

BUSINESS PLAN

2022/2023



Aboriginal acknowledgement

The Victorian Planning Authority proudly acknowledges Victoria's Aboriginal community and their rich culture and pays respect to their Elders past and present.

We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land and water on which we rely. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us. We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

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Message from the Chair and CEO



Over the last year, Victoria's economic recovery has fuelled demand for land for housing and jobs. There is growing demand for land in outer Melbourne and a continued need to create more space for new homes in established Melbourne. In regional Victoria, our major cities are booming, and councils are facing pressure to find land for new homes. At the same time, construction and development costs have increased. This poses an ongoing challenge for the Victorian Government in its drive to deliver affordable homes for our growing population.

In 2022/23 the challenges in delivering land for future homes and jobs for Victorians will persist, as will the certainty of change. We will continue to see the impacts of COVID on how we live and work. We will also see increasing migration, economic uncertainty and political change – including incoming federal and state governments in 2022.

The Victorian Planning Authority has played a key role in coordinated government action to address these challenges, accelerating land supply and unlocking the potential of key precincts for new homes and jobs. In 2022/23 we will continue our strong delivery record. Our 2022/23 work allocates our resources across projects in Melbourne and regional Victoria so we can continue to efficiently translate state-wide policy for growth and jobs into clear plans for prosperous, sustainable and liveable communities.

We will deliver a Priority Program of high impact projects that we have the tools and authorisation to lead. We will focus on projects that are state and regionally significant, make a large contribution to more affordable future homes, and support economic growth. We will also maintain an evidence-based criteria driven pipeline of work going forward.

This year, along with our strong focus on delivery, we will continue to undertake work that will contribute to the goals of our *Strategic Plan 2021-2024*.

We will help to grow suburban and regional jobs by progressing plans that accommodate employment opportunities. This will support economic growth in key areas and deliver jobs closer to where people live now and into the future.

We will unlock our regions to make it possible for more people to move to and work in our regional cities and peri-urban towns. Our skills, expertise and existing relationships will help ensure supply of zoned land and will assist in planning to support delivery of Commonwealth Games infrastructure.

We will work to 'do density better' – to provide more diverse and better-designed dwelling options for people living across Melbourne – and implement the fundamentals of the 20-minute neighbourhood. This will support the *Plan Melbourne 2017-2050* aspiration for balanced growth, where 70 per cent of additional dwellings are in established areas and 30 per cent in greenfield growth areas.

We will work closely with our partners to coordinate infrastructure with development – by progressing work on the place infrastructure compact model by sharing our knowledge and by advocating for new ways of working. A key priority for our organisation is to ensure growing communities get the services they need when they need them.

We look forward to a big year of delivery, supporting government priorities and committing to projects that contribute to balanced growth and prosperous, liveable and sustainable future communities.

Jude Munro AO
Chair

Stuart Moseley
Chief Executive Officer

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Strategic context for 2022/23

We lead place-based strategic planning for growth in designated areas. Our focus is on integrated land use, built form and infrastructure planning outcomes for significant precincts and places in growing Victorian cities, suburbs and regional towns.

- We are the only dedicated agency that unlocks land at scale for housing, jobs and new communities in areas of state and regional significance
- We have a track record of delivering quality outcomes – through our strategic planning and infrastructure coordination
- We support Victoria's economic recovery – by ensuring sufficient land supply in the right places and housing diversity in all development settings
- We unlock funding and development contributions from third parties – opening up revenue streams for infrastructure and land use planning
- We provide impartial advice and we are a trusted entity across government and the development industry – we lead whole-of-government solutions and work collaboratively with state agencies, councils and landowners.

Our strategic directions

The goal of our work is to translate state-wide policy for growth and jobs into clear spatial planning directions to enable development of prosperous, liveable and sustainable communities for current and future generations.

We launched the *VPA Strategic Plan 2021-2024* in August 2021 to guide us in delivery of this goal. The plan outlines our values, purpose, pillars and priorities and consolidates our role as the Victorian Government's lead urban growth planning agency. It also articulates our role as a trusted problem solver and expert advisor – we facilitate land use and infrastructure solutions and bring delivery-informed insights to urban policy and projects. See page 4 for more detail on the strategic plan.

Our work program is driven by our strategic pillars and priorities. We aim to maximise our impact by directing our work towards places of state and regional significance, where we contribute to economic recovery and balanced growth – and where we have the authorising environment to deliver.

In 2022/23 the Minister for Planning has directed us to implement government policy and to advance precinct structure plans (PSPs) in metropolitan Melbourne and the regions. We have also been asked to focus on accountability, transparency and financial sustainability. Our strategic plan will guide us as we deliver on these directions.

Our focus in 2022/2023

Deliver Priority Program

This year our top priority is to progress projects that are state or regionally significant and have substantial economic stimulus benefits. To do this we will transition from our existing Fast Track Program to our new Priority Program.

Established in 2020, the Fast Track Program was a direct response to the COVID-19 pandemic. The program was designed to speed up the delivery of key projects in a pandemic response and recovery context, with a clear end point.

The Fast Track Program successfully aided faster delivery of eight high impact projects to support economic recovery – unlocking 28,000 future homes and 27,000 future jobs that will create a future value of approximately \$7 billion.

Implementation of our new Priority Program in 2022/23 creates an ongoing priority work stream for the VPA that embeds benefits and lessons learnt from the Fast Track Program into our work going forward.

Our Priority Program will have a broader focus than the Fast Track Program and will consider government policy objectives and priorities as well as economic stimulus.

The program will initially target rezoning to unlock over 46,000 residential lots and 91,000 jobs. It also supports transparency and provides our stakeholders with certainty about our priorities and allocation of resources.

The Priority Program project list includes seven legacy Fast Track projects and three additional projects. As legacy projects are completed, other projects that meet the criteria will come on to the program.

Unlock land to boost housing supply, choice and affordability

We are working towards clear targets in Melbourne's growth suburbs – to maintain 15 years' supply of zoned PSP land and facilitate 50,000 new homes by early 2023.

We have clear policy goals for unlocking land for housing in our regional cities and facilitating balanced growth outcomes in metropolitan Melbourne. In 2022/23, we will seek an authorising environment that enables us to deliver in these settings.

The Victorian Government has provided us with \$6 million funding in 2022/23 to continue delivery of the Unlocking New Communities and Affordable Housing Program (UNCAH). This will enable planning work to deliver the zoned land necessary to meet demand for housing and employment in Melbourne's greenfield growth areas, peri-urban towns and regional cities (with a focus on the three principal regional cities of Geelong, Ballarat and Bendigo).

We also have funding to continue our successful Streamlining for Growth (SFG) projects to deliver at-scale zoned land and permit-ready employment and residential land. In 2022/23 we will work in strong partnership with local government, via council grants and VPA-led projects.

Our SFG work will:

- Focus on boosting land supply in areas subject to population growth pressures and/or experiencing shortages of land for housing or jobs.
- Unblock, simplify, streamline and accelerate planning and infrastructure coordination and post-PSP approval processes e.g. by reducing red tape.
- Build capability and capacity in councils.

Projects funded via UNCAH and SFG will help to maintain a steady supply of affordable housing to cater for growth and generate economic revenue for the state.



Plan for Commonwealth Games legacy infrastructure

In 2026 Victoria will host the Commonwealth Games – which are estimated to contribute more than \$3 billion to Victoria's economy. Hosting the Games will create a legacy for Victoria that extends well beyond the competition period. This will include significant investment in community infrastructure in regional Victoria, including housing and world-class sporting facilities. Government has invested over \$2.6 billion to commence planning for this important infrastructure.

In 2022/23, we will work with our state government and local council partners to identify and progress planning projects that will support delivery of key Games infrastructure assets and maximise legacy benefits.

Continue our PSP reform process

In 2021, we released a new tool to plan for a growing Victoria – the *Precinct Structure Planning Guidelines: New Communities in Victoria*. The Guidelines provide a framework with clear purpose, pathways and practical guidance for preparing PSPs that guarantee quality outcomes, while also being flexible, responsive and supportive of innovation.

In 2022/23 we will continue to reform PSP processes and outcomes to ensure best practice plans that lead to new liveable, resilient communities. This includes implementing the Innovation Pathway Pilot Project to progress plans that deliver above and beyond the standards set by the new Guidelines.

Support infrastructure coordination and integration

Increasing alignment between land use and infrastructure planning and delivery is a key priority for the VPA as it is critical to delivering complete and connected communities. We have an established process for using tools such as the Growth Area Infrastructure Contribution (GAIC) and Work-in-Kind (WIK) agreements for delivering infrastructure for our fast growing outer suburban areas and have now delivered 10 completed GAIC WIKs providing the earliest access to infrastructure possible.

In 2022/23 we will explore new models to help better coordinate land use and infrastructure planning. One of these is the place infrastructure compact (PIC) model. At its heart, a PIC is a place-based approach to enable better integration of planning and infrastructure investment that supports growth and delivery of quality places where people want to live, work and invest.

