

3.3 Victorian Government Housing Statement - response and proposed submission

Executive Summary

Purpose

The purpose of this report is to inform the Urban Planning Delegated Committee (UPDC) of the release of the *Victorian Government Housing Statement* (the Housing Statement), the *Improving Residential Development Standards for small lots* discussion paper, and related planning reforms. The report also seeks adoption of the respective submission responses prepared by officers.

Background

Since 2015, Council has lodged several submissions to various planning reform initiatives. Many of these reforms have been implemented to varying degrees, prior to or in conjunction with the release of the recent Housing Statement.

On 20 September 2023, the Victorian Government released the *Housing Statement (Attachment 1)* that set out 32 reform proposals, grouped into five key areas:

1. Good decisions, made faster
2. Cheaper housing, closer to where you work
3. Protecting renters' rights
4. More social housing
5. A long-term housing plan.

Amendments VC242 and VC243 were then gazetted on 20 & 23 September 2023 respectively to amend the *Victoria Planning Provisions* and all planning schemes in Victoria to:

- Expand the State's Development Facilitation Program for Significant Economic Development and Significant Residential Development with Affordable Housing (VC242)
- Introduce 'deemed to comply' residential standards *and the Future Homes* program (VC243)
- Change single dwelling permit triggers and assessment pathways (VC243)

Officers have prepared a submission to the Housing Statement and related amendments, which is provided at **Attachment 2**.

On 2 October 2023, DTP released a discussion paper titled '*Improving residential development standards on small lots*' (ResCode for small lots). The discussion paper is provided at **Attachment 3**. Officers have prepared a response to this discussion paper, which is provided at **Attachment 4**.

On 9 October 2023, DTP released a discussion paper titled '*Modernising car and bicycle parking requirements*'. This discussion paper and Council's response will be the subject of a separate report to the UPDC.

Key Issues

The Housing Statement was not released as a discussion paper, and no specific consultation was undertaken by the Minister for Planning prior to its release.

The statement is light on detail and does not provide clear direction for many of the actions, although subsequent amendments have delivered some immediate changes without transitional arrangements.

It is disappointing the way the reforms have been conceived and ultimately released without consultation, despite Boroondara and other Councils calling for consultation on potential planning reforms for the last two years. The process undermines confidence in the Victorian planning system, and the role of local communities in decision-making on land use and development.

The reforms are predicated on inaccurate assumptions and assertions relating to the capacity of local councils to make informed and timely decisions on planning matters. In this respect, the wider constraints on housing supply in Victoria, which sit outside the planning system, have been overlooked. These non-planning constraints will continue to slow the speed of housing delivery to significant degree, regardless of the planning reforms.

Further, these reforms continue a trend over recent years of concentrating planning powers with the Minister for Planning, whilst removing the role of local councils and communities in decision-making on planning issues. This pattern undermines transparency through opaque Ministerial call-in powers, and the continued reliance on the Development Facilitation Unit at the Department of Transport and Planning to make decisions on planning matters directly affecting local communities. This shift in decision making and lack of transparency is contrary to the recommendations in the Operation Sardon Report.

The following planning reforms will impact the Boroondara community directly:

- The expansion of the *Development Facilitation Program*, including changes to permitted uses in residential zones.
- The introduction and expansion of the *Future Homes* program.
- New 'deemed to comply' codified residential standards.
- Construction of single dwellings on lots between 300 and 500 square metres no longer requiring a planning permit unless triggered by overlays.
- Construction of single dwellings on lots less than 300 square metres, without overlays, to be decided within 10 days through the VicSmart process.

Reforms which affect Boroondara which are yet to be actioned include:

- Camberwell Junction being identified as one of ten activity centres where the Victorian Government propose to 'introduce planning controls' by the end of 2024 to facilitate additional housing supply.
- Forty-five Victorian Government-owned sites identified for rezoning to deliver additional housing, including at least 10% affordable housing. It is unclear whether the VicRoads site in Kew Junction is one of the nominated sites.
- The ministerial review and potential 'call in' of planning permit applications for new developments with a value exceeding \$10 million which have not been determined by local councils within 6 months.
- Secondary dwellings, such as granny flats, with a site area less than 60 square metres to no longer requiring a planning permit.
- Implementation of the Red Tape Commissioner recommendations, including additional VCAT powers to dismiss matters without a prospect of success and imposing time limits on submissions.
- Review of the *Planning and Environment Act 1987*.

- Review of *Plan Melbourne* and its evolution into a new *Plan for Victoria*, including local government housing targets.
- The further strengthening of Victoria's apartment design standards.

The Housing Statement also proposes reforms relating to social housing, renters' rights, a *Short Stay Levy* and projects in other municipalities.

The *ResCode for small lots* discussion paper proposes changes to the following ResCode standards for lots under 300 square metres:

- Street setback (standards A3 and B6)
- Site coverage (standards A5 and B8)
- Permeability (standard A6)
- Walls on boundaries (standards A11 and B18).

Next Steps

It is recommended that the UPDC receive and note the release of the Housing Statement and the ResCode for small lots discussion paper. It is also recommended that the UPDC endorse the submissions prepared by officers.

The submission should also be circulated to the Municipal Association of Victoria and all Members of Parliament which represent the Boroondara community.

Officers' recommendation

That the Urban Planning Delegated Committee resolve to:

1. Receive and note the *Victorian Government Housing Statement* provided at **Attachment 1**, and the *Improving Residential Development Standards for small lots* discussion paper at **Attachment 3**.
2. Adopt the response to the *Victorian Government Housing Statement* provided at **Attachment 2** and submit the response to the Minister for Planning and the Department of Transport and Planning.
3. Adopt the response to the *Improving Residential Development Standards for small lots* discussion paper provided at **Attachment 4** and submit the response to the Department of Transport and Planning.
4. Provide a copy of Council's responses to planning reforms to the Municipal Association of Victoria and all members of State Parliament representing Boroondara.

Responsible director: **Scott Walker, Director Urban Living**

1. Purpose

The purpose of this report is to:

- Inform the Urban Planning Delegated Committee (UPDC) of the release of the *Victorian Government Housing Statement* (the Housing Statement) (**Attachment 1**) and the *Improving Residential Development Standards for small lots* discussion paper (**Attachment 3**).
- Seek adoption of the responses prepared by officers to the Housing Statement and the *Improving Residential Development Standards for small lots* discussion paper (**Attachments 2 and 4**).
- Seek support from the UPDC to circulate the responses to the Municipal Association of Victoria and relevant members of State Parliament representing Boroondara.

2. Policy implications and relevance to community plan and council plan

Boroondara Community Plan 2021-31

The *Boroondara Community Plan 2021-31* sets out the 10-year vision for Boroondara's future based on values, aspirations and priorities important to the community, and includes the *Council Plan 2021-25*.

Specifically, this matter relates to the following strategies:

- Strategy 4.4. New development positively contributes to amenity and liveability through design excellence.
- Strategy 4.5. Better development outcomes are achieved through advocacy to State Government and industry bodies for changes to planning controls and policies.
- Strategy 7.1. Decision-making is transparent and accountable through open governance processes with timely communication and reporting.
- Strategy 7.4. The voices of our community are heard through engagement strategies to allow effective representation on current and long-term community needs.
- Strategy 7.5. The community's interests are represented by Council through leadership and strong advocacy to external stakeholders.

3. Background

Since 2015, Council has lodged several submissions to Victorian Government planning reform initiatives including:

- *Improving the Operation of ResCode*
- *Social and Affordable Housing Strategy*
- *Planning & Building Approvals Process Review*
- *Reforming the Victoria Planning Provisions*
- *Better Apartment Design Standards*
- *Better Apartments in Neighbourhoods*.

These reforms have been implemented to varying degrees, prior to the release of the Housing Statement.

The State Government has also indicated over recent years that further planning reforms were being prepared and would be unveiled at the appropriate time. Boroondara, along with other Councils and the Municipal Association of Victoria, has strongly advocated for consultation with local government as the primary stakeholder in implementing the planning system.

In August this year the Independent Broad-based Anti-corruption Commission (IBAC) tabled the long-awaited Operation Sandon special report in response to issues at Casey Council. The report has 34 recommendations focused on planning system reform, council governance, donations and lobbying. The State Government has not yet outlined their formal response but has indicated that planning reforms would address many of the issues in the Sandon Report.

On 20 September 2023, the Victorian Government released the *Housing Statement*, provided at **Attachment 1**. No specific consultation with the local government sector or local communities was undertaken prior to the release.

On 20 September 2023, Amendment VC242 was gazetted which amended the *Victoria Planning Provisions* and all planning schemes in Victoria, and introduced the following two clauses into the planning system:

- Clause 53.22 (Significant Economic Development)
- Clause 53.23 (Significant Residential Development with Affordable Housing).

These clauses formalise the role of the *Development Facilitation Program* within the Department of Transport and Planning (DTP), established during the COVID-19 pandemic.

On 23 September 2023, Amendment VC243 was gazetted and introduced the following:

- The *Future Homes* program
- The 'deemed to comply' residential standards
- Single dwelling permit triggers and assessment pathways.

On 2 October 2023, DTP released a discussion paper titled '*Improving residential development standards on small lots*' (ResCode for small lots). The discussion paper is provided at **Attachment 3**.

4. Outline of key issues/options

Victorian Housing Statement

General issues

A Statement on Housing from the Victorian Government which helps to address the housing crisis is welcomed. Whether the current statement will drive change which addresses the crisis is not yet assured. The State Government is responsible for planning legislation and setting the framework for the planning system, but this system is only one part of the approval process and the delivery of new housing developments.

Local Government is a key stakeholder in guiding housing approvals and should have had the opportunity to comment on the Statement prior to its public release. This could have been achieved through the release of a discussion paper and consultation period to outline, evaluate and roll out reforms. The public release of information via the media, and immediate gazettal of a planning scheme amendment implementing some of the changes is not an appropriate way to implement major reform. The 'drip feed' of information has resulted in local government planners relying on media releases to piece together information. This lack of communication appears designed to obscure detail and make it difficult for local government and communities to consider the implications of the reforms.

The Municipal Association of Victoria (MAV) endorsed a position at the State Council in October acknowledging the significance of the *Operation Sandon special report* by IBAC, *Victoria's Housing Statement*, and the planning reforms that have been gazetted. The MAV, on behalf of Local Government, is urging the State Government to commit to good faith engagement to work in genuine partnership on further planning reforms. The Operation Sandon Report calls on greater levels of transparency in decision making in the system whereas many of the reforms proposed as part of the Housing Statement do the opposite and lack transparency.

The Victorian Government has already made a number of changes in the last few years which have reduced the community's third-party public notice and appeal rights, and Council's role as responsible planning authority. This includes amendments to facilitate level crossing removals, major road and rail projects and housing developments including social housing. The Housing Statement further erodes the community's role in local decision making.

Local government is well placed to manage all planning matters, particularly in metropolitan municipalities such as Boroondara. Council has the appropriate resources, knowledge and processes to understand and respond to the community needs and to achieve the most appropriate planning outcomes. The Housing Statement and related reforms reduce the decision-making ability and discretion of councils.

Council's objective is to ensure there is appropriate community engagement, any redevelopment of land is high quality and projects provide for the best possible community outcome. Council continues to advocate strongly for a broad community notification and third-party appeals process as a fundamental foundation and strength of the Victorian planning system.

The Minister for Planning, assuming the role of the responsible authority under the newly amended Clause 72.01 to the Planning Scheme, along with the removal of third-party appeal rights raises serious concerns about transparency and public oversight of the planning process.

The ability to waive height restrictions and to allow previously prohibited land uses in residential zones will in many cases circumvent what might have otherwise required a Planning Scheme Amendment. This further reduces the community's participation and removes the role of a Planning Panel or Ministerial Advisory Committee. These hearings and their subsequent reports are important, independent and apolitical, instilling confidence in the Victorian planning system.

The lack of detail provided in the announced reforms creates uncertainty in the community and the development industry, particularly around Priority Precincts.

The Statement does not always clearly differentiate the categories of affordable housing specified in the Act and fails to provide details on how “affordability” will be achieved. Using umbrella terms like affordable and social housing fails to specify expectations around the mix of public, community or private market housing.

Affordable housing contributions on public and private land, as referred to in the Statement should be guaranteed, and ideally this could be done via detailed planning provisions, delineating the percentages of public or affordable housing for particular development scenarios. Section 173 agreements must be required, to ensure delivery.

Public land should be primarily used for public housing, while other types of affordable housing (such as community housing and market housing) should supplement the public contribution.

The specific focus areas and actions in the Housing Statement affecting Boroondara are discussed in further detail below.

Expansion of the Development Facilitation Program

Victoria’s *Development Facilitation Program* (DFP) is an accelerated assessment pathway for priority projects facilitating certain land uses and development in priority sectors. An application to the DFP must demonstrate a project is “shovel ready”, meaning the project has investment certainty or capacity to secure funding, and must include a development component that can commence construction within 12 months of approval. The program previously applied to certain big budget planning permit applications for things like health and education centres. Under the DFP, the Minister for Planning becomes the responsible authority, rather than Council.

The Housing Statement flagged the expansion of Victoria’s *Development Facilitation Program* by encompassing significant residential developments that include affordable housing and which meet the following set criteria: *construction costs worth at least \$50 million in Melbourne or \$15 million in regional Victoria and delivering at least 10 per cent affordable housing*. No developments in Boroondara currently meet this criteria, however, the Minister for Planning may still intervene on other projects that don’t meet the criteria. ‘Significant economic developments’ may also qualify for the process, such as a \$10m residential hotel or \$30m hospital.

This reform has been implemented via Amendment VC242.

Removing the voice of Council and the community will lead to a loss of local knowledge and context in decision making, which is a valuable contribution to guide development outcomes. As with the existing Development Facilitation Program that applies to certain school developments and the recent former Melbourne University Campus rezoning in Hawthorn (outlined in a separate report to UPDC), Council may expend resources on assessing the referred applications, without receiving any of the application fees.

Further, Amendment VC242 also makes changes to the use tables in the residential zones, allowing the following previously prohibited uses under Section 2 of the Planning Scheme, where associated with a Clause 53.22 or 53.23 application:

- Office (other than Medical centre)
- Retail premises (other than Convenience shop, Food and drink premises, Market, and Plant nursery)

This change has the potential to undermine activity centres and commercial zones, as well as residential zones by creating “out of centre” commercial developments.

Office and retail premises were previously prohibited in Residential Zones, and to now not only allow the use subject to the grant of a permit, but to remove third party appeal rights is not considered appropriate and will potentially lead to poor planning outcomes. There are many areas in the municipality where these clauses may be activated, where an office or retail premise is completely out of character with the surrounding neighbourhood.

These uses may have adverse amenity impacts in residential areas and are the types of applications where the local council and community ought to be involved.

Finally, the program can be expanded at any time with a wide range of projects to be brought under the development facilitation program at the discretion of the Minister for Planning. The planning processes associated with the DFP prevent third party appeal rights to the Victorian Civil and Administrative Tribunal and are less transparent. There is also no evidence that the Minister will make decisions faster than Council.

Expansion of the Future Homes program

Future Homes began as a two-year pilot program run by the State Government in partnership with the City of Maribyrnong. *Future Homes* applications could be made in a General Residential Zone if the site was within 400 metres of an activity centre or train station, on or backing onto a Transport Zone 2 or 3, or on a street nominated as a priority by council because of its access to open space, services or transport.

Future Homes provides four sets of readymade architectural designs which can be purchased by developers and adapted to a site through a streamlined planning process.

The reforms suggest the State will create more designs for 4 and 5 storey developments in the future and will expand the areas where they can be used.

This reform has been implemented via Amendment VC243, inserting Clause 53.24 to all Victorian Planning Schemes. This allows the *Future Homes* pathway to be used in all general residential zones where development is within 800 metres of an activity centre or railway station.

Councils are responsible for assessing and issuing planning permits for applications made under this clause. The clause provides a list of matters for consideration, including most of the Better Apartment Design Standards, as well as Environmentally Sustainable Design measures. Applications under this clause are exempt from other requirements in the planning scheme, importantly including third-party appeal rights to VCAT.

It is considered that these applications should not be exempt from the review rights of section 82(1) of the Act. Retaining the requirement for notice while removing appeal rights for these types of applications creates an untenable situation for Council where the matters which may be considered are severely truncated to internal amenity aspects with the concerns of the community regarding amenity and built form unable to be considered any further.

The decision guidelines are so vague as to be effectively useless. An example is: *“Whether the proposed apartment development is exemplary in design, liveability and sustainability”*. No guidance is provided as to what makes a development “exemplary”. It is of further concern that there does not appear to be any guidance as to what degree of modification to these plans is allowable for them to still benefit from the program. This demonstrates yet another example of an unreasonable level of Ministerial discretion which makes the process muddier, rather than clearer or more transparent.

New ‘deemed to comply’ codified residential standards

The residential standards refer to Clauses 54 and 55 of all Victorian Planning Schemes, commonly known as ResCode. ResCode operates by first outlining an objective that must be met for a particular matter (e.g. overlooking), before providing standards that should be met and decision guidelines to assist decision makers in determining if a proposed design response is appropriate.

The current operation of ResCode allows for both quantitative and qualitative assessment, and requires a detailed, contextual assessment by a qualified statutory planner. The current model generally allowed for decision makers to put forward a case that even when the quantitative standards are met, the particular design response in the context is inappropriate and does not achieve the objective, having regard to the decision guidelines.

The Housing Statement advised that 14 of the current ResCode standards would be made “deemed to comply”, with the remaining 39 to follow.

