



# Master Builders Association of Victoria

## Submission - Metropolitan Planning Strategy

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## VISION FOR MELBOURNE

Master Builders welcomes the release of the discussion paper *Melbourne, let's talk about the future* prepared by the Ministerial Advisory Committee for the Metropolitan Planning Strategy for Melbourne. This paper is a vital step in developing a long term vision that sustainably manages growth through a well-connected metropolitan area, enhancing Melbourne's standing as one of the world's most liveable cities.

The Department of Planning and Community Development's *Victoria in Future 2012* predicts that over the 40 years to 2051, Victoria's population will increase by 3.2 million to 8.7 million, with Melbourne's population expected to grow to 6.5 million. The median age of the population is also expected to increase from 37 years in 2011 to 41.0 years in 2051.

To meet the needs of a changing population, the face of our housing landscape has rapidly altered in recent years. Multi-unit dwellings are becoming increasingly common, having grown in terms of construction starts from 5000 per year in the early 1980s to more than 24,000 in 2010/11.



By 2010/11, more than four in ten dwellings constructed in Victoria were multi-units, compared to one in ten in the early 1990s. It shows a significant paradigm shift in the makeup of new housing in Victoria and the types of buildings our community want for their homes.

This type of housing provides many community benefits such as addressing housing affordability, generating higher-concentrated demand for more modern transport links, as well as being more environmentally sustainable.

It is imperative that more diverse housing stock is available, through the construction of more townhouses and apartments as well as houses, dual occupancies and villas. However, this should be based around what consumers choose, rather than being mandated by government bureaucracy.

Greater density must also be encouraged in Melbourne's inner suburbs through a system that promotes infill development to meet the needs of our changing population, whilst retaining what people value about their neighbourhood.

Most importantly, future generations need to be able to find quality employment and afford a house that is appropriate to their needs. Attracting new jobs to Melbourne to meet population targets, and supporting a greater number of small-medium size businesses to create jobs in our suburbs should be a key component of any long-term vision for Melbourne.

Planning reforms will be required to facilitate this process. We need a system that allows people to access jobs, schools and universities, shops, hospitals and recreational amenities closer to home to ensure the liveability of our community is sustained in the long term future. Only then can the '20 minute city' become a reality, rather than a vision.

Transport connections also need to be integrated into this planning framework, so that Victorians can enjoy the benefits that flow from living a city with world-class transport connections. From an east-west road tunnel to the Melbourne Metro rail tunnel, there are a range of city-shaping projects that would boost construction jobs now and provide significant long-term benefits to our community. These major projects represent the path to ensure Melbourne retains its status as one of the world's most liveable cities. Where appropriate, we should also explore opportunities for urban renewal around our transport corridors so that we can best cater for future population growth.

Finally, visionary projects such as a south eastern airport need to be considered. Infrastructure Australia has reported that Australia will need \$300 billion in infrastructure spending over the next decade. It is vital that Victoria determines how our share will be funded for these important projects as government revenues become increasingly constrained.

Master Builders supports the development of this strategy for a long-term vision for Melbourne and our members stand ready to construct these important projects.

**Brian Welch**  
**Executive Director**

March 2013

## OVERVIEW OF MASTER BUILDERS ASSOCIATION OF VICTORIA

The Master Builders Association of Victoria (“Master Builders”) is the peak body representing employers in Victoria’s building and construction industry. Our membership consists of more than 9,500 builders, subcontractors, manufacturers/suppliers and students. More than 50 per cent of our professional members are small businesses with an annual turnover of \$2 million or less.

Master Builders provides a range of services to members. Many of these would be cost prohibitive if not offered by a not-for-profit group that supports builders, particularly those in small businesses, including:

- Legal advice on matters such as preparing domestic building contracts and resolving building disputes;
- OHS advice, including delivering the Small Business OHS Consultancy Program in partnership with WorkSafe;
- Advice on the interpretation of building legislation and the technical provisions of the National Construction Code;
- Training services including Diploma, Certificate level and short courses designed to meet the needs of the various sectors within the industry;
- ALink, our go to support and advisory centre offering a range of services including placements, Industrial Relations and OHS advice for apprentices, apprenticeship service providers and those seeking a career in the building and construction industry to help reduce the attrition rate of apprentices and to raise the profile of the industry as a provider of rewarding career pathways;
- Our award-winning Virtual Office cloud-based system providing members access to services including e-contracts, e-permits and monitoring of CPD points;
- Assisting members in preparing applications to become registered builders.