Develop clear pipelines of work

In 2022/23 we will work to secure forward pipelines of work and a strong authorising environment for the work we undertake. We will focus on building our pipelines in activity centres and urban renewal areas in Melbourne and in fast-growing regional cities.

Having a strong pipeline of work that we are empowered to deliver will support our strategic directions. It will strengthen our efficiency into the future so that we can more quickly unlock land to boost supply in priority areas. A clear pipeline of projects in activity centres across established Melbourne will support the Plan Melbourne aspiration for more balanced growth where 70 per cent of new houses are delivered in Melbourne's established suburbs.

Work towards financial sustainability

Ensuring that we can bring in sufficient revenue to deliver on statutory requirements and government expectations is key to our success. We intend to transition to a greater reliance on broad based cost recovery, whereby the costs of planning are equally shared among landowners. This transition will depend on future government policy decisions and legislative change. In 2022/23 we will continue to manage our budgets carefully and advocate for new funding models that will enable us to deliver our large pipeline of work into the future.

Create a flexible and hybrid workplace

The last two years have reshaped how we work and how we collaborate internally and externally. In 2022/23 we will continue to invest in the development of our approach to hybrid working. We will focus on delivering our FlexPlace Strategy to create an intelligent and connected home for the VPA that brings out the collective best in our people and partners.

This business plan embeds our strategic directions and focus areas into our 2022/23 workplan. We have a tight programmatic focus and our workplan closely matches the resources we have available to deliver.

As we complete existing projects, or secure new streams of revenue, new planning and strategic projects can be added to our workplan. This gives us the flexibility to respond to the new priorities of an incoming Minister and government and to progressively implement the priorities set out in our strategic plan.

Many strategic priorities are already being actioned through business-as-usual activities. We will implement additional focused actions each year to ensure we address strategic priorities, support cross-organisational outcomes and strengthen our hybrid work environment.

VPA Strategic Plan 2021-2024:

Our strategy on a page



Authorising environment

The VPA is a state government statutory authority established under the *Victorian Planning Authority Act 2017* (the Act). We have a board of directors responsible for determining the general policies and strategic direction of the VPA, with a clear purpose to provide advice and assistance to the Minister for Planning and, from 22 June 2020, to the Minister for Transport Infrastructure, Minister for the Suburban Rail Loop and Minister for Business Precincts.

Direction from the Minister for Planning

The VPA is accountable to the Minister for Planning. We must deliver on the *Statement of Expectations*, and accompanying Ministerial Direction issued by the Minister to the VPA, pursuant to Section 36(1) of the Act.

The current *Statement of Expectations* was issued by the Minister for Planning on 10 April 2022 and sets priorities for the 2022/23 financial year. The Minister's Direction is included as Attachment A to this document.

The Direction asks the VPA to prepare an annual business plan that articulates how the VPA will deliver its business activities, priority program and related projects, with a focus on eight program areas:

- Priority precincts
- Urban renewal in Melbourne
- Melbourne growth corridors
- Regional cities and towns
- Infrastructure planning and coordination
- Streamlining plan delivery
- Planning solutions, innovation and partnerships
- Organisational capability and capacity.

From 2022/23, the Minister for Planning will introduce new and stronger arrangements for ensuring support from other key Ministers before any new PSPs are added to our programs.

Client Ministers

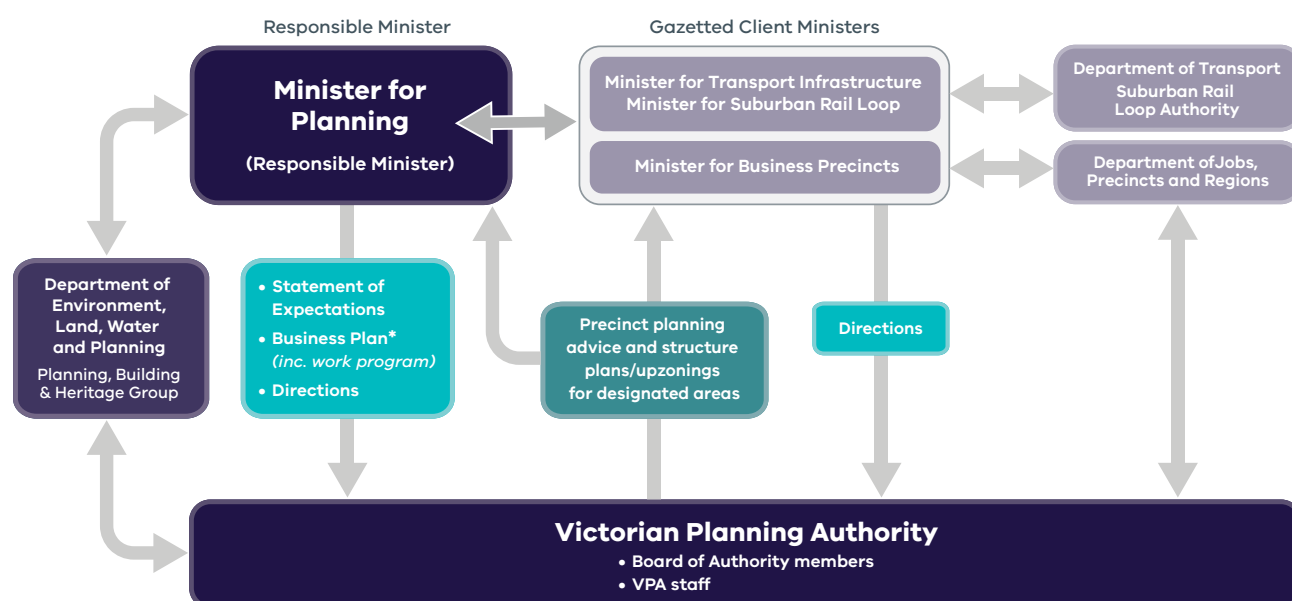
The Minister for Business Precincts issued a Ministerial Direction on 19 May 2021, pursuant to Section 36(1) of the Act, setting out priorities for the VPA's precinct related powers and functions for the period 2021/22-2022/23 inclusive. This Direction is included as Attachment B to this document and enables the VPA to provide spatial, planning and development advice for Victoria's Business Precincts.

The Minister for Transport Infrastructure and Minister for the Suburban Rail Loop can also direct the VPA to undertake work, pursuant to Section 36(1) of the Act, insofar as it relates to seeking advice on their precinct-related powers and functions.

The VPA works closely with:

- The Department of Environment, Land, Water and Planning
- The Department of Jobs, Precincts and Regions
- The Department of Transport
- The Suburban Rail Loop Authority
- Development Victoria
- Infrastructure Victoria.

Figure 1: VPA authorising environment



* Relevant ministers will be consulted about the addition of new PSPs to the VPA work program

Our role in planning projects

When we deliver our planning and infrastructure coordination projects we have one of four roles.

Planning authority

We are the appointed planning authority with the mandate to lead the project and deliver the outcome (including recommending a planning scheme amendment to the Minister), in partnership with the relevant council(s) and government agencies.

Provider

We have the lead role to prepare a plan or other report to provide the relevant planning authority, or to a client minister or government agency, working in partnership with the relevant council(s) and government agencies. In this role we submit our report or plan to the planning authority to progress through the statutory process.

Advisor

We provide advice, finance and /or technical support to a council or government agency preparing planning documents or frameworks. We advise and influence these planning documents but do not determine the content.

Facilitator

We assist a council or government agency with their work, and may provide a grant or general advice about how planning policies need to be considered. This can include participation in a steering committee or project group, or require an ongoing watching brief role on projects where we have completed our substantive role.

Our Board is committed to ensuring we are empowered to deliver for government and for our stakeholders. We have the most impact when we act as planning authority, or as provider to the Minister for Planning or another client minister. The *VPA Strategic Plan 2021-2024* sets out our preference to act in these roles.

Our role as planning authority

The Minister for Planning has authorised us to be planning authority to prepare amendments pursuant to section 9 of the *Planning and Environment Act 1987* within Melbourne's growth areas.

The Minister has also authorised us to be planning authority with respect to amendments that implement a PSP, an infrastructure contributions plan or a development contributions plan in Melbourne's growth areas. To prepare amendments, we must consult with:

- The Minister for Planning
- The relevant local council
- The Department of Environment, Land, Water and Planning, and
- any other public sector body if the amendment is likely to significantly affect the functions of the public sector body.

On approval of our annual business plan, we are conferred such additional statutory authorisations as may be required to empower the delivery of our workplan in other areas.

Councils must have regard to VPA advice

Ministerial Direction No. 18 (Victorian Planning Authority Advice on Planning Scheme Amendments) was issued by the Minister for Planning on 28 January 2018. This Direction requires councils to have regard to our advice in situations where we are authorised to act in roles other than the planning authority, or when a council is proposing to alter an approved plan we have prepared.

