

**GUIDANCE  
NOTE**

# Applying the PSP Guidelines in regional areas

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## What is a Guidance Note?

This Guidance Note forms part of the *Practitioner's Toolkit for the Precinct Structure Planning Guidelines for New Communities in Victoria* (the Guidelines). The Guidelines provide the framework for preparing precinct structure plans (PSPs) that guarantee quality outcomes while also being flexible, responsive, and supportive of innovation. The Guidelines aim to deliver outcomes consistent with the 20-minute neighbourhood, which is all about **living locally** – giving people the ability to meet most of their daily needs within a 20-minute walk from home.

This Guidance Note should be considered and applied in conjunction with the Guidelines and other relevant guidance provided in the practitioner's toolkit.

## Purpose of the Guidance Note

The purpose of this Guidance Note is to assist planning authorities and regional councils to apply the precinct structure planning guidelines to designated places in regional Victoria and guide the development of adaptations to targets in a way that supports the existing character and values of townships, while meeting the needs of future communities.

## Disclaimer

Guidance Notes may outline the intended process approach for a particular element of the PSP, including current standards, targets or performance outcomes that are expected to be utilised in the development of the PSP. However, the exhibited amendment and supporting documentation represents the planning authority's proposed outcomes and place-based responses to the principles, targets and guidance contained within the Note.

As new requirements are identified, or as policy changes occur, practitioner tools will be updated accordingly.



## Policy position

### *Plan Melbourne 2017–2050*

#### **Direction 7.1.1**

#### **Stimulate employment and growth in regional cities**

Plan Melbourne identifies that the Victorian Government will support employment stimulation and economic development in regional cities through improving infrastructure delivery and working with relevant agencies to unlock and plan for development opportunities identified in Regional Growth Plans.

#### **Direction 7.1.2**

#### **Support planning for growing towns in peri-urban areas**

Plan Melbourne identifies that the Victorian Government will work with the nine Regional Partnerships and local governments to support the growth of residential housing in regional cities and towns while ensuring that the existing values and characteristics of the townships are not negatively impacted.

### *PSP Guidelines for New Communities in Victoria*

The PSP Guidelines provide guidance on the planning processes required to be undertaken for the preparation of precinct structure plans in designated precincts in regional Victoria.

### **Ministerial Direction 12**

Ministerial Direction 12 requires that the Guidelines apply for planning scheme amendments that apply the Urban Growth Zone.

## VPA's role in planning for growth in regional areas

The Victorian Planning Authority (VPA) is committed to preparing place-based plans in Victoria's regions to support growth and the creation of new communities in line with the aspirations of regional cities and townships.

The VPA's *Business Plan 2021/2022* sets out the authority's current program for regional cities and towns projects, including the VPA's role as either planning authority, provider or advisor. This process may provide the necessary direction for the planning pathway proposed – PSP, Development Plan or other.

### **The roles of the VPA**

- Planning authority
- Advisor
- Provider
- Facilitator

*See VPA roles in place-based planning outlined in the VPA Business Plan 2021/2022 and PSP 2.0 Guidance Note*

