

Peri Urban Group of Rural Councils (PUGRC) Policy Framework

The purpose of this document is to outline the high-level policy framework for the Peri Urban Group of Rural Councils (PUGRC). This document is a holding document that has two purposes:

1. A holding document to being initial engagements with stakeholders; and
2. A guiding document with draft recommendations (from the PUGRC Economic Development Strategy) to inform more detailed policy creation by the peri-urban working groups.

Who are the Peri Urban Group of Rural Councils?

The Peri Urban Group of Rural Councils (PUGRC) represent those council shires that are immediately adjacent to Metropolitan Melbourne and Geelong. Geographically these council areas cover in excess of 11,000 square kilometres and represent a population of over 180,000 Victorians.

Generating more than \$5.3 billion of Gross Regional Product annually, these shires are home to industries that include agriculture, dairy product manufacturing, beverage and malt manufacturing, construction, construction material mining, food processing, timber, wholesale trade and tourism.

PUGRC region provides opportunities for affordable housing and regional lifestyle living and is renowned for tourist attractions and holiday destinations.

Member councils: Bass Coast Shire Council, Baw Baw Shire Council, Golden Plains Shire Council, Moorabool Shire Council, Surf Coast Shire Council.

What does the Peri Urban Group of Rural Councils Do?

PUGRC is the leader in advocating for Victorian peri urban support and solutions by engaging with one voice at the local, state and national level. PUGRC works to secure economic and social investment from both Federal and State Government. All policy priorities are assessed by their benefit to the region – projects that will advance liveability, connectivity and productivity.

INNOVATE	ADVISE	PARTNER	ADVOCATE	COLLABORATE
Clearly identify and define projects and priorities that benefit the region and develop innovative solutions to manage them	Provide advice on issues, trends and other developments affecting our region that can inform and assist responses from all levels of government	Partner with governments on the development of policy, planning, strategies and investment decisions	Advocate for appropriate government funding for infrastructure and services that the region needs to innovate and thrive	Align state stakeholders for peri urban development, policy and population growth

PURGRC's Impact in Victoria

The PURGRC area is:

- The second fastest growing rural region in Victoria and is expected to grow by more than 100,000 residents by 2036;
- More than 38,000 across the peri urban region commute to employment outside of the region;
- Produces \$888 million in agriculture products per annum; and
- Supplies 41% of Melbourne's food needs including 80% of vegetables.

During the holiday season the population across the region almost doubles as it accommodates those arriving to make use of their holiday homes.

PUGRC - A Growing Opportunity to Create a Better Balance

PUGRC members aim to offer a better balance to Victoria's currently overpopulated capital city Melbourne.

An opportunity now exists to invest in the PUGRC's thriving local government areas to further develop highly liveable and affordable alternative metropolitan Melbourne. Those seeking to escape the congestion of Melbourne and to raise families or enjoy life with a **more balanced lifestyle**.

These regions already provide employment, essential services, recreational activities and are conveniently located within an easy commutable distance to Melbourne. PUGRC members have scalable infrastructure and services that can further accommodate a growing population and are all willing to welcome a larger share of Victoria's growing population. **Enabling the choice of a better balance** is key to the future of the peri-urban councils and also that of Victoria's future.

To gain this balance, growth must be supported with government investment. The liveability of these areas across has attracted a growing population which is challenging our member's ability to meet demand. The financial capacity of Local Government to appropriately invest in infrastructure, services required to support the rate of growth needs to be better addressed by the state and federal governments.

PUGRC – A Growth Profile

The PUGRC inward migration has largely come from metropolitan areas that have disadvantage and lower levels of inequality. People moving into the PUGRC come predominantly from the Interface Councils group (32%), the Metro Councils group (28%) and the Regional Cities group (21%).