VPA must have regard to transport objectives

We have responsibilities to create an effective transport system under the *Transport Integration Act 2010*. This act requires that we have regard to the transport system objectives when exercising powers and performing functions under any relevant legislation likely to have a significant impact on the transport system.

Other role

The Minister for Planning has authorised us to act as the responsible authority for the collection of section 173 agreement funds in specified situations for land within the Fishermans Bend urban renewal area.

Organisation

Our productivity is driven by our skilled professionals who are trusted and empowered to perform at their best whether they are in the office, in the field or working remotely.

Our organisational structure deploys our staff across key functions:

- Planning projects in Melbourne and across regional Victoria – spatially defined line of sight is provided by two teams ‘Metropolitan Melbourne’ and ‘Regional Victoria & Commonwealth Games support’
- Infrastructure, Strategy & Planning – a team with creative, technical and strategic skills that support our planning project teams
- People & Performance – a team to strengthen the capability, performance, accountability, culture, efficiency and effectiveness of our people and our organisation.

Figure 2: Organisation structure (as at 31 May 2022)



Our work program for 2022/23

Program overview

The Minister for Planning has instructed us to deliver eight programs in 2022/23. Our focus for these programs, outlined below, is driven by the context of Victoria's recovery from COVID and the direction provided in the *VPA Strategic Plan 2021-24*. We have 52 projects on our workplan to unlock land across Victoria for more than 126,000 lots and 150,000 jobs.

Priority precincts

- Finalise work on the Arden Transport Precinct.
- Progress other priority precinct projects that have clear scopes and funding in partnership with agencies – including the Suburban Rail Loop Authority, Department of Transport and Department of Jobs, Precincts and Regions.

Urban renewal in Melbourne

- Finalise a criteria-driven pipeline and seek a strong authorising environment to help us prioritise our work – we will focus on designated activity centres and/or urban renewal areas identified in *Plan Melbourne 2017-2050* and draft Land Use Framework Plans.
- Significantly progress current urban renewal projects – including finalising the plan for Preston Market – and commence new activity centre structure plans or urban renewal projects.
- Finalise draft urban renewal guidelines for the projects we lead – these will help to create more dwellings and jobs in liveable and sustainable communities in established areas.

Melbourne growth corridors

- Progress projects that are already in our PSP pipeline to maintain 15 years supply – we are aiming to progress plans for at least 10,000 lots in 2022/23 to deliver 50,000 lots by February 2023.
- Progress employment PSPs to achieve our target of creating capacity for 50,000 jobs.

- Continue to operationalise our *Precinct Structure Planning Guidelines for New Communities* – based on planning for 20-minute neighbourhoods, these guidelines ensure accessible, safe and attractive local communities while being flexible, responsive and supportive of innovation.
- Continue to operationalise PSP 2.0 – to deliver clearer visions for precincts, opportunities for codesign and leaner processes that will reduce average PSP preparation times by one third (contingent on timing of agency input and other planning decisions).

Regional cities and towns

- Begin implementation of new regional pipeline of work to deliver land at scale in state significant locations.
- Progress our projects to deliver zoned capacity for 7,500 lots and 2,000 jobs by 30 June 2023.
- Identify and progress projects to deliver planning that supports Commonwealth Games infrastructure.

Infrastructure planning and coordination

- Deliver development contributions plans (DCPs) and/or infrastructure contributions plans (ICPs) to ensure development yield/uplift conferred by zoning change is accompanied by appropriate infrastructure contributions arrangements.
- Negotiate Growth Area Infrastructure Contributions Work-in-Kind (GAIC WIK) agreements to help clarify the nature and timing of infrastructure provided in PSP areas.
- Support government consideration of improved infrastructure coordination and funding models to support urban growth – including through the place infrastructure compact model.
- Advocate for improved integrated water management processes that are embedded into the planning system and our work.

Streamlining plan delivery

- Continue to deliver the government's Streamlining for Growth (SFG) program to unlock growth via streamlined strategic planning and post-plan approval processes. This will include grants to councils across Victoria to support planning for sustainable urban growth.
- Undertake SFG projects during 2022/23 to facilitate faster (and more cost-effective) permit-ready delivery of employment and residential land in areas subject to population growth pressures and/or experiencing shortages of land for housing or jobs. This will include grants to councils across Victoria to support planning for sustainable urban growth.

Planning solutions, innovation and partnerships

- Update the Small Lot Housing Code to boost housing diversity and affordability and to minimise risks to approvals.
- Demonstrate and disseminate innovation in planning processes and outcomes, and in engaging with communities and partners.
- Work closely with partners, including DELWP, to improve our engagement with Traditional Owners.

Organisational capability and capacity

- Operationalise our new Priority Program to ensure continued focus on projects of state and regional significance to support economic recovery.
- Continue our drive to achieve cost recovery and invest in organisational strengthening, efficiency and effectiveness.
- Continue to create a flexible and productive hybrid workplace.
- Review how we manage risks associated with project delivery (particularly timing) so we can better manage stakeholder and community expectations.

Our delivery framework

Delivery of our work program is guided by a framework to ensure we prioritise our projects and resources in the most effective way.

- ✓ We prioritise projects that are most important to government and that will contribute most to economic recovery.
- ✓ We consider strategic priorities, governance, risk and finance in development of our work program.
- ✓ We communicate current project status and funding sources so stakeholders understand why some projects are undertaken ahead of others.

We have used this framework to develop a list of projects we will work on in the 2022/23 financial year. This list is provided on the following pages.

Our project list will be reviewed quarterly and is flexible to accommodate delivery of government priorities and to maximise outputs in response to changing project timelines or funding.

Our program priorities

Our framework has three tiers. To decide which projects are assigned to which tier, we consider government priorities, strategic significance, project funding, resources available to deliver, timelines and project risks.

When our resources are constrained, we focus on delivering projects in the highest tiers.

The tiers are:

Tier 1 – Priority Program

Projects are part of the Priority Program – top priority for VPA resources and attention.

Tier 2 – Strategically important projects

Projects have strategic importance – because they are key to achieving 2022/23 Budget Paper No. 3 (BP3) measures, VPA Business Plan 2022/23 KPIs, government targets or Ministerial priorities.

Tier 3 – Other projects/services

Active projects or projects expected to be active in the 2022/23 financial year (subject to resource availability).

VPA services are usually either statutory or organisational support/advisory requirements or projects, delivered by the Infrastructure, Strategy & Planning or People & Performance teams.

Project status definitions

Pre-commencement

Projects for which we are undertaking work to confirm readiness to progress to plan preparation. Work may include preliminary stakeholder discussions, solving threshold issues, due diligence, scoping, project viability and/or budgeting analysis.

Preparation

Projects that are at or beyond the stage where a plan is started. For example, at the place-based opportunities stage, vision and purpose stage, plan preparation or public exhibition stage.

Some projects that are marked with this status in this business plan may be paused currently but are expected to continue within the 2022/23 financial year.

Ongoing

VPA services that are ongoing obligations.

Primary funding sources

Refer to page 18 of this business plan for a detailed description of our funding model and how we have allocated funding from our six funding sources:

V	VPA base appropriation (an ongoing funding source)
G	Government fee for service commissions (project-specific)
L	Voluntary landowner contributions (project-specific)
UNCAH	Unlocking New Communities and Affordable Housing (funded until 30 June 2023)
SFG	Streamlining for Growth (funded until 30 June 2023)
STF	Subject to funding (The VPA is anticipating receiving an external contribution to enable project to proceed. The VPA will generally not proceed with the project if external funding is not received).

Project timelines

Delivery timelines for our projects are influenced by a wide range of factors, including external impacts. We work closely with our delivery partners to ensure project milestones and project completion dates remain achievable. There are, however, situations where impacts to project timelines cannot be fully mitigated. For this reason, project timelines are subject to change.

Priority Program

To be included in this program, a project should meet most of these criteria:

- Ministerial priority and/or in a state or regionally significant area or precinct
- led by the VPA (as planning authority or as provider to government)
- has significant economic stimulus benefits (i.e. unlocking land for jobs and housing at scale) or deliver an important strategic/policy benefit
- has been scoped and costed and there is confidence that:
 - agency support can be achieved
 - risks are known (as much as possible at project proposal stage) and are considered acceptable and able to be mitigated
 - there is a funding source (or sources) sufficient to complete the project.

Program features

- ✓ Resources (funding and staff time) focused on 10 high impact projects
- ✓ Clarity for stakeholders
- ✓ Established as a pipeline with projects elevated to the program as capacity arises from completed or removed projects
- ✓ Initially includes legacy Fast Track projects that will be completed over the next year
- ✓ Builds on lessons learnt from the Fast Track Program
- ✓ Projects progressed for Ministerial consideration via the VPA Standing Advisory Committee (SAC)
- ✓ Regular reports to Treasurer and key ministers.