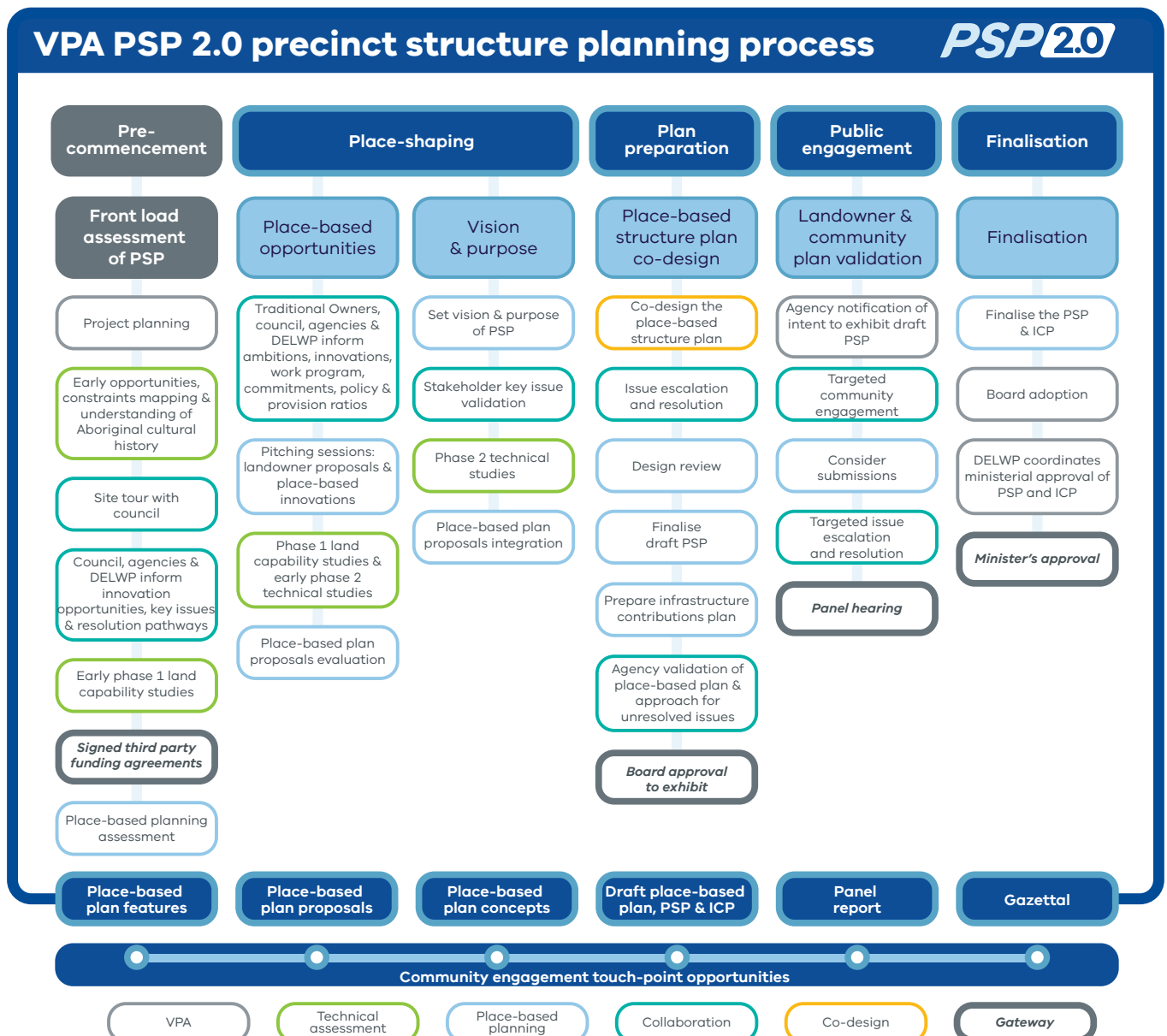
The PSP Guidelines and PSP 2.0 provide a replicable approach and framework for preparation of place-based plans in regional Victoria and the relevant features and performance targets to enable the creation of well-serviced and connected places.

As regional cities and towns maintain many unique features and needs, the application of the PSP Guidelines and targets will require a more nuanced planning approach so that the existing values and features are maintained and the achievement of proposed targets are prioritised in a site-responsive way.

### Plan preparation in regional Victoria should follow the replicable approach outlined in the PSP Guidelines

The PSP 2.0 process (Figure 1) outlines a replicable and collaborative process for plan preparation. The process should be adapted to the scale and complexity of the precinct and all effort should be made to simplify the level of effort on low value activities and events to provide more scope to focus on place-making. See also **PSP 2.0 Guidance Note**.

**Figure 1** PSP 2.0 Plan preparation process



## Regional integrating framework

The regional integrating framework outlines an approach to inform the project scope, including:

- The **growth directions** that must be considered,
- The **growth setting** the precinct sits within and how that may influence opportunities, and
- The **technical and place-based purpose** which will inform the plan.

