

# The Innovation Pathway

*Delivering innovation in precinct structure plans*

## The PSP 2.0 Process and the Innovation Pathway

The Precinct Structure Plan (PSP) 2.0 Process is a step-by-step framework for preparing PSPs that embraces innovation and delivers on the latest government policy identified within the *Precinct Structure Planning Guidelines: New Communities*, October 2021 (the Guidelines). It integrates the **20-minute Neighbourhood hallmarks** from Plan Melbourne and the United Nation's **Sustainable Development Goals**.

It establishes a new base-case process for PSP preparation that is replicable and streamlined for all PSPs in new community precinct planning areas in both metropolitan Melbourne and regional Victoria. The process is underpinned by early and transparent collaborative engagement with key stakeholders and the community.

As part of the new PSP 2.0 Process, a new **Innovation Pathway** has been established. The purpose of the Innovation Pathway is to encourage leading practice and support the resolution of key challenges often faced by new community precinct planning in design or delivery through innovative demonstrations.

The Innovation Pathway can be initiated for PSPs when key partners identify a **place-based opportunity** to deliver **significantly elevated** innovation which requires substantial deviation from either the Guideline's principles and performance targets, the approval process, or both. An indicator for when the Innovation Pathway is suitable, is when a PSP responds to innovation opportunities that exceeds the objectives of the Victoria Planning Provisions (VPPs).

## The advantages of initiating the Innovation Pathway

The Innovation Pathway will enable a bespoke PSP through VPA's partnership, leadership, and advocacy. The VPA will enable a potentially streamlined pathway for a combined PSP and permit process in achieving the vision for the PSP.

### Authorised place-based plan (bespoke PSP)

Prepared by the VPA as planning authority – aimed to test and facilitate the innovation



### Planning permit facilitation

Coordinated approach to planning permits to ensure agreed outcomes flow through – e.g., via agreement around future approvals or Section 96A process



### Streamlined pathway

Fit-for-purpose approval process to reflect higher degree of scrutiny/evidence required at the beginning of innovation pathway PSPs – e.g., 20(4)/20(5) amendment process

During the process, the VPA will assess permits or regulations that need to be redefined or 'switched off' for the innovation to succeed. This will be applied on a case-by-case basis.

The Innovation Pathway is also an opportunity for PSPs currently outside of the VPA's work program to be resourced by the VPA.

## Circumstances that lead to the Innovation Pathway

There are various circumstances that may enable the activation of the Innovation Pathway including, but not limited to, place-specific conditions, consolidated land ownership, strategic partnerships and catalyst infrastructure or investment.

Importantly, Innovation Pathway PSPs are contingent upon the authorising environment and will require agencies and stakeholders to support the proposal. DELWP, councils and other state agency partners are integral participants to validate, support and guide authorisation requirements.

### Examples of circumstances that may lead to use of the Innovation Pathway include:

- **Place-specific conditions**
  - Strategic site or locational advantages to deliver improved outcomes
- **Consolidated land ownership**
  - Offers scale and coordination not available when land is fragmented
- **Strategic partnerships**
  - Commitment between public and/or private entities to deliver innovations in, for example design, construction or service delivery outcomes
- **Catalyst infrastructure or investment**
  - Forward planning and/or large scale investments



## Place-based innovation opportunities and outcomes

Innovation opportunities need to be place-based and reflect the guidelines principles and performance targets. Outcomes can relate to environmental performance, housing affordability and diversity, community and infrastructure service delivery, and other areas of PSP influence.

Part 3 of the *PSP Guidelines*, "Constructing a PSP", earmarks areas of influence where the Innovation Pathway should be considered. This is represented with the following motif:



## Initiating innovations in the PSP 2.0 process

Innovation is encouraged at every stage of PSP preparation. However, identifying innovation as early as possible in the PSP 2.0 Process aids in testing, tailoring and embedding the innovation within the PSP, and promotes stakeholder consensus.

Early identification for innovation opportunity is especially necessary for PSPs in the VPA's current pipeline to limit significant delays. Innovation Pathway Proposals can either be made at the pre-commencement or pitching stages of the process or even before the PSPs are on the VPA Business Plan.