“Deemed to comply” means that if the standard is met, no further assessment or consideration can be given to the relevant objective or decision guidelines. VCAT has recently issued an Order (D'Andrea v Boroondara CC [2023] VCAT 1148) confirming this interpretation, which is also supported by the Explanatory Report for the amendment.

This reform, amending the first 14 standards, was implemented via Amendment VC243.

Clause 54 (One dwelling on a lot) and 55 (Two or more dwellings on a lot and residential buildings) of all Victorian Planning Schemes have been amended to change the operation of the provision for assessment of the following ResCode standards:

- Street setback A3/B6
- Building height A4/B7
- Site coverage A5/B8
- Permeability A6
- Side and rear setbacks A10/B17
- Walls on boundaries A11/B18
- Daylight to existing windows A12/B19
- North-facing windows A13/B20
- Overshadowing open space A14/B21
- Overlooking A15/B22
- Daylight to new windows A16/B27
- Private open space A17/B28
- Storage B30
- Front fences A20/B32

Council has made previous submissions that a transition towards a planning system that replicates the prescriptive elements of the building permit approval process is not supported. The planning system generally achieves outcomes that maintain amenity and provide liveability based on key planning objectives and performance-based assessments. This will be sacrificed with limited planning assessment. The “deemed to comply” approach reduces the ability for councils to negotiate better outcomes on behalf of their communities, and leads to a minimum compliance approach, rather than seeking excellence. The erosion of notice and appeal rights for the community should also not be supported.

Construction of single dwellings on lots between 300 and 500 square metres, and without overlays, no longer require a planning permit

Previously in Boroondara, single dwellings on lots of between 300 and 500 square metres required a planning permit and a full assessment against the provisions of ResCode. This included the normal notice and appeal rights for third parties.

This reform has been implemented via Amendment VC243.

Single dwellings between 300 and 500 square metres ought to still require planning permission. Removing these properties from the planning system entirely is out of step with community expectations and will limit the assessment of neighbourhood character and the ability to achieve best practice outcomes, relying instead on a minimum compliance model through the building approval process.

Construction of single dwellings on lots less than 300 square metres, without overlays, will be decided within 10 days through the VicSmart process

Previously in Boroondara these applications required a full assessment against the provisions of ResCode. This included the normal notice and appeal rights for third parties.

VicSmart is an existing accelerated assessment pathway for specified application classes, intended for minor, straightforward applications.

Applications are not advertised, not eligible for third-party review and must be decided within 10 business days.

This reform has been implemented via Amendment VC243.

It is noted that these applications can still be complex. For example, demonstrating compliance with a registered restrictive covenant often takes more than 10 days. The introduction of different assessment pathways like VicSmart is further complicating, rather than simplifying the planning system.

Camberwell Junction Major Activity Centre

Camberwell Junction is identified by the Housing Statement as one of ten activity centres where the Victorian Government propose to 'introduce planning controls' by the end of 2024 to facilitate additional housing supply.

No information has been provided on the new controls and it is unclear what changes are proposed. It is assumed that the Minister will adopt either the role of the responsible or planning authority for a defined area around the Camberwell Junction Major Activity Centre. If this is the case it falls well short of community expectations to be involved in planning for the future of their local areas.

Council has prepared a draft Camberwell Junction Structure and Place Plan, with public consultation already underway. The Draft Plan presents an aspirational, yet achievable plan to shape the future of Camberwell Junction. It has been developed in consultation with the community and informed by detailed background research and technical analysis. The Draft Plan has been carefully crafted to reflect local features, while robustly planning for future growth in accordance with State Government guidance.

It is considered that there is no practical reason why the Victorian Government would need to proceed with introducing additional planning controls at the end of 2024. Instead, the Government should fully support the Boroondara plans for Camberwell in a timely manner.

Victorian Government-owned sites identified for rezoning

The Housing Statement says forty-five Victorian Government-owned sites have been identified for rezoning to deliver additional housing, including at least 10% affordable housing. It is unclear whether the VicRoads site in Kew Junction is one of the nominated sites.

This reform is yet to be implemented.

It is considered that this initiative should be supported in principle. The utilisation of State Government owned land to provide more social and affordable housing is a great opportunity for the delivery of affordable housing. However, it is critical that the State consults, collaborates and works with local government and communities on proposed zoning changes and development outcomes. The rezoning and approval of development proposals for the sites should be undertaken with openness and transparency.

The target of 10% affordable homes should be increased and should not be able to be waived or varied. There should be a guarantee of at least 10% public housing, with a further percentage of affordable housing (community and market housing) specified in addition to this.

The ministerial review and potential 'call in' of planning permit applications for new developments with a value exceeding \$10 million which have not been determined by local councils within 6 months

The Housing Statement claims there are 1,400 housing permit applications that have been with councils for more than six months. It states that by November, a dedicated team will work with project proponents, local councils, and referral agencies to resolve issues delaying council decision making. A subsequent media release advised this unit would focus on multi-unit developments with development costs above \$10 million.

This reform is yet to be implemented.

Applications being processed and assessed by Council which are close to or over the 60 statutory day timeframe for a decision will already have key issues clearly outlined for resolution and are on course for a decision. The subsequent preparation of briefs for the Department of Transport and Planning (DTP) and their involvement in the decision-making process could further exacerbate timeframes and reduce resources rather than help progress applications that have been in the planning system for some time.

Poorly prepared planning applications remains one of the biggest contributors to an inefficient application process along with applicant delays, referrals and negotiations following community input to improve the outcome, not the making of the final decision. Last Financial Year, Boroondara City Council statutory planning officers requested further information on 76% of all applications received. The application requirements need to be clear and linked to the decision guidelines. More resources should be placed in providing guidelines or practice notes for applicants to assist in the preparation of high-quality applications in the first instance.

A planning application processed quickly is of little assistance if the permit applicant is required to make further amendments due to non-compliance with other legislation or statutes. In the last couple of years, applications subject to amendments have continued to rise. For some projects, the project itself has changed due to market forces, re-think of design or to address matters raised in other approvals. In addition to the planning permits, permit applicants need to secure a wide variety of approvals for their projects. This includes building permits, tree removal approvals, crossover approvals, and drainage approval. Many councils will use the planning process as an opportunity to direct customers to the various other approval processes to minimise delays in their project. Planning has taken on the role as project co-ordination to ensure that developments are 'shovel-ready'. In fact, this is in keeping with Better Regulation Victoria's 2021 recommendation to improve the coordination of internal referrals.

Additionally, Council's recent experience with private school applications and large housing projects is that Council officers need to take the lead for the processing of the application notwithstanding that Council do not get any of the application fees, as with the Markham Estate redevelopment, and the recent former Melbourne University, Hawthorn campus site. This reduces Council's capacity to appropriately resource major applications. There is also no evidence that the planning process being run by the DTP instead of Council is any faster or will lead to more housing actually being constructed.

The MAV released data recently on the planning system in Victoria relating to housing delivery which indicates that:

- There are 120,000 houses, townhouses, and apartments in Victoria that have been given planning approval but haven't commenced construction.
- Previous streamlining efforts have taken applications out of the planning system, and the construction industry is facing significant challenges. Only 3% of applications that are lodged get refused.
- More than 80% of permit applications for multiple dwellings required councils to ask the applicant for more information that wasn't initially provided. Incomplete applications add an average of three months to assessment timeframes.
- On average it takes over 500 days from a council seeking Ministerial approval to progress a change to their planning scheme, to the Minister approving and enacting the changes in the planning scheme. Two thirds of councils surveyed said they had at least one amendment sit with the Minister for over 12 months.
- Over 98% of residential planning permits are decided under delegation by planning officers. When a matter is considered by councillors the officer's report and the council meeting itself are public, ensuring a high level of transparency for all parties.
- Despite the Big Housing Build, Victoria lags behind the rest of Australia in providing social housing for those in need. From 2013 to 2023 Victoria grew by half a million households, yet the number of households supported with social housing shrunk by a thousand.

Secondary dwellings, such as granny flats, with a site area less than 60 square metres will not require a planning permit

Building a second dwelling on a lot currently requires a full and detailed assessment against the provisions of ResCode. This includes the normal notice and appeal rights for third parties.

This reform is yet to be implemented.

The change to the provisions to allow a secondary dwelling should not be supported without further detail and consultation with councils. The comprehensive assessment of dual occupancies against the provisions of Clause 55 (ResCode) is important as it ensures that there is appropriate consideration of neighbourhood character, external and internal amenity and car parking. It is imperative that secondary dwellings comply with the qualitative standards of ResCode.

Implementation of the Red Tape Commissioner recommendations, including additional VCAT powers to dismiss matters without a prospect of success and imposing time limits on submissions

This reform is yet to be implemented.

Council previously made an extensive submission in response to the Better Regulation Victoria discussion paper *Planning and Building Approvals Process Review* (2019). Council supported, or partially supported many of the proposed reforms, such as improvements to pre-application processes and minimum information requirements to lodge planning permit applications.

However, the discussion paper was also lacking in detail on many of the proposed reforms, making it difficult for Council to provide meaningful feedback. Any implementation of these recommendations must be preceded by detailed consultation with local government stakeholders.

The proposed changes to VCAT may result in more directions hearings.

In officers' experience, the majority of objectors object to an application as they legitimately feel concerned with the proposal. With appeal rights, they have a choice how far they wish to pursue their objections to the application. With any objection there is an obligation to demonstrate how they would be affected by the application and therefore it is not necessary for the planning system to limit the extent of notice or appeal rights.

Review of the Planning and Environment Act 1987

This reform is yet to be implemented.

The Act may be in need of review but should not be so dramatically altered that it no longer resembles what is currently a largely robust, democratic and well-functioning planning system.

Added systems like 'deem to comply', VicSmart pathways, limited VCAT appeal rights, modification of notice provisions and applications processed by the Development Facilitation Program are adding complexities to the planning system rather than streamlining.

The opportunity to establish timeframes for Ministerial and Department decisions is welcomed along with the government ensuring that transparency is at the heart of any change.

Review of Plan Melbourne and its evolution into a new Plan for Victoria

This reform is yet to be implemented.

Plan Melbourne 2017-2050, like any strategic plan, should rightly be periodically reviewed. This is even more pressing considering the COVID pandemic, the economic and demographic changes as well as social changes to the way we live and work. A holistic strategic vision for the State is required, and extending the Plan's reach beyond Melbourne is supported in principle.

However, the reform references the establishment of local government targets for where homes will be built. The establishment of local government housing targets is considered unnecessary. Council has recently adopted the Boroondara Housing Strategy 2023 which clearly demonstrates capacity for a net increase in dwellings in Boroondara.

There is more than adequate capacity under the current policy settings to provide for the 9,400 dwellings likely to be needed in Boroondara.

The further strengthening of Victoria's apartment design standards

This reform is yet to be implemented, and no further information is available at this stage.

More information on the above issues and the full response can be found in the detailed submission prepared by officers at **Attachment 2**.

Improving Residential Development Standards on small lots

On 2 October 2023, DTP released a discussion paper titled '*Improving residential development standards on small lots*' (ResCode for small lots). The discussion paper is provided at **Attachment 3**.

The *ResCode for small lots* discussion paper proposes changes to the following ResCode standards for lots under 300 square metres:

- Street setback (standards A3 and B6)
- Site coverage (standards A5 and B8)
- Permeability (standard A6)
- Walls on boundaries (standards A11 and B18).

These four standards recently made to be “deemed to comply” by Amendment VC243.

The changes to the permeability and site coverage standards are considered reasonable.

The street setback and walls on boundaries changes are not supported, as the proposed changes in a “deemed to comply” setting will not achieve acceptable outcomes, and do not allow for the due consideration of site context and neighbourhood character.

Officers also suggested a changes to the proposed drafting of the ordinance, to improve legibility and compliance with best practice drafting principles.

More information on the above issues and the full response can be found in the detailed submission prepared by officers at **Attachment 4**.

5. Consultation/communication

Officers consulted relevant internal departments to assist in the preparation of each response. No external consultation was undertaken with the community.

The *Improving Residential Development Standards for small lots* discussion paper was provided to Council on 2 October 2023, with a submission deadline with DTP of 10 November 2023. Officers sought and were granted a minor extension to this date to allow endorsement of the submission by the UPDC.

6. Financial and resource implications

There are no cost or resource implications in relation to the preparation of the submission responses.

7. Governance issues

No officers involved in the preparation of this report have a general or material conflict of interest requiring disclosure under chapter 5 of the Governance Rules of Boroondara City Council.

The recommendation contained in this report is compatible with the Charter of Human Rights and Responsibilities 2006 as it does not raise any human rights issues.

8. Social and environmental issues

Council has an obligation to advocate on matters which affect the Boroondara community. The submission responses prepared by officers seek to respond to the keys issues which impact the Boroondara community and raise awareness of the implications. In this respect, Council's advocacy role seeks to achieve positive social and environmental impacts.

Manager: David Cowan, Manager Planning and Placemaking

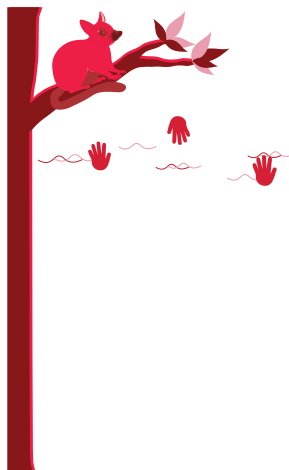
Report officer: Mikaela Carter, Principal Strategic Planner



Acknowledgement of Country

We proudly acknowledge Victoria's Traditional Owners and their ongoing strength in practising the world's oldest living culture.

We recognise the diversity of Victoria's Traditional Owners in being distinctive communities with their own set of laws, customs and processes built upon tens of thousands of years of knowledge. We acknowledge the Traditional Owners' lands and waters on which we live and work and pay our respects to their Elders, past and present.



Authorised by the Victorian Government
1 Treasury Place, Melbourne 3002

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Accessibility

For an accessible version of this publication, visit vic.gov.au/housing-statement

Premier's Message

Nothing is more important than finding a home. For most of us, it's the biggest investment we'll ever make. Whether you're buying or building your first, upsizing as your family grows, renting near work or simply wanting to be closer to family and friends – you should be able to find a place to call home. And it should be a place of pride, comfort, and security.

But right now – and right across Australia – that's becoming harder than ever before. Housing affordability is at its lowest in decades, and it's taking so much longer to save for a deposit than it used to. Vacancy rates for rentals are at record lows, and prospective tenants are finding theirs is just one of dozens of applications. Key workers are struggling to find housing close to where they work – especially in the regions. And many families are getting priced out of the market altogether.

Admiring the problem will only make it worse. Without a reset – and without a more active planning system – we cannot seriously expect things to improve, more houses to be built, and more Victorians to enjoy the security of somewhere to live. The status quo is not an option. Unless we take bold and decisive action now, Victorians will be paying the price for generations to come.

That's why this *Housing Statement* puts forward an ambitious plan to tackle the root of the problem: housing supply. We're setting a bold target to build 800,000 homes in Victoria over the next decade.

It's a simple proposition: build more homes, and they'll be more affordable. But the Government can't fix the problem alone. We'll do it in an Affordability Partnership with industry. We'll foster the conditions needed to stimulate investment and build high-quality homes quickly in the places where Victorians want to live – and the private market will build more social and affordable housing for the Victorians who need it most.

At the same time, we'll give certainty to the sector and Victorians alike by building the infrastructure our growing state needs. Metro Tunnel is on the way, and it'll be here a year ahead of schedule. We've removed 72 level crossings to unclog Melbourne's roads and rail lines – and we're not slowing down. The Suburban Rail Loop will slash travel times and make it easier to get around our suburbs – all while taking 600,000 cars off the road.

We can do all of this and more, because we've invested in training for the skills our economy needs. We saved TAFE, re-opened and upgraded campuses, introduced Free TAFE and put 70 courses on the free list – including for in-demand jobs like construction. We've changed the once-in-a-lifetime limit, so Victorians can take multiple Free TAFE courses while they're continuing priority training pathways. We're also protecting TAFE funding, enshrining it in legislation.

All of that means we've got the workers our state needs to build the homes Victorians need – as well as the schools, hospitals, roads and rail to go with them. With that pipeline of workers, the building industry can also have confidence in its pipeline of work – and scale up as it needs to.

This *Housing Statement* is the first part of our journey: kicking off the critical work we can do now to build the homes, suburbs and communities Victorians can enjoy for generations to come. But we know there's more to do, and we'll get on with it – bringing Victorians with us. We'll keep talking to industry, including about the skilled workforces they need to meet demand. We'll keep consulting local communities. And we'll keep working to make sure every Victorian can realise the great Australian dream.

We'll build a better Victoria, together. Because Victorians deserve nothing less.



A handwritten signature in black ink, which appears to read 'Daniel Andrews'.

The Hon. Daniel Andrews MP
Premier of Victoria



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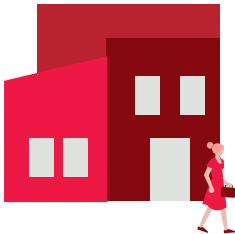
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Introduction

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Introduction

Right across the nation, housing is one of the biggest challenges we face.

The latest data shows that in June this year, housing affordability in Australia crashed to its lowest in 30 years. Successive interest rate hikes and booming house prices mean it's harder than ever to service a mortgage.

Today, if you're a household earning a median income of \$105,000, you could likely only afford around 13 per cent of homes on the market – that's the lowest share since this data was first collected almost three decades ago. And the situation for low and middle income families is much worse. A household earning \$64,000 a year could now afford just 3 per cent of homes on the market.