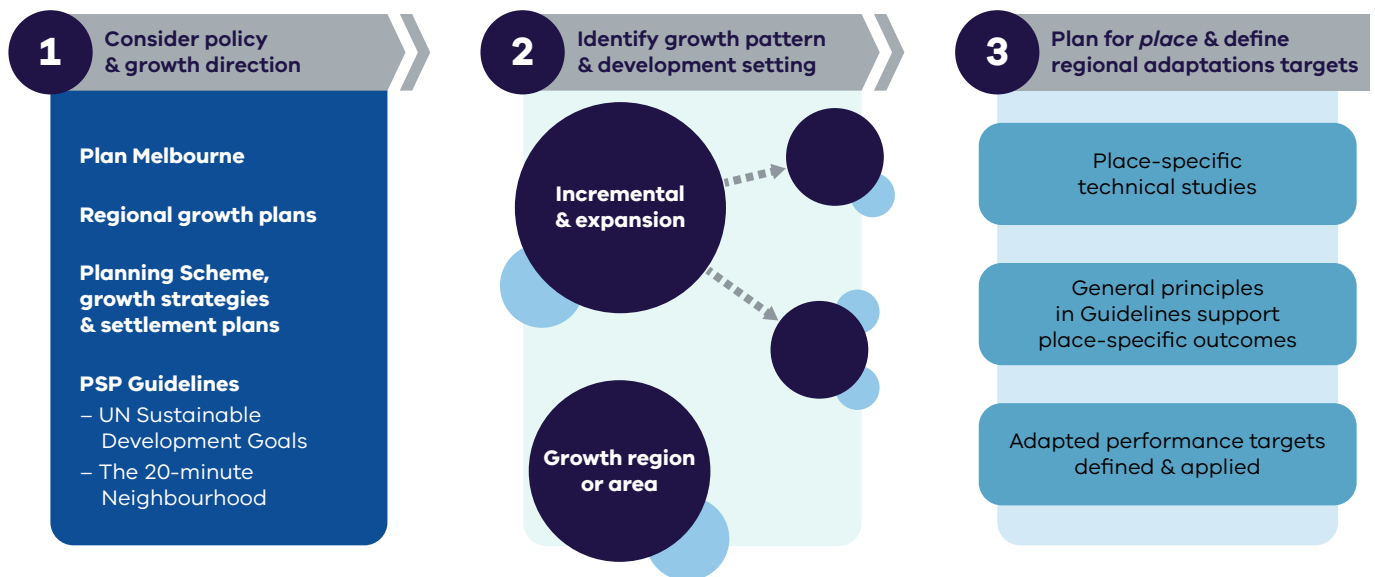
This framework, outlined in **Figure 2**, should be considered as part of the **pre-commencement** and **place shaping** phases identified in PSP 2.0.

Critical to the preparation of appropriately scaled and responsive plans is the consideration of three key elements:

- 1 The **policy** and **growth directions** for the subregion and site
- 2 The **growth pattern** and **development setting** where the site exists
- 3 The **place-based planning opportunities** and focus of **regional adaptations** to targets outlined by the PSP Guidelines in the context of the 'place'.

While each growth pattern or development setting may require a different approach to plan preparation, either through a Development Plan or a Precinct Structure Plan, the features, principles and targets contained within the PSP Guidelines should be considered for application in order to achieve consistent outcomes while supporting Council's aspirations and the unique features and values of the place.

**Figure 2** Regional integrating framework





## Adapting and applying the guidelines for precincts in regional Victoria

### Consider policy and growth direction

The policy and growth directions for the regional city or town will provide essential objectives the precinct may support or be required to deliver. Pre-commencement planning should be informed by the following documents and metrics to understand the overarching planning directions and opportunities for the site.

#### Key strategic government planning policy documents and technical studies for consideration:

- The policies and directions in Plan Melbourne that apply to regional areas
- Any existing regional growth plans that have been developed
- The local planning scheme, growth strategies, or settlement strategies that have been prepared to guide future growth in the identified area
- Government reporting on housing or employment supply/demand assessments
- Any feasibility studies undertaken as part of the preparation of the relevant growth plan or site.

#### Key metrics, objectives and directions for consideration:

- Population targets
- Housing affordability or diversity targets
- The location of existing or future regional community infrastructure and services
- Environmental outcomes including the identification of protection areas required for state and federally-listed species
- Economic growth and any targets associated with local employment opportunities, including any catalytic or enabling infrastructure
- How the identified growth areas can be connected to higher order road and utility infrastructure.



