



7 June 2021

Mr Michael Wandmaker
Managing Director
Melbourne Water

Mr Stuart Moseley
Chief Executive Officer
Victorian Planning Authority

By email: michael.wandmaker@melbournewater.com.au, stuart.moseley@vpa.vic.gov.au

Dear Michael and Stuart

Review of the Greenfield Waterway Corridor Guidelines

I am writing to you about the Melbourne Water (MW) review of the Greenfield Waterway Corridor Guidelines (the Guidelines).

The Urban Development Industry of Australia, Victoria Division (UDIA Victoria) is the peak body representing Victoria's urban development industry. We are a non-profit advocacy, research and educational organisation supported by a membership of land use and property development organisations across the private sector and Victoria's public service. We are committed to working with both industry and Government to deliver housing, infrastructure and liveable communities for all Victorians.

The broader urban development industry is a fundamental plank of the Victorian economy, employing 300,000 Victorians, with approximately 194,000 of those jobs in residential construction. In 2019-20, residential construction expenditure generated \$25.5 billion in the Victorian economy. For every three dwellings built, 37 jobs are created along with \$2.9 million in economic benefits.

Further, taxes on property represent approximately 44 per cent of the State Government's taxation revenue, and 14 per cent of its total revenue. Now, more than ever, the sector is critical to Victoria's ongoing prosperity.

The proposed amendments to the Guidelines will have wide reaching implications for development in Melbourne's greenfield areas. Despite this, UDIA Victoria has not been consulted directly by MW about the review of the Guidelines and the proposed amendments, and we are unaware of any consultation facilitated by MW, the Victorian Planning Authority (VPA) or any other agency that would have enabled our concerns to be heard.

Preliminary feedback from UDIA Victoria members suggest that the proposed amendments to the Guidelines may have a basis in the *Healthy Waterways Strategy*, despite this strategy being aspirational and technically not feasible to implement at this time.

We are also concerned about the potential for the proposed amendments to result in a substantial cost increase to deliver Melbourne's greenfield residential land due to the proposed additional land required for the waterway corridors.

Further, we strongly suggest that any review of the Guidelines should be considered as part of the PSP 2.0 review process so that proposed amendments to the Guidelines are consistent with the proposed amendments to the PSP Guidelines.

We request the opportunity to collaborate with MW and VPA to better understand the intent of the proposed amendments to the Guidelines, and be provided with the opportunity to consult with our members who will be directly affected by the proposed changes prior to any decision regarding their implementation.

We provide detailed feedback to the proposed amendments to the Guidelines in **Appendix A**.

Recommendations

1. We strongly urge MW to carry out a transparent public consultation process regarding the proposed amendments to the Guidelines.
2. That any proposed amendments to the Guidelines are subject to a detailed cost-benefit assessment and consideration of which stakeholders will be responsible for paying these costs.
3. That any amendments to the Guidelines must be considered as part of the PSP 2.0 review process.

Next Steps

We request a meeting with Melbourne Water to discuss the proposed amendments to the Guidelines and how they interact with the PSP 2.0 program. Please contact Dr Caroline Speed, UDIA Victoria Policy and Research Director by emailing caroline@udiavic.com.au to arrange a suitable time to do so.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Matthew Kandelaars'.

Matthew Kandelaars
Chief Executive Officer
Urban Development Institute of Australia, Victoria

Appendix A

Greenfield Waterway Corridor Guidelines: UDIA Victoria response to the proposed changes

Overall, UDIA Victoria supports a review of the Guidelines to seek better outcomes for liveable communities. To achieve this outcome the Guidelines must be flexible and responsive to land use and site conditions as there are aspects of the existing and proposed Guidelines changes which are unclear, or are not applicable to all growth corridors. For example, the infrastructure functions for residential land use are different from industrial land use, and require nuanced responses. Site conditions such as adverse soil types or hydrology demonstrably do not support constructed waterways and a 'one size fits all' approach.

The MW review identified three key issues and proposed amendments to address these issues. These are noted below in italics. The UDIA Victoria response to each of the proposed changes is outlined below each issue.

