

PART

2

PSP PATHWAYS AND PROCESSES (PSP 2.0)

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OVERVIEW

Part 2 of the Guidelines provides practitioners an overview of:

- the PSP preparation process (PSP 2.0), and how it supports achievement of the Guidelines' targets
- how the VPA will 'lift-the-bar' on Traditional Owner engagement and planning for country
- how innovative outcomes will be considered in the PSP preparation process
- the innovation pathway for proposals above and beyond the baseline expected performance
- how stakeholders will be involved.

STREAMLINED APPROACH TO PRECINCT STRUCTURE PLANNING

The PSP 2.0 process was developed by the VPA to implement a streamlined and collaborative approach to PSP preparation. Issues are identified and resolved early through a process of collaborative co-design. Improved outcomes for new communities are delivered through a place-based focus. PSP 2.0 embraces innovation and delivers on the latest government policy.

PSP 2.0 establishes a new base-case process for PSP preparation that is replicable for all PSPs in Outer Melbourne's growth corridors and regional Victoria. The co-design approach is key to achieving integrated planning outcomes through the streamlined PSP preparation process. This collaborative and iterative approach provides opportunities for a range of diverse stakeholders to participate in workshops that generate and refine new ideas in order to craft, test and deliver meaningful and distinct visions for our new neighbourhoods.

PSP 2.0 reforms the PSP preparation process based on the following principles:

- Lean methodology and agile approach aimed at reducing the overall preparation timeframe for PSP finalisation
- Early identification and clear resolution of issues
- Focus on place-based planning and a clear vision and purpose for each new community
- Stakeholder buy-in built on collaborative co-design process
- Encourage innovation to lift the bar in planning for new communities.



SEE ALSO PRACTITIONER'S TOOLBOX
PSP 2.0 Process Practice Note

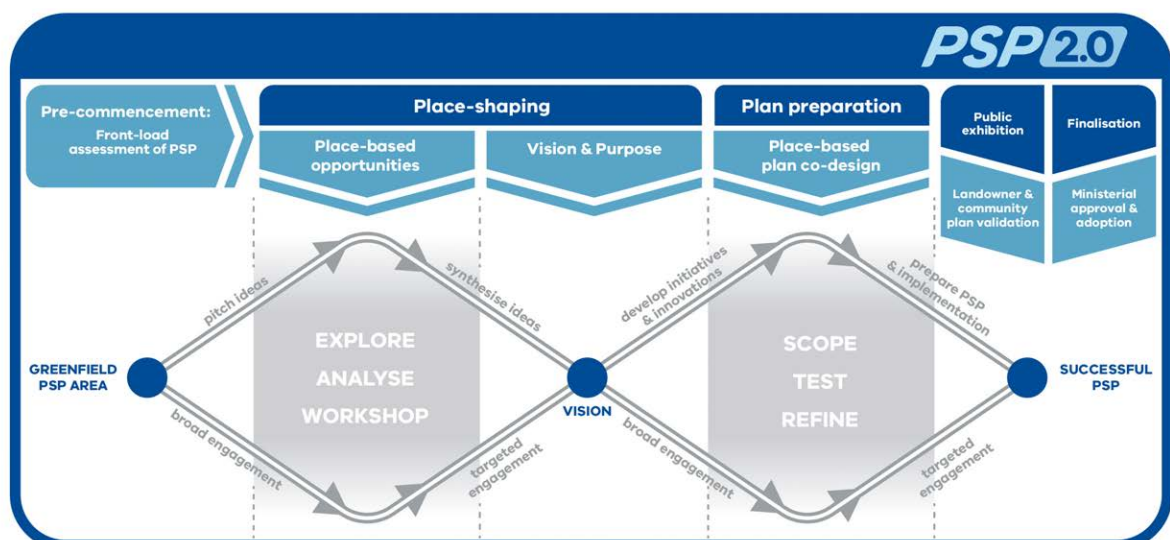


Figure 7. The PSP 2.0 Process (Source: VPA)

INNOVATIVE PLACE-BASED OUTCOMES

These Guidelines apply lessons from the last 10 years of PSP planning and incorporate greater opportunity for innovation in planning for new communities. Planning for new neighbourhoods is a long-term proposition and that represents an opportunity to think big about each new place, possible innovations and the contribution it will make to Victoria's communities.