In some cases, the innovation opportunities may be identified at the co-design stage. The purpose of this stage is to allow for key stakeholders to collectively consolidate a place-based vision, the purpose and priority outcomes. Stakeholders may agree upon the desire for flexible or alternative outcomes, and thereby the need to initiate the Innovation Pathway.

## Innovation Pathway proposal

Initiating the Innovation Pathway before a precinct commences planning will require the submission of an Innovation Pathway proposal to the VPA. At a minimum, the submission must:

- Articulate a clear vision that centres around the proposed innovation/s
- Represent a fair and orderly strategic planning outcome
- Provide a clear net increased community and/or environmental benefit when compared to the base-case performance outcomes
- Demonstrate leading practice or bring forward demonstration of the leading practice concept through the planning system
- Demonstrate consistency with the hallmarks of a 20-minute neighbourhood
- Clearly outline the interventions required in terms of performance targets or regulatory requirements for the proposed innovation
- Identify the subsequent council standards or process that might require alternative council or responsible authority approval
- Be able to be implemented through the PSP process and planning scheme amendment
- Provide evidence supporting the viability of the proposed innovation

The VPA will evaluate proposals and with support from key stakeholders design the precinct pathway to prepare the PSP.

## Modified PSP tools for the Innovation Pathway PSP

All PSPs are expressed through a set of standard PSP tools to guide the assessment of planning permit applications. The PSP tools typically include plans, diagrams, and tables. Innovation Pathway PSPs may require PSP-specific modification to these tools to give expression and effect to the innovation vision and objectives.

## Frequently asked questions

### Can innovation occur without initiating the Innovation Pathway?

Yes. The PSP 2.0 process encourages a new minimum base case level of innovation through the Guidelines General principles and performance targets. Levers to vary the performance targets are embedded within the Guidelines support the inclusion of additional innovation. The Innovation Pathway is initiated only when the innovation is deemed significantly elevated.

### What are examples of innovation within the base case pathway?

Examples of a new minimum base case level of innovation include:

- Modifying street cross sections to provide for greater tree planting or continuous shared path networks that encourage sustainable transport modes
- The use of innovative construction products to reduce the environmental footprint of a development
- Integrated water management innovations which utilise hi-tech treatment technology and monitoring to increase rainwater re-use
- Providing for community connection through the early stages of a development by supporting early activation centres and spaces for the community to meet, work and play
- Creating synergy between credited open space and natural features through alternative geometry and co-location.

### What are examples of outcomes supported by the Innovation Pathway?

Examples of potential outcomes of the Innovation Pathway include:

- **Significant, precinct-wide variation to urban form:** distribution and composition of elements such as open space, the movement network, activity centres
- **Heightened performance:** commitment to increased precinct-wide neighbourhood performance and product innovation
- **Alternative delivery model:** a considerably alternative approach to deliver basic and essential infrastructure and services, e.g., precinct-wide neighbourhood renewable energy.

### What is the relationship between past innovations and current standards?

Innovative concepts implemented in previous Innovation Pathway PSPs can be considered as standard practice in emerging PSPs. For example, the installation of a 'third pipe' (enabling supply of recycled water directly to houses) was once considered an innovative concept but is now standard practice in new community precinct planning areas. As such, the Innovation Pathway PSPs are considered pilots for concepts applied more broadly and future PSPs can reflect on these lessons where applicable.

### What will the Innovation Pathway look like for regional PSPs?

Planning for PSPs in regional communities should be carefully adapted to the local context. The Guidelines explore opportunities for innovative responses to maintain or enhance unique local character. Innovations relating to built form and design outcomes, lot layout, and preferred densities, should support the existing and preferred character of the area while meeting the key objectives and principles of the Guidelines. The Practitioner's Toolbox will include "Applying the Guidelines to the Regions" to further guide regional innovation.

## An Innovation Pathway pilot project

The VPA will soon be asking for expressions of interest from the development industry to conduct an Innovation Pathway pilot project. The pilot will establish a process around pitching, suitable metrics for assessing an Innovation Pathway proposal and a pilot pathway for establishing governance arrangements between stakeholder parties. This information will be available as the Innovation Pathway pilot progresses.

The VPA is currently undertaking preliminary scoping for the criteria of assessing and selecting the Innovation Pathway pilot project. We will be carrying out stakeholder engagement with government agencies, councils and the wider industry to articulate the barriers and opportunities facing innovations in PSPs.