Priority Program project list 2022/23

	Project name	Lots	Jobs	VPA role	VPA program	Anticipated status on 30 June 2023*
1	Arden Transport Precinct PSP and planning scheme amendment	7,500	34,000	Authority	Urban renewal and priority precincts	Completed
2	Preston Market PSP and planning scheme amendment	1,200	1,400	Authority	Urban renewal and priority precincts	Completed
3	Beveridge North West PSP & ICP	16,161	3,000	Authority	Melbourne growth corridors	Completed
4	Officer South PSP & ICP	1,640	20,800	Authority	Melbourne growth corridors	Completed
5	Wallan East Part 1 PSP & ICP	1,128	169	Authority	Melbourne growth corridors	Completed
6	Wallan South PSP & ICP	11,000	3,300	Authority	Melbourne growth corridors	Completed
7	Shepparton South East PSP & DCP	2,500	220	Authority	Regional cities and towns	Completed
8	Waurin Ponds Station Precinct Urban Design Framework	600	50	Provider	Regional cities and towns	Completed
9	Wonthaggi PSP finalisation	5,000	1,657	Provider	Regional cities and towns	Completed
10	Gunns Gully Road Interchange GAIC WIK Agreement	-	28,500 (indirect)	Provider	Infrastructure planning and coordination	Completed

* This assessment of status is based on current information available for projects and is subject to change. Targeted timeframes are contingent upon timely input and decisions by parties outside the VPA.
Note: 'Completed' status refers to VPA Board approval, not Minister for Planning approval or gazettal.



Project locations

Metropolitan Melbourne

Figure 3: Map of VPA projects in metropolitan Melbourne



Regional Victoria

Figure 4: Map of VPA projects in regional Victoria



Project list

Priority precincts & urban renewal in Melbourne

								Funding source					
Project name		Tier	Status	Lots	Jobs	Municipality	VPA role	V	G	L	UNCAH	SFG	STF
1	Arden Structure Plan & Planning Scheme Amendment	1	Preparation	7,500	34,000	Melbourne City Council	Authority					X	
2	Preston Market Structure Plan & Planning Scheme Amendment	1	Preparation	1,200	1,400	Darebin City Council	Authority					X	
3	Activity Centre Renewal Program Pilot 1	2	Pre-commencement	-	-	-	Authority						X
4	Activity Centre and Urban Renewal Area Pipeline	2	Preparation	-	-	-	N/A					X	
5	Urban Renewal Structure Planning Guidelines	2	Preparation	-	-	-	N/A					X	
6	East Werribee Employment PSP - Strategic Review	2	Preparation	-	-	Wyndham City Council	Provider		X				
7	Inner West Opportunities Statement	3	Preparation	-	-	Brimbank City Council, Hobsons Bay City Council, Maribyrnong City Council	Provider		X				
8	Braybrook Regeneration Project	3	Preparation *	10,000	-	Maribyrnong City Council	Provider						X
9	Jacksons Hill Comprehensive Development Plan	3	Preparation *	200	280	Hume City Council	Authority						X
10	Sunshine Health, Wellness and Education Precinct - Strategic Review	3	Pre-commencement	-	-	Brimbank City Council	Provider		X				X
11	Sunshine NEIC Opportunities Statement	3	Pre-commencement	-	-	Brimbank City Council	Provider		X				X
12	Monash NEIC	3	Preparation	57,882	238,749	Greater Dandenong City Council, Kingston City Council, Monash City Council	Authority		X				
13	DJPR Precincts (subject to allocation)	3	Ongoing	-	-	-	Provider		X				

* Paused pending confirmation of further funding

Melbourne growth corridors

								Funding source					
Project name		Tier	Status	Lots	Jobs	Municipality	VPA role	V	G	L	UNCAH	SFG	STF
1	Beveridge North West PSP & ICP	1	Preparation	16,161	3,000	Mitchell Shire Council	Authority				X		
2	Officer South Employment PSP & ICP	1	Preparation	1,640	20,800	Cardinia Shire Council	Authority			X	X		
3	Wallan East Part 1 PSP & ICP	1	Preparation	1,128	169	Mitchell Shire Council	Authority			X	X		
4	Wallan South PSP & ICP	1	Preparation	11,000	3,300	Mitchell Shire Council	Authority			X	X		
5	PSP Guidelines – Innovation Precinct Pilot (PSP Reform Program)	2	Preparation	-	-	NA	NA				X	X	X
6	Casey Fields South PSP & ICP	2	Preparation	-	4,378	Casey City Council	Authority			X	X		
7	Clyde South PSP & ICP	2	Pre-commencement	13,190	5,469	Casey City Council	Authority			X	X		X
8	Devon Meadows PSP & ICP	2	Preparation	3,137	993	Casey City Council	Authority			X	X		
9	Mambourin East PSP & ICP	2	Pre-commencement	-	6,732	Wyndham City Council	Authority			X	X		X
10	Melton East PSP & ICP	2	Preparation	12,894	3,868	Melton City Council	Authority			X	X		
11	Rockbank South PSP & ICP	2	Pre-commencement	9,137	2,384	Melton City Council	Authority			X	X		X
12	Werribee Junction PSP & ICP	2	Pre-commencement	-	4,570	Wyndham City Council	Authority			X	X		X
13	Croskell PSP & ICP	2	Preparation	221	2,854	Casey City Council	Authority			X			
14	Kororoit Part 2 PSP & ICP	2	Pre-commencement	3,562	56	Melton City Council	Authority			X	X		X
15	Merrifield North PSP & ICP	2	Pre-commencement	-	13,830	Mitchell Shire Council and Hume City Council	Authority			X	X		X
16	PSP Reform Agenda – Implementation Program	3	Preparation	-	-	NA	NA					X	
17	Greenvale North Part 2 (Site specific rezoning)	3	Pre-commencement	280	-	Hume City Council	Authority			X	X		X
18	Oakbank PSP & ICP	3	Preparation	13,717	3,428	Wyndham City Council	Advisor				X		
19	Cardinia Creek South Part 2 PSP & ICP	3	Pre-commencement	1,409	113	Cardinia Shire Council	Authority			X	X		X

Regional cities and towns

								Funding source					
Project name		Tier	Status	Lots	Jobs	Municipality	VPA role	V	G	L	UNCAH	SFG	STF
1	Shepparton South East PSP & DCP	1	Preparation	2,500	220	Greater Shepparton City Council	Authority				X		
2	Waurn Ponds Station Precinct Urban Design Framework	1	Preparation	600	50	Greater Geelong City Council	Provider		X		X		
3	Wonthaggi PSP Finalisation	1	Preparation	500	1,657	Bass Coast Shire Council	Provider				X		
4	Bannockburn South East PSP	2	Preparation	3,766	-	Golden Plains Shire Council	Authority			X	X		
5	Merrimu PSP	2	Preparation	7,200	1,800	Moorabool Shire Council	Authority			X	X		
6	Ballarat North PSP	3	Pre-commencement	-	-	Ballarat City Council	Authority						X
7	Bendigo Regional Employment PSP	3	Preparation	-	-	Greater Bendigo City Council	Authority		X		X		X
8	Corio Norlane Urban Renewal	3	Preparation	2,000	500	Greater Geelong City Council	Provider			X	X		X
9	East of Aberline PSP & DCP	3	Preparation	1,500	380	Warrnambool City Council	Authority			X	X		X
10	Greater Avalon Employment Precinct	3	Pre-commencement	-	-	Greater Geelong City Council	Authority			X	X		X
11	Parwan Employment Precinct Development Plan	3	Preparation	-	1,500	Moorabool Shire Council	Authority			X	X		
12	Parwan PSP & DCP	3	Preparation	3,200	900	Moorabool Shire	Authority			X	X		

Streamlining plan delivery

				Funding source					
	Project name	Tier	Status	V	G	L	UNCAH	SFG	STF
1	Small Lot Housing Code (Part 2)	3	Preparation					X	
2	SFG Program Administration & Management	3	Ongoing					X	
3	SFG Project Management & Facilitation	3	Ongoing					X	

Infrastructure planning and coordination

				Funding source					
	Project name	Tier	Status	V	G	L	UNCAH	SFG	STF
1	Gunns Gully Road Interchange GAIC Work-In-Kind Arrangement	1	Preparation				X		
2	Place Infrastructure Compact	2	Preparation		X				
3	GAIC Policy and Staged Payment Agreements Administration	3	Ongoing	X					
4	GAIC Work-In-Kind Agreements	3	Ongoing	X	X				
5	Integrated Water Management Coordination Project	3	Ongoing		X				

Managing risk to achieve our strategic objectives

To develop the *VPA Strategic Plan 2021-2024*, we identified the key risks to achieving our strategic objectives. These risks, and our approach to mitigating them, are outlined below.

In early 2022, our Board identified the key risks in 2022 as being timely delivery of outputs and financial sustainability.