The PSP 2.0 process encourages an innovative and site-responsive approach. It enables meaningful collaboration between stakeholders, guided by a clearly articulated, place-based vision that provides a mission statement for the PSP.

Innovation is encouraged in every stage of the process, including through variations to performance targets to take advantage of local opportunities to achieve a place-based vision. However, by identifying innovation opportunities as early as possible, plans can be tailored to embed the innovation and consensus can be built with relevant stakeholders.

For instance, there may be an opportunity to enhance a green link created by an existing waterway through a PSP by co-locating a linear public open space. While this open space does not conform with the geometry typically required for credited open space, it leverages the amenity created by the waterway and provides a buffer from adjoining development and is therefore a good and balanced outcome for the PSP. Identifying this innovation early in the PSP preparation process is necessary to co-locate these land uses when drafting the place-based plan. It is also key when liaising with council and Melbourne Water to inform how this opportunity could be delivered alongside necessary active recreation facilities or land or waterway management requirements.

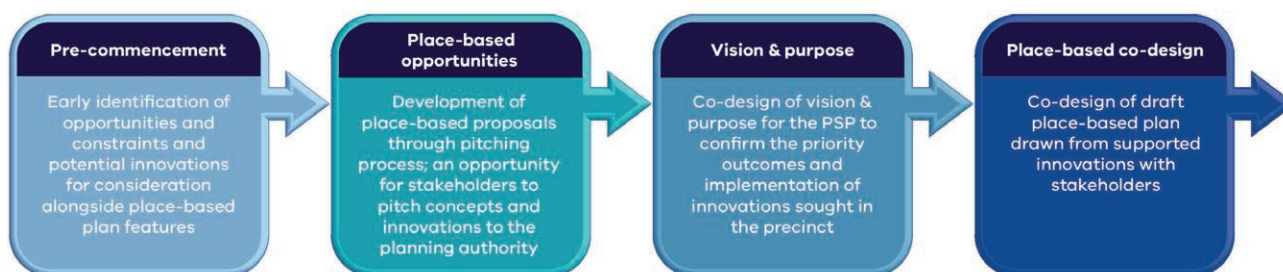


Figure 8. Testing innovations in the PSP process (Source: VPA)

OPPORTUNITY: RETHINKING LANEWAYS

Achieving higher densities in greenfield developments will require a change of thinking around subdivision design. For example, one enabler of higher densities is increased use of rear-loaded lots. Inclusion of laneways in greenfield settings is often limited by design or engineering standards set by councils, shifting the trade-off in favour of functional, rather than urban design outcomes. Taking a more innovative approach to movement networks in PSPs could facilitate denser, more diverse and walkable neighbourhoods. For example, allowing T-intersection laneways designed for low speeds.

The PSP 2.0 Framework and the Guidelines have been designed to ensure that there are levers to support the inclusion of innovation in PSPs irrespective of the pathway utilised. Not all innovations will require a specialised pathway and some significant examples of innovations which support higher quality environmental, social and economic outcomes are already being implemented in PSP areas.

Examples of innovations that can be implemented without the innovation pathway include:

- modifying street cross sections to provide for greater tree planting or continuous shared path networks that encourage sustainable transport modes
- the use of innovative construction products to reduce the environmental footprint of a development
- integrated water management innovations which utilise hi-tech treatment technology and monitoring to increase rainwater re-use
- providing for community connection through the early stages of a development by supporting early activation centres and spaces for the community to meet, work and play.



PSP INNOVATION PATHWAY

The Innovation Pathway provides an opportunity to pursue a place-specific opportunity to deliver significantly elevated performance outcomes above the baseline set by these Guidelines. This may be in environmental performance, housing affordability and diversity, or community and infrastructure service delivery.

The Innovation Pathway will enable a bespoke PSP through VPA's partnership, leadership and advocacy.

A potentially streamlined pathway for a combined PSP and permit process will contribute to achieving the vision for the PSP.