Given our close contact on day-to-day basis with building businesses, from large to small, that deliver the homes, offices, warehouses, factories, workplaces, schools, hospitals, roads, transport and other social infrastructure for the metropolitan region, Master Builders is uniquely placed to comment on the issues raised in the *Melbourne, let’s talk about the future* discussion paper.

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## SUMMARY OF RECOMMENDATIONS

- Recommendation 1            Master Builders calls for a long term, bipartisan approach to planning for Melbourne’s future.
- Recommendation 2            Master Builders calls for greater medium-high density housing in existing suburbs and the creation of new suburbs on the urban fringe.
- Recommendation 3            Master Builders calls for:
- a) sustainability measures to be promoted, rather than government mandated;
  - b) an increase in the range of ‘as of right’ developments;
  - c) adoption of private certification of some planning approvals;
  - d) the introduction of performance incentives or disincentives for councils to make faster decisions; and
  - e) the introduction of planning and financial incentives to encourage the creation of employment and innovation clusters throughout Melbourne’s suburbs.
- Recommendation 4            Master Builders calls for:
- a) initiatives to boost public transport infrastructure and reduce congestion; and
  - b) maximising the value of existing assets.
- Recommendation 5            Master Builders calls for:
- a) the development of sound PPP models for infrastructure project delivery;
  - b) investigating the potential to involve superannuation funds in priority projects; and
  - c) conduct an increased number of trade missions in order to attract greater foreign investment in Victoria.
- Recommendation 6            Master Builders calls for the establishment of an independent infrastructure advisory body to investigate long term infrastructure demands and projects for Victoria.
- Recommendation 7            Master Builders calls for the public release of long term infrastructure priorities and timeframes for delivery.
- Recommendation 8            Master Builders calls for:
- a) tax incentives to encourage businesses to move into central activity districts; and
  - b) the development of new central activities districts.
- Recommendation 9            Master Builders calls for improved integration of the metropolitan regions with regional cities.

## PLANNING REFORMS

Master Builders supports the five outcome principles outlined in the discussion paper:

1. A distinctive Melbourne
2. A globally connected and competitive city
3. Social and economic participation
4. Strong communities
5. Environmental resistance.

However, any vision for Melbourne's future based upon these principles cannot be progressed effectively without addressing reforms to planning that would provide a more stable and consistent system across the metropolitan area.

### *A long-term, bipartisan approach to planning*

Since 1995, Victoria has seen a raft of planning strategies introduced by State Governments from both major political parties, including:

- Living Suburbs (1995)
- Melbourne 2030 (2002)
- Melbourne @ 5 million (2008)
- Delivering Melbourne's Newest Sustainable Communities (2009).

Now in 2013, the Metropolitan Planning Strategy is being developed.

The only way we can achieve long-term goals is to ensure that this strategy can outlive the rest. Master Builders supports the strong emphasis the current process has on engaging our community and calls for a bipartisan approach to planning for Melbourne's future.

<b>RECOMMENDATION 1:</b> Master Builders calls for a long term, bipartisan approach to planning for Melbourne's future.
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### *Living the great Australian dream: Social inclusion and housing affordability through greater density*

In order to allow our city and our people the opportunity to thrive, we have to accommodate significant population growth in both new and existing communities. Our planning system needs to foster this, by better catering for more medium-high density housing in existing suburbs and the creation of new suburbs on our urban fringe.

Housing density means it is easier to provide employment, education, leisure, health, shopping and other amenities close to where people live. It brings down cost of living by ensuring bills like fuel and travel are significantly reduced and sustainability is improved.

We should not be afraid of embracing population increases, but we do need to ensure all agencies of government are working to ensure growing communities, both new and existing, have access to the services they need.

<b>RECOMMENDATION 2:</b> Master Builders calls for greater medium-high density housing in existing suburbs and the creation of new suburbs on the urban fringe.
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*A flexible planning system*

Master Builders has welcomed recent efforts by the Minister for Planning to simplify planning zones and commitments by the State Government to reduce red tape to business.

Planning is one of the greatest frustrations for builders, discouraging innovation as well as adding significant costs and delays to building projects as a result of inconsistent, lengthy decision-making processes which vary across municipal boundaries.

In order to support construction jobs and business to ensure visionary projects can be undertaken, Master Builders believes the planning system and government policies should offer Melbournians choice rather than dictating standards.