## Identifying the growth pattern & development setting

After considering the policy and growth directions to inform the scope and scale of growth to be supported by the town or precinct, planners should consider the growth pattern and development setting that relates to the precinct and how its location can influence the future precinct's role and purpose.

There are a range of growth patterns and development settings throughout regional cities and towns, and the scale and role of these places (including their future envisaged role) may influence the objectives and plan preparation process.

### Example scenario 1: Proposal or site already determined

The City of Gumnut has identified a 10 hectare site suitable for accommodating some of its projected population increases. The site is at the edge of an existing residential development that contains a school and higher order community infrastructure that will be able to support further residents. The site is only 5km from the existing town centre.

The pre-commencement findings have generally concluded that the small scale and scope of development can easily be linked into existing infrastructure and that the growth pattern can therefore be described as **incremental growth**. The scope of planning is therefore minor and can be undertaken via the application of a Development Plan Overlay rather than via a precinct structure plan.

The **Features** and **Targets** contained within the PSP Guidelines will be used in preparing the Schedule to the Development Plan Overlay.

The Council Plan identifies aspirational commitments to increase canopy tree cover, and better incorporate areas of biodiversity into new residential developments. As such, council seeks to prioritise the achievement of Features F11 and F12 and Target 13 of the Guidelines in order to facilitate high quality public realm outcomes in the new development and support opportunities for better environmental outcomes. These requirements will be included in the Schedule to the Development Overlay, and will be included the concept plan that accompanies it.

## Example scenario 2: Growth setting or development setting unknown

The City of Gumnut's *Regional Growth Strategy* and *Local Settlement Strategy* have identified that the township will experience significant population growth of 50,000 residents in the next 15–20 years. There is currently no capacity within the township boundary to accommodate any further growth due to topographical and environmental constraints.

Several sites have been considered as part of the Local Settlement Strategy to accommodate the projected growth but it is not yet known what the growth response or setting will need to be in order to deliver sufficient land for development.

A site selection and high level feasibility study has ultimately identified that only one site is suitable as all others contain significant environmental and infrastructure constraints that will impact on the viability of the precinct.

The precinct area is 700 hectares in size and is located approximately 15km from the edge of the existing community. The site abuts an existing local activity centre which is supported by some minor community infrastructure and a V/Line train station which will allow the precinct to be self contained, reducing reliance upon existing township infrastructure which would need significant upgrades to support further growth.

Given the scale and scope of development required, and the locational attributes of the site selected, it is determined that the precinct can be planned as a Defined Growth Area and will be planned through a Precinct Structure Plan and associated Infrastructure Contribution Plan.

The pre-commencement work has identified that the scale and scope of development required is significant and will support a large percentage of the township's expected growth. Key findings include:

- Some state significant biodiversity matters exist on the site and will require protection and retention.
- Demographic analysis is suggesting that the future residents will likely be a mix of young first home buyers, families, and retirees.
- The demographics will require a diverse housing stock and there is market appetite for a range of densities.
- Housing affordability will be a key consideration for the new growth area so that the council is able to achieve its local planning policies.
- A population of this size will require significant community infrastructure but the extent of this needs to be further tested.
- The landownership pattern is highly fragmented.
- Existing road and utility infrastructure is unlikely to be able to support a significant population but further analysis is required to understand the likely extent of infrastructure needed.

Development of the Vision and Purpose has revealed that most of the Guidelines Features are essential to delivering this precinct and a number of targets were identified as being able to apply with some adaptation in order to deliver a new 20-minute neighbourhood that responds to the place specific elements of the precinct area.



To inform the appropriate type and scale of growth that is to be planned for, practitioners should consider the following questions:

- What is the estimated growth expected and over what period?
- What is the likely demographic or market being planned for?
- What is the lot configuration and landownership pattern of the area?
- Will the development link into existing social, community, road and utility infrastructure?
- What is the known land capability and feasibility of development that has been identified in pre-commencement?