Demographically, the PUGRC region is similar to many rural or regional areas, with a predominance of older people and a reduced number of young people in their 20s. The largest

increase of the female population occurred in the 65 to 74-year-old age group, which represents 2933 new arrivals between 2012 and 2016. The next largest cohorts to grow were the 30- to 34-year-old females (961) and the 5- to 9-year-old group (956). This indicates that there are two migration groups: the first retirees, the second young families.

Educationally, inward migrants are arriving from areas that have higher rates of people with postgraduate and bachelor's degree qualifications, lower levels of graduate diploma/graduate certificate-educated people and equal numbers of people with advanced diplomas/diplomas. They are also migrating into PUGRC areas that have higher levels of certificate-trained individuals.

Economically, people migrating to the PUGRC are coming from areas that have higher levels of industry diversity and higher levels of business growth. New migrants are also arriving from areas that have higher numbers of people working in the Accommodation and Food Services, Manufacturing, Retail, Administrative and Support Services, Financial and Insurance Services, Professional Scientific & Technical Services, Wholesale Trade and Information Media and Telecommunications sectors.

Employment sectors that PUGRC residents are more likely to work in are the Education and Training sector, the Electricity, Gas, Water & Waste services, Mining, Transport, Postal and Warehousing, Agriculture, Forestry and Fishing, the Arts and Recreation services, and the Rental, Hiring, Construction and Real Estate services. **The unemployment figures from the March 2021 quarter across the region average was 4.78%** (Victoria 6.6%).

PUGRC -Supporting Demand and Meeting Expectation

As this profile clearly highlights, grow is driving change in both the demographics and economic history of our member areas - this has begun and will continue to place pressure on the expectation and requirement for:

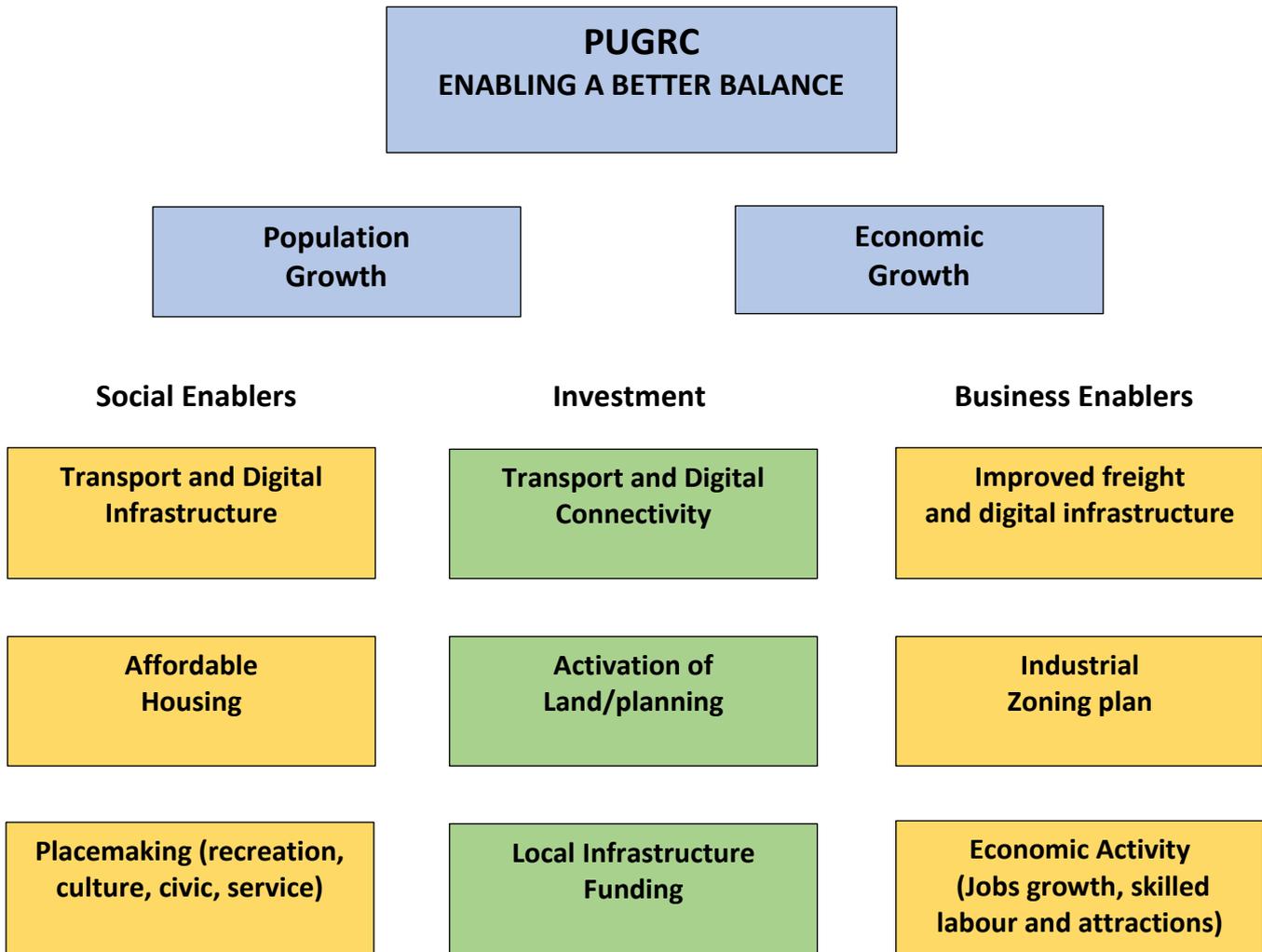
1. Placemaking projects;
2. Economic enabling infrastructure; and
3. Clear planning and land activation.