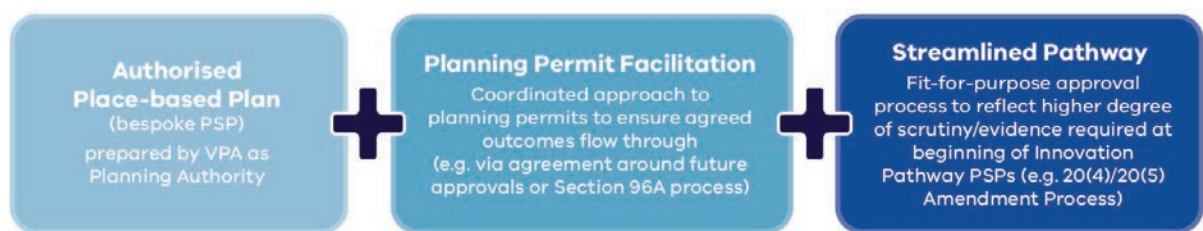


Figure 9. Potential streamlined innovation pathway (Source: VPA)

The VPA is looking to encourage leading practice and support resolution of key challenges often faced by greenfield precincts in design or delivery through innovative demonstrations. These proposals need to significantly exceed expectations set by the guidelines in one or more areas. In addition, these proposals need a coalition of the willing to support the objectives proposed. DELWP, councils and other state agency partners are integral participants and essential to validate and support the opportunities presented and guide authorisation requirements.

The Innovation Pathway is a mechanism for PSPs that might be outside of the VPA's work program to be considered for inclusion in the VPA's current Business Plan, and therefore resourced by the VPA alongside other PSP projects.

For those PSPs on the program, Innovation Pathway proposals should be made early in the pre-commencement or pitching stages of the PSP 2.0 process (see also [PSP 2.0 Guidance Note](#)), before work has substantially progressed on the place-based plan. Proposals made later in the project could lead to significant delays.

In addition to a streamlined permit and amendment approval process wherever possible, the VPA will assess which permits or regulations need to be refined or 'switched off' for the innovation to succeed. This will be done on a case-by-case basis for each Innovation Pathway PSP.

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

- **PLACE-SPECIFIC CONDITIONS**
Strategic site or locational advantages.
- **CONSOLIDATED LAND OWNERSHIP**
Offers scale and coordination not available when land is fragmented.
- **STRATEGIC PARTNERSHIPS**
Commitment between public and/or private entities to deliver something special.
- **CATALYST INFRASTRUCTURE OR INVESTMENT**
Forward planning of large-scale investments.

Initiating the Innovation Pathway

The Innovation Pathway will be considered for PSPs when there is a **place-specific opportunity** to achieve a **significantly enhanced outcome** that requires substantial deviation from either a performance target/s or approval process or both.

Innovation Pathway proposals will articulate and test the broader community benefits of any variations to principles and targets in the context of this vision.

Innovation Pathway proposals may be submitted to the VPA for consideration, and must at a minimum:

- articulate a clear vision, centred around the proposed innovation/s
- represent a fair and orderly strategic planning outcome
- provide a clear net increased community and/or environmental benefit when compared to the base-case performance outcomes
- demonstrate leading practice or bring forward demonstration of the leading practice concept through the planning system
- demonstrate consistency with the hallmarks of a 20-minute neighbourhood
- clearly outline the intervention required in terms of performance targets/regulatory requirements for the proposed innovation e.g. varied/customised council engineering/design standards or codification/streamlining of subsequent council building/works permits
- identify the subsequent council standards or processes that might require alternative council or responsible authority approval
- be able to be implemented through the PSP process and planning scheme amendment.

Supported innovations may result in prioritising these achievements over other baseline planning or development standards as the innovation outcome is given precedence.

Evidence supporting the viability of the proposed innovation will also be required to enable evaluation of proposals. This may include technical studies, economic and market needs assessment or preliminary subdivision design.

Following receipt of Innovation Pathway PSP proposals, the VPA will undertake an assessment against these criteria. The VPA will also assess the commitment of other relevant agencies to the proposed innovation, as PSPs will only proceed via the Innovation Pathway with the support of the VPA as well as and key partners (i.e. councils, agencies, landowners).

Throughout the PSP preparation process, the planning authority has the oversight and responsibility for the preparation of a fair, orderly, economic and sustainable land-use plan for new communities and therefore has the right of veto over any innovation proposals.