These questions will assist practitioners to identify how the growth directions should be appropriately reflected in the precinct in the growth setting context. For some projects, capability-based technical investigations may be required to inform approaches or to evaluate key issues ahead of plan preparation.

Three key growth settings and their planning pathways have been identified. These are **incremental growth areas and urban expansion areas, defined growth areas** and **defined growth regions**.



## Incremental growth and urban expansion areas

Incremental growth areas are defined by low scale growth on the fringes of smaller towns and townships that may be accommodated by existing services and utility infrastructure. These areas will not generally require the preparation of a PSP and can be planned for using the Development Plan Overlay and Section 173 Agreements to ensure an effective infrastructure contributions mechanism is in place.

The PSP 2.0 process, the planning elements contained within the PSP Guidelines, along with 20-minute neighbourhood policy features can and should still be considered to achieve best practice outcomes.

### Planning pathway

The planning pathway for these areas will likely be via a Planning Scheme Amendment that applies a Development Plan Overlay as the smaller scale of growth, close distance to the existing community will enable the new precinct to be connected to, and supported by existing township infrastructure.

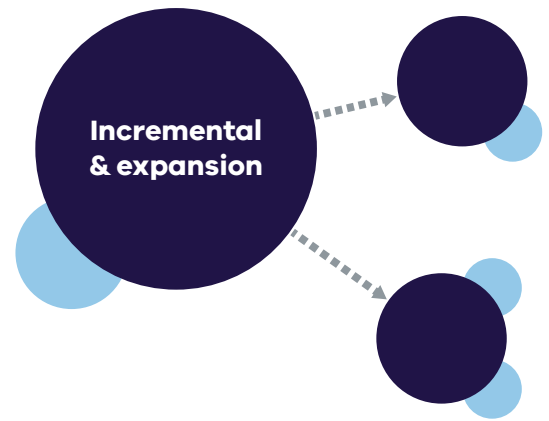
The standard process for this pathway will include the preparation of Planning Scheme Amendment, high level background technical documentation and associated Development Plan Overlay Schedule which outlines the requirements for the preparation of a concept plan for the site. The requirements developed for the schedule should consider the hallmarks and features of the PSP Guidelines and include reference to the application of the amenity model.

Council, landowners, or the VPA (if identified in the VPA Business Plan) may lead the preparation of the plan and the associated Planning Scheme Amendment.

The Development Plan Overlay Schedule and the subsequent development plan document should adopt 20 minute neighbourhood policy features, which include the general features of the PSP Guidelines (adapted as appropriate to the scale, form and locational specifics of the growth).

The Development Plan Overlay Schedule should include a high level concept plan which outlines land uses, higher order infrastructure including road and community infrastructure, identify any trees to be retained and any land required to conserve native vegetation.

Any shared infrastructure is to be addressed through negotiation and the use of Section 173 Agreements.



#### In incremental growth

**areas**, planning should, at a minimum, ensure that the hallmarks and features contained within the PSP Guidelines are achieved, with consideration given to applying the amenity model in areas capable of supporting it.

#### As urban expansion areas

are likely to be larger in scale, they should seek to lift the bar further and apply all of the hallmarks and features contained within the Guidelines. Consideration should be given to how some adapted targets can be applied to achieve the policy directions contained within Plan Melbourne and Growth Strategy that applies to the area.



## Defined growth area and defined growth regions

A **defined growth area** is a mid-scale urban extension to a town, where growth will continue to rely on the existing town core for most key facilities and services but will need to provide land for a school or essential community infrastructure to support the future residents.

**Defined growth regions** reflect large-scale growth, that may be 'self-contained' to some extent. However, given the nature of regional towns, they may still rely on the existing town for some higher order services and facilities.

The planning process for both defined growth areas and defined growth regions is via the preparation of a growth area framework plan and/or precinct structure plan that is nuanced and responsive to the existing township, character and natural values of the precinct area.

Targets contained within the PSP Guidelines should be adapted to address the local context of the precinct, while also ensuring the key features of the PSP Guidelines are able to be achieved.

### Planning pathway

The planning pathway may include:

- The preparation of a growth area framework plan
- The preparation of a PSP and associated UGZ and DCP/ICP in line with PSP Guidelines except where targets cannot be achieved and require adaptation.