At the same time, prospective renters at a home inspection will find they're just one of dozens of applicants. Demand for rentals is skyrocketing – and so is the price. Rents across the country are rising at the fastest rate in 15 years. Annual rent increases peaked at 10 per cent in late 2022 and early 2023. The last time rent went up this quickly was when peak annual rent growth hit 9.7 per cent during the global financial crisis.

The status quo isn't an option. If we don't act now, Victoria will end up falling short – by more than 25,000 homes each year over the next ten years. That means more house prices skyrocketing, more families priced out of the market, and more competition for rental properties.

It all comes back to supply. It's a simple reality: as a country, we need to do more to build enough houses for all of the people who need them. Because it's only when there are enough homes to go around that more people will be able to afford them.

As a state, we're going to get on with it – quickly. Victoria is the fastest growing state in the country: our population is expected to reach 10.3 million by 2051. Melbourne is set to become Australia's biggest city by the end of the decade, with the population estimated to grow by another 3.5 million people over the next 28 years.

If we're going to make sure the current problem doesn't get worse, we need to build 1.6 million homes by 2051 – that's around 57,000 homes a year. To ease the acute pressure people are currently facing, we need to deliver 2.24 million homes by 2051 – that's around 80,000 a year.

On current trends, we are expected to build around 540,000 homes over the next decade. The work we're doing in this *Housing Statement* will facilitate an extra 250,000 homes being built in Victoria over the next ten years – and it'll support 16,000 jobs.



We'll give planning the resources they need, making sure good decisions are made faster. We'll then reform Victoria's planning system so projects don't get stuck again. We'll build up and out – making sure Victorians can afford to live where they want, close to where they work, in thriving and sustainable communities. We'll strengthen protections for renters, because every Victorian deserves a comfortable home – whether you own it or not. We'll build more social and affordable housing for the Victorians who need it most. And because this statement forms the first step of our work to boost housing supply and affordability – not the last – we'll develop a long term plan to guide the way our state grows.

Most importantly, we'll bring Victorians along for the journey. We'll keep consulting with the community, industry and local councils to make sure every Victorian has the opportunity to shape our state for the generations who follow us. And we'll keep working with the Commonwealth Government and other states and territories to form a national solution to one of our nation's greatest economic challenges.

01

**Good decisions,
made faster**

HOUSING STATEMENT / 8

Good decisions, made faster



- Reforming Victoria's planning system to boost housing supply in every corner of the state
- Clearing the backlog of planning permits waiting to be approved – and standardising rules to make sure good decisions are made faster
- Giving builders, buyers and renovators certainty about how long approvals will take – and a clear pathway to resolve issues quickly if those timeframes aren't met

Victoria is growing. We're the fastest growing state in Australia, with our population set to hit 10.3 million by 2051.

By the 2050s, Melbourne will be home to more than eight million people, and regional Victoria will be home to more than 2.3 million. But the fundamental truth is this: we're not building enough homes for all of the people who will need them in years to come.

Right now, the system just isn't working like it should – and decisions aren't getting made fast enough. At a council level, there's a backlog of around 1,400 planning permit applications for multi-unit housing that have been sitting with councils for more than six months waiting for a decision. Some 550 of those applications have been sitting with councils for more than a year.

Instead of decisions being made by councils, more and more planning disputes are taking longer and longer and ultimately ending up at unelected VCAT to resolve. That clogs up the system even more – and results in more delays for the people who genuinely need to use it.

All of that means we're going backwards. Over the last year, the number of dwellings approved across the state fell by 26.1 per cent. Victorians deserve a planning system that works with them – not against them. It should be quick, efficient, and easy to navigate. It should be a clear, transparent and accountable system – because Victorians deserve to know who is planning our city and state.

And we've got a plan to do just that.

How we're helping Victorians build



Builders right across Australia are facing critical global economic challenges, including rising supply chain costs. This year, we announced a package of reforms to better protect Victorians building a home, while also giving our local building industry the certainty it needs.

Here's what we're doing:

- **Consumer focus:** We're putting consumers and homeowners at the centre of the system with clearer roles and responsibilities, greater accountability, access to insurance, and consumer support throughout the lifecycle of a build.
- **Strong regulators:** We're ensuring the people who oversee building projects have the powers they need to protect consumers and hold builders to account if they do the wrong thing.
- **Skilled builders:** We're making sure builders and contractors have the rights skills to build our homes, and that they operate with the transparency and professionalism Victorians expect.
- **Better approvals:** We're improving the approval process to make sure all buildings in Victoria are safe and built to last.

We've already started making important changes. We're creating a Building Monitor to represent consumers' interests, improving the approval process, and requiring more people involved in a building project to be registered. The Victorian Building Authority, with a new CEO, is getting on with its work to improve the performance of the regulator, drive improvements in the building system, and put consumers at the centre of all it does. We're also working on more changes to make it easier to get insurance, resolve disputes, and enforce the rules. We understand that building safe, durable homes is the priority.



What we'll do

Clear the backlog

Having applications sitting in the system doesn't get homes built. We'll begin the work to clear the backlog of 1,400 housing permit applications that have been stuck with councils for more than six months. We'll have a dedicated team that works with project proponents, local councils, and referral agencies to resolve issues delaying council decision-making – to avoid projects ending up in VCAT and to get homes built. Once we have a clearer picture of projects and if decisions keep lagging, then the Minister for Planning won't hesitate to call them in.

Make big decisions faster

We'll make sure big decisions are made faster by expanding Victoria's *Development Facilitation Program*. This will make the Minister for Planning the decision maker for significant residential developments that include affordable housing. We'll streamline the planning process for medium to high density residential developments that meet the set criteria: construction costs worth at least \$50 million in Melbourne or \$15 million in regional Victoria, and delivering at least 10 per cent affordable housing. This will include new build-to-rent projects. It'll mean around 13,200 additional homes will be brought to market that would otherwise be delayed – and it'll cut application timeframes for these types of projects from more than 12 months down to four.

Increase housing choice in activity centres

We'll introduce clear planning controls to deliver an additional 60,000 homes around an initial 10 activity centres across Melbourne: Broadmeadows, Camberwell Junction, Chadstone, Epping, Frankston, Moorabbin, Niddrie (Keilor Road), North Essendon, Preston (High Street) and Ringwood. Activity centre plans will guide investment in the things a growing suburb needs like community facilities, public spaces and parks. The program will also consider the best way to incentivise more affordable housing.

Making it easier to build a small second home

Small second homes on the same lot – also known as granny flats or dwelling garden units – have become more and more popular. They can give families the space to grow together, provide a critical second income, or give kids somewhere to stay when they visit for the weekend. But for many, the burden of getting a planning approval has put building a second small home in the too hard basket. We'll make it easier to build a second small home on your property. Dwelling garden units won't require a planning permit if they're less than 60 square metres. And we'll also introduce more permit exemptions for single dwellings for things like extensions to sheds and carports.





What we'll do

Faster permits and planning certainty

We'll streamline assessment pathways with a range of new *Deemed to Comply* residential standards for different types of homes. Council planners will be able to quickly approve permits for houses that meet the residential standards – like how much space homes take up on a block, or how much storage a home has – meaning councils will only assess aspects of a permit that don't comply with those standards.

We'll expand the *Future Homes* program to encourage more new builds. *Future Homes* provides four sets of ready-made architectural designs which can be purchased by developers and adapted to a site through a streamlined planning process. We'll create more high-quality designs for 4 and 5 storey developments, and we'll expand the areas where they can be used.

We'll also make changes to the types of homes that require planning permits. Single dwellings on lots bigger than 300 square metres, and not covered by an overlay, will no longer require a planning permit. Single dwellings on lots smaller than 300 square metres, where an overlay doesn't exist, will be ticked off within 10 days.

Red Tape Commissioner reforms

We'll introduce legislative reforms to strengthen our planning system. The legislation will implement Red Tape Commissioner recommendations, as well as other reforms like giving VCAT the power to dismiss matters without a prospect of success and imposing time limits on submissions. Planning Panels will also be able to undertake hearings on the papers and join parties.

Convert commercial buildings to residential

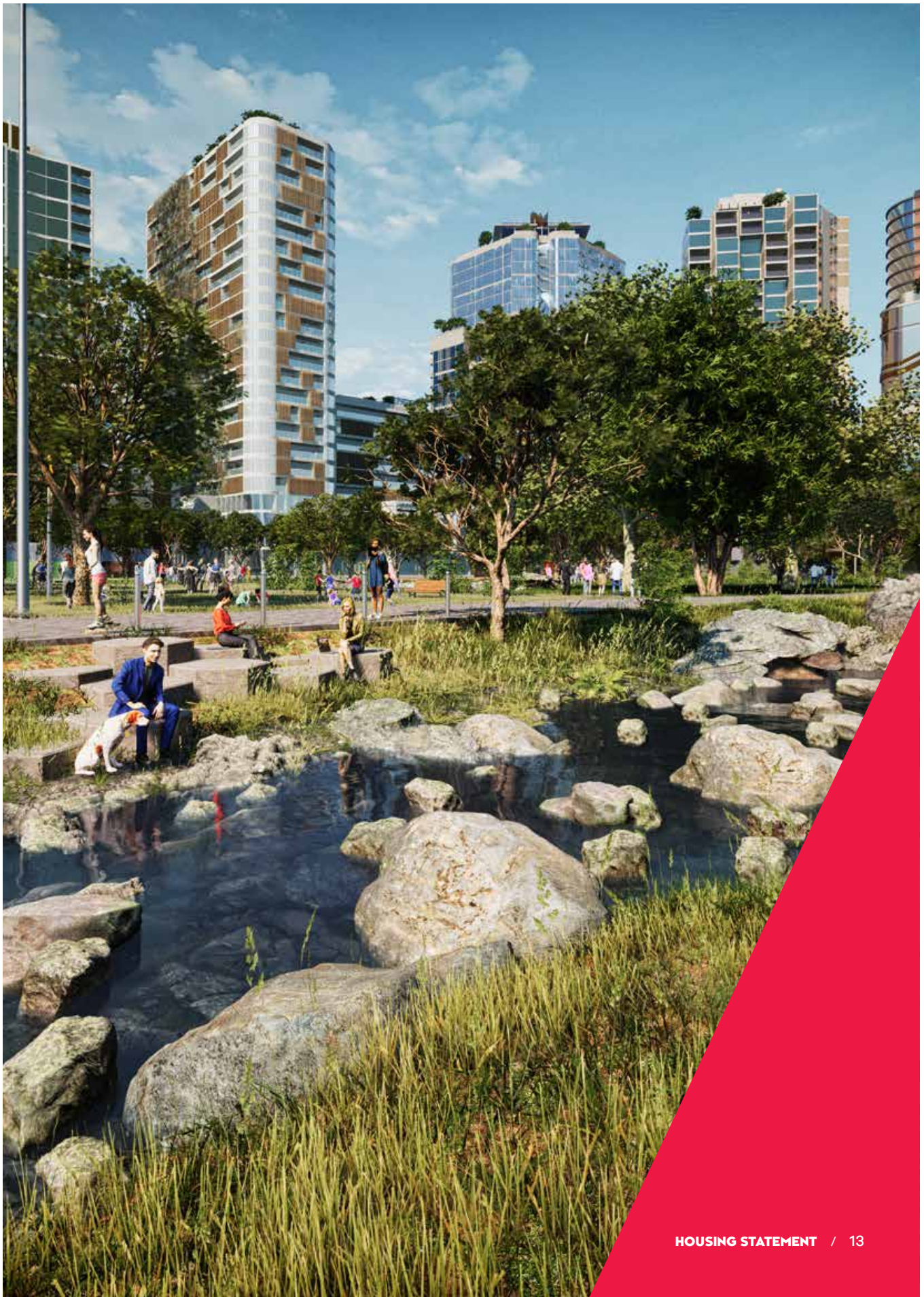
The Property Council of Australia (PCA) and the City of Melbourne have identified close to 80 commercial office buildings that are currently under-used because of changing work patterns and demand for flexible floor space increasing. We'll work with the PCA and the City to consider opportunities to facilitate the conversion of these offices into around 10,000-12,000 apartments and mixed-use properties.

Provide quicker water connections

As our towns and cities grow, utility connections – like water and electricity – need to happen quickly. We'll work to speed up water connections in greenfield areas to get Victorians into their new homes faster. We'll revise our statement of expectations to water corporations, strengthening the need to engage with developers and local councils early and regularly through the permit process – and setting clear timelines these water corporations need to meet to connect new communities and developments to the essential services they rely on.

More resources to support a faster, fairer planning system

To give industry greater certainty, the Department of Transport and Planning will bolster its resources in the coming months – including by bringing on 90 new planners – to help with a range of priorities like clearing the backlog, making good decisions faster and increasing housing choice in activity centres.



HOUSING STATEMENT / 13

02

**Cheaper housing,
closer to where
you work**

HOUSING STATEMENT / 14



Cheaper housing, closer to where you work

- Unlocking new spaces to build – including across established suburbs and government land – to boost supply and stop urban sprawl
- Building more homes closer to where people have the transport, roads, hospitals and schools they need
- Delivering vital community infrastructure – like footpaths and parks – faster

The more a city sprawls, the less liveable it becomes for the people who call it home.

Your daily commute gets longer. It's harder to drop the kids off at school and get to work on time. Traffic skyrockets. And so does pollution.

Most importantly, the cost of living – and of finding somewhere to live – keeps going up. At the same time, the chances of living close to your job and the services you rely on keeps going down.

The solution isn't to keep pushing people further out by building suburb after suburb on the fringes of town. We know infrastructure investment to keep pace with urban sprawl is four times higher than what's required to support growth in suburban areas where there's already good access to services, transport and green spaces. And we can't let our state get stuck in an endless, unsustainable cycle of playing catch up by trying to keep pace with urban sprawl at the fringes.

We need to create more housing, with the best design standards, where people want to live. And that means going up **and** out – not just out. By unlocking new spaces to build homes across established suburbs, we'll stop urban sprawl and boost housing supply in the places Victorians want to be – close to where they work, or send their kids to school. And by delivering vital community infrastructure in those suburbs, we'll make sure they stay places where Victorians want to live.

Building the transport network Victoria needs to move generations

Suburban Rail Loop

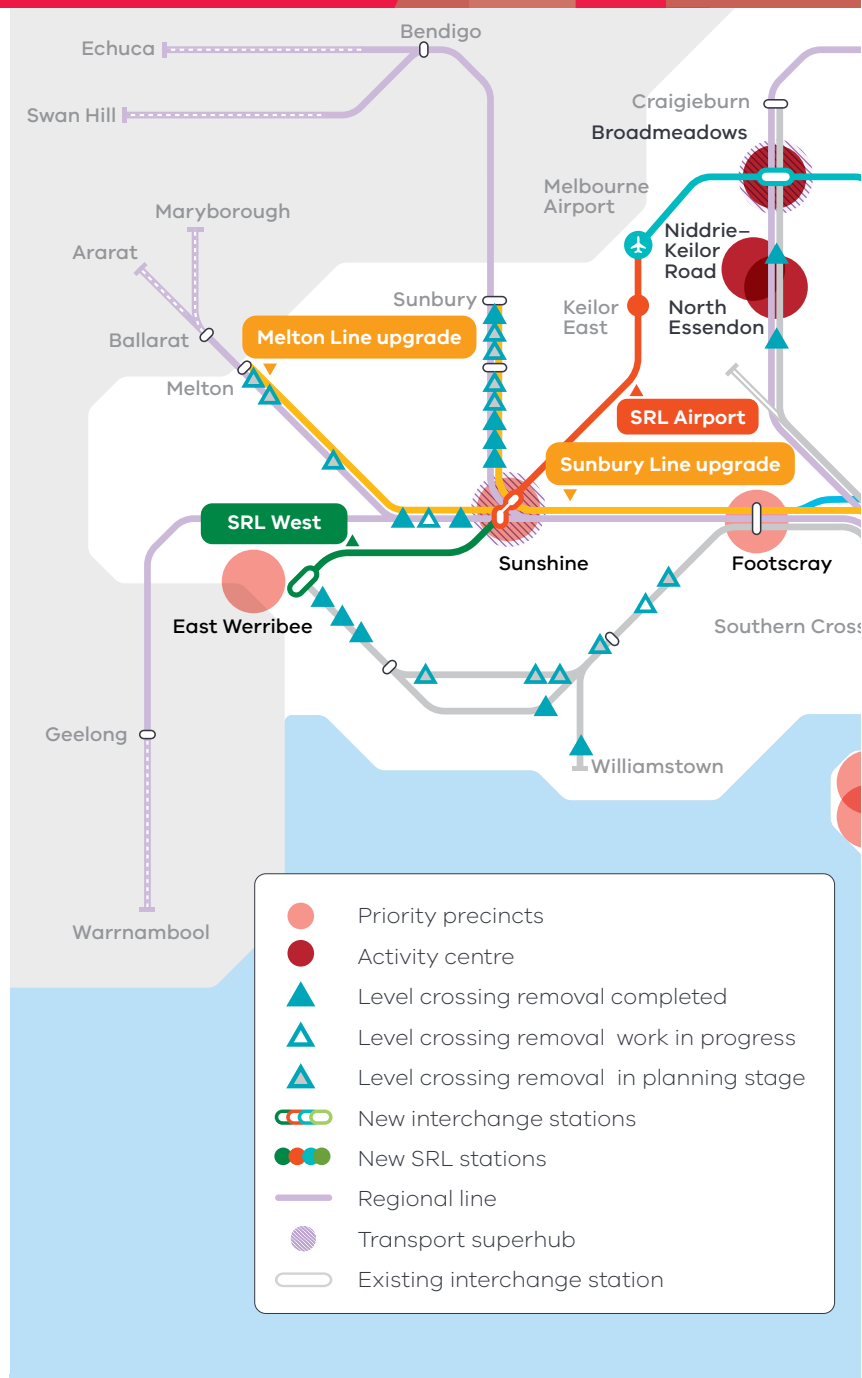
- SRL East will create up to **8,000 direct jobs**
- SRL will support up to **24,000 jobs** across Victoria
- Suburban Rail Loop will take **600,000 cars off the road**
- Improve travel times for at least **4 out of 5** Victorians, whether they drive or commute by public transport
- Tunnel boring machines will launch in **2026**
- First trains running in **2035**
- **6 SRL East precincts:** Cheltenham, Clayton, Monash, Glen Waverley, Burwood and Box Hill
- Precincts discussion paper out now

Level Crossing Removals

- **72** dangerous and congested level crossings already gone
- Will remove **110 by 2030**
- LXR projects have created more than **5,500 jobs** across the program to date
- More than **84 million hours** have been worked on LXR projects
- By **2030**, the Frankston, Cranbourne, Pakenham, Lilydale, Sunbury and Werribee lines will all be level crossing free

Metro Tunnel

- Almost **7,000 jobs** created from the Metro Tunnel Project
- 800 apprentices, trainees and cadets have worked on or are currently working on the project
- Complete in **2025** – a year ahead of schedule
- **9km** twin tunnels and **five** new stations



Our priority precincts – Arden, Docklands, Fishermans Bend, Footscray, National Employment and Innovation Clusters, Parkville, Sunshine, Richmond to Flinders Street corridor and Precincts and suburbs are expected to deliver around 150,000 homes – with opportunity for more homes to be built as the precinct grows over time.