A ZERO-CARBON COMMUNITY THROUGH THE INNOVATION PATHWAY

Development Corp is a developer that controls a large consolidated holding covering the majority of the Gumnut PSP area. Development Corp, with early commitment from the planning authority, has forged strategic partnerships with energy and water agencies, and with the local council, to deliver a zero net carbon community with a focus on renewable energy, sustainable waste management and integrated water management. The developer is also committing to use a best practice environmental performance rating tool to ensure sustainability from design through to development, and to embedding this tool as a requirement of all lot purchasers using an instrument that is registered on title.

The design of the waste system means streets no longer need to accommodate garbage trucks, allowing for different street designs. The integrated water management system offers opportunities to create a large-scale connected network of open space, offering an alternative to the standard distribution of local parks. These changes in urban form and service delivery are likely to have flow-on effects to the form of housing and activity centre design; however, the full extent of these effects is not yet known. As such, Development Corp and its strategic partners (agencies and council) will require flexibility to adapt the development in response to the effects of its innovations.

For the proposal to be successful, it will require up-front commitment and leadership from the various partners, which will be confirmed through agreements. It will also require changes to the form and content of the PSP – variation to principles and targets, as well as flexibility to respond to the innovations. It will also require an agreement to rely upon instruments beyond the statutory planning system. Using the Innovation Pathway, the PSP will articulate a vision centred around the proposed innovations and test the broader community benefits of any variations to principles and targets in the context of this vision.

INNOVATION PATHWAY GOVERNANCE

For the Innovation Pathway PSPs to succeed, a number of requirements will need to be met:

- Clear **governance arrangements** between the various partners (planning authority, responsible authority, relevant agencies and landowners), which will be confirmed through agreements
 - » Agreement will be required in relation to the form and content of the PSP – variation to principles and targets, as well as flexibility to respond to the innovations
 - » An agreed timeframe for Innovation Pathway PSPs will need to be established at the beginning of the project
 - » Agreements may be required to use instruments beyond the statutory planning system to implement the innovation, for example, section 173 agreement
- Clear **authorising environment** from the planning authority to responsible authority, to provide certainty and continuity in decision-making from PSP to planning permit.

Figure 10 shows the elements required to ensure the success of Innovation Pathway PSPs.

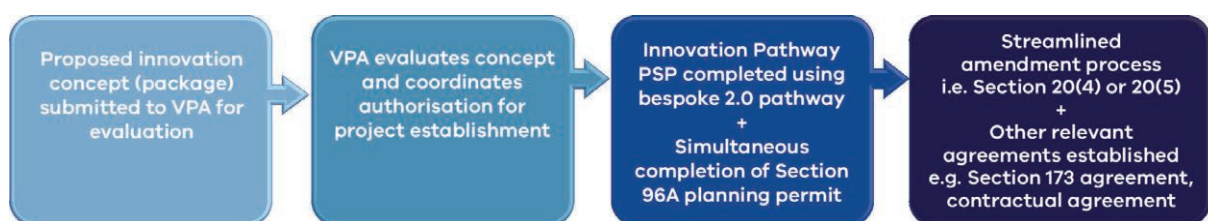


Figure 10. Innovation Pathway proposal framework (Source: VPA)

PRIOR TO CONSIDERATION OF ANY INNOVATION PATHWAY PROPOSALS, THE VPA WILL CONDUCT AN INNOVATION PATHWAY PILOT PROJECT.