## Growth region or area

In **defined growth areas** planning should ensure that the hallmarks and features in the PSP Guidelines are achieved. The amenity model should be applied in areas capable of supporting it. The plan should be tested against targets in the Guidelines, with adaptations applied where necessary.

In **defined growth regions**, planning must ensure that the hallmarks, features and amenity model contained within the PSP Guidelines are applied to the PSP area. The PSP should seek to meet all of the targets contained within the PSP Guidelines, with minor adaptations to reflect local character and regional service and infrastructure provision made as necessary.



## Adapting the targets

When considering the adaptations to targets, practitioners should consider:

- Whether the adaptation supports the implementation of the key features of the Guidelines and associated planning policies, including Plan Melbourne and any relevant Growth Strategy and objectives
- Whether the adaptation facilitates the development of housing and infrastructure that meets the needs of the existing and projected demographics
- What the expected scale of growth is and what the potential is for providing for a greater level of density or greater diversity of choice in housing options
- How the precinct connects to existing township infrastructure
- How the adaptation contributes positively to existing township character.

**Figure 3** outlines where in the PSP 2.0 process, target adaptations are considered and validated with stakeholders. Target adaptations should draw from the features and base case targets to fit the growth directions, development setting and context of the precinct.

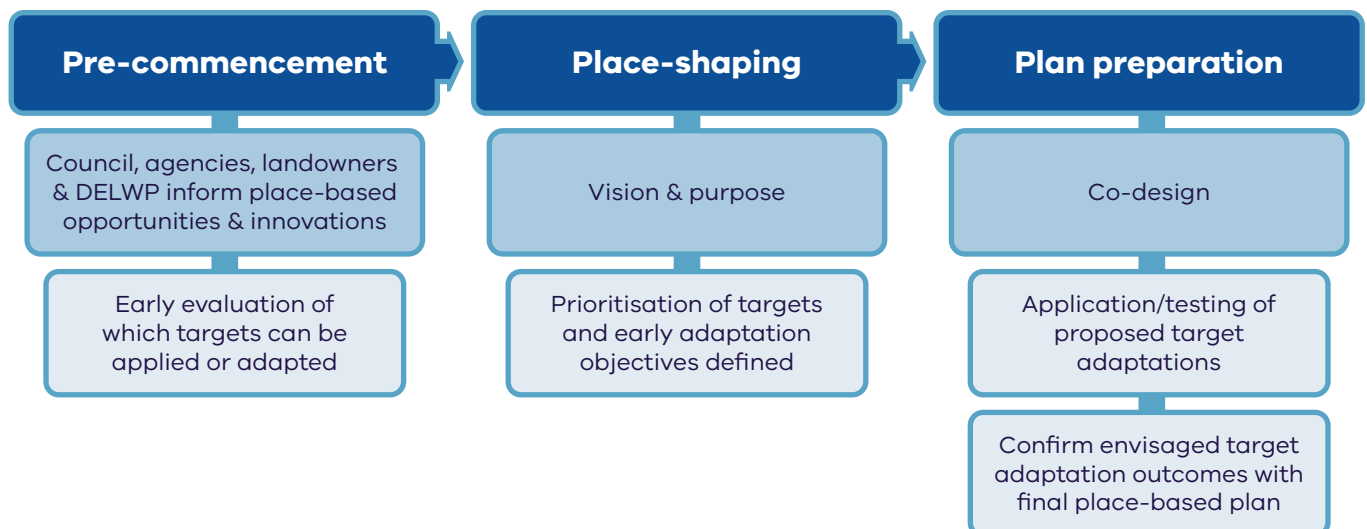
The key features contained within the PSP Guidelines must be achieved in all PSPs (see *PSP Guidelines Integrating Framework*).

Some targets contained within the guidelines cannot or should not be achieved in some cases. In instances where this is the case, adapted performance targets can be developed for application within the PSP.

Target adaptations will more likely apply to **Growth Area** and **Growth Region** precincts. To address the nuances of growth and development in regional areas, a range of Targets that may require a more nuanced application have been identified in the PSP Guidelines.