What we'll do

Support institutional investment

Institutional investors – larger entities like superannuation funds or insurance companies – can play a critical role in housing supply. These entities have already shown their appetite to invest in long-term, stable rental properties and build-to-sell developments. We'll establish an *Institutional Investment Framework*, creating a dedicated planning pathway and one-stop shop for these investors – attracting more investment at scale in social, affordable, key worker and market homes.

Activate the Arden Precinct

A landmark precinct in central Melbourne, Arden will be a globally recognised destination for bio-medical and health sciences. Arden is an urban renewal precinct set to transform into a thriving community and a new home for Melbourne's growing technology, life science, health and education sectors. Just two kilometres from the centre of Melbourne's CBD, Arden is a central and connected precinct which will be home to up to 34,000 jobs and around 20,000 people by 2051.

We'll commence a market search for proposals to activate the Arden Precinct ahead of the Arden Metro Tunnel train station opening earlier in 2025. Our intention is to partner with the private sector, industry and investors to start delivering the Arden precinct – with quality and affordable housing to support diverse residents and key workers, including affordable build to rent, build to sell, shared equity and key worker housing.

Boost the Victorian Homebuyer Fund

Saving for a deposit is taking longer, and getting harder. In the early 2000s, it took a typical Victorian household 3.6 years to save a deposit for a house. Today, it takes an average of 6.2 years. We'll release another \$500 million from the *Victorian Homebuyer Fund*, putting home ownership within reach for more Victorians. This additional funding will support around 3,000 more Victorians into a home through a shared equity model.

The Fund provides eligible participants with a contribution of up to 25 per cent of the purchase price of the home, with participants contributing a minimum of 5 per cent of the purchase price. Since the Fund started in October 2021, we've supported 4,251 settlements with \$1.07 billion – including many Victorians who have found it particularly tough to get into the housing market. From the existing program, half of participants are women, more than half are single people, and two-thirds are first home buyers.

Introduce tougher penalties for real estate agents and sellers who break the law

Victoria has zero tolerance for real estate agents and sellers who flout the rules. We'll crack down on dodgy real estate agents by introducing tougher penalties for those who break the law, including taking commissions away from agents who underquote on properties. It'll mean more protections for Victorians looking for a home, and the majority of agents who do the right thing won't be unfairly disadvantaged by those who break the law to get ahead.

What is underquoting?



This is underquoting

- A property is advertised at \$500,000-550,000.
- After a week the online advertised price is reduced to \$450,000-490,000.
- The Statement of Information shows comparable properties in the \$600,000 range and the median price for the suburb is \$620,000.
- The property sells at auction for \$650,000 with a single bidder.
- This is underquoting as the property should have been advertised within the range of the comparable properties.
- The change in the advertised price is deliberate and triggers the search parameters of people in the sub-\$500K budget range.
- This unlawful behaviour falsely inflates the popularity or attendance numbers of the auction, which puts more pressure (false competition) on the potential bidders.
- It also wastes the time of people who are tricked into thinking a home may be within their budget.

This is not

- A property is advertised at \$500,000-550,000, which is reasonably based on the suburb's median price and the sale price of three comparable homes in the same area.
- The auction day is very popular, with multiple bidders. There are no vendor bids placed and the auctioneer declares it is 'On The Market' within the advertised range.
- The competitive bidding causes the property to sell for \$650,000.
- The bid sheet is retained in the Agent's folder for this property, and the auction was live streamed on the internet.
- Even though the sales figure was high, the auction and advertising campaign were conducted in a lawful and transparent way.



What we'll do

Unlock surplus government land

We've heard from institutional investors and the private sector that they need more clarity and certainty when it comes to under-used and surplus government land, in order to guide their investments. We'll unlock and rezone surplus government land to deliver around 9,000 homes across 45 sites in both metropolitan Melbourne and regional Victoria. As part of this work, we'll set a target of at least 10 per cent of affordable homes to be built across these sites.

Strengthen design standards to ensure high quality builds

With more and more Victorians choosing to live in apartments, they should be the best they can be – with liveability and wellbeing front and centre. We've already strengthened Victoria's apartment design standards, with previous reforms improving the internal and external design of new builds. But we know there's more to do, so we'll strengthen the existing standards to make sure they deliver the variety of homes Victorians want into the future. Our clear new standards will ensure appealing, comfortable, sustainable, and fit-for-purpose homes.

Introduce a *Short Stay Levy*

While short stay accommodation – like Airbnb or Stayz – has become a popular feature of Victoria's visitor economy, it's also reduced the ability for many properties to be used for longer term accommodation. In Victoria, there are more than 36,000 short stay accommodation places – with almost half of these in regional Victoria. More than 29,000 of those places are entire homes. These are places that cannot be used for longer-term accommodation or rented out on fixed term agreements – so it makes sense that they should provide some benefit toward the places that can.

We'll introduce a levy on short stay accommodation platforms. The *Short Stay Levy* will be set at 7.5 per cent of the short-stay accommodation platforms' revenue. And the revenue raised from the levy will go to Homes Victoria, supporting their work building and maintaining social and affordable housing across the state, with 25 per cent of funds to be invested in regional Victoria. This also means other local council charges on short stay accommodation will be removed.

Give growing communities the local infrastructure they need

We'll bring forward a \$400 million package of works along growth corridors – providing the basic infrastructure that will make a difference on the ground to new and growing communities. Drawing from the *Growth Areas Public Transport Fund* and *Building New Communities Fund*, we'll look at priority projects where they're needed most for things like toilets, shelter and lighting upgrades at bus stops and train stations, footpaths and cycling paths.

Keep making precincts about people and places

The Department of Transport and Planning is leading the whole-of-government delivery and coordination of Priority Precincts such as Arden, Docklands, Fishermans Bend, Footscray, East Werribee, Parkville and Sunshine.

We want to create places where people have vibrant, liveable and sustainable communities, affordable housing and quality jobs which help to grow Victoria's economy. Our priority precincts will capitalise on the benefits of major infrastructure investments to support thriving communities and encourage further investment.

Priority planning projects for growing suburbs

We know we need to increase opportunities for homes in Melbourne's inner and middle suburbs. At the same time, a home in our newest suburbs and regional cities will continue to be an attractive choice for many households. Growth areas will remain important – and we'll need to support that growth in our suburbs while building the transport and infrastructure to connect people to jobs and services. The Victorian Planning Authority will continue preparing Precinct Structure Plans (PSPs) for new housing and jobs in Melbourne and regional Victoria. Further work across 21 priority projects will continue to be developed to deliver more than 60,000 homes and 60,000 jobs. They'll deliver a sustainable supply of greenfield land, and more jobs close to home, while we plan for more housing choice in all parts of Victoria.

Regional Victoria

Wonthaggi PSP
 Ballarat Infrastructure Growth Alignment Framework
 Shepparton South East PSP
 Corio Norlane Urban Renewal
 Bannockburn South East PSP
 East of Aberline PSP
 Ballarat North PSP

Industrial Land

Officer South (Employment) PSP
 Greater Avalon (Employment) PSP
 Casey Fields South (Employment) PSP
 Croskell (Employment) PSP
 Merrifield North (due diligence only)
 Mambourn East (due diligence only)
 Werribee Junction (due diligence only)

Established Melbourne

Braybrook Regeneration Project

Melbourne New Communities

Beveridge North West PSP
 Gunns Gully Road Interchange GAIC WIK
 Greenvale North (Part 2) PSP
 Devon Meadows PSP
 Melton East PSP
 Clyde South (due diligence only)



425,600 new homes for regional Victoria



As part of our work to build the 2.24 million homes Victoria will need by 2051, we're setting a regional target to build 425,600 of those homes across our regions.

Regional Housing Fund

We're providing a new **\$1 billion Regional Housing Fund** to deliver more than 1,300 new homes across regional Victoria. The new homes will include a mix of social and affordable housing – and we'll work with councils, regional partnerships and local communities to determine the right mix of stock and locations for each region.

Regional Worker Accommodation Fund

We're investing **\$150 million** in a **Regional Worker Accommodation Fund** to provide new housing options for regional communities where key workers are struggling to find affordable places to live. The package will make regional workers' jobs more secure and make it easier for businesses to find and keep staff. We'll consult regional employers, workers, housing providers and councils on the program design to ensure it meets the needs of the local communities.

Big Housing Build

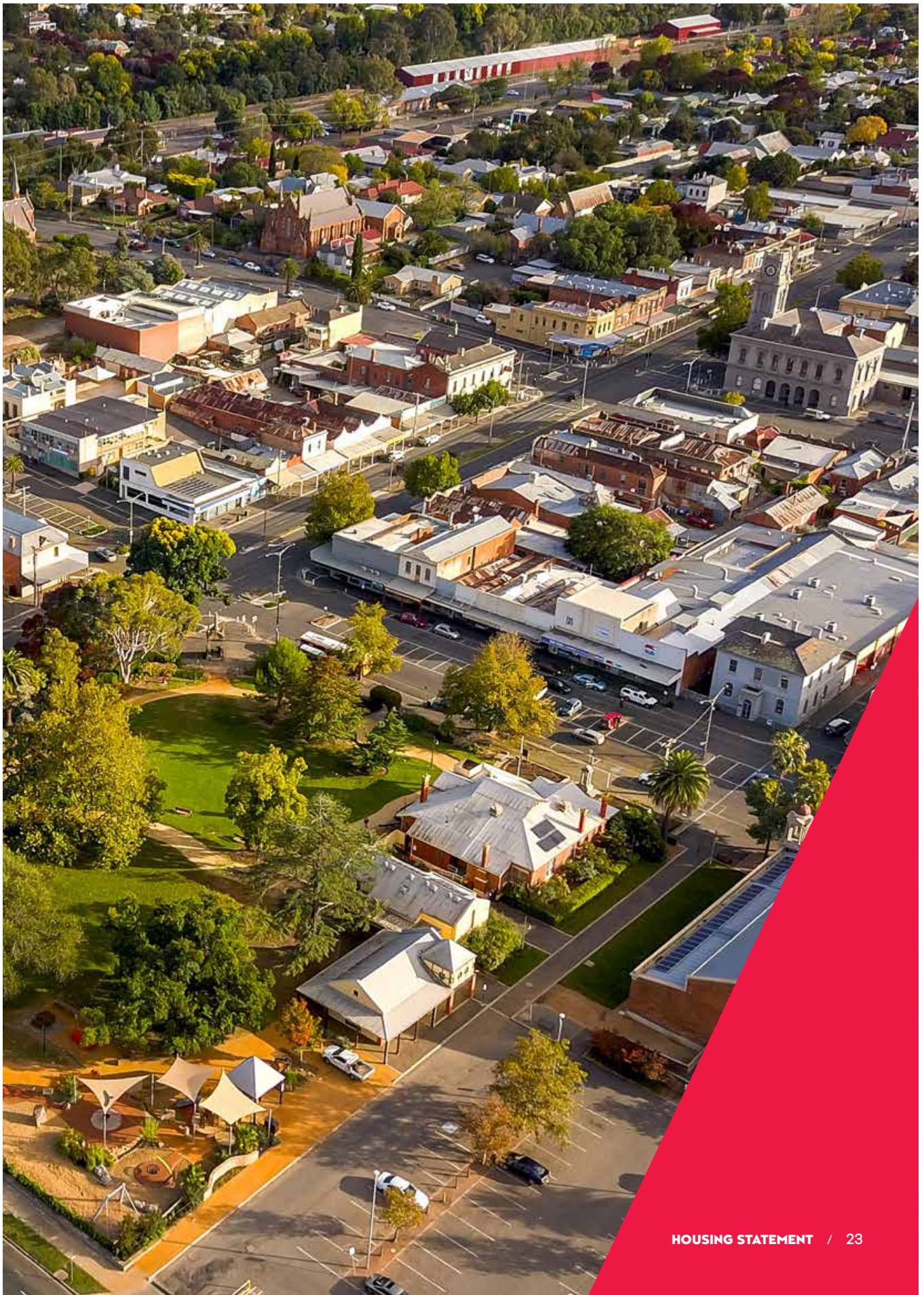
Our \$5.3 billion **Big Housing Build** is Australia's biggest ever investment in public and community housing. It's delivering more than 12,000 social and affordable homes across Victoria – including more than 9,300 social homes. As part of the Big Housing Build, **25 per cent of these homes will be delivered in regional Victoria – a \$1.25 billion investment in regional housing.**

Development Facilitation Program

By expanding Victoria's Development Facilitation Program, we'll boost critical housing supply in regional Victoria. We'll **streamline the planning process** for significant regional housing developments which are worth at least **\$15 million and deliver at least 10 per cent affordable housing**, including build-to-rent projects.

Short Stay Levy

The revenue raised following the introduction of a *Short Stay Levy* will go to Homes Victoria, supporting their work building and maintaining social and affordable housing across the state. To make sure our regions get their fair share, **25 per cent of funds from the Short Stay Levy will be invested in regional Victoria.**



HOUSING STATEMENT / 23

03

Protecting renters' rights

HOUSING STATEMENT / 24



Protecting renters' rights

- Closing loopholes that drive up the cost of living for renters
- Giving renters more certainty and security over their leases, living standards and finances
- Resolving tenancy disputes faster and keeping them out of VCAT

Across Victoria, more people are renting than ever before, and for longer.

Over the past 10 years, the number of rental properties in our state has increased by more than 32 per cent. In the early 2000s, it took a typical Victorian household 3.6 years to save a deposit for a house. Today, it takes an average of 6.2 years.

Demand for rental properties is skyrocketing. These days, the reality for most people trying to land a rental is that they find they're just one of dozens of applicants at an inspection. And when things are scarce, they always cost more. You can see that reflected in rising rents across the state: in the last five years, typical rents have gone up by 21 per cent in Melbourne and 40 per cent in regional Victoria.

We know the best thing we can do to make rental properties more affordable for more Victorians is build more of them. That's why the work this *Housing Statement* does to boost supply is critical for renters – because it's only when housing is abundant that it'll also be affordable. In other words, it's only by supplying more rental properties – not taking them off the market – that we'll be able to make renting where you want to live more affordable, for more people. In total, we anticipate 230,000 additional rental properties will be added to the Victorian market over the next ten years – that includes 70,000 facilitated by the measures outlined in the Housing Statement.

At the same time, everyone deserves the chance to have a safe, secure and affordable home – whether you own it or not. Repairs should be done properly, and quickly. Options for resolving disputes should be easy to access, quick and fair, and not too costly. Real estate agents and property managers should be held to professional standards, and renters should be taken seriously by them. Tenants should have certainty over their leases, and support with their finances. And applying for a rental property should be an easy, fast and fair process.

Victoria already has some of the strongest rental protections in the country. The Andrews Labor Government has worked hard to expand and protect renters' rights, with more than 130 reforms already in place. We've introduced minimum standards, so every renter has the right to the basics that matter: a working heater, hot and cold water, and lockable doors and windows. We've made it easier to do the little things that make a house a home – like hanging a picture, or owning a pet. And we've given renters more certainty with long term leases, fairer bonds and faster refunds, and annual rent increases – rather than unlimited ones.

But when it comes to protecting renters' rights, there's always more work to do to make sure tenants get a fairer deal.

Why rent control doesn't work long term



Rent control is a policy that, on the surface, appears to address the issue of affordable housing by limiting the amount landlords can charge for rent. But despite its intentions, international examples have shown rent control often worsens the housing crisis by discouraging investment in housing, reducing the quality of rentals and distorting the housing market.

Modern rent controls as we know them – also known as rent caps – came about during World War II as a way to try and deal with war-related migration and skyrocketing inflation. Since then, cities and states across the world have debated, introduced, amended and repealed different types of rent control measures. And the evidence from overseas paints a bleak picture for renters, especially as time goes on.