Sustainability measures such as six star efficiency, water recycling and bushfire prone areas should be encouraged and promoted, rather than mandated, as they typically drive up housing costs, often for little benefit.

There also needs to be an increase the range of 'as-of-right' developments to include low impact multi-occupancies and the private certification of some planning approvals, which is currently being considered by the Minister for Planning in South Australia.

The new VicSmart initiative has been a positive starting point providing code assessment for straightforward, low impact planning applications, expected to account for around 10 per cent of all permit applications across Victoria. However, further opportunities to speed up sensible, logical plans should be implemented.

Furthermore, planning delays are escalating and this is supported by the Department of Planning and Community Development's *Planning Permit Activity in Victoria Annual Report 2011/12* which found that only 63 per cent of planning permit applications were decided within the 60 day statutory time frame (up from 62 per cent in 2010/11) and an average of 127 days were required for a planning decision, a 3.9 per cent increase on 2010-11. It has been estimated that the cost to businesses arising from planning delays alone in 2009-10 was \$183 million.

Despite the significant financial difficulties created for building projects through delayed decisions, there is no imperative placed on councils to perform. Master Builders believes this could be improved with the introduction of performance incentives that encourage councils to make faster decisions, or disincentives for underperforming councils to reduce obfuscation and to encourage a more consistent application of planning laws and rules across metropolitan Melbourne.

Planning and financial incentives are also needed by the State Government to encourage the creation of employment and innovation clusters throughout Melbourne's suburbs, with more small-medium size business to support growth and development in both the metropolitan area and regional cities.

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| <p><b>RECOMMENDATION 3:</b></p> | <p>Master Builders calls for:</p> <ul style="list-style-type: none"><li>a) sustainability measures to be promoted, rather than government mandated;</li><li>b) an increase in the range of 'as of right' developments;</li><li>c) adoption of private certification of some planning approvals;</li><li>d) the introduction of performance incentives or disincentives for councils to make faster decisions; and</li><li>e) the introduction of planning and financial incentives to encourage the creation of employment and innovation clusters throughout Melbourne's suburbs.</li></ul> |
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## INTEGRATING WORLD CLASS INFRASTRUCTURE INTO OUR COMMUNITY

Infrastructure is a critical component to maintaining a highly liveable city, delivering long term economic prosperity and productivity gains.

### *Linking our communities*

Melbournians are spending too much time commuting and this will only worsen with population growth if further investments in our transport infrastructure are not made.

Congestion poses an economic as well as social and environmental issue. The Eddington report – *Investing in Transport* (2008) found that due to the majority of travel in Melbourne occurring by motor vehicle, congestion is expected to impose significant costs over the next twenty years from delays, unreliable journey times, higher vehicle operating expenses, increased business costs, greater air pollution to noise impacts. .

In 2006, the Victorian Competition and Efficiency Commission said that congestion costs our economy anywhere between \$1.3 billion to \$2.6 billion each year in 2006 and that these costs could double by 2021 unless significant action is taken. VicRoads also collects network performance monitoring data, which in 2010/11 showed that over the past 10 years, the number of vehicle kilometres travelled in Melbourne increased 16 per cent, from 23.5 billion kilometres to 27.3 billion.

Furthermore, recent Census figures demonstrated that public transport patronage is growing three times faster than Melbourne's population, with more than 280,000 people utilising public transport, including trains, trams, buses and taxis, to work on Census day compared to the 209,918 people in 2006. This is a staggering and unprecedented increase in such a short time frame and is bourn from the population growth our strong economy has helped attract.

We should look at boosting public transport infrastructure in a cost-effective way. This means that solutions to bottlenecks cannot always be solved by building expensive rail lines. Instead, dedicated busways and bus tunnels could deliver similar benefits for a much cheaper price than brand new rail lines. Brisbane has made great use of busways, with fully service busway stations that feature platforms, electronic timetable information, full accessibility and round-the-clock security. This is a model we should look at adopting for Melbourne.

Like our planning system, we need to ensure we maximise the value of our existing assets rather than look towards the construction of new infrastructure only. Emergency lanes are a significantly underutilised piece of road infrastructure and with modern freeway management systems like that on the M1 corridor can be rendered obsolete.