Any adaptations that are developed for the identified area should reflect consideration of the hallmarks contained within the PSP Guidelines, consider the achievement of the guidelines features, and develop and adopt a suitable adaptation of selected targets that respond to policy or growth directions, growth pattern or development setting, and local 'place'.

**Figure 3** Target adaptation process



Target adaptations should draw from the features and base case targets to fit the growth directions, development setting and context of the precinct.

**Figure 4** provides a summary of the adaptations and should be used as a guide to develop place specific adaptations.

**Figure 4** Target adaptations summary



## Technical example – adapting density targets

The City of Gumnut has commenced pre-planning for a new residential precinct structure plan for an area of 700 hectares, located approximately 15 kilometres from the existing township.

Pre-commencement work has indicated that Viable Density Targets T1 and T2 of the PSP Guidelines may not be achievable in a regional context.

### Step 1: Considering the policy and growth directions for the City of Gumnut

State Planning Policy has identified that there is support for substantial growth in the region.

The Regional Growth Plan that applies to Gumnut has identified that the municipality town is likely to accommodate some significant growth over the next 10–15 years.

There is a Township Plan for the City of Gumnut which identifies the aspirations of the community and identifies the areas that residential growth will be directed towards.

The Gumnut Planning Scheme contains a range of policies regarding:

- Providing for a range of housing for anticipated
- The township's low density character
- Protecting the natural environment and features, and
- Protecting Aboriginal and cultural heritage.

### Step 2: Identifying the growth pattern and development setting of the site

The area proposed for developed is at the southern edge of the existing community.

The site is approximately 700 hectares and will support a future community of approximately 15,000, and will include essential services and community infrastructure.

Given the significant size of the area and the distance from the existing township it is determined that a precinct structure plan will be used to guide development.

### Step 3: Planning for place

Council has clear policy directives which support providing for a range of housing while balancing growth with protecting and enhancing the existing low density character of the town, and its important environmental and cultural heritage features.

A range of technical studies and inputs have been prepared to support the development of a Place Based Plan for the precinct.

The inputs have indicated that dwelling density **Targets 1 and 2 in the Viable Densities Hallmark of the PSP Guidelines are unlikely to be able to be achieved and need to be adapted** due to a range of factors including:

- The aspiration of council to maintain the existing lower density/ country character found in the existing township.
- Areas of significant biodiversity that will result in a reduced net developable area.



- A low market appetite for higher densities in that location.
- An expected demographic profile that will predominantly cater to families with school-age children and a smaller portion of retired 65+ residents seeking to downsize to areas with close access to public transport.

#### Step 4: Adapting the target

To assess what Target adaptations can be considered to still achieve the principles of the Viable Densities Hallmark and contribute to the achievement of 20 Minute Neighbourhoods, the following is considered:

- Whether the adaptation supports the implementation of the key features of the Guidelines and associated planning policies, including Plan Melbourne and any relevant Growth Strategy and objectives
- Whether the adaptation facilitates the development of housing and infrastructure that meets the needs of the existing and projected demographics
- What the expected scale of growth is and what the potential is for providing for a greater level of density or greater diversity of choice in housing options
- How the precinct connects to existing township infrastructure, and
- How the adaptation contributes positively to existing township character.

Through the consideration of the above questions, and those relevant to the policy and growth directions and development setting, the vision and purpose supports the application of the amenity model to direct density to areas that can leverage off high amenity features of the PSP including:

- Parks and open space
- The local town centre
- Community facilities including schools

Using the **Amenity Model**, demonstrates that some increases in housing density will be able to be achieved without impacting on the low density character of the area and help the precinct to **achieve an adapted density target of 20 dwellings per net developable hectare within the walkable catchment of the local town centre and an average of 18 dwellings per net developable hectare across the remainder of the precinct.**

The **place based plan** is then progressed, highlighting areas that are suitable for higher densities.

A **housing plan** is developed which identifies the range housing typologies and lot diversity that must be achieved within the precinct.

Through the application of the Amenity Model and the preparation of the place based plan and housing plan, the PSP is able to demonstrate that a diversity of housing options are able to be achieved and that the densities delivered will not compromise the existing low density character of the area or the ongoing protection of biodiversity and cultural heritage features of the precinct.