Risk	We mitigate this risk by
Timely delivery of outputs	Supporting effective and timely delivery by creating plans that will get built, using the right processes and collaborating openly with project partners.
Reputation	Meeting reasonable government and stakeholder expectations, maintaining probity, and ensuring all stakeholders understand our role, both in the planning system and for each project.
Innovation and influence	Adapting our solutions to meet changing community needs, advocating for improved policies and practices, and embracing innovation in our operations and activities.
Quality outcomes	Ensuring our plans drive quality planning decisions and outcomes.
Statutory compliance	Having strong corporate oversight of all statutory requirements and working fairly and objectively with our partners and stakeholders.
Organisational capability and culture	Continuing to build and capitalise on the potential of our people, our inclusive culture, and our technology, information security/management, systems and processes.
Workplace health and safety	Providing safe, (including psychologically and socially healthy) and flexible workplaces for all our people, wherever they are working.
Financial sustainability	Bringing in sufficient revenue and managing expenditure to ensure we deliver on statutory requirements and expectations.

Risk management

We have a risk management plan and risk register in place. These have been prepared in accordance with the Australian Standard AS/NZS ISO 31000:2018.

The risk register was prepared from risks identified through workshops with VPA staff members and Board members. The VPA Risk and Audit Committee regularly monitors the risk management and risk mitigation process.

We ensure our risk profile is reviewed regularly, both internally and externally.

These processes have enabled the VPA Risk and Audit Committee to conclude that the risk management processes met the requirements of the Ministerial Standing Directions.

Resources

The VPA budget is based on anticipated revenue over the coming four financial years, not all of which is confirmed.

Sources and application of funding

The nature and extent of the work of the VPA varies from year to year, and the amount of funding sourced and applied to project delivery varies accordingly.

The VPA's income in previous years has been drawn from a combination of the following sources:

- Base appropriation (covers approximately one third of our operating requirement)
- Supplementary appropriations:
 - Streamlining for Growth Program
 - Unlocking New Communities and Affordable Housing Program
- External contributions:
 - commissions from government agencies
 - voluntary contributions from landowners or Reserves (accumulated surplus drawn down to fund project delivery).

Moving forward, the VPA seeks to shift to a blended funding model comprising base appropriation plus cost recovery revenues (both from landowners and government commissions). The VPA is seeking the ability to recover costs from benefiting landowners via a broad based cost recovery charge. This will require legislative change. The VPA is working closely with DELWP to examine future cost recovery options.

Base appropriation

This funding is applied to expenditure on the following (in order of priority):

- fixed operating costs (organisational overheads)
- statutorily required functions and services (planning and other)
- projects where we act as planning authority (net of any cost recovery arrangements)
- projects where we act as provider to Government (net of any cost recovery arrangements)
- all other projects/services.

Supplementary appropriations

Supplementary appropriations are applied to expenditure on projects and services in accordance with the purpose for which the funding was approved.



Streamlining for Growth Program

The VPA's successful grants program, Streamlining for Growth, has been in operation since 2016. While the program lapses in the 2022-23 financial year, the VPA assumes a further three years of program funding beyond that in this business plan budget.

The program's funding streams have been refined in forward years to focus on:

- Metropolitan Melbourne
- Regional Victoria
- Better regulation and streamlined processes.

Unlocking New Communities and Affordable Housing

Formerly named the Affordable by Supply Program, the Unlocking New Communities and Affordable Housing Program (UNCAH) allocates the VPA with \$6 million in the 2022-23 financial year to projects in outer Melbourne and regional cities and towns.

This appropriation responds directly to two demand-driven needs.

1. The ongoing need to provide affordable housing and jobs for a growing Melbourne and Victoria.
2. The VPA's need to shift to a sustainable funding model including cost recovery from benefiting landowners (dependent on legislative change).

As this funding source lapses in 2022/23, the VPA conservatively has not assumed further program funding in this business plan budget.

External contributions

External contributions are applied to expenditure on the projects and services for which the funding was collected.

In line with accounting standard, AASB 15 Revenue from Contracts with Customers, revenue is recognised when the milestone/obligation associated with the funding received is completed.

Commissions from government agencies

This revenue is where the VPA receives funds from other government agencies for planning work which aligns with our objectives and strategic priorities. Future budget projections have been made based on the VPA's understanding of likely service requirements of our key agency partners and are subject to government budgetary outcomes.

Third party contributions revenue

Landowners are voluntarily invited to enter into third party funding agreements with the VPA. This occurs at the pre-commencement phase of a project and funds the VPA to independently deliver the project over the project lifecycle.

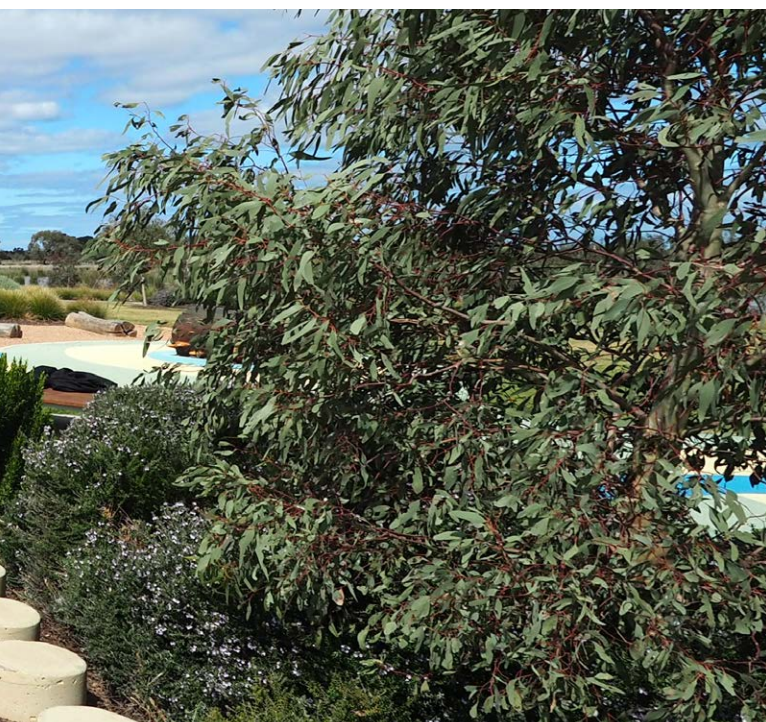
Since 2011/12, the VPA has successfully secured third party funding for many projects in Melbourne's greenfields and regional Victoria.

Broad based cost recovery

The VPA intends to progress towards an equitable broad based cost recovery model whereby the costs of planning work undertaken by the VPA is equally shared among landowners. This would ensure VPA receives up front funding for work to be completed. Any funding from this model of collections will depend on government policy decisions and legislative change. It is anticipated these funds will replace third party contributions revenue.

Reserves (accumulated surplus)

The VPA's accumulated reserves at 30 June 2022 are expected to be \$10.7 million. The VPA also considers that a minimum of \$1.5 million should be maintained as a reserve to meet unforeseen expenditure requirements or to cover unexpected revenue decreases. The VPA is forecasting to expend reserves on planning projects, reducing the balance in the final year of the four-year business plan budget. In this way the VPA will use its reserves to sustain its operations over the next four years.



Staff complement 2022/23

The VPA's staff complement has varied each year in accordance with the scope and extent of the work program. In 2022/23 the staff complement will be maintained at the same level as that of the 2021/22 financial year. The full time effective (FTE) staff complement for 2022/23 is 127 ongoing FTE staff (2021/22 was 127 FTE staff). This headcount may be temporarily exceeded where external funding is received to meet the cost of project-specific personnel. The intention is to maintain this general level of capability going forward.

This staffing complement underpins the VPA's forward financial sustainability plan.