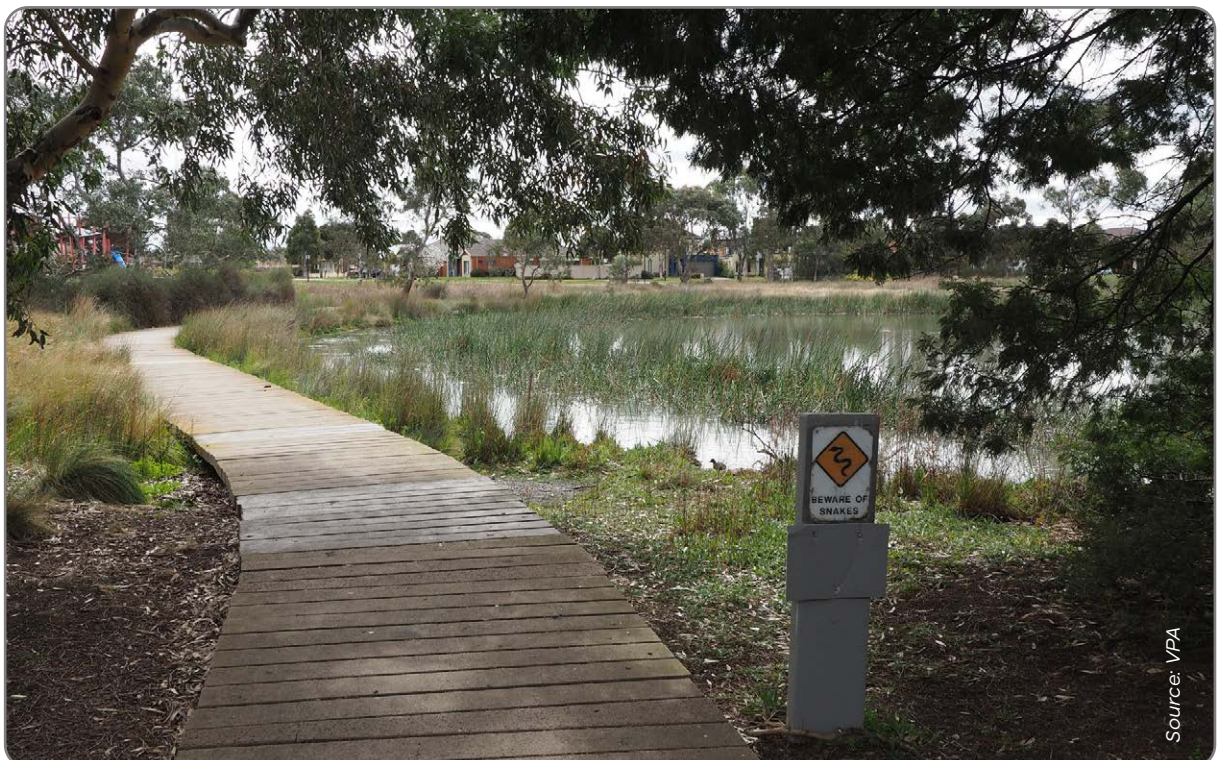
INNOVATION PATHWAY PILOT

The VPA will conduct an Innovation Pathway pilot project, to establish the process around pitching, assessment and governance of Innovation Pathway PSPs. In particular, the pilot will establish a set of **suitability metrics** for assessing an Innovation Pathway proposal, a pathway for establishing **governance arrangements** between stakeholder parties to streamline the preparation and implementation of Innovation Pathway PSPs. The pilot will define suitable amendment pathways (e.g. a Section 20(4) or Section 20(5) amendment) to expedite the approval process, acknowledging that the pre-commencement phase may be extended due to the requirement to demonstrate the viability of the proposed innovation. The pilot will also explore opportunities for the VPA to lead permit facilitation associated with the precinct.

The lessons learnt through this pilot will inform how innovations can be best delivered through the innovation pathway.

WHEN INNOVATIONS BECOME BUSINESS AS USUAL

Standards in strategic land-use planning constantly evolve. Outcomes that were once considered innovative are now standard practice in greenfield areas. For example, installation of a 'third pipe' for recycled water. The concepts implemented in future Innovation Pathway PSPs will likely become standard practice. Therefore, Innovation Pathway PSPs should be considered pilots for concepts that could be applied more broadly and future PSPs should reflect these lessons where applicable.



Source: VPA

COLLABORATIVE ENGAGEMENT IN PSP PREPARATION

Successful PSP planning requires significant stakeholder buy-in to define the plan's key purpose and balance competing interests effectively. Innovation Pathway PSPs will also rely on the effort and commitment of stakeholders to demonstrate the viability of the proposed innovation and enable successful collaboration with other stakeholders.

The PSP 2.0 process emphasis on early, open and transparent collaboration and engagement with key stakeholders and the community supports the level of partnership to progress through either the normal PSP process or Innovation Pathway.

Early collaboration and co-design ensures key issues and options for their resolution can be considered effectively. This also supports the goal to engage broadly on the PSPs and to embed relevant opportunities and constraints in the preparation phases.

Different stakeholders will have varying levels of interest in and degrees of influence on the PSP process. These are summarised in [Figure 11](#).