The PUGRC has summarised these key objectives as:

1. **Supporting demand:** for growth with appropriate amenities and ongoing supply of land that balances the needs of industry (agriculture); and
2. **Meeting expectations:** of those who require high levels of connectivity and social infrastructure and services.

The following policy framework articulates our methodology to meet these objectives.

PUGRC -Supporting Demand and Meeting Expectation



PUGRC – Alignment with Victorian Government Objectives

The metropolitan strategy release in 2002 known as *Melbourne 2030: Planning for sustainable growth* established an Urban Growth Boundary (UGB) around Melbourne to better manage outward expansion in a coordinated manner. The purpose of the UGB is to direct urban growth to areas best able to be supplied with appropriate infrastructure and services and protect other valuable peri-urban land (and environmental features) from urban development pressures.

Due to population projections beyond those anticipated, the Victorian Government reviewed the UGB in 2010 after it released *Melbourne @ 5 million*, the update to *Melbourne 2030: Planning for sustainable growth*.

The review of the UGB responded to the directions of *Melbourne @ 5 million* to accommodate an additional 600,000 new dwellings in Melbourne, with 284,000 of these needing to be located in the growth areas. Most of this future growth was designated to be in the north and west of Melbourne.

At the same time the government introduced the *Growth Areas Infrastructure Contribution (GAID)* to help capture some of the benefits of rezoning land for urban use – together with much improved local Development Contribution Plans (DCP) – to help meet the infrastructure needs generated by these developments.

In 2012 the State Government approved an additional approximately 6,000 hectares of land to extend the UGB to include areas considered ‘logical inclusions’ to the UGB by an independent Advisory Committee.

With Melbourne’s population set to top 10 million by 2051, the PUGRC welcomes the notion within *Plan Melbourne 2017-2050* that our cities need to adapt, evolve and endure by keeping up with the changing and growing needs of the people they serve.

Regional Growth Plans have also been developed for each of the eight regions of Victoria – three of these regions impact the PUGRC. These plans outline strategic land use plans for Victoria and work in conjunction with *Plan Melbourne 2017-2050*. These plans have a focus on:

- managing the future growth of population, employment and housing
- identifying opportunities that support infrastructure
- protecting natural assets
- establishing a framework for strategic land use and settlement planning that can sustainably accommodate growth
- accommodating growth for residential, employment, industrial, commercial agriculture and other rural activities

These visions are key to support key growth locations for peri urban regions and to provide a better balance of Victoria’s population and closely align with the objectives of the PUGRC.

