

4 November 2016

Arden Urban Renewal Team  
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**Via email:** [arden@vpa.vic.gov.au](mailto:arden@vpa.vic.gov.au)

To Whom It May Concern:

**Re: Draft Arden Vision and Framework**

The Property Council congratulates the State Government on the process by which the Arden Precinct is proceeding. We believe that ensuring investors have certainty on what they are buying into should be at the forefront of project creation.

The Property Council supports the Draft Arden Vision & Framework (the Vision) in principle. However, there are many details which require further clarity. These include:

- A construction timetable;
- Investment incentives;
- Open space contributions;
- Social housing obligations;
- Infrastructure costs and levies;
- Sequencing and staging of infrastructure;
- Remedial action to manage flooding issues;
- A robust framework to ensure sustainable outcomes; and,
- The difference between the propositions, objectives and strategic directions, in terms of:
  - How they inter-relate and contribute to the outcome;
  - How they will be delivered and measured; and,
  - What is an optimal outcome and how success can be defined.

Until these issues are resolved, it is very difficult for the industry to “buy into” the Government’s Vision.

Please find attached the Property Council’s submission which presents general feedback on the Vision as well as detailed responses to each of the five Strategic Directions in the document.

Should you require any further information, please do not hesitate to contact our office on 9650 8300.

Yours sincerely,



Asher Judah  
Victorian Deputy Executive Director  
Property Council of Australia

## Property Council's Response to the Directions

### Urban Transformation

Property Council considers that resources should be focussed on planning and infrastructure provision to transform Arden into an attractive employment precinct, by providing the amenity that employers and employees want in defined areas. Delivering on this priority will be crucial given that jobs growth is projected to vastly outnumber the growth in residents in the coming decades. The Vision should include commentary on the catchment area for these workers and how they will be expected to commute to Arden, as well as the implications this may have on physical and social infrastructure needs. Lastly, a commitment from the Government to work in partnership with the business community to improve clarity around infrastructure provision as well as funding arrangements would provide the development industry with greater confidence.

The vision put forward for a sustainable and resilient precinct reads as follows:

*"The transformation of Arden provides an opportunity to create an exemplar sustainable precinct, with the use of low energy, low carbon buildings and infrastructure, an urban structure that supports active transport, integrated water management, high quality open spaces and green links and precinct wide shared energy, water and waste management systems."*

Very little insight is given as to what principles underpin these proposed features, how they relate to the planning process and how they will be delivered. The Property Council supports a vision that is ambitious, however, we question whether the proposed outcome will be achieved given the lack of detail with regards to roles and responsibilities. Precinct scale environmental solutions will require strong frameworks and a coordinated effort by Government to provide certainty for private land owners and developers wishing to invest in these technologies.

The Vision indicates that state and local government goals to move towards a net zero carbon emissions target by 2050 will help frame standards for sustainable design in the precinct. To further support accelerated deployment of high performing new buildings, the Property Council supports planning incentives such as density bonuses and green door policies which would target one of the highest priorities for developers – the cost, time invested and uncertainty of the planning processes. Similarly, stamp duty concessions and differential council rates in partnership with local government would also incentivise high performing buildings.

Government could consider:

- Planning bonuses or concessions;
- Fast tracked approvals; and,
- Grants, rebates or cost offsets

The Vision should also include a commitment from the Government to review state and local policy and provisions to ensure that planning controls, policies, standards and guidelines do not prevent

or deter best practice from occurring, and that local government has the tools it needs to make sound decisions. We are concerned by several shortcomings in the City of Melbourne's Energy, Water and Waste Efficiency policy (Planning Scheme Amendment C187) which will restrict its potential to deliver on the Vision's stated aims. Due to the lack of certainty in the policy and inconsistencies in its enforcement, industry has observed sub-standard projects being approved alongside those demonstrating best practice. We call on Government to consider specific guidelines to facilitate tangible improvements in the quality of building stock in Arden, which are balanced against issues of practicality, cost and market preference. Property Council would be happy to participate in consultations with Government during the drafting of these guidelines.

### **Places for People**

Innovative methods of providing affordable and diverse housing choices should be implemented at Arden. The Property Council recognises the importance of affordable housing and believes that when the right funding mechanisms are combined with incentives for the private sector to become involved, there is great potential to increase the supply of social and affordable housing. The Property Council believes this issue needs to be addressed with private and public sector collaboration through market-based solutions.

### **A Water Sensitive Approach**

The Property Council concurs with the Vision that strategies for stormwater management and drainage will be a key requirement for renewal in Arden. Without a structured plan involving landholders and Government, development will be completely out of step with existing street levels, leading to sub-optimal outcomes for the numerous landowners in the precinct. Considerations such as the extent of mitigation activities required, and the costs involved must be outlined up front as part of the Government's strategic planning framework. There is a pressing need for both the State Government, City of Melbourne, the development community and insurance industry to collaboratively identify what information needed to develop evidence based plans and strategies. Key priorities include vulnerability mapping, risk assessment, benchmarks and planning for extreme weather scenarios. To provide market certainty, Government should clearly articulate where responsibilities of public and private stakeholders start and end for providing relevant service infrastructure.

### **Sustainable Movement**

While sustainable ideas permeate much of the Vision, we believe that greater guidance is needed around structuring sustainable actions. Integrating sustainable approaches and behaviours in the development of Arden will require all stakeholders to work together and to use a common language around the definition of best practice. There are currently several existing tools and mechanisms being used in Australia and internationally that help guide the evolution of sustainable communities. These should be considered in the context of providing a high-level framework for achieving sustainable development goals in Arden.

**Other**

The Property Council has serious concerns with the Vision's implementation strategy. For example, the infrastructure charges that will be levied in the Precinct have not yet been set. This makes it impossible for an investor to determine the feasibility of any site in the Precinct and generates speculation within the industry. As such, we would encourage Government to set these and any other regulations, charges or parameters upfront as a priority.