Partnership arrangements and agreements required to enable effective PSP preparation for innovations may include, but are not limited to:

- Approval of place-specific requirements or standards which are in conflict with existing local planning provisions or engineering standards, which will generally require support from the planning authority, responsible authority, major landowners and, in some cases, the Minister for Planning
- developers/landowners entering into agreement(s) with council and/or state agencies to deliver outcomes above and beyond what structure plans can require
- State Government agencies entering into agreement(s) with councils to deliver opportunities for co-location or integration of services
- State Government agencies and utility providers committing to delivering agreed outcomes, especially through subsequent referral and detailed processes.

Progressing a PSP through the Innovation Pathway will generally require support from the planning authority, responsible authority, major landowners and, in some cases, the Minister for Planning.

This list is not exhaustive and there will likely be other stakeholders that should be identified and engaged throughout the process. Collaboration and engagement must be undertaken transparently and equitably without affording undue influence to any party.

Early and meaningful engagement with different types of stakeholders will identify strategic opportunities and partnerships that could deliver improved and innovative outcomes in our new communities.



SEE ALSO PRACTITIONER'S TOOLBOX:
Engagement Guidance Note

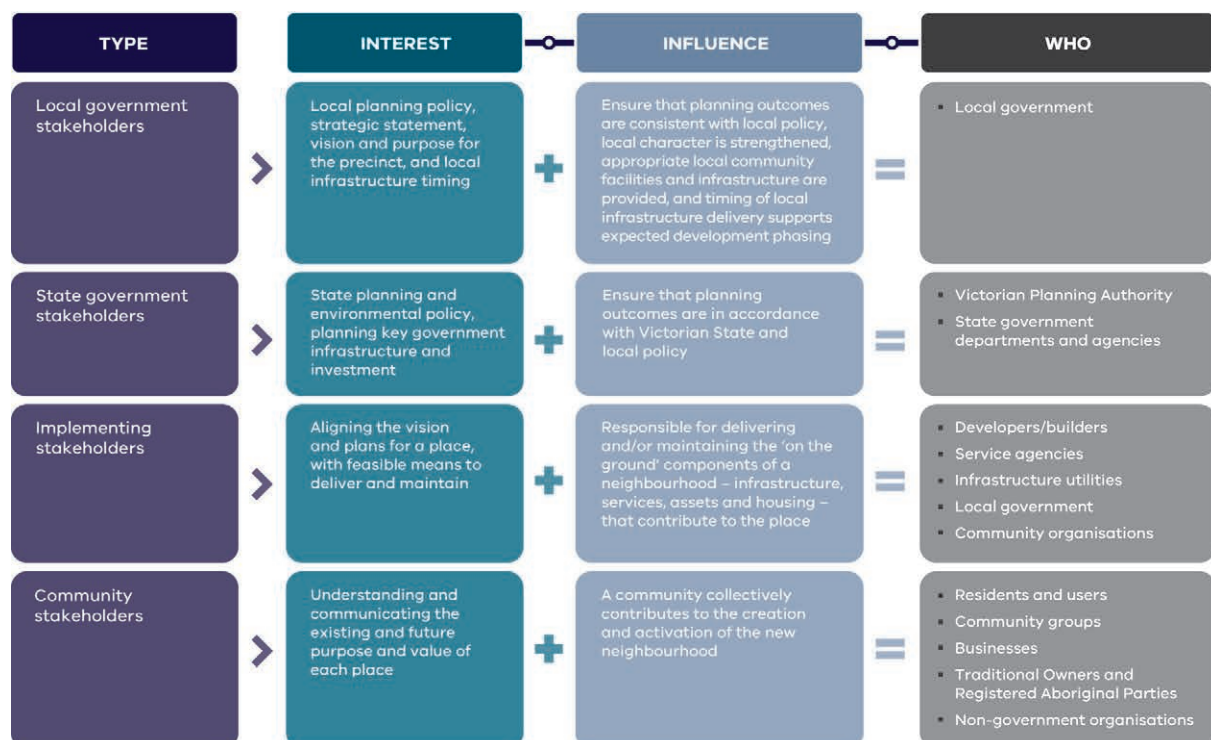


Figure 11. Stakeholder types and their likely interest and influence in the PSP process (Source: VPA)



Source: DELWP

PLANNING AUTHORITY

The VPA is authorised by the Minister for Planning under the *Planning and Environment Act 1987* to prepare amendments to Planning Schemes for land identified within a “growth area”. Additionally, the Minister can direct the VPA to prepare amendments in other areas under the *Victorian Planning Authority Act 2017*.