<b>RECOMMENDATION 4:</b>	Master Builders calls for: a) initiatives to boost public transport infrastructure and reduce congestion; and b) maximising the value of existing assets.
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### *Alternative funding sources for infrastructure*

The use of public private partnerships will play a vital role in the supply and ongoing management of new services, as government revenues become increasingly constrained. It is essential that government maintains an ongoing ambition to look across the world to identify leading practices in the development and delivery of sound PPP models that can be applied to the infrastructure projects and services that will generate jobs and ongoing economic growth for our community.

Infrastructure Australia announced in July 2012 that it would work with governments to earmark assets for privatisation to superannuation investors, which on average have allocated just 5 per cent of their \$1.3 trillion funds into infrastructure. Master Builders urges the State Government to work with Infrastructure Australia to investigate the involvement of superannuation funds in priority projects and pursue a broader public dialogue around privatisation of underperforming or little-utilised assets to fund the backlog of infrastructure works required to move our city forward.

We also encourage the State Government to raise Victoria's international profile in attracting greater foreign investment by conducting an increasing number of trade missions to significant overseas markets and establishing foreign business offices.

<p><b>RECOMMENDATION 5:</b> Master Builders calls for:</p> <ul style="list-style-type: none"><li>a) the development of sound PPP models for infrastructure project delivery;</li><li>b) investigating the potential to involve superannuation funds in priority projects; and</li><li>c) conduct an increased number of trade missions in order to attract greater foreign investment in Victoria.</li></ul>
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### *Establishment of a Victorian infrastructure advisory body*

Independent infrastructure advisory bodies exist at a national level as well in states such as New South Wales and Queensland. The creation of a similar advisory body in Victoria to investigate and publicly report on long term infrastructure demands and projects would support our growing population. It would also analyse worldwide trends and innovative models for infrastructure financing that could widen funding options for major projects here.

This advisory body could also play an important role in educating the public about the benefits of major infrastructure projects and provide a much needed interface between government and the private sector, which is keen to support efforts that boost infrastructure investment as well as provide a direct bureaucratic connection to Infrastructure Australia to help ensure Victoria receives a fair share of national funding.

<p><b>RECOMMENDATION 6:</b> Master Builders calls for the establishment of an independent infrastructure advisory body to investigate long term infrastructure demands and projects for Victoria.</p>
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### *Priority projects*

Recognising that many of these projects will require funding from either the Federal Government or private sector, it is essential long term infrastructure priorities and timeframes for delivery are identified and publicly released in strategies such as this, to ensure industry is best placed to build such projects efficiently and effectively. This could include progress on:

- An east-west road tunnel, which will connect the Eastern Freeway, CityLink, Port of Melbourne and western suburbs
- The Melbourne Metro underground train line, which will connect Footscray to Caulfield and provide greater capacity for more frequent train services through the City Loop
- Construction of North East Link to provide a road connection between Eastern Freeway and M80 (Metropolitan/Western) Ring Road
- Rail links to areas such as Melbourne Airport and Doncaster, which would involve the construction of a new underground line to Clifton Hill
- Continued work on removing level crossings across the metropolitan area.

<b>RECOMMENDATION 7:</b> Master Builders calls for the public release of long term infrastructure priorities and timeframes for delivery.
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### **JOBS IN THE SUBURBS**

Master Builders supports the concept of a '20 minute city' that provides people access to jobs, housing, schools and universities, shops, hospitals and recreation that meets the needs of young families, through to the ageing.

Jobs are too heavily concentrated in Melbourne's inner area and CBD. We have to find ways to provide tax incentives to encourage businesses to move into our activity districts, particularly small-medium size enterprises.

This will also require the development of new central activities districts beyond Box Hill, Broadmeadows, Dandenong, Footscray, Frankston and Ringwood.

<b>RECOMMENDATION 8:</b> Master Builders calls for: a) tax incentives to encourage businesses to move into central activity districts; and b) the development of new central activities districts.
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### **LINKS TO REGIONAL CITIES**

Master Builders supports the concept of the 'polycentric city' that better integrates regional cities, offering opportunities to share labour forces and provide greater choice for workers

Regional Cities Victoria found that the population of regional cities is projected to increase from 742,000 persons in 2011, to between 950,400 and 1,030,500 persons by 2031. These are vibrant communities that can help Melbourne fulfil its vast potential, through high quality connections and an interdependent relationship.

<b>RECOMMENDATION 9:</b> Master Builders calls for improved integration of the metropolitan regions with regional cities.
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