Financial sustainability plan

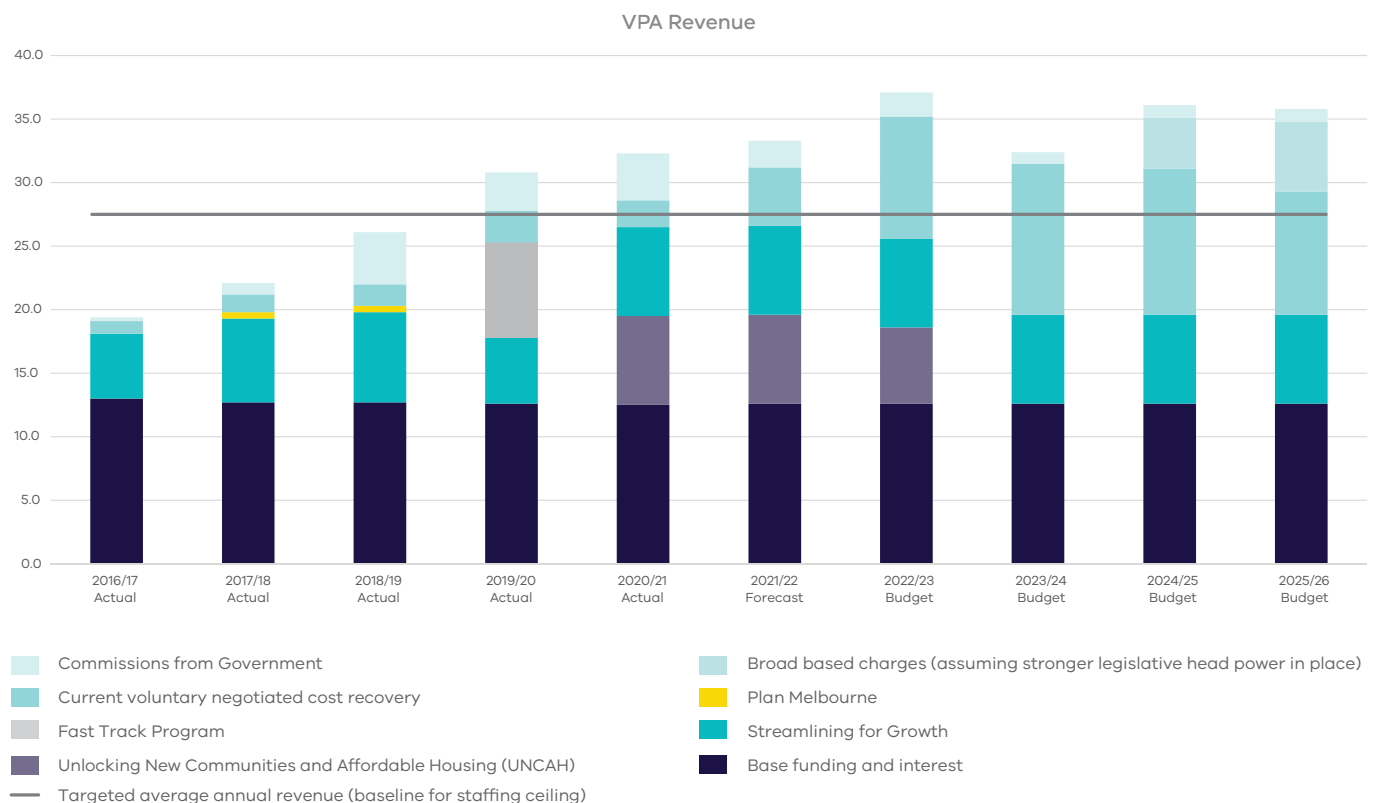
The VPA's revenue has not kept pace with its increasing scope and role under the *Victorian Planning Authority Act 2017*. As a result, historically the VPA has been dependent upon supplementary appropriations of varying term, outcome and value.

The VPA Board has an ambition for a minimum annual revenue of \$25-30 million, allowing expenditure to be averaged at around \$27.5 million per annum to ensure the VPA can deliver a meaningful impact across the eight program areas set by the Minister for Planning.

The VPA is proposing to diversify its revenue sources over time and to recover planning costs from benefiting landowners, including government agencies. The graph below illustrates this change in revenue source towards a broad based cost recovery model and also reflects a diminishing reliance on voluntary third party contributions over the life of this business plan.

The VPA will review this financial sustainability approach and timing in response to the priorities and program of the 2022 incoming government.

Figure 5: VPA financial sustainability plan – trajectory towards broad based cost recovery



Budget 2022/23 to 2025/26

The VPA has adopted the following budget for 2022/23 and has endorsed, in principle, the financial projections for the subsequent two years. The budget reflects sources of funding that are committed or are regarded as likely.

Income (sources of funding)

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Base appropriation</i>	12.5	12.5	12.5	12.5
<i>Supplementary appropriations</i>				
- Streamlining for Growth Program [^]	7.0	7.0 [^]	7.0 [^]	7.0 [^]
- Unlocking New Communities and Affordable Housing [^]	6.0	0.0	0.0	0.0
<i>External contributions</i>				
- Commissions from government agencies	1.5	0.5	0.6	0.6
- Third party contributions revenue	9.6	11.9	11.5	9.7
- Broad based cost recovery ^{**}	0.0	0.0	4.0 ^{**}	5.5 ^{**}
<i>Interest</i>	0.1	0.1	0.1	0.1
<i>Reimbursement & other revenue</i>	0.4	0.4	0.4	0.4
Total income	37.1	32.4	36.1	35.8

[^] This revenue item is not yet secured and is dependent upon the government's forward budget decisions.

^{**} A broad based cost recovery model based on the necessary legislative and regulatory changes is currently being progressed which would enable the VPA to require payment for its services.

Expenditure (by cost category)

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Employee costs	19.6	20.6	21.1	21.4
Contractors and professional services	12.5	10.4	9.2	7.1
Streamlining plan delivery - grants to councils	3.2	3.2	3.2	3.2
Asset and accommodation	1.4	1.6	1.6	1.6
Information technology	1.5	1.7	1.6	1.7
Other operating costs	0.8	0.8	0.8	0.8
Total expenditure	39.0	38.3	37.5	35.8

Net surplus and equity

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Net surplus (shortfall) for the year	(1.9)	(5.9)	(1.4)	0.0
Brought forward surplus	10.7	8.8	2.9	1.5
Total accumulated surplus at end of year	8.8	2.9	1.5	1.5

All amounts presented in the budget above have been rounded to the nearest \$100,000 and as a result totals may not equate due to rounding.

Key performance measures for 2022/23

We have developed clear outputs and performance measures for each of our programs. We expect to achieve the KPIs listed below during the 2022/23 financial year.

VPA program	Program outputs & performance measures	KPI for 2022/23
Priority precincts	Deliver planning frameworks and spatial planning advice to support development in Priority Precincts as directed by the Minister for Planning and/or other Ministers to deliver city-shaping liveability and economic outcomes.	Finalise one priority precinct project by 31 December 2022: <ul style="list-style-type: none"> Arden Transport Precinct
		Progress two priority precinct projects or other state significant projects (subject to commissions by lead agencies) through at least one key project milestone during 2022/23.
Urban renewal in Melbourne	Improve planning outcomes and processes	VPA Board to endorse the proposed activity centre and urban renewal area pipeline by 31 December 2022.
		VPA to progress urban renewal structure planning guidelines for VPA-led projects by 30 June 2023.
	Deliver planning frameworks and spatial planning advice to support the Plan Melbourne aspiration to accommodate 70 per cent of Melbourne's net dwelling growth within established Melbourne.	Significantly progress two urban renewal projects by 30 June 2023: <ul style="list-style-type: none"> VPA Board endorses Preston Market undertake final public consultation on Braybrook Regeneration Project (subject to securing further funding).
		Commence at least one activity centre structure plan or urban renewal area project during 2022/23.
Melbourne growth corridors	Deliver planning frameworks to maintain a zoned capacity sufficient to accommodate around 15 years of residential land supply and one new job for each new household in PSP areas.	<p>Finalise two PSPs to accommodate 50,000 lots (i.e. approximately 24,000 lots in 2022/23). This includes securing VPA Board decision to finalise the following PSPs:</p> <ul style="list-style-type: none"> Beveridge North West Wallan South <p>Complete plan preparation for two PSPs to maintain 15-year pipeline of zoned land supply, including:</p> <ul style="list-style-type: none"> Melton East Devon Meadows <p>Progress employment PSPs (or appropriate substitutes responding to government priorities) to contribute up to 50,000 jobs in the Melbourne's growth corridors including:</p> <ul style="list-style-type: none"> finalise Officer South Employment PSP to accommodate 20,800 jobs by June 2023 significantly progress PSPs comprising land for over 25,000 jobs. <p><i>Note, relevant BP3 measure applies *</i></p>

VPA program	Program outputs & performance measures	KPI for 2022/23
Melbourne growth corridors (continued)	Improve planning outcomes and processes	<p>Continue to operationalise the VPA's <i>Precinct Structure Planning Guidelines: New Communities in Victoria</i> (completed 2021).</p> <p>This includes:</p> <ul style="list-style-type: none"> • progress program of improvements to achieve intent of guidelines (including seeking improved statutory weight for the Guidelines) • finalise three practice notes by 31 December 2022 • Board-endorsed election of successful EO response/s for Innovation Pathway Precinct PSP by 31 December 2022 • continue to operationalise PSP 2.0 (which will enable process improvements to reduce average PSP preparation times by one third, contingent on decisions by others).
Regional cities and towns	Deliver planning frameworks and services to support urban growth in regional Victoria.	<p>Finalise plans to accommodate zoned capacity for 7,500 lots and 2,000 jobs by 30 June 2023.</p> <p>Three plans are to reach agency notification and/or statutory exhibition stage in 2022/23:</p> <ul style="list-style-type: none"> • Bannockburn South East PSP • Merrimu PSP • Shepparton South East PSP <p><i>Note, relevant BP3 measure applies *</i></p>
Streamlining plan delivery	Deliver the government's Streamlining for Growth Program to unlock urban growth across the state by streamlining planning and post-plan approval processes.	<p>96 per cent of (approved) council grant applications meet relevant objectives of the Streamlining for Growth guidelines.</p> <p><i>Note, relevant BP3 measure applies *</i></p>
Planning solutions, innovation and partnerships	Demonstrate and disseminate innovation in planning processes, outcomes, and in engaging with communities and partners.	Deliver at least two webinars and/or other digital events to inform public debate and projects on growth planning issues or projects.
	Support the economic recovery of Victoria by prioritising the VPA's work to deliver zoned land for jobs and housing at scale in areas designated by the Minister.	Operationalise the Priority Program to ensure continued focus on projects of state and regional significance to support economic recovery.