In San Francisco – a city known for its expensive housing – studies from Stanford University economists have shown that over time, rent control ultimately took crucial housing stock out of the market and drove up rents across the city. Landlords of rent-controlled properties started selling to owner-occupiers or moving their investments to other types of real estate, like condominiums, or newer, redeveloped buildings without rent caps.

In the long run, that did two things: it lowered the overall supply of rental housing by around 15 per cent, and it shifted San Francisco's properties towards more expensive ones catering to people on higher incomes. Rent control is estimated to have raised rents in San Francisco by 5.1 per cent – effectively kicking the problem down the road for the city's future renters. In Stockholm, Sweden, where strict rent controls have been in place for decades, reports of long queues for scarce housing aren't uncommon.

Rent controls in New York City tell another story on top of reduced housing supply. Evidence has shown that rent controls have had a significant impact on the quality of rental housing stock in New York. Landlords, unable to charge market rent to cover maintenance and repair costs, may defer necessary upkeep, resulting in deteriorating living conditions for tenants. Rent controlled homes in Manhattan have been found to be 9 per cent more likely to be deteriorating or dilapidated.

In contrast, studies examining rent control repeal in Massachusetts show that towns in the Boston metropolitan area experienced increases in both rental supply and housing maintenance after rent control was abolished.

We know that when things are scarce, they always cost more. This year, rental vacancy rates in Melbourne hit an historic low of just 0.8 per cent. In June, the total number of rental listings dropped by nearly 23 per cent in comparison to the same time last year. At the same time, median rent for a house hit a record high of \$520 per week. It's clear the cost of renting keeps going up because we don't have enough rental properties for all of the people who need them.

If we take more rental properties off the market – at a time when we already don't have enough to go around – the pressure on Victorian renters will get much worse in the long run. And inevitably, that's what a government-imposed cap on rental prices would do. Without a national scheme, rent caps in Victoria would discourage investment in rental housing stock – providing a powerful incentive for investors to take their money out of real estate here and put it elsewhere. When those investment properties are sold, there's no guarantee that they'll remain rentals – and the experience overseas shows they often don't.

At the end of the day, it comes down to this simple proposition: as long as rental supply is low, rental prices will stay high. And Victorian renters deserve a better deal than that.



What we'll do

Restrict rent increases between successive fixed-term rental agreements

We'll restrict rent increases between successive fixed-term leases, cracking down on an emerging trend which has seen some landlords evict tenants at the end of their first fixed-term lease in order to raise the rent substantially when re-listing the rental property. If agents or landlords are issuing a new lease after they've evicted previous tenants on their first fixed-term one, they'll have to offer the property at the same rent for at least 12 months. It'll reduce the incentive for landlords to churn through renters by evicting them, and give renters more certainty over their living arrangements.

Ban all types of rental bidding

In 2021, we made it illegal for real estate agents or landlords to solicit or encourage higher offers than the advertised price of a rental property. But a tight rental market with vacancy rates at record lows has put an incredible amount of pressure on prospective tenants. More and more, we're seeing people make their own unsolicited bids – either to pay more weekly rent or to pay more than four weeks in advance – to try and give their applications a competitive edge. We'll level the playing field for renters by closing this loophole and banning all types of rental bidding for good. We'll make it an offence to accept bids, and introduce tougher penalties for agents and landlords who break the law.

Establish *Rental Dispute Resolution Victoria*

With more people in Victoria renting than ever before, it's inevitable that the number of rental disputes has increased, too. Often, a rental dispute can be just one of a range of cost of living pressures a renter could be facing. And when that happens, a quick resolution can make a world of difference. But you shouldn't have to end up at VCAT to have simple repairs done, or to get the money you're owed. VCAT should be a last resort for tenants and landlords, not the first stop.

We'll establish *Rental Dispute Resolution Victoria*, providing a one-stop shop for renters, agents and landlords to resolve tenancy disputes over rent, damages, repairs and bonds. It'll have a clear pathway to settle issues in a faster, fairer and cheaper way – freeing up VCAT for more serious or complicated matters.





What we'll do

Introduce a portable rental bond scheme

Anyone who's ever moved house knows costs can add up, quickly. And when you're between homes, every dollar counts. We'll build a portable rental bond scheme, where tenants can carry their rental bond from one property straight over to another – rather than having to pay a new bond each time. It'll ease the financial burden on tenants, who won't have to fork out a substantial amount of money every time they move – or wait until they've got their old bond back to pay their new one. It'll streamline the administrative process for agents and property managers, who handle dozens of rentals at any one time. And it'll create a more efficient rental market – which is good news for both renters and landlords.

Extend notice of rent increase and notice to vacate periods to 90 days

Rent increases and eviction notices can be incredibly distressing. Some renters facing increases may not be able to afford to stay where they are, and be forced to change their housing situation altogether. Evicted renters have to quickly figure out their next steps – including finding a new place to live, budgeting, packing, and coordinating logistics – all while dealing with the emotional stress of their changing situation. For families with children, eviction notices can be particularly traumatic. We'll give renters more certainty, and ease the stress evicted renters face, by extending notice of rent increases and notice to vacate periods to 90 days.

Introduce mandatory training and licensing for real estate agents, property managers owners corporation managers and conveyancers

Every real estate transaction involves significant financial investments and legal complexities, and renters often rely on agents to provide accurate information and advice. We'll introduce mandatory continuing professional development for real estate industry professionals – including agents, property managers, conveyancers and owners corporation managers. It'll mean better skills for real estate workers, encourage ethical conduct across the industry, and give renters the peace of mind they deserve.

Make rental applications easier and protect renters' personal information

Applying for a rental property should be a fast, fair, straightforward process. But the reality is many renters – who usually apply for more than one property at a time – can face a field of different demands for information, records or documents just so they can secure a place to live. We'll standardise rental applications, saving renters time and giving them a clear idea of what they can expect to be asked for during the application process. We'll also limit the kind of information agents or landlords can keep on file, and how long they can keep it for, better protecting renters' privacy and data.

Deliver a *Rental Stress Support Package*

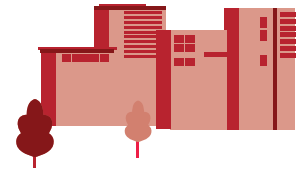
Right now, around five per cent of Victorian households are facing serious renting stress – meaning they're at risk of being evicted because they can't afford to pay their rent. There are a range of organisations who work tirelessly to prevent homelessness and help renters stay in their homes, providing legal assistance, financial information and advice, and advocacy services. We'll back their critical work for Victorians in need by delivering a \$2 million *Rental Stress Support Package* through the Victorian Property Fund. The package will help address the high demand for rental assistance these organisations are seeing, while we work to boost social, affordable and market housing supply across the state.



04

More social housing

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More social housing

- Building up to 769 homes through the Commonwealth's *Social Housing Accelerator* – on top of 12,000 homes in the pipeline as part of our *Big Housing Build* and more than 4,000 social housing homes through other programs
- Retiring our ageing high-rise towers across Melbourne, to provide homes that are modern, comfortable and energy efficient
- Rapidly accelerating the rollout of social and affordable homes across Victoria

Every Victorian deserves a roof over their head – but for most, it means so much more than that.

It gives you a base to hold down a job, or to get a good education. It's also somewhere you can start a family – or keep your family safe.

Just like with the private housing market, the supply of social and affordable homes needs to keep up demand. As of June 2023, there are around 55,800 new applicants who have expressed interest in social housing in Victoria.

Our *Big Housing Build* is Australia's biggest ever investment in public and community housing. We're building more than 12,000 new homes throughout metro and regional Victoria. They'll be modern, energy efficient homes – cooler in summer and warmer in winter – saving tenants money on their power bills. They'll be delivered in partnership with local communities, for local communities. Innovative new projects like our ground lease model will unlock places to build upon, keeping residents in the communities they know and love. And in addition to the *Big Housing Build*, we'll provide a further 4,000 new, energy efficient social housing homes, through programs like the *Public Housing Renewal Program*.

On top of the thousands of new homes we're building across the state, we're upgrading and revitalising the ones that are already standing – so the people who live there can have the comfortable homes they deserve. We'll keep investing to upgrade more than 2,000 public housing homes per year.

We know it's getting harder to find a house in regional Victoria, and demand for social and affordable housing in the regions is growing. That's why, on top of the *Big Housing Build*, we're investing \$1 billion in a *Regional Housing Fund* to deliver more than 1300 new homes across regional Victoria. The new homes will include a mix of social and affordable housing – and we'll work with councils, regional partnerships and local communities to determine the right mix of stock and locations for each region.

We're also investing \$150 million in a *Regional Worker Accommodation Fund* to provide new housing options for regional communities where key workers are struggling to find affordable places to live. It's a critical investment that'll make their jobs more secure, and make it easier for local businesses to find and keep staff.

Victoria has the biggest social and affordable housing agenda of all of Australia's states and territories – and we've got the pipeline of skilled workers we need to build these homes thanks to our nation-leading investments in TAFE. But we know that when it comes to the dignity and security of a home for every Victorian, there's always more to do – and we'll get on with it.

This will change lives. It's not just an investment in bricks and mortar – it's an investment in Victorians for years to come.



Our progress on the *Big Housing Build*



Our \$5.3 billion *Big Housing Build* is delivering more than 12,000 social and affordable homes across metropolitan and regional Victoria – including more than 9,300 social homes.

- 820 construction sites across Victoria
- 10,000 jobs a year – with ten percent of work on large sites done through apprentices, cadets and trainees
- 7,600 homes are in planning or construction
- 2,800 households have either moved in or are getting ready to move in
- The BHB will deliver a ten percent increase in social housing dwellings in four years and construct new affordable rental homes across the state
- Ten percent of all dwellings will support Aboriginal housing needs
- 1,000 homes will support victim survivors of family violence
- 2,000 supported homes will be provided for people experiencing mental illness
- All homes will meet 7-star NatHERS efficiency standards
- Twenty five percent of the investment will be in regional Victoria
- The BHB makes up roughly 7 per cent of the residential construction pipeline in Victoria
- As at May 2023, more than \$1 billion has been invested across regional Victoria
- As at May 2023, the BHB has generated more than 28,000 jobs from development work that has been completed (8,758) or is underway (20,013)

What is the Ground Lease Model?



Our Ground Lease Model is the first of its kind for Victoria. Through a partnerships approach, public land is leased from Homes Victoria to a project group who finance, design and construct new housing.

Community housing providers will manage and maintain the sites for 40 years, before handing the land, and all dwellings, back to Homes Victoria. Under this model, the land is retained by the Victorian Government.

Ground lease sites will deliver social, affordable, specialist disability and market rental homes that are welcoming, secure and meet modern design and accessibility standards. Importantly, the sites will feature spaces to support diverse, inclusive communities in well-located areas where people want to live – not isolated concrete enclaves. These sites will be home to community rooms, artists' studios, social enterprise tenancies, active open spaces, communal gardens and pocket parks.

Currently, there are two Ground Lease Model project stages underway which will deliver 2,500 new homes and around 9,000 jobs. The first stage includes three sites due for completion in early 2024 and includes locations at Bangs Street in Prahran, New Street in Brighton and Victoria Street in Flemington. Planning for the second Ground Lease Model stage is underway, and will include locations at Bluff Road in Hampton East, Barak Beacon in Port Melbourne, Horace Petty in South Yarra and Essex Street in Prahran.



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What we'll do

Launch Australia's biggest ever urban renewal project

Melbourne's high-rise public housing towers were built after World War II, between the 1950s and 1970s. They're reaching the end of their useful lives, and no longer fit for modern living. Constructed at a time that pre-dates current building codes, the towers no longer meet the minimum standards Victorians expect – including many of Victoria's Better Apartment Design Standards. The towers fail against noise, sustainability, waste and recycling, bedroom area dimensions, room depth, ventilation, private open space, accessibility and minimum amenity standards. Substantial investment would be needed to retrofit the towers. But even then, their design means that many tower homes would never be able to meet contemporary codes, nationwide energy rating schemes or accessibility needs for many households.

We'll launch Australia's biggest ever urban renewal project: retiring and redeveloping all of Melbourne's 44 ageing high-rise public housing estates by 2051. Starting with towers in Flemington, North Melbourne and Carlton, we'll bring forward a program of works to progressively retire each tower and redevelop each site.

Not only will the redevelopment mean households will move into a new home that meets every modern building standard – it'll boost the overall number of social homes across these sites by 10 per cent, while also boosting the number of affordable and market homes across the sites. There are currently around 10,000 people living across the 44 towers. Once we've redeveloped them, we anticipate around 30,000 people will live across these sites.

Build 769 more homes through the *Social Housing Accelerator*

On top of our *Big Housing Build*, we'll build up to 769 new social housing homes over the next five years with funding from the Commonwealth Government's *Social Housing Accelerator*. Announced in June this year, the *Social Housing Accelerator* is a \$2 billion investment in new social homes across Australia, with \$496.5 million provided for new homes across Victoria. We'll use this funding to build 769 new homes including low density developments on Homes Victoria owned land, as well as medium and high density developments on Victorian Government owned land. We'll also examine site spot purchases we can make across the state for further developments. This funding will support the redevelopment of the two towers in Carlton.

Invest \$1 billion in the *Affordable Housing Investment Partnership*

We'll invest \$1 billion in the *Affordable Housing Investment Partnership* (AHIP) program, providing low interest loans and government guarantees to finance social and affordable housing for Victorians that need it most – including projects that provide affordable housing for essential and key workers. The new AHIP expands on the previous Building Financial Capacity of Housing Agencies (BFCHA) initiative, bringing the total funding available up to \$2.1 billion. This is the first time that government low interest loans and government guarantees are available in Victoria for affordable housing as well as social housing.



What we'll do

Buy off-the-plan to boost social housing stock

Developers need a certain level of apartment pre-sales before a housing project can commence construction – which can often add delays to new projects kicking off. We'll explore opportunities to buy pre-sale off-the-plan apartments in medium and high density developments to boost Victoria's social housing stock. We'll consult with industry on opportunities to buy at scale through spot purchasing. And we'll buy directly from project proponents, making sure we don't reduce stock in the market.

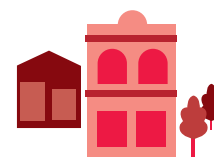
Headleasing leftover apartments

When a development project is finished, there are often a small number of units that don't end up being sold or leased. This means there could be as many as several thousand apartments left empty right now that could make a home for someone. Industry feedback suggests there may be opportunities for long-term headleases of these leftover apartments at social housing rental rates to support families who need social and affordable housing. We'll call for expressions of interest to test market appetite to add some of these apartments to our supply of social and affordable housing and help reduce the waiting list. The approach to market is not intended to subsidise developers beyond current social housing rental arrangements, or affect Homes Victoria's financial position.

05

A long-term housing plan

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A long-term housing plan

- A planning strategy to guide how our state grows and develops in the coming decades
- Long-term reform to create a modern, fit for purpose planning system that works with Victorians – not against them

We know our state will keep growing – and we know we'll need a plan to manage that growth.

We'll need a long-term vision for what our cities, suburbs and regions look like in the future. We'll need a clear framework for how our communities grow, how to build homes where Victorians want to live, and how to attract future investment. And we'll need a modern, fit-for purpose planning system that works for Victorians – not against them.

At the same time, we'll need to make sure Victoria is moving in step with the rest of the country, as we work with the Commonwealth Government and other states and territories to deliver the nation's housing accord.

This *Housing Statement* forms the first step of that work, not the last. By acting now, we can work together as a state to set a vision for the future, building on what we love for future generations. And as part of that work, it's important that as many Victorians as possible can have their say on how our state grows in the years to come. It makes sense that when you listen to people, you get better outcomes. We want Victorians to come together and be part of the solution in planning for our future challenges – including industry, councils and local communities.

We'll keep working with Victorians to make sure people have affordable homes, where they want to live and work, well into the future.

How does the *Housing Statement* fit in with the national frameworks?



What is the *National Housing Accord*?

Announced in October 2022, the *National Housing Accord* is a landmark agreement designed to tackle housing supply and affordability right across Australia. The Accord aligns the work of all levels of government, institutional investors and the construction sector to help tackle the nation's housing problem – setting an initial target of building one million new, well-located homes in the five years from 2024. As part of the Accord, states and territories will also deliver 10,000 affordable homes, and expedite zoning, planning and land release for social and affordable housing.

What is the *National Cabinet Housing Plan*?

In August 2023, National Cabinet agreed on a plan with further measures to boost housing supply and affordability – including lifting the national housing target to 1.2 million new, well-located homes over the five years from 1 July 2024. The Commonwealth will support this target with a \$500 million *Housing Support Program* for local and state governments to kick-start housing supply in well-located areas for things like connecting essential services, amenities to support new housing development, or building planning capability. National Cabinet's plan also included a national planning reform blueprint and better protections for renters.

How does our *Housing Statement* fit in?

The *National Housing Accord*, the *National Cabinet Housing Plan* and our *Housing Statement* all work together to achieve the same goal: tackling housing supply and affordability. With this *Housing Statement*, we'll kick off a significant portion of the work we signed up for through the Accord and National Cabinet – across areas like planning reform, expedited approvals, social and affordable housing and renters rights. For some of the agreed actions, Victoria already has work and stronger laws in place thanks to our previous rental reforms and projects like the *Big Housing Build*. And we'll keep working with the Commonwealth and other states and territories to find national solutions to the national problem.

