style-type: none"> ▪ Cardinia Road PSP (5,800 residential lots) ▪ Officer PSP (9,600 residential lots) ▪ Cranbourne East PSP (5,800 residential lots) ▪ Cranbourne West PSP (3,400 residential lots) ▪ Craigieburn R1 PSP (4,800 residential lots) ▪ Craigieburn R2 PSP (3,200 residential lots) ▪ Craigieburn R3 PSP (1,000 residential lots) ▪ Toolern PSP (10,300 residential lots)
To facilitate the delivery of better quality, sustainable and affordable developments in the growth areas.	Monitor the achievement of infrastructure and service planning and provision outcomes against infrastructure investment plans in approved precinct structure plans.	Progress the demonstration project at Cranbourne East to enable development applications to be decided concurrently with gazettal of the PSP amendment.

Priority	Proposed Activity	Performance Measure
To streamline the planning and construction approval process.	Introduce the new Urban Growth Zone and establish a consistent, cost-effective approach for State agencies, councils and developers to prepare precinct structure plans.	Introduce revised Precinct Structure Guidelines by December 2008.
	Implement a strategic, whole of growth area approach to the long term management of native vegetation and Aboriginal Cultural Heritage through a mapping project in partnership with DSE, AAV and DPCD.	Complete detailed native vegetation mapping for land within and adjacent to the growth areas by January 2010.
		Complete Aboriginal Cultural Heritage sensitivity mapping adjacent to the growth areas by the second quarter of 2009.
To monitor the supply and demand for both residential and employment land within the Urban Growth Boundary.	Develop a strategy for promoting the sustainable development of employment areas in the growth areas. Jointly with DPCD conduct an independent land capability assessment to establish more precisely the actual amount of land that is developable.	Prepare a report on a sustainable approach to developing employment areas following outcomes of the Melbourne 2030 Audit.
To ensure transport, community and utilities infrastructure is delivered in step with the development of precincts.	Cooperatively plan Council infrastructure that attracts State funding to ensure robust outcomes for the Growth Areas.	Facilitate Agency/Council strategic planning to enable agreement on scope and priority for Council Infrastructure projects.
To co-ordinate the planning and funding of State and local infrastructure across the growth areas in conjunction with other authorities.	Develop an Infrastructure Investment Plan (IIP) covering all Growth Areas in partnership with other departments and councils.	Complete the IIP by November 2008 to provide information for the 2009/10 State Budget process.
To ensure all financial and governance responsibilities of the Authority are appropriately discharged.	Conduct financial operations of the organisation in a controlled and transparent manner.	Annual report produced by the end of September each year with no qualifications in the Audit Report.
	Conduct Authority meetings in accordance with the regulations specified in the <i>Planning and Environment (Growth Areas Authority) Act 2006</i> .	Hold at least 6 Authority Meetings each financial year.
	Ensure the GAA discharges its Risk Management obligations annually.	Risk Management Attestation satisfactorily completed and contained in the Annual Report.



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