Issue 1

- *Waterway networks, as opposed to piped drainage systems, have significant impacts on downstream waterway health by filtering pollutants and providing crucial habitat corridors. In particular, retaining 'headwaters', or small, ephemeral streams at the top of catchments, will be highly effective for improving downstream water quality. However, these headwaters often appear as insignificant depressions in farm paddocks, with little vegetation or amenity value, and are not prioritised for retention but instead converted to underground piped drains.*
- *Proposed change: The Guidelines need to do more to promote longer networks of waterway corridors and wider land buffers, in order to support Healthy Waterway Strategy targets. In particular, retention of smaller headwater streams needs to be emphasised.*

UDIA Victoria response

- Mandating the form and size of a constructed waterway without regard to the proposed land use and existing site conditions risks building unnecessary, inappropriate and unsustainable infrastructure of little value to the community. For example, an existing headwater through a farm paddock which has little vegetation or amenity value is likely to be a result of a highly modified land use and not reflective of a natural system. When developed, the surrounding land use and form will change significantly again.
- Understanding how the hydraulic and quality treatment systems can be delivered within a catchment is a site specific response. In some instances, piping of stormwater may be an appropriate response to a site or precinct conditions, especially where high volumes of stormwater are expected and localised climatic events vary - not all growth areas are the same in this regard.
- For example, sodic soils are prevalent in the North Growth Corridor, and a constructed waterway in these conditions are known to be problematic. MW recently supported piping stormwater flows instead of a constructed vegetated waterway as it was considered to be too unstable, prone to failure, and would have had a detrimental effect to the environment and water quality as well as

impacting developable land north of Donnybrook Road in Micklehem, adjacent to the Kalkallo Retarding Basin (a MW asset) .

- UDIA Victoria considers the co-location of functions as per existing Department of Environment, Land, Water and Planning (DELWP) advice delivers habitat corridors more sustainably and with better community value.
- Improving downstream water quality is predicated on the need to improve water quality. The treatment of water quality, be it sediment or other pollutants, is the third pillar of water control. There are more opportunities to improve the first two pillars of drainage control and erosion control, which are more appropriately enacted through the 19-01 Addendum to the EDCM and the forthcoming changes to the *Environmental Protection Act* on 1 July, 2021.
- MW must have regard to the nuances of each growth corridor and ensure any update to the guidelines provide the ability for developers to provide a drainage response that works with the local conditions. The proposal to increase the corridor width is focused on a singular outcome without regard to the community or other users. The guidelines need to promote an enhanced, integrated, and sustainable solution.

Issue 2

- *MW's requirements for waterway corridor width fall below best-practice standards for waterway health and habitat protection. For instance, waterway-related fauna require a land buffer of 30 metres minimum on both sides of a waterway, whereas the Guidelines allow for smaller waterways to have corridors of 10-20m width. Our requirements also fall below State Planning Policy minimum setbacks of 30m (also this is 'softer', high level policy guidance).*
- Proposed change: *Natural waterway corridor width to be lifted to match the State Policy minimum 30m setback. In practice, this might not affect too many PSPs.*

UDIA Victoria response

- Waterway health can be managed in a number of ways and habitat protection may not necessarily be best managed by simply increasing corridor widths.
- UDIA Victoria is unaware of situations where corridor widths of between 10 to 20 metres have been insufficient in achieving best practice guidelines for flora and fauna.
- Increasing corridor width will also create significantly more maintenance for Council and/or Melbourne Water.
- Despite what is outlined in the Planning Policy Framework, a 'standardised' 30 metre width without proper understanding of precinct context and geological conditions may impact future urban communities through increased areas of passive open space that are not fit for purpose resulting in a loss of developable land.
- This is particularly relevant as the Victorian Planning Authority's Precinct Structure Plan (PSP) Guidelines 2.0 mandates 20 dwellings per hectare and up to 30 dwellings per hectare near town centres. An increase of waterway corridor widths is in conflict with the PSP guidelines.

- MW should focus its attention on enhancing waterway habitat within PSPs which include identified habitat from the Strategic Impact Review (SIAR) and subsequently the Biodiversity Conservation Strategy (BCS). These areas represent the best opportunities to deliver a net increase in habitat through appropriate waterway design, however this approach must only be pursued having regard to need to deliver affordable housing opportunities and ability for local communities to access these areas through appropriately planned open space areas. Again, the DELWP guidelines on the co-location of Blue Green Infrastructure and an informative governing guideline for all Growth Area Authorities.

Issue 3

- Waterway corridors provide open space and liveability outcomes to greenfield communities. Growth area Councils *report that even narrow corridors for drainage channels (as opposed to natural waterways) are highly valued by communities for dog walking, open space, recreation and amenity.*
- *Proposed change: Pursue long-term reform to support significantly wider waterways, even those with no natural, existing vegetation values*

UDIA Victoria response

- PSP Guidelines 2.0 (and previous PSP Guidelines) place an importance on delivering open space that responds to local conditions. The proposed PSP Guidelines mandate prescribed areas for active and passive open space based the size of communities, in addition to land set aside for drainage and waterway purposes (above the Q:100 flood extent areas) which support dog walking, recreation and amenity and a range of other uses.
- The absence of natural waterways within a development site may be an indicator that the soils and hydrology are not conducive to a constructed waterway. The advice from MW applies a blanket approach; in contrast, we recommend a scientific, site-specific response is more appropriate.