National Cabinet

- ✓ Housing affordability through increasing housing supply
- ✓ Social Housing Accelerator
- ✓ National Planning Blueprint Reform

National Housing Accord

- ✓ Victoria's contribution to 10,000 affordable housing dwellings delivered by states and territories
- ✓ Victoria's contribution to 1.2 million well-located homes across the government and private sector over five years from 2024
- ✓ Expedite zoning, planning and land release for social and affordable housing
- ✓ Working with local government to deliver planning reforms
- ✓ Support the distribution of the Housing Australia Future Fund (HAFF)
- ✓ Ensure commitments made through the Accord contribute to increasing access to affordable housing beyond existing commitments
- ✓ Build a strong and sustainable Community Housing Provider Sector



What we'll do

A new plan for Victoria

We'll update *Plan Melbourne* – the Victorian Government's current metropolitan planning strategy spanning 2017-2050 – and expand it to cover the whole state. A new plan for Victoria will set into action what our state will look like over coming decades. It'll focus on delivering more homes near transport, job opportunities and essential services in vibrant, liveable, and sustainable neighbourhoods.

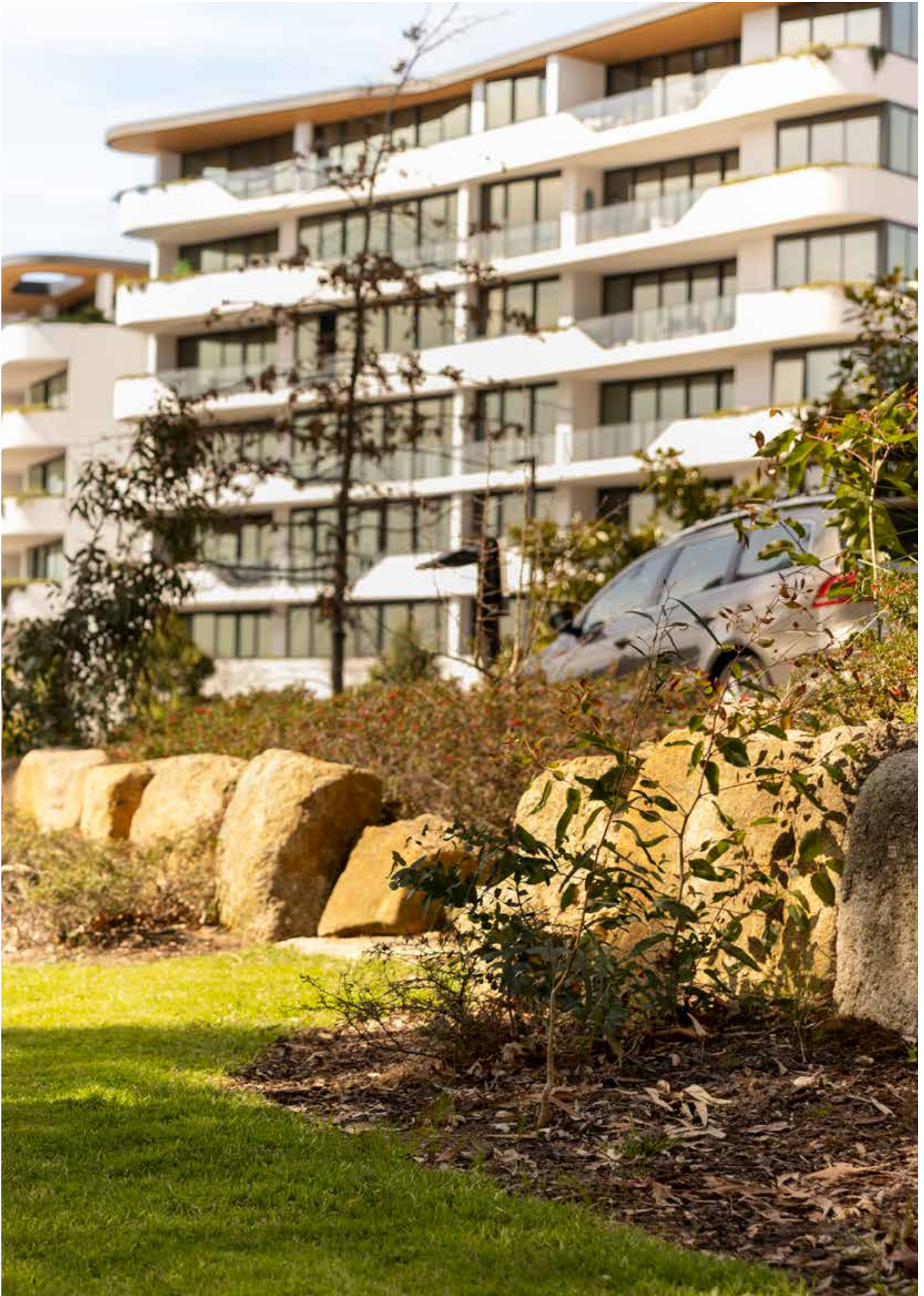
A new plan for Victoria will bring to life our target for 70 per cent of new homes to be built in established areas, while making sure growth areas deliver 30 per cent of new homes. We will establish local government targets for where those homes will be built. The plan will set our regions and rural areas up to thrive. We'll kick off initial industry consultation in the coming months, with broad and comprehensive community engagement to ramp up at the start of next year.

Build a modern, fit-for-purpose planning system

We'll review and rewrite the *Planning and Environment Act 1987* to build a modern, fit-for-purpose planning system. We'll look to establish and clarify timeframes for decisions, as well as looking at the roles and responsibilities of everyone involved in our planning system – including councils, the Minister for Planning, the Victorian Planning Authority and the Department of Transport and Planning.









A response to Victoria's Housing Statement

Submission by Boroondara City Council

**For endorsement by Council's Urban Planning Delegated Committee
13 November 2023**





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Introduction

Boroondara City Council (Council) provides a response to the recent Victorian Government media campaign and release of *Victoria's Housing Statement* (the Statement).

As a key stakeholder affected by the reforms, Council would have welcomed the opportunity to comment on the Statement prior to its public media release. The release of a discussion paper and consultation period would have been a more apt way to propose, evaluate and roll out reforms. The public release of information via the media, and immediate gazettal of a planning scheme amendment implementing some of the changes is not an appropriate way to implement major reform.

Council welcomes a Statement from the Victorian Government on the housing crisis, and recognises the state as the key level of government responsible for the provision of housing.

Council supports the broad objectives of the Statement to reform and modernise the planning system. However, Council holds serious concerns about many of the reforms proposed, as well as those already implemented via Amendment VC242 and VC243.

This submission is structured around the five chapters of *Victoria's Housing Statement*, preceded by general comments.

The submission provides a tabulated overview response of Council's position in relation to each of the reforms and a summary of the reasons for this position.

A tabulated response to the issues identified in the VC amendments follows, before a concluding chapter highlighting matters not adequately addressed in the reforms.

General comments

Before providing detailed feedback on the various reform proposals, Council provides some general feedback on key matters raised through this process.

Role of local government

As a Responsible Authority and Planning Authority, Council has a great deal of experience with the operation and maintenance of the *Planning and Environment Act 1987* (the Act). Council has made many submissions to the Victorian Government over the years advocating for various changes to the Act to provide better planning outcomes for Victorians. It is critical to ensure the planning system supports greater Environmentally Sustainable Development, is designed to protect our valued neighbourhoods and vegetation, and also ensures local communities can participate in local planning decisions.

Council is concerned that the Victorian Government has already made a number of changes in the last few years which have reduced the community's third-party public



notice and appeal rights, and Council's role as responsible planning authority. This includes amendments to facilitate level crossing removals, major road and rail projects and public housing developments.

Local government is well placed to manage all planning matters, particularly in metropolitan municipalities such as Boroondara. Council has the appropriate resources, knowledge and systems to understand and respond to the community needs and to achieve the most appropriate outcomes.

Lack of transparency and oversight

Council's objective is to ensure there is appropriate community engagement, any redevelopment of land is high quality and projects provide for the best possible community outcome. Council continues to advocate strongly for a broad community notification and third-party appeals process at the Victorian Civil and Administrative Tribunal (VCAT)

The Minister for Planning assuming the role of the responsible authority under the newly amended Clause 72.01, along with the removal of third-party appeal rights raises serious concerns about transparency and public oversight of the planning process.

The ability to waive height restrictions and to allow previously prohibited land uses in residential zones will in many cases circumvent what might have otherwise required a Planning Scheme Amendment. This further reduces the community's participation, and removes the role of a Planning Panel or Ministerial Advisory Committee. These hearings and their subsequent reports are important, independent and apolitical, instilling confidence in the Victorian planning system.

The current process that allows the Minister to 'call in' applications to be considered under Section 20(4) of the Act allows for a consultation process with the responsible authority. This should be maintained for the proposed processes.

Lack of detail

The lack of detail provided in the announced reforms creates uncertainty in the community and the development industry, particularly around the Priority Precincts.

The manner in which the reforms have been released, by the media, and the drip feed of information has resulted in local government planners relying on media releases to piece together information. This "communication" appears designed to obscure detail and make it difficult for local government and communities to fully consider the implications of the reforms.

The meaning of affordable housing

The Statement does not clearly differentiate the categories of affordable housing specified in the Act, and fails to provide details on how "affordability" will be



guaranteed. Using umbrella terms like affordable and social housing fails to specify expectations around the mix of public, community or private market housing.

Homes Victoria has their own definition of “Homes Victoria affordable”, which their website states is where “rental homes pay the advertised rent price, which is set at least 10 per cent below the market rental cost in metropolitan Melbourne and at market rent in regional Victoria.” It is unclear how charging market rent in regional areas makes homes affordable. Even at 10% below market rent, this modest discount will not ensure these rental properties are within reach for those that need them most.

Affordable housing contributions on public and private land, as referred to in the Statement should be guaranteed, and ideally this could be done via detailed planning provisions, delineating the percentages of public or affordable housing for particular development scenarios. Section 173 agreements must be required, to ensure delivery.

Public land must be primarily used for public housing, while other types of affordable housing (community housing providers, market housing) should supplement the public contribution.

Response to proposed reforms

Good decisions, made faster

Reform	Support	Reason
Clear the backlog Assist in clearing 1,400 housing permit applications with councils for more than six months with a dedicated team that works with project proponents, local councils, and referral agencies to resolve	Oppose	Preparation of briefs for the Department of Transport and Planning (DTP) and involvement of a new party in decision making process could further exacerbate timeframes and reduce resources. Applications which are around 60-day statutory days already have key



Reform	Support	Reason
<p>issues delaying council decision making.</p> <p>From Good Decisions, Made Faster media release (21/9)</p> <p>By November, we'll have a dedicated team up and running... The unit in the Department of Transport and Planning will rapidly review multi-unit developments with development costs above \$10 million.</p>		<p>issues clearly outlined for resolution and are on course for either a resolution or decision.</p> <p>Poorly prepared planning applications remain a strong contributor to an inefficient application process. Last Financial Year, Boroondara City Council statutory planning officers requested further information on 76% of all applications received. The application requirements need to be clear and linked to the decision guidelines. More resources should be placed in providing guidelines or practice notes for applicants to assist in the preparation of high-quality applications.</p> <p>A planning permit processed quickly is of little assistance if the permit applicant is required to make further amendments due to non-compliance with other legislation or statutes.</p> <p>In the last couple of years, applications subject to amendments have continued to rise. For some projects, the project itself has changed due to market forces, re-think of design or to address matters raised in other approvals.</p>
<p>Make big decisions faster</p> <p>Expanding Victoria's Development Facilitation Program by making the Minister for Planning the decision maker for significant residential developments that include affordable housing and which meet the set criteria: construction costs worth at least \$50 million in Melbourne or \$15 million in regional Victoria, and delivering at least 10 per cent affordable housing.</p> <p>A reduction in application timeframes for these types of projects to four months.</p> <p>From Good Decisions, Made Faster media release (21/9)</p> <p>(On the <i>Development Facilitation Program</i>) If these projects do not</p>	Oppose	<p>The streamlining of major developments with an affordable housing component is welcomed in theory, however the process of removing Council as the responsible planning authority and the loss of third-party appeal rights and consultation for significant developments, will lead to a process which is not as transparent as the current.</p> <p>Removing the voice of Council and the community will lead to a loss of local knowledge and context in decision making, which is a valuable contribution to guide development outcomes.</p> <p>In addition to the planning permits, permit applicants need to secure a wide variety of approvals for their projects. This includes building permits, tree removal approvals, crossover approvals, and drainage approval. Many councils will use the planning process as an opportunity to direct customers to the various other approval processes to minimise</p>



Reform	Support	Reason
<p>meet this criteria, the Minister for Planning can still approve a project if it delivers more than 10 per cent affordable housing, or if it demonstrates best practice design and environmental standards – working to support more longer term rental options for Victorians.</p>		<p>delays in their project. Planning has taken on the role as project co-ordination to ensure that developments are 'shovel-ready'.</p> <p>In fact, this is in keeping with Better Regulation Victoria's 2021 recommendation to improve the coordination of internal referrals.</p> <p>Council's recent experience with private school applications and large housing projects is that Council officers need to take the lead for the processing of the application notwithstanding that they do not get any of the application fee, as with the Markham Estate redevelopment, and the recent Melbourne University, Hawthorn campus site. This reduces Council's capacity to appropriately resource major applications.</p> <p>Development Facilitation Program</p> <p>The media release <i>Good Decisions, Made Faster</i> (21/9) states that the Minister for Planning can still approve a project if it delivers more than 10 per cent affordable housing, or if it demonstrates best practice design and environmental standards. This is not what is outlined in VC242. These poorly defined exemptions further add to the opacity of the system and reduce the transparency of these call-in powers.</p> <p>A "four month" processing time equates to approximately 120 calendar days. It is unclear if there will be a statutory clock able to be paused as in the current process. 120 days is double the current 60-day statutory timeframe.</p>
<p>Increase housing choice in activity centres</p> <p>We'll introduce clear planning controls to deliver an additional 60,000 homes around an initial 10 activity centres across Melbourne, including Camberwell Junction. Activity centre plans will guide investment in the things a growing suburb needs like community facilities, public spaces and parks. The program will also consider the best way to incentivise more affordable housing.</p>	Oppose	<p>No information has been provided on the new controls and it is unclear what changes are proposed.</p> <p>Council already has a draft revised Camberwell Junction Structure Plan well progressed, with public consultation commencing in October 2023.</p> <p>It is unclear what is meant by the statement that "the Minister for Planning taking over the planning work from councils in these areas". It is assumed that the Minister will accept either the role of the responsible or planning authority for a defined area around the Camberwell Junction Major Activity Centre.</p>



Reform	Support	Reason
<p>From Good Decisions, Made Faster media release (21/9)</p> <p>We'll introduce clear planning controls to deliver an additional 60,000 homes around an initial 10 activity centres across Melbourne by the end of 2024, with the Minister for Planning taking over the planning work from councils in these areas.</p>		<p>This is completely unacceptable and undermines years of strategic work by Council and its officers to prepare a new Structure and Place Plan for the area. It also falls well short of community expectations that they be involved in planning for the future of their local areas.</p> <p>It is considered that there is no practical reason why the Victorian Government would need to proceed with introducing additional planning controls at the end of 2024. Instead, the Government should fully support the Boroondara plans for Camberwell in a timely manner.</p> <p>As with the existing Development Facilitation Program that applies to certain school developments, Council may expend resources on assessing the referred applications, without receiving any of the application fee.</p> <p>Further, there is no justification provided as to why these 10 centres have been selected, while others such as Doncaster Hill are not included.</p>
<p>Making it easier to build a small second home</p> <p>We'll make it easier to build a second small home on your property. Dwelling garden units won't require a planning permit if they're less than 60 square metres. And we'll also introduce more permit exemptions for single dwellings for things like extensions to sheds and carports.</p>	Oppose	<p>The change to the provisions to allow a secondary dwelling is not supported without further detail and consultation with councils. The comprehensive assessment of dual occupancies against the provisions of Clause 55 (ResCode) is important as it ensures that there is appropriate consideration of neighbourhood character, external and internal amenity. It is imperative that secondary dwellings must comply with the qualitative standards of ResCode.</p> <p>This change to the Scheme will attract significant interest from the community, and public consultation should be undertaken as the introduction of secondary dwellings will increase the intensity of sites within residential areas.</p> <p>The introduction of the secondary dwelling provisions as a VicSmart application is not supported. If the introduction of 'small, low-impact' housing is to be encouraged, there are other means to encourage these dwellings. For</p>



Reform	Support	Reason
		<p>example, the ResCode standards could be re-written to include standards that apply to medium density housing, and another set of standards that may apply that may be less onerous for the secondary dwellings provision. However, public consultation should be undertaken for any such changes.</p> <p>Adequate car parking must be provided for the secondary dwelling and retained for the existing dwelling.</p> <p>These secondary dwellings have the potential to irreversibly change streetscapes, especially on corner sites. If the secondary dwelling is sited with a frontage/abuttal to a road, Standards B1 (Neighbourhood Character) and B31 (Design detail) of ResCode must apply. To facilitate assessment of this, the proposed information requirements at Clause 52.07-5 would need to be altered to require details of adjacent/nearby building form/materials.</p> <p>The provisions must provide suitable internal amenity considerations for occupants of the existing dwelling, nor the proposed secondary dwellings.</p> <p>Matters of private open space and visual privacy must be addressed in the decision guidelines.</p> <p>“Secondary dwelling” must be clearly defined and should encapsulate some of the key components of the secondary dwelling. It is suggested that the wording includes “<i>A dwelling that is limited to a maximum gross floor area of 60sqm (including out buildings) and is single storey. The secondary dwelling must be the sole secondary dwelling on the lot. A secondary dwelling cannot be subdivided from the lot of the existing dwelling.</i>”</p> <p>It should be clarified whether the secondary dwelling must also meet the definition of “dwelling” under Clause 73.03.</p> <p>Exemptions for sheds and carports</p>