It is clear that there is much to be done and no time to waste as objectives sought by government rely on growth in peri urban regions. The PUGRC stands ready to absorb a larger share of Victoria’s population and economic activity.

PUGRC Priority Investments

Population Planning

Victoria’s population is growing at an unprecedented rate. It is the second largest state or territory in Australia but it has been growing by more than any other state or territory at up to 150,000 per annum. Victoria is expected to reach a population of \$11.2 million by 2056.

The number of households in Victoria is projected to almost double from 2.4 million from 2016 to 2056. As the number of households increases, so must the number of dwellings required to house them. From 2016 to 2056 Victoria will require an additional 2.3 million dwellings to house the extra population.

The PUGRC member regions are projected to grow at an average rate of 1.96% (Golden Plains 2.0%, Moorabool 2.1%, Surf Coast 1.9%, 1.7%, Baw Baw 2.1%).

Considered land use planning will ensure current and future populations can continue to enjoy the benefits that the PUGRC provides. The Regional Growth Plans include high level framework plans for towns and cities where urban growth will be supported.

PUGRC is eager to partner with government find solutions to the unique pressures and opportunities that are common to these locations. Stronger and clearer guidance for making land use planning and development decisions in the peri-urban region is needed, particularly where there are trade-offs between competing land uses.

Understanding the role of regional cities, peri-urban towns and rural communities and their relationship to one another and to Melbourne is a critical element in planning for the peri-urban region. An “Activation Land Plan” will assist in determining project land release for both residential and industrial purposes to ensure there is adequate housing (including social housing) and sustainable infrastructure assets for industry. This will ensure communities grow strong and that social and economic participation is enhanced.

RECOMMENDATIONS:

- Funding a population plan specifically for the peri urban region; and
- Funding an “Activation Land Plan”.

Placemaking

Amenity

Amenity is a strong migratory driver given that population increase contributes approximately half of any gross regional product (GRP) growth. Amenity, therefore should be considered a significant driver of population growth and its economic growth effects. Things that add to a region’s amenities must be considered part of the area’s competitive advantage in terms of visitation, tourism and permanent residency. Infrastructure that enhances amenity will add to and aid a region’s competitive advantage – which in turn drives economic growth.

Small infrastructure projects that traditionally fall within the purview of councils’ responsibilities in high-growth regions, such as the PUGRC, are extremely important in developing amenity in these LGAs, and it is in the interest of governments to support them. These types of projects significantly improve the amenity of regions and improve their ability to increase their GRP and wider sustainable growth.

The pressure on the PUGRC councils to sustain a growing and young community has been made more difficult by these councils having an historically small rate base with a rate-capped environment. This has led to underinvestment in infrastructure, the community and the opportunities presented by the natural and economic environment.

There is a real need for government to support local infrastructure projects to allow councils to offer a vibrant town centre that accommodates cultural and recreational facilities that the community expects.

RECOMMENDATION:

- Government assistance in funding local infrastructure projects

Transport Connectivity

Roads

Peri urban roads are enabling connectors, providing gateways to Melbourne and regional areas. Functional and safe roads are critical to facilitate both those that travel for employment/social purposes and for industry to access freight networks that require access to local, national and international markets. Ongoing investment is vital to maintain strong connectivity across Victoria.

Public Transport

Congestion is a major issue in Melbourne. It impedes the movement of goods and people through both the public transport and freight networks. Only 2.31% of commuters across the region travel to work by public transport due to limited or no rail service.

There are opportunities to upgrade the regional rail network that is used by the peri urban region which includes upgrading of stations, duplicating track, building passing loops, signalling upgrades and removing level crossings along the Ballarat, Geelong, Gippsland and Warrnambool lines that would benefit peri urban regions.