VPA program	Program outputs & performance measures	KPI for 2022/23
Organisational capability and capacity	Enhance the operational performance of the organisation.	<p>No significant governance breaches reported in the 2022/23 annual report.</p> <p>90 per cent of projects on the VPA work program completed or on track as at 30 June 2023 against the work program timeframes (as amended by the Board at quarterly reviews).</p> <p>Minister for Planning provided with interim draft business plan by 31 May 2023, and the approved business plan published on VPA website within one month being approved by the Minister.</p> <p>Financial discipline demonstrated by expenditure for the year having a no greater than 10 per cent unfavourable variance from the budget for the year ended 30 June 2023 (except where this is due to unbudgeted expenditure on a matter directed by the Minister for Planning).</p> <p>Continue to progress efforts to ensure funding sources are secured to ensure sustainability of operations beyond 2023/24.</p>
Infrastructure planning and coordination	Deliver DCPs and/or ICPs to ensure any development yield/uplift conferred by a zoning change is accompanied by appropriate infrastructure contributions arrangements.	VPA Board to approve finalised ICPs and/or DCPs (as appropriate) to accompany all structure plans finalised by the VPA.
	Negotiate Growth Area Infrastructure Contributions Work-in-Kind (GAIC WIK) agreements to help clarify the nature and timing of infrastructure provided in PSP areas.	<p>Finalise two GAIC WIKs during 2022/23, including the final Gunns Gully GAIC WIK for construction.</p> <p>Progress all new GAIC WIKs for submission to the Minister for Planning for approval within 12 months from the time of signing of a third party funding agreement.</p>
	Assist government consideration of improved infrastructure coordination and funding models to support urban growth.	<p>Progress work on the place infrastructure compact (PIC) model.</p> <p>Submit advice on infrastructure delivery in key areas of metropolitan Melbourne – advise on infrastructure requirements in five years, ten years and once the area is fully developed.</p>

- * KPI relates to 2022/23 Budget Paper No.3 (BP3) measures and government priorities related to the Unlocking New Communities and Affordable Housing Program or Streamlining for Growth Program. Note that PSPs not listed in the KPI may be counted towards achieving BP3 targets.

Attachment A – Minister for Planning's Direction to the VPA



Hon Richard Wynne MP

Minister for Planning
Minister for Housing

8 Nicholson Street
East Melbourne, Victoria 3002

Ms Jude Munro AO
Chairperson
Victorian Planning Authority
Level 25, 35 Collins Street
Melbourne VIC 3000

Ref: MBR045626



Dear Ms Munro

MINISTERIAL STATEMENT OF EXPECTATIONS AND DIRECTION FOR THE VICTORIAN PLANNING AUTHORITY

I am pleased to provide the attached Ministerial Direction pursuant to section 36(1) of the *Victorian Planning Authority Act 2017*, which sets out my Statement of Expectations (SoE) for the Victorian Planning Authority (VPA).

The SOE will remain in effect until 30 June 2023 from the date of receipt or until otherwise amended. The SOE outlines the strategic priorities on which I expect the VPA to focus its business activities. Those activities will be reflected in the annual work program set out in the business plan that the VPA must prepare for my approval each year.

The VPA has been established to deliver government objectives and priorities within the context of the *Victorian Planning Authority Act 2017* and the *Planning and Environment Act 1987*. In this regard, the goal of the VPA's activities is to translate state-wide policy for growth and jobs into clear spatial planning directions to enable the development of prosperous, liveable and sustainable communities for current and future Victorians.

To that end, I expect the VPA to work in close collaboration with the Department of Environment, Land, Water and Planning (DELWP) and in partnership with councils, communities, government agencies and the development industry to pursue the timely delivery of planning outputs that support attainment of affordable housing, integrated water management and sustainability outcomes.

I expect the VPA to deliver strongly on its core role in Victoria's planning system, providing spatial urban growth planning solutions for identified areas and sites to shape and deliver programs of activity that accord with the VPA's *Strategic Plan 2021-24*.

For the 2022-23 financial year, in line with Victorian Government expectations, there will be a strong focus on transparency and accountability for service performance and delivery. As Victoria moves to economic recovery from the impacts of the COVID-19 pandemic, I expect increased accountability on stimulus investment and outcomes.

An important indicator of the VPA's effectiveness in delivering on government's priority projects and its business activities will be transparent and timely reporting. Performance reporting must demonstrate progress against key objectives and milestones, efficient delivery of government policy and be provided in a timely manner.

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I look forward to receiving the VPA's draft business plan for 2022-23 by 31 May 2022.

If you have any queries about this matter, please contact Fiona Delahunt, Executive Director Planning Performance and Insights, DELWP on 0417 033 153 or via email at fiona.k.delahunt@delwp.vic.gov.au.

Yours sincerely



HON RICHARD WYNNE MP
Minister for Planning

10 / 4 / 22

Encl.

Cc. The Hon Martin Pakula MP, Minister for Business Precincts
The Hon Jacinta Allan MP, Minister for Transport

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VICTORIAN PLANNING AUTHORITY ACT 2017

Direction to the Victorian Planning Authority

I, Richard Wynne MP, Minister for Planning, give the following direction to the Victorian Planning Authority (the Authority) under section 36(1) of the *Victorian Planning Authority Act 2017*.

The previous direction dated 7 April 2019 to the Authority under section 36(l) of the *Victorian Planning Authority Act 2017* is revoked.

Priorities

- 1 This Direction provides the strategic overview of the business activities and priority program areas that form the work program for the Authority for the year 2022-2023. By 31 May of each calendar year, the Authority will deliver for my approval a draft annual business plan that will articulate how the Authority will deliver the business activities, priority programs and related projects.
- 2 The work program will include the following components:
 - a. this Direction.
 - b. the eight (8) priority program areas that underpin the role of the Authority as the Victorian Government's strategic spatial land use planning agency, those being priority precincts; urban renewal in Melbourne; Melbourne growth corridors; regional cities and towns; infrastructure planning and coordination; streamlining planning delivery; planning solutions innovation and partnerships; organisational capability and capacity.
 - c. projects and activities proposed to be undertaken in the 2022-23 financial year to deliver the Victorian Government's priority areas including remaining implementation plan actions in *Plan Melbourne 2017-2050* (including progressing the 70:30 ratio for the location of new residences and the target of 15 years supply of zoned land for urban development purposes being available in Melbourne's growth areas through delivery of Precinct Structure Plans (PSPs) prepared in line with the new PSP Guidelines) and any remaining *Homes for Victorians* strategies where the Authority is assigned as lead or as an implementation partner.
 - d. any major new project, or activity aligned with the Victorian Government's strategic plans, as directed and approved by me or my delegate during the financial year. On receipt of my direction the VPA is to add any new project to its list of current projects on its website.
- 3 In addition, the Authority's delivery against its priority program areas the key areas of focus are:
 - a. **Accountability and Transparency**

The Authority's annual business plan and annual report are important documents, recognised in legislation and by the community. They are important narratives for building value in the minds of stakeholders. I expect framing of a clear and focussed narrative in the annual business plan around the Authority's strategic priorities and outcomes as expressed in the Authority's *Strategic Plan 2021-2024* and the additional priority areas within this Direction.
 - b. **Financial Sustainability and Demonstrating Outcomes**

The Authority will maintain strong governance, risk and financial management functions to ensure that programs and projects are appropriately delivered. The Authority should focus on:

 - delivering its annual business plan on time and on budget.
 - fulfilling its funding and reporting obligations in the Streamlining for Growth and Unlocking New Communities and Affordable Housing programs.

Any proposed departure from the approved annual business plan, including the inclusion of new activities, programs or projects will require my approval or that of my delegate. Also, I expect to be advised of anticipated significant variations to delivery outcomes or timeframes promptly at each quarterly review.
 - c. **Implementation of government policy**

In reference to its legislated role the Authority will work in partnership with the Department of Environment, Land, Water and Planning's (DELWP) Planning Group, local councils, and other Government departments and agencies to deliver spatial planning services and advice in line with Victorian Government policy.
 - d. **Advancing Precinct Structure Plans in metropolitan Melbourne and the regions**

The Authority is to focus on streamlining the precinct planning process by finalising the Authority's PSP 2.0 process and applying this to the current round of funded greenfield and regional precincts. The aim of this process reform is to reduce the average completion time of a PSP to two and half years, noting there are often matters that impact on this timeframe that are not within the Authority's control.

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Giving effect to these priorities

- 4 The Authority will prepare a Business Plan, pursuant to Section 44 of the *Victorian Planning Authority Act 2017*, that sets out a detailed work program to give effect to the priorities outlined in section 1 to 3 of this Direction.
- 5 In addition to the requirements of section 44(1)(a-d) of the Act, the Authority will work with DELWP's Planning Group to implement the following reporting framework to monitor, report and measure outputs and outcomes of the work program, provide transparency and accountability and meet with whole of government governance standards.