The role of planning authority includes the preparation of amendments to implement PSPs, Infrastructure Contribution Plans or Development Contribution Plans. As planning authority the VPA must implement the objectives of planning in Victoria:

- » provide sound, strategic and coordinated planning of the use and development of land in its area
- » review regularly the provisions of the planning scheme for which it is a planning authority
- » prepare amendments to a planning scheme for which it is a planning authority.

In delivering on this core role, the VPA's aim is to prepare and deliver a whole-of-government response in the preparation of its plans. This requires engaging with stakeholders and balancing a range of needs and views to optimise the net community benefit delivered through the project.

COUNCILS

Councils are the VPA's core delivery partner; bridging the gap between planning and implementation. During the preparation process councils bring invaluable local knowledge ensuring their municipal statement, settlement and growth strategies are reflected in the PSP vision and purpose, the local outcomes are responsive to the character of the area, and staging of expected development and infrastructure delivery is aligned with surrounding growth. Their intrinsic knowledge of the ‘place’ and community aspirations and challenges ensure that we create the best possible plans for future communities.

AGENCIES

State government agencies should ensure that relevant legislative, policy and standards are embedded appropriately in the PSP, to simplify the post-PSP planning permit process. By setting the right direction in the PSP, issues will not require re-prosecution later in the permit process.

Agencies will co-design the plan by informing place-based solutions relevant to their respective jurisdictions.

By validating the draft Place-based Structure Plan prior to public exhibition, agencies should confirm points of agreement and identify any issues still to be resolved and solutions so that the plan put to the broader community is as close as possible to a whole-of-government position.

Some agencies may have a referral authority role in relation to planning permit applications following the completion of PSPs.

LANDOWNERS AND THIRD-PARTY FUNDING PARTNERS

Landowners may contribute toward the planning preparation costs as a recipient of potential land value uplift following completion of the plan. Landowners and third-party funding partners who are seeking to develop their lands benefit from engaging in the preparation process to inform the VPA of their ambitions or intentions for their site, innovations, site specific opportunities and constraints, and proposed place-shaping elements early in the process.

By co-designing the place-based plan with relevant authorities, the ownership of opportunities and challenges can be shared, and participants can inform the outcomes of the final plan collectively – balancing competing interests to prepare a plan that is aligned with net community benefit.

While the planning authority may provide updates on the status of work to funding partners, access to the planning authority and project information must otherwise be equitable with that of all other landowners and the broader community.

All landowners may request meetings with the planning authority, participate in selected engagement activities (for example, co-design workshops), and can make submissions during the exhibition period and have any outstanding issues heard by an independent Planning Panel.

Traditional Owner and Aboriginal community engagement

The VPA is committed to better engagement with Traditional Owners and Aboriginal Victorians, consistent with the processes and resourcing of these communities. These engagement processes should be integrated into the PSP 2.0 process and its existing timeframes to allow for a meaningful and efficient engagement process that establishes meaningful partnerships.

DELWP'S *Traditional Owner and Aboriginal Community Engagement Framework* (the Framework) (2019) establishes mechanisms, opportunities and protocols for meaningful engagement with Traditional Owners. This approach represents best practice and should be the long-term goal for engaging with Traditional Owners and the Aboriginal community.

AN ADAPTIVE & FLEXIBLE APPROACH

At the core of the framework are the seven principles of engagement, which are critical to successfully engaging with Traditional Owners and Aboriginal communities:

1. Self-determination
2. Traditional Owners as partners
3. Place-based or whole-of-Country approach
4. Respect for decision-making processes
5. Aboriginal people set their own priorities
6. Free, prior and informed consent
7. Acknowledge past injustices and structural inequality.

PROTECTING & CELEBRATING ABORIGINAL CULTURAL HERITAGE

As the original custodians of Victoria's land and waters, Traditional Owners have a unique ability to care for Country and have a deep spiritual connection to it. The VPA acknowledges the continuation of culture and traditional practices, and seeks to maintain spiritual and cultural practices of Traditional Owners and their broader aspirations for the places we plan.