Reform	Support	Reason
		<p>There are already permit exemptions for single dwellings for garden sheds and more options within Clause 62.02-2.</p> <p>In many instances there are controls including Heritage Overlays which warrant consideration.</p>
<p>Faster permits and planning certainty</p> <p>We'll streamline assessment pathways with a range of new <i>Deemed to Comply</i> residential standards for different types of homes.</p> <p>Council planners will be able to quickly approve permits for houses that meet the residential standards – like how much space homes take up on a block, or how much storage a home has – meaning councils will only assess aspects of a permit that don't comply with those standards.</p> <p>We'll expand the <i>Future Homes</i> program to encourage more new builds. Future Homes provides four sets of readymade architectural designs which can be purchased by developers and adapted to a site through a streamlined planning process. We'll create more high-quality designs for 4 and 5 storey developments, and we'll expand the areas where they can be used.</p> <p>We'll also make changes to the types of homes that require planning permits. Single dwellings on lots bigger than 300 square metres, and not covered by an overlay, will no longer require a planning permit.</p> <p>Single dwellings on lots smaller than 300 square metres, where an overlay doesn't exist, will be ticked off within 10 days.</p> <p>From Good Decisions, Made Faster media release (21/9)</p>	Oppose	<p>Deemed to comply</p> <p>Council has made previous submissions that a transition towards a planning system that replicates the prescriptive elements of the building permit approval process is not supported. The planning system generally achieves outcomes that maintain amenity and provide liveability based on key planning objectives and performance-based assessments. This will be sacrificed with limited planning assessment. The "deemed to comply" approach reduces the ability for councils to negotiate better outcomes on behalf of their communities, and leads to a minimum compliance approach, rather than seeking excellence.</p> <p>The erosion of notice and appeal rights for the community is strongly opposed.</p> <p>VC amendments</p> <p>The gazetted changes to Clauses 54 and 55 now include a 'deemed to comply' aspect that assumes that where the standard to ResCode is met, that the objective and relevant decision guidelines have been achieved. The standards have been further amended to remove requirements responding to fence character and built form aspects requiring developments to provide a transition in height between adjacent buildings (ie. Standard B32 - Front fences, Standard B7 - Building Height). There is an assumption that a 'tick the box' approach will be satisfactory which is not the case. The changes reduce Council's ability to advocate for improved and site-specific outcomes which respond to nuances such as streetscape character and off-site amenity and is not supported.</p>



Reform	Support	Reason
<p>Fourteen of the current residential development standards will be codified – including north-facing windows objective, overshadowing open space objective and street setback.</p> <p>The remaining 39 will be reviewed and finalised by September 2024, following targeted consultation. Deemed to Comply matters will no longer be considered by VCAT.</p> <p>Currently, <i>Future Homes</i> are plans and processes are only available in the City of Maribyrnong. We'll expand the areas where they can be used – extending <i>Future Homes</i> to all general residential zones where development is within 800 metres of an activity centre or railway station.</p>		<p>Future Homes</p> <p>The use of Future Homes templates within the new Clause 53.24 does not reflect each site's unique characteristics, topographic constraints and streetscape and neighbourhood context, which should be custom designed for each site having regard for each of these sensitivities.</p> <p>The templates and mandatory development standards included within Clause 53.24 focus only on internal amenity aspects, exempting developments from an assessment against off-site amenity, built form and streetscape impacts. This is an unacceptable outcome for the community.</p> <p>Clause 53.24-4 further exempts the responsible authority from considering critical matters such as the Planning Policy Framework (including strategic studies regarding housing), the Purpose, decision guidelines and Schedule to the zone, as well as the decision guidelines in Clause 65. These are policies and provisions that provide overarching guidance to development in Victoria and contravenes the purpose of the Act which is to provide a framework for planning the use, development and protection of land in Victoria in the present and long-term interests of all Victorians.</p> <p>Retaining the requirement for notice while removing appeal rights for these types of application creates an untenable situation for Council where the matters which may be considered are severely truncated to internal amenity aspects with the concerns of the community regarding amenity and built form unable to be considered any further.</p> <p>It is of further concern that there does not appear to be any strong guidance as to what degree of modification to these plans is allowable for them to still benefit from the program. This another example of an unreasonable level of Ministerial discretion makes the process muddier, rather than clearer or more transparent.</p> <p>Areas of Boroondara within the General Residential Zone (ie. Hawthorn and Kew) are</p>



Reform	Support	Reason
		<p>located within established suburban residential 'hinterland' areas even while remaining accessible to activity centres and train stations.</p> <p>Single dwellings</p> <p>Single dwellings between 300-500sqm ought to still require planning permission. Removing these properties from the planning system entirely is out of step with community expectations and will limit the assessment of neighbourhood character, and the ability to achieve best practice outcomes, relying instead on a minimum compliance model through the building process.</p> <p>ResCode changes</p> <p>Council made an extensive submission to the 2021 discussion paper <i>Improving the operation of ResCode</i>, raising serious concerns with the proposal. This highlights the importance of consultation on all new or revised changes.</p> <p>Consultation on the remaining 39, standards must not be "targeted", but must be broad and allow local governments with relevant expertise to provide feedback before changes are gazetted.</p> <p>VicSmart</p> <p>The introduction of different assessment pathways like VicSmart is further complicating, rather than simplifying the planning system.</p> <p>Demonstrating compliance with a registered restrictive covenant often takes more than 10 days.</p>
<p>Red Tape Commissioner reforms</p> <p>We'll introduce legislative reforms to strengthen our planning system. The legislation will implement Red Tape Commissioner recommendations, as well as other reforms like giving VCAT the power to dismiss matters without a prospect of success and imposing time limits on submissions. Planning Panels will also be able to</p>	Partially support	<p>Red Tape Commissioner recommendations</p> <p>Council previously made an extensive submission in response to the Better Regulation Victoria discussion paper <i>Planning and Building Approvals Process Review</i> (2019). Council did support, or partially support many reforms, such as improvements to pre-application processes and minimum information requirements to lodge planning permit applications.</p>



Reform	Support	Reason
undertake hearings on the papers and join parties.		<p>Council's criticisms of the discussion paper included that it was written with the remit of removing red tape, aimed at improving the process for developers and landowners, without giving adequate weight to the impacts on local government and communities. The major failing of the discussion paper was that it looked at these processes in isolation, within the scope of removing "red tape" (which in itself is highly emotive and not particularly helpful language) and did not consider in any detail the broader implications of the recommended changes. Most importantly and most worryingly, the authors did not appear to have given due consideration to improving the quality of planning outcomes for the community, but rather concentrated on seeking to reduce time for decision making and increasing local government reporting requirements beyond the already substantial reporting undertaken through the Local Government Performance Reporting Framework (LGPRF) and Planning Permit Activity Reports (PPARs).</p> <p>The discussion paper was also lacking in detail on many of the proposed reforms, making it difficult for Council to provide meaningful feedback.</p> <p>Any implementation of these recommendations must be preceded by detailed consultation with local government stakeholders.</p> <p>For there to be any meaningful advancement in the provision of good quality housing in the State, the issues in the building sector highlighted by the Commissioner must also be addressed.</p> <p>VCAT</p> <p>VCAT power to dismiss potentially will result in more directions hearings.</p> <p>In our experience, the majority of objectors object to an application as they legitimately feel concerned with the proposal. With appeal rights, they have a choice how far they wish to pursue their objections to the application. With</p>



Reform	Support	Reason
		<p>any objection there is an obligation to demonstrate how they would be affected by the application and therefore it is not necessary for the planning system to limit the extent of notice or appeal rights.</p> <p>It may be helpful to residents when giving notice to provide more information on what matters will be considered with a particular application so that their objection can fit within the planning controls.</p> <p>Planning Panels</p> <p>Planning Panels can already undertake hearings on papers, if agreed by parties. Council does not support removing or reducing the community's ability to participate in hearings, and strongly values the transparency and impartiality of the current process.</p>
<p>Convert commercial buildings to residential</p> <p>The Property Council of Australia (PCA) and the City of Melbourne have identified close to 80 commercial office buildings that are currently under-used because of changing work patterns and demand for flexible floor space increasing. We'll work with the PCA and the City to consider opportunities to facilitate the conversion of these offices into around 10,000-12,000 apartments and mixed-use properties.</p>	Support	<p>Council supports partnerships working with, not against, local government on unique challenges faced by municipalities.</p>
<p>Provide quicker water connections</p> <p>We'll work to speed up water connections in greenfield areas to get Victorians into their new homes faster. We'll revise our statement of expectations to water corporations, strengthening the need to engage with developers and local councils</p>	Support	<p>Council emphasises the need to work with local government early and regularly through the permit process.</p> <p>Support clear statutory timelines for these utility providers.</p>



Reform	Support	Reason
early and regularly through the permit process – and setting clear timelines these water corporations need to meet to connect new communities and developments to the essential services they rely on.		
More resources to support a faster, fairer planning system To give industry greater certainty, the Department of Transport and Planning will bolster its resources in the coming months – including by bringing on 90 new planners – to help with a range of priorities like clearing the backlog, making good decisions faster and increasing housing choice in activity centres.	Partially support	This recruitment may help improve resources for the State, however it will likely make it more difficult for councils to retain and recruit planning professionals. At the time of writing, officers are unaware of any recruitment having commenced for these roles.

Cheaper housing, closer to where you work

Reform	Support	Reason
Support institutional investment Institutional investors – larger entities like superannuation funds or insurance companies – can play a critical role in housing supply. These entities have already shown their appetite to invest in long-term, stable rental properties and build-to-sell developments. We'll establish an <i>Institutional Investment Framework</i> , creating a dedicated planning pathway and one-stop shop for these investors – attracting more investment at scale in social, affordable, key worker and market homes.	N/A	Not relevant to Boroondara City Council, Council takes no position on this matter.
Activate the Arden Precinct We'll commence a market search for proposals to activate the Arden Precinct ahead of the Arden Metro Tunnel train station opening earlier in 2025. Our intention is to partner	N/A	Not relevant to Boroondara City Council, Council takes no position on this matter.

Camberwell Office 8 Inglesby Road Camberwell Victoria T 9278 4444 F 9278 4466
 Postal Address Private Bag 1 Camberwell Victoria 3124
 Email boroondara@boroondara.vic.gov.au



Reform	Support	Reason
with the private sector, industry and investors to start delivering the Arden precinct – with quality and affordable housing to support diverse residents and key workers, including affordable build to rent, build to sell, shared equity and key worker housing.		
Boost the Victorian Homebuyer Fund We'll release another \$500 million from the Victorian Homebuyer Fund, putting home ownership within reach for more Victorians. This additional funding will support around 3,000 more Victorians into a home through a shared equity model.	N/A	Not relevant to Boroondara City Council, Council takes no position on this matter.
Introduce tougher penalties for real estate agents and sellers who break the law We'll crack down on dodgy real estate agents by introducing tougher penalties for those who break the law, including taking commissions away from agents who underquote on properties.	N/A	Not directly relevant to Boroondara City Council, Council takes no formal position on this matter, but notes that this is a matter that is of concern to and is likely to be supported by many in the community.
Unlock surplus government land We'll unlock and rezone surplus government land to deliver around 9,000 homes across 45 sites in both metropolitan Melbourne and regional Victoria. As part of this work, we'll set a target of at least 10 per cent of affordable homes to be built across these sites.	Partial support in principle	Council supports the utilisation of State Government owned land to provide more social and affordable housing. It is not clear if any of the 45 sites mentioned are in Boroondara. However, the recent announcement that VicRoads' offices at Denmark Street in Kew are to be vacated by early 2024 (as reported by <i>The Age</i> , 25/9/23) leads to speculation that the site could be a candidate for this type of development. Local government and community must be involved in the decision-making processes for these sites, and the rezoning and permitting for the sites must be undertaken with openness and transparency. The target of 10% affordable homes should be increased and should not be able to be waived



Reform	Support	Reason
		or varied. There should be a guarantee of at least 10% public housing, with a further percentage of affordable housing (community and market) specified in addition to this. The recently gazetted Amendment C211dare provides at least 20% affordable housing.
Strengthen design standards to ensure high quality builds <p>With more and more Victorians choosing to live in apartments, they should be the best they can be – with liveability and wellbeing front and centre. We've already strengthened Victoria's apartment design standards, with previous reforms improving the internal and external design of new builds. But we know there's more to do, so we'll strengthen the existing standards to make sure they deliver the variety of homes Victorians want into the future. Our clear new standards will ensure appealing, comfortable, sustainable, and fit-for-purpose homes.</p>	Support in principle	Council supports the principle of improved design standards, although the proposal lacks any detail at this stage.
Introduce a Short Stay Levy <p>We'll introduce a levy on short stay accommodation platforms. The Short Stay Levy will be set at 7.5 per cent of the short-stay accommodation platforms' revenue. And the revenue raised from the levy will go to Homes Victoria, supporting their work building and maintaining social and affordable housing across the state, with 25 per cent of funds to be invested in regional Victoria. This also means other local council charges on short stay accommodation will be removed.</p>	N/A	Not relevant to Boroondara City Council, Council takes no position on this matter.



Reform	Support	Reason
<p>Give growing communities the local infrastructure they need</p> <p>We'll bring forward a \$400 million package of works along growth corridors – providing the basic infrastructure that will make a difference on the ground to new and growing communities. Drawing from the <i>Growth Areas Public Transport Fund</i> and <i>Building New Communities Fund</i>, we'll look at priority projects where they're needed most for things like toilets, shelter and lighting upgrades at bus stops and train stations, footpaths and cycling paths.</p>	Support in principle	<p>Council supports the State's provision of basic infrastructure in new and growing communities. It is unclear if any of the areas affected by these works are within Boroondara.</p> <p>Regardless, any new projects must be undertaken in consultation with the relevant local government and community to understand what is needed most.</p>
<p>Keep making precincts about people and places</p> <p>The Department of Transport and Planning is leading the whole-of-government delivery and coordination of Priority Precincts such as Arden, Docklands, Fishermans Bend, Footscray, East Werribee, Parkville and Sunshine.</p> <p>We want to create places where people have vibrant, liveable and sustainable communities, affordable housing and quality jobs which help to grow Victoria's economy. Our priority precincts will capitalise on the benefits of major infrastructure investments to support thriving communities and encourage further investment.</p>	N/A	<p>None of the priority precincts currently listed are in Boroondara.</p> <p>Not relevant to Boroondara City Council, Council takes no position on this matter.</p>
<p>Priority planning projects for growing suburbs</p> <p>The Victorian Planning Authority will continue preparing Precinct Structure Plans (PSPs) for new housing and jobs in Melbourne and regional Victoria.</p>	N/A	<p>None of the priority projects currently listed are in Boroondara.</p> <p>Not relevant to Boroondara City Council, Council takes no position on this matter.</p>



Protecting renters' rights

Reform	Support	Reason
Restrict rent increases between successive fixed-term rental agreements	N/A	Council takes no formal position on this matter, but notes that this is a matter that is of concern to and is likely to be supported by many in the community.
Ban all types of rental bidding	N/A	Council takes no position on this matter.
Establish Rental Dispute Resolution Victoria	N/A	Council takes no position on this matter.
Introduce a portable rental bond scheme	N/A	Council takes no position on this matter.
Extend notice of rent increase and notice to vacate periods to 90 days	N/A	Council takes no position on this matter.
Introduce mandatory training and licensing for real estate agents, property managers owners corporation managers and conveyancers	N/A	Council takes no position on this matter.
Make rental applications easier and protect renters' personal information	N/A	Council takes no position on this matter.
Deliver a Rental Stress Support Package	N/A	Council takes no position on this matter.

More social housing

Camberwell Office 8 Inglesby Road Camberwell Victoria T 9278 4444 F 9278 4466
 Postal Address Private Bag 1 Camberwell Victoria 3124
 Email boroondara@boroondara.vic.gov.au



Reform	Support	Reason
<p>Launch Australia's biggest ever urban renewal project</p> <p>We'll launch Australia's biggest ever urban renewal project: retiring and redeveloping all of Melbourne's 44 ageing highrise public housing estates by 2051. Starting with towers in Flemington, North Melbourne and Carlton, we'll bring forward a program of works to progressively retire each tower and redevelop each site.</p> <p>Not only will the redevelopment mean households will move into a new home that meets every modern building standard – it'll boost the overall number of social homes across these sites by 10 per cent, while also boosting the number of affordable and market homes across the sites. There are currently around 10,000 people living across the 44 towers. Once we've redeveloped them, we anticipate around 30,000 people will live across these sites.</p>	<p>Partially support in principle</p>	<p>The target of 10% more social homes should be increased and should not be able to be waived or varied. There should be a guarantee of at least 10% more <u>public</u> housing, with a further percentage of affordable housing (community and market) specified in addition to this.</p> <p>The social impacts on existing public housing residents need to be carefully considered and managed.</p> <p>It is unclear how the temporary loss of public housing during lengthy construction periods will be managed, and this does seem to indicate a reduction in the short term in the overall number of public housing places available.</p> <p>It is also unclear how the labour resources required to rebuild these towers will affect the broader construction market, as there are already labour shortages causing delays in construction of existing projects, further affecting affordability.</p>
<p>Build 769 more homes through the Social Housing Accelerator</p> <p>We'll build up to 769 new social housing homes over the next five years with funding from the Commonwealth Government's Social Housing Accelerator. Announced in June this year, the Social Housing Accelerator is a \$2 billion investment in new social homes across Australia, with \$496.5 million provided for new homes across Victoria. We'll use this funding to build 769 new homes including low density developments on Homes Victoria owned land, as well as medium and high density developments on Victorian Government owned land. We'll also examine site spot purchases we can make across the state for further developments. This funding will</p>	<p>Partially support</p>	<p>Council supports the State and Federal partnership proposed.</p> <p>However, as detailed above Council is concerned about the social costs and projects must be carefully managed to minimise the social risks and to minimise harm to existing public housing residents.</p> <p>As previously outlined, public land should be used for primarily public housing, and this should be better defined.</p>



Reform	Support	Reason
support the redevelopment of the two towers in Carlton.		
Invest \$1 billion in the Affordable Housing Investment Partnership We'll invest \$1 billion in the Affordable Housing Investment Partnership (AHIP) program, providing low interest loans and government guarantees to finance social and affordable housing for Victorians that need it most – including projects that provide affordable housing for essential and key workers. The new AHIP expands on the previous Building Financial Capacity of Housing Agencies (BFCHA) initiative, bringing the total funding available up to \$2.1 billion. This is the first time that government low interest loans and government guarantees are available in Victoria for affordable housing as well as social housing.	Support in principle	Council supports this measure in principle pending further details.
Buy off-the-plan to boost social housing stock Developers need a certain level of apartment pre-sales before a housing project can commence construction – which can often add delays to new projects kicking off. We'll explore opportunities to buy pre-sale off-the-plan apartments in medium and high density developments to boost Victoria's social housing stock. We'll consult with industry on opportunities to buy at scale through spot purchasing. And we'll buy directly from project proponents, making sure we don't reduce stock in the market.	Support in principle	Council supports this measure in principle pending further details.
Head leasing leftover apartments When a development project is finished, there are often a small number of units that don't end up	Support in principle	Council supports this measure in principle pending further details.