Funding is required to develop a comprehensive public transport plan for the PUGRC to link its towns and villages with their associated population hinterlands as well as to regional cities and metropolitan Melbourne. This funding could also be used for trials of public transport solutions such as automated bus systems and the expansion of the taxi bike path networks throughout the PUGRC.

Modernised infrastructure will allow and attract more people to choose the affordable relaxed lifestyle of a peri urban region while still maintaining links to a metropolitan based workforce.

RECOMMENDATIONS (sourced from PUGRC Economic Development Strategy):

- Increase the level of road funding to a minimum per kilometre of funding enjoyed by the Metro Councils group and the Interface Councils group.
- Upgrades are required to the regional rail networks that impact the peri urban region. The “Regional Rail Revival” program to upgrade the Ballarat, Geelong and Warrnambool and Traralgon lines should be prioritised for delivery, with clear milestones for delivery across each line.
- Funding for a feasibility study to examine the future pipeline of works required one each line should also be matched against expected population growth.

Digital Connectivity

The rapid acceleration of e-commerce and e-service delivery provides a fundamental platform to connect cities and their residents to work-from-home opportunities and international trade as well as providing a basis for creating a more equitable level of service delivery.

As PUGRC members seek to grow their populations, local services, economic diversity and facilitate entrepreneurship, appropriate digital infrastructure must be provided. The cost of not having this infrastructure in place will create economic and social leaks, where businesses and communities seek more connected places to live and work. A network of peri urban data centres should be examined.

While the NBN was touted as a platform for narrowing the economic and social inequity between regional cities and metropolitan capitals, the delivery of this infrastructure has not been fully realised in many parts across the peri urban region. There are currently 297 registered black spots across the region which is unacceptable and requires substantial investment.

RECOMMENDATIONS:

- Prioritise PUGRC to receive funding from the *Mobile Black Spot Program* to invest in telecommunications infrastructure to improve mobile coverage and competition across Victoria.
- Funding allocated from the \$550 million the *Connecting Victoria* program to fast track better mobile and broadband infrastructure across the state.

Economic Growth

A multi-faceted approach to develop the peri urban region is essential. Traditional strategies such as creation of local jobs by importing single large projects or a single industry to enhance gross regional product, while important, are no longer sufficient to create diversity.

As the peri-urban areas have close proximity to Melbourne there is an opportunity to diversify from the traditional regional economic drivers such as agriculture and tourism to include a broader industry based. This will require planning and land activation to ensure a balance is struck between the needs of all sectors.

It is therefore essential that innovative strategies are implemented that allow communities to be part of that economic growth. Amenity and social capital are drivers of migration to the PUGRC and this must be at the forefront when considering development.

RECOMMENDATIONS:

- Funding of an economic development strategy that considers the various land use required by a diversified industry; and
- Identifies necessary infrastructure, services and projects specific to the PUGRC region.

Agriculture/Climate Change

A clear advantage of the PUGRC region is the amount of agricultural land it has, constituting 76.25% of the region's total land area. It is the most important food-producing region in Victoria, providing 41% of Melbourne's food needs and over 80% of its vegetables. Melbourne's rapid population growth risks the decline of the peri urban importance in food production – estimating a drop to 18% by 2066.

The impact of climate change on agriculture is also a growing concern. Farmland protection, farm viability, water access, nutrient recycling and sustainable farming are all under threat and must be a feature in considerations of future investment. Governments require comprehensive plans developed on how to protect and preserve agriculture in the region.

There are numerous approaches that can be considered such as regenerative, agroecological and sustainable intensification strategies. Sustainable farming practices that increase productivity within the region should form the basis for an agri-development package.

To ensure agriculture businesses within the region can meet the significant demand placed on their resources and continue to prosper, it is vital that PUGRC work with governments to create initiatives.

RECOMMENDATION:

- That the PUGRC work in partnership with state and federal governments to develop an agri-development package for the region.