The VPA aims to 'lift the bar' on understanding the cultural significance of PSP areas and reflecting this in our plans, and in turn the places that are built. By engaging with Traditional Owners early in the PSP preparation process, we can plan to build the cultural significance of each place into the very foundations of Victoria's new communities, as shown in [Figure 12](#).



Figure 12. Traditional Owner and Aboriginal community engagement through the PSP process
(Source: VPA)



SEE ALSO PRACTITIONER'S TOOLBOX:
Aboriginal Cultural Heritage Guide

VISIT Department of Environment, Land, Water & Planning

<https://www.delwp.vic.gov.au/aboriginalselfdetermination/how-we-engage-with-traditional-owners>

Community engagement

The PSP 2.0 process represents a commitment to better collaboration with the broader community – beyond those landowners and stakeholders with a direct involvement in a PSP. It is important for current and future residents to be involved in the plans for new communities where they will live and work. This is an opportunity to shape the places that will be home to generations of future Victorians.

The VPA encourages community members to inform place-making with their intrinsic knowledge of the area, aspirations for the place, and validate our understanding of key elements such as:

- open space
- active transport network
- accessibility of community facilities and services
- activity centre form and function
- natural/environmental assets
- Aboriginal and post-contact heritage places and spaces.

By engaging with the community, the VPA aims to:

- engage a cross section of the community – covering demographics such as culturally and linguistically diverse (CALD) communities, seniors and students
- enable people to better understand greenfield planning and the challenges of growth
- pose questions and consult on specific areas relevant to individual PSPs on issues of liveability and services
- communicate the process and outcomes to build trust
- demonstrate an informed and endorsed PSP.

The PSP 2.0 process allows for several opportunities for community touchpoints at key stages, as outlined in [Figure 13](#).

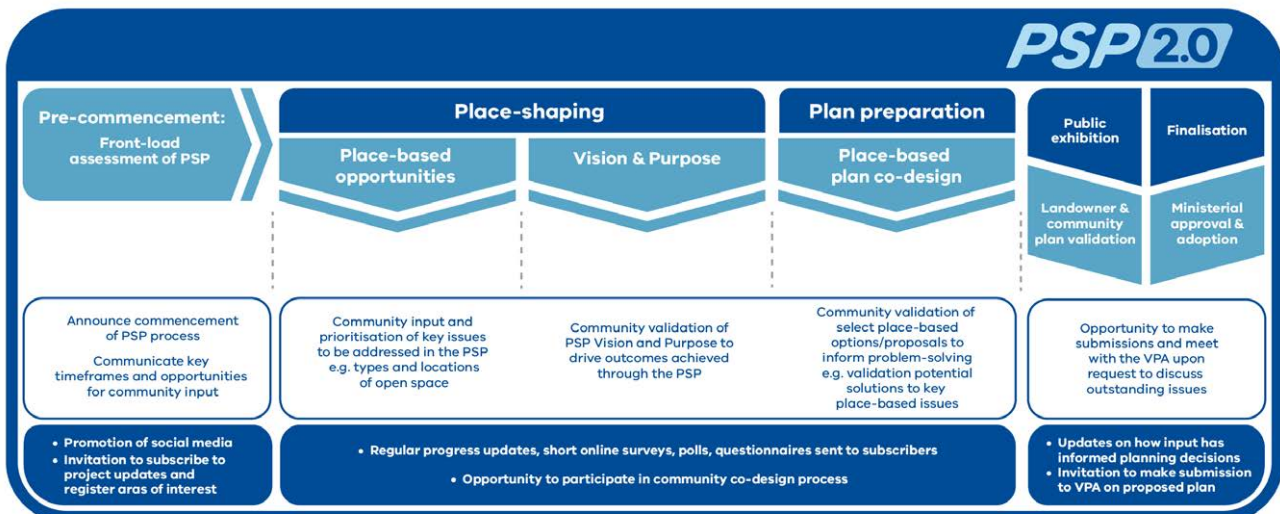


Figure 13. PSP 2.0 community engagement touchpoints (Source: VPA)

As the PSP 2.0 process is implemented, the VPA aims to establish an improved base-case community engagement process to enhance community input to the PSP.

VPA is also committed to improving the use of technology to update stakeholders on project progress, gain input on planning decisions and connect stakeholders to the relevant areas of government to express their concerns on non-PSP matters.