Reform	Support	Reason
being sold or leased. This means there could be as many as several thousand apartments left empty right now that could make a home for someone. Industry feedback suggests there may be opportunities for long-term headleases of these leftover apartments at social housing rental rates to support families who need social and affordable housing. We'll call for expressions of interest to test market appetite to add some of these apartments to our supply of social and affordable housing and help reduce the waiting list. The approach to market is not intended to subsidise developers beyond current social housing rental arrangements, or affect Homes Victoria's financial position.		

A long-term housing plan

Reform	Support	Reason
<p>A new plan for Victoria</p> <p>We'll update <i>Plan Melbourne</i> – the Victorian Government's current metropolitan planning strategy spanning 2017-2050 – and expand it to cover the whole state. A new plan for Victoria will set into action what our state will look like over coming decades. It'll focus on delivering more homes near transport, job opportunities and essential services in vibrant, liveable, and sustainable neighbourhoods.</p> <p>A new plan for Victoria will bring to life our target for 70 per cent of new homes to be built in established areas, while making sure growth areas deliver 30 per cent of new homes. We will establish local government targets for where those</p>	<p>Partially support in principle.</p> <p>Oppose local government housing targets.</p>	<p><i>Plan Melbourne</i>, like any strategic document, should rightly be periodically reviewed. This is even more pressing considering the COVID pandemic, the economic and demographic changes as well as social changes to the way we live and work.</p> <p>A holistic strategic vision for the State is required, and extending the Plan's reach beyond Melbourne is supported in principle.</p> <p>It is important that local government is consulted early, and in a meaningful way in developing this new plan.</p> <p>Council opposes the establishment of local government housing targets. Council has recently adopted the Boroondara Housing Strategy 2023 which clearly demonstrates capacity for a net increase in dwellings of approximately 65,050 in Boroondara. There is more than adequate capacity under the</p>



Reform	Support	Reason
homes will be built. The plan will set our regions and rural areas up to thrive. We'll kick off initial industry consultation in the coming months, with broad and comprehensive community engagement to ramp up at the start of next year.		current policy settings to provide for the 9,400 dwellings likely to be needed.
<p>Build a modern, fit-for-purpose planning system</p> <p>We'll review and rewrite the <i>Planning and Environment Act 1987</i> to build a modern, fit-for-purpose planning system.</p> <p>We'll look to establish and clarify timeframes for decisions, as well as looking at the roles and responsibilities of everyone involved in our planning system – including councils, the Minister for Planning, the Victorian Planning Authority and the Department of Transport and Planning.</p>	Support in principle	<p>The <i>Planning and Environment Act</i> is in need of review, but should not be so dramatically altered that it no longer resembles what is currently a largely robust, democratic and well-functioning planning system.</p> <p>Added systems like 'deem to comply', VicSmart pathways, limited VCAT appeal rights, and the modification of notice provisions and applications processed by the Development Facilitation Program are adding complexities to the planning system and not streamlining.</p> <p>Ministerial and Department timelines for Planning Scheme Amendments</p> <p>Council welcomes the opportunity to establish timeframes for decisions, and implores the government to ensure transparency is at the heart of these reforms.</p> <p>Council has recently experienced many delays with the Department and the Minister, waiting for authorisation of Amendment C395boro since March 2023, over six months. Section 8A of the Act must be amended to remove the indefinite ability to leave an application for authorisation under further review.</p> <p>Further, Amendment C376boro (Melbourne University Hawthorn Campus at 442 Auburn Road and 9 Bills Street, Hawthorn) was with the Priority Projects Standing Advisory Committee or the Minister since March 2023, and only gazetted on 28 September, over six months later.</p>



Issues with Amendment VC242

Clause	Support	Reason
<p>Clauses 32.07, 32.08 and 32.09</p> <p>Changes to the use tables allowing the following previously prohibited uses under Section 2, where associated with a Clause 53.22 or 53.23 application.</p> <ul style="list-style-type: none"> - Office (other than Medical centre) - Retail premises (other than Convenience shop, Food and drink premises, Market, and Plant nursery) 	Oppose	<p>This change has the ability to undermine our activity centres and commercial zones, as well as our residential zones.</p> <p>Office and retail premises uses as specified were rightly prohibited in Residential Zones, and to now not only allow the use subject to the grant of a permit, but to remove third party appeal rights is unacceptable. There are many areas in our municipality where these Clauses may be activated, where an office or retail premises is completely out of character with the surrounding neighbourhood.</p> <p>These uses may have adverse amenity impacts in residential areas, and are the types of application where the local council and community ought to be involved.</p>
<p>Clause 53.23-1</p> <p>The responsible authority may decide to reduce the percentage of the total number of dwellings in the development that must be affordable housing, or not require an agreement to be entered into under Section 173 of the Act.</p>	Oppose	<p>The affordable housing component is not guaranteed and is essentially meaningless if it able to be waived or varied. It is concerning that there are no criteria or guidelines for when this might be appropriate.</p>
<p>Clause 53.22-2</p> <p>The responsible authority may waive or vary any building height or setback requirement.</p> <p>An application is exempt from an application requirement in this planning scheme if in the opinion of the responsible authority the information is not relevant to the assessment of the application</p>	Oppose	<p>Undermines all previous strategic work to apply DDOs and Zone controls.</p> <p>Removes certainty for developers and community alike, and may in fact push up land valuations and sale prices.</p> <p>It is concerning that there are no criteria or guidelines for when this might be appropriate.</p>



Clause	Support	Reason
<p>Clause 53.23-2</p> <p>The responsible authority may waive or vary any of the following:</p> <ul style="list-style-type: none"> • A minimum garden area requirement. • Any building height or setback requirement. • A condition opposite a use in Section 2 in a zone or a schedule to a zone. <p>An application is exempt from an application requirement in this planning scheme if in the opinion of the responsible authority the requirement is not relevant to the assessment of the application.</p>	Oppose	<p>Minimum garden area is important to retain.</p> <p>Conditions in zones are meaningless if they're able to be waived or varied.</p> <p>It is concerning that there are no criteria or guidelines for when this might be appropriate.</p>
<p>Clause 53.22-5 and Clause 53.23-6</p> <p>Before deciding on an application, in addition to the decision guidelines elsewhere in this planning scheme including in clause 65, the responsible authority must consider, as appropriate:</p> <ul style="list-style-type: none"> • The purpose of the clause. • The views of the Office of the Victorian Government Architect. 	Partial support	<p>Clause 66.03 should be corrected to include the Office of the Victorian Government Architect as at least a recommending referral authority.</p> <p>Similarly, the decision guidelines of these clauses and Clause 66.03 should be corrected to also include the relevant municipal council as a recommending referral authority. This is in keeping with the intent of the Explanatory Report for the amendment, which includes giving notice to the relevant municipal council. It is preferred that Clause 66.03 be employed in relation to the municipal council, but failing this Clause 66.05 should be updated to include the relevant municipal council.</p> <p>It is critical that these steps are clearly defined to avoid procedural disputes and further delays in processing applications.</p>
<p>Clause 53.23-5</p> <p>An application under any provision of this planning scheme is exempt from the decision requirements of sections 64(1), (2) and (3), and the review rights of sections 82(1) of the Act.</p>	Oppose	<p>Council strongly opposes any change that removes the community's right to participate in the planning process, particularly where it concerns large, neighbourhood-defining projects, and uses that may have local amenity impacts.</p>



Clause	Support	Reason
Clause 72.01 Making the Minister for Planning the responsible authority for a use or development to which clause 53.22 or 53.23 applies.	Oppose	Council maintains that local government is best placed to assess major planning applications, particularly in metropolitan Melbourne. Noting the recently gazetted changes do not require the Minister to consult or work with Council, we implore the Minister to seek comments from the relevant Council on these major projects that will transform our communities. Raises questions for councils who will be left enforcing conditions they did not impose.

Issues with Amendment VC243

Clause	Support	Reason
Codifying residential development standards Includes amending clause 54 (One dwelling on a lot) and clause 55 (Two or more dwellings on a lot and residential buildings) to amend the operation of the provision for assessment of the following standards: <ul style="list-style-type: none"> • Street setback A3/B6 • Building height A4/B7 • Site coverage A5/B8 • Permeability A6 • Side and rear setbacks A10/B17 • Walls on boundaries A11/B18 • Daylight to existing windows A12/B19 • North-facing windows A13/B20 	Oppose	See response above in Good decisions, made faster . Examples of where the new “deemed to comply” standard is highly problematic are provided below. Overlooking A15/B22 Below is an example where the ground floor is less than 800mm above NGL and the fence is higher than 1.8m, but all of the ground floor windows allow a young child to see over the fence. The effective screen height is only 1.01m, roughly the same as a balustrade. This is clearly an unacceptable outcome, that will now be considered compliant without further question.

Camberwell Office 8 Inglesby Road Camberwell
 Postal Address Private Bag 1 Camberwell
 Email boroondara@boroondara.vic.gov.au





Clause	Support	Reason
<ul style="list-style-type: none"> • Overshadowing open space A14/B21 • Overlooking A15/B22 • Daylight to new windows A16/B27 • Private open space A17/B28 • Storage B30 • Front fences A20/B32 		<p>Side and rear setbacks A10/B17</p> <p>In the matter of D'Andrea v Boroondara CC [2023] VCAT 1148, the applicant for review submitted that “the proposed building exhibits a height and a series of setbacks that will result in an unreasonable level of visual bulk to the adjoining properties to the rear of the review site. A tick the box approach to Standard B17 can’t be where amenity considerations stop in such a planning assessment... such an approach does not take into account changes in levels between sites as caused by sloping land, and other contextual matters, and therefore a more qualitative assessment needs to be undertaken, then extends beyond mere compliance with Standard B17 when assessing the height and setback of a proposed building”.</p> <p>The Tribunal found that “Planning policy in the Boroondara Planning Scheme encourages the protection of residential amenity, and other related amenity outcomes. However, where compliance with the Side and rear setback objective is now mandated once Standard B17 is achieved, I must find that a building’s height and setback from a side or rear boundary achieves an acceptable amenity outcome”.</p>



Clause	Support	Reason
		<p>Further, the Tribunal finds that an issue such as visual bulk can still be considered in the decision-making process irrespective of Clause 55 compliance with Standard B17, but only as it relates to building length, articulation, colours and materials. Wall heights and setbacks as they are contemplated by Standard B17 can no longer be considered where an application is 'deemed to comply' with the standard.</p> <p>This overly complicates assessment, rather than simplifying it.</p>
<p>Future Homes</p> <p>Includes:</p> <ul style="list-style-type: none"> Introducing a new particular provision clause 53.24 (Future Homes) to make the Future Homes assessment process available in all planning schemes. Amending clause 66.03 (Referral of permit applications under other state standard provisions) to specify referral requirements. 	Oppose	<p>See response above in Good decisions, made faster.</p> <p>An application should not be exempt from the review rights of section 82(1) of the Act.</p> <p>The decision guidelines are so vague as to be useless - "Whether the proposed apartment development is exemplary in design, liveability and sustainability". No guidance as to what makes a development "exemplary".</p>
<p>Permit requirement for single dwellings on lots of 300 square metres or more</p> <p>Includes:</p> <ul style="list-style-type: none"> Amending clause 32.08 (General Residential Zone) to remove the ability to specify a permit requirement to construct or extend one dwelling or construct or extend a fence within 3 metres of a street on a lot of between 300 to 500 square metres. Amending clause 32.09 (Neighbourhood Residential Zone) to remove the ability to specify a permit requirement to construct or extend one dwelling 		<p>See response above in Good decisions, made faster.</p>



Clause	Support	Reason
<p>or construct or extend a fence within 3 metres of a street on a lot of a specified size.</p> <ul style="list-style-type: none"> Amending local schedules to the General Residential Zone and Neighbourhood Residential Zone to remove the permit requirement to construct or extend a dwelling or construct or extend and fence within 3 metres of a street. 		
<p>VicSmart for single dwellings on lots less than 300 square metres</p> <p>The amendment makes an application to construct or extend one dwelling on a lot of less than 300 square metres a VicSmart application class in five residential zones if specified requirements are met.</p>		<p>See response above in Good decisions, made faster.</p>



Matters not addressed in the reforms

Market conditions

The Statement fails to address the elephant in the room, the fact that the Municipal Association of Victoria estimates almost 120,000 dwellings have already been approved and are awaiting construction¹. The substantial issues of rising costs and reduced availability of both labour and materials, unfavourable market and borrowing conditions and land banking remain unaddressed and will continue to stall meaningful housing delivery. It is unclear how the government's ambitious public housing renewal project will further exacerbate labour supply issues across the rest of the market.

Tax reforms

Tax reforms (such as negative gearing, capital gains tax discounts on investment properties, tightening of foreign ownership laws) are not mentioned, and should be part of any conversation on housing provision and affordability.

Homelessness

The Statement similarly fails to adequately address the homelessness crisis facing Victoria. There is only a minor mention in the Rental Stress support package section, which refers to preventing homelessness, rather than offering support to the 30,660 Victorians (at the 2021 census) already without a home².

Conclusion

Council is disappointed by the way the reforms have been released, and the way the process has devalued local expertise and community voices. The reforms fail to address key challenges impacting housing supply, and will not make the substantial changes required now to improve housing affordability in Victoria.

Further, the reforms do not make the planning process more transparent or certain, they add layers of complexity, opaque Ministerial call-in powers and provide the type of concentrated power that threatens the integrity of the Victorian planning system.

Council strongly agrees with the following lines from the Statement:

¹ Municipal Association of Victoria (20 September 2023) *First steps taken... let's walk together* media release, available at <https://www.mav.asn.au/news/first-steps-taken-lets-walk-together>, accessed 2 October 2023.

² Australian Bureau of Statistics (2023) *Estimating homelessness: Census, 2021*, <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release>, accessed 2 October 2023.



Victorians deserve a planning system that works with them – not against them. It should be quick, efficient, and easy to navigate. It should be a clear, transparent and accountable system – because Victorians deserve to know who is planning our city and state.

Unfortunately, the Statement looks set to deliver the opposite.

Council and its officers welcome any future opportunities to collaborate on major projects that will shape our local areas, as well as proposed reforms that will have direct impacts on the way we work.

For more information on this submission, please contact:

David Cowan, Manager Planning & Placemaking, Boroondara City Council.

Improving residential development standards for small lots

Discussion paper October 2023



Department
of Transport
and Planning

Acknowledgment

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.



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Department of Transport and Planning

Improving the residential development standards for small lots

DTP is seeking feedback on changes to Clauses 54 and 55 standards for dwellings on small lots, where gaps have been identified in the existing standards.

Victoria's *Housing Statement: The decade ahead 2024-2034* was released on 20 September 2023 announcing significant reforms to Victoria's planning system to ensure that it is quick, efficient, and easy to navigate, and to build a clear, transparent and accountable system.

Following the announcement to codify residential development standards, DTP is seeking feedback on proposed changes to siting and amenity standards for dwellings on small lots less than 300 square metres.

A small lot is less than 300 square metres, and a planning permit is normally required for any residential development on such a lot.

Small lots are predominantly located in the inner urban areas of metropolitan Melbourne and some regional cities such as Geelong, Ballarat and Bendigo and predate the introduction of planning controls to control the siting and design of residential development.

Why are we proposing changed standards?

The Clauses 54 and 55 standards (including part 5 of the Building Regulations 2018 for single dwellings) apply to the siting and design of all dwellings in a residential zone, regardless of lot size or context.

A review of developments for single dwellings on lots less than 300 square metres through Victoria's planning system including an analysis of relevant literature, the Victoria Planning Provisions (VPP), planning permit applications and VCAT decisions was undertaken.

Some of the Clauses 54 and 55 standards cannot be readily met on lots less than 300 square metres.

This results in uncertainty for applicants and neighbours regarding the suitability of any residential development proposal as the responsible authority (usually the