Report	Key elements for reporting	Timing
Annual Business Plan	<ul style="list-style-type: none"> The main business undertakings and activities and how they contribute to the strategic outcomes. Outcome indicators that are specific, measurable, attainable, relevant and timely. Major business risks (external and internal) that may affect the agency objectives. Strategies for the management of those risks. 	Draft submitted by 31 May.
Annual Report	<ul style="list-style-type: none"> Progress against strategic outcomes. Progress against priority projects and programs. Milestone status. 	Annually, in line with DELWP advice.
<ul style="list-style-type: none"> BP3 programs Priority and other projects Other programs 	Progress against: <ul style="list-style-type: none"> Project and program milestone status. Expenditure to date. Variances to planned progress. Risks to offtrack programs/ projects and mitigation measures proposed. 	Quarterly within 10 working days of the VPA Board approving the review of projects and budget each quarter 31 March, 30 June, 30 September and 31 December.

- 6 On my approval of the annual Business Plan, the Authority will be conferred such statutory authorisations as may be required to empower its delivery of the range of activities within its work program. Authorisations will fall into one of the following roles, dependent upon the project and activity undertaken, unless otherwise stated:

ROLE	DESCRIPTION
PLANNING AUTHORITY	Where the Victorian Planning Authority is the appointed <i>Planning Authority</i> with the mandate to lead the project and deliver outcome (including recommending a Planning Scheme amendment to the Minister) in partnership with the relevant local council(s) and government agencies.
PROVIDER	Where the local council or the Minister for Planning is the <i>Planning Authority</i> and the Victorian Planning Authority has the lead role to prepare a plan or other report, working in partnership with the relevant local council(s) and government agencies, which the Victorian Planning Authority then submits to the <i>Planning Authority</i> for progress through the statutory process.
ADVISOR	Provide advice, finance and technical advice and support in relation to a plan being prepared by a local council or government agency. The Victorian Planning Authority advises and influences but does not determine the content.
FACILITATOR	Victorian Planning Authority assists a local council or government agency with their work, providing a grant or general advice about how planning policies need to be considered. May involve participation in a Steering Committee or Project Group.

- 7 Notwithstanding, the requirement to submit an annual work program I have authorised the Authority to be the *Planning Authority* to prepare amendments pursuant to section 9 of the *Planning and Environment Act 1987* within growth areas and in other designated areas.

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- 8 I have also authorised the Authority to be planning authority to prepare amendments in relation to projects / areas so designated. The projects / areas to which this authorisation applies is specified within the annual work program. This authorisation only operates in respect of amendments that implement a PSP, and Infrastructure Contributions Plan or a Development Contributions Plan, and in preparing the amendment the Authority must consult with:
- a. the Minister for Planning;
 - b. the relevant local council;
 - c. DELWP; and
 - d. any other public sector body if the amendment is likely to significantly affect the functions of the public sector body.
- 9 I issued *Ministerial Direction No. 18 (Victorian Planning Authority Advice on Planning Scheme Amendments)* on 28 January 2018 to provide greater certainty about the Authority's role when it is **not** the planning authority but is providing advice and/or preparing documentation for local councils. This Direction is a strong reflection of the Authority's status as the Victorian Government's strategic spatial planning agency, and of the Authority's commitment to working with local councils across the state to drive spatial planning solutions.
- 10 I have approved the Authority to provide advice and assistance to local councils and public sector bodies under section 8(3) of the *Victorian Planning Authority Act 2017*. I also approve, under section 33(1) of the *Victorian Planning Authority Act 2017*, that the Authority may request certain information from local councils by written notice in relation to all projects designated in this Direction.
- 11 I have authorised the Authority to continue to act as the responsible authority, until such time as this is withdrawn in respect of:
- Collection of section 173 funds in specified situations for land within the Fishermans Bend Urban Renewal Area



HON RICHARD WYNNE MP
Minister for Planning

10/4 / 2022

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Attachment B – Minister for Business Precincts' Direction to the VPA



The Hon Martin Pakula MP

Minister for Industry Support and Recovery
Minister for Trade
Minister for Business Precincts
Minister for Tourism, Sport and Major Events
Minister for Racing

121 Exhibition Street
Melbourne, Victoria 3000 Australia
Telephone: + 61 3 8392 2221
DX210074

Ref: BMIN-2-21-9578

Ms Jude Munro AO
Chair
Victorian Planning Authority
Level 25, 35 Collins Street
MELBOURNE VIC 3000

Dear Ms Munro

MINISTERIAL DIRECTION FOR THE VICTORIAN PLANNING AUTHORITY

I am pleased to provide the attached direction for the Victorian Planning Authority (VPA), pursuant to Section 36(1) of the *Victorian Planning Authority Act 2017*.

The direction will remain in effect for two years spanning the periods 2021-2022 and 2022-2023 or until a new direction is provided. It lists the priorities I seek the VPA to undertake for the Business Precincts portfolio. Those activities will be reflected in the VPA's annual Business Plan, which will be publicly released following approval by the Minister for Planning.

I require the VPA to provide spatial, planning and development advice for Victoria's Business Precincts, initially including but not limited to Footscray, Fishermans Bend, Parkville (including the Melbourne Biomedical Precinct), Docklands, Werribee National Employment and Innovation Cluster (NEIC), Monash NEIC and La Trobe NEIC.

In providing advice for Victoria's Business Precincts, the VPA should consider and deliver the portfolio's objective: to lead the development of vibrant and prosperous places for Victorians to live and work. I expect the VPA to be bold, innovative and evidence-based to ensure Victorians have more jobs, thriving places and inclusive communities.

In planning for Business Precincts, the VPA should have regard to ensuring a diverse mix of uses, quality urban form and adequate provision of social and affordable housing. The VPA should ensure that planning for Business Precincts emphasises walkability, connectivity and lively public spaces that incentivises quality economic growth.

I expect the VPA to work in close collaboration with the Department of Jobs, Precincts and Regions and in partnership with councils, communities, government agencies and the development industry.



I look forward to receiving a copy of the VPA's Business Plan for 2021-2022.

If you have any further queries, please contact Tania Quick, Acting Executive Director, Precinct Planning and Coordination, Department of Jobs, Precincts and Regions on 0417 340 985 or by email: emily.mottram@ecodev.vic.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Pakula', written over a light grey rectangular background.

THE HON MARTIN PAKULA MP
Minister for Business Precincts

cc: The Hon Richard Wynne MP, Minister for Planning

Victorian Planning Authority Act 2017

Direction to the Victorian Planning Authority

1. I, the Hon Martin Pakula MP, Minister for Business Precincts, give the following direction to the Victorian Planning Authority (VPA) under Section 36(1) of the *Victorian Planning Authority Act 2017* for the period 2021-2022 and 2022-2023 inclusive, to include projects related to the precinct related powers and functions within the VPA's work program, as outlined to the VPA in the Minister for Planning's Direction of 7 April 2019.
2. VPA's work program will contain the following components related to my precinct related powers and functions:
 - Projects and activities to be undertaken in the 2021-2022 and 2022-2023 financial year, as outlined in this direction,
 - Any new designated priority business precinct or project as directed and approved by me or my delegate during the financial year.
3. The work program, inclusive of projects related to my precinct related powers and functions, will be included in the draft VPA Business Plan which the VPA is required to submit annually to the Minister for Planning by 31 May, for his consideration and approval.
4. The VPA has expertise that can support the achievements of my portfolio. This includes, but is not limited to:
 - a) leading or supporting creating a shared vision for the area;
 - b) providing spatial and development advice;
 - c) developing scenario models and metrics;
 - d) identifying and preparing planning instruments to unlock development; and
 - e) identifying contribution arrangements.
5. The VPA is to apply this expertise to precincts, initially including but not limited to:
 - a) Footscray;
 - b) Fishermans Bend;
 - c) Parkville (including the Melbourne Biomedical Precinct);
 - d) Docklands;
 - e) Werribee National Employment and Innovation Cluster
 - f) Monash National Employment and Innovation Cluster outside of Suburban Rail Loop precinct(s); and
 - g) La Trobe National Employment and Innovation Cluster outside of Suburban Rail Loop precinct(s).
6. The work program will be undertaken subject to the necessary funding arrangements and service level agreement facilitated through my department with the VPA.

Giving effect to these priorities

The VPA will work with the Department of Jobs, Precincts and Regions to establish a funding and reporting framework to monitor, report and measure outputs and outcomes of the work program, provide transparency and accountability and meet with whole of government governance standards.



THE HON MARTIN PAKULA MP
Minister for Business Precincts

Date: 19.5.21

Cc: The Hon Richard Wynne MP
Minister for Planning

Victorian Planning Authority

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Melbourne Victoria 3000

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vpa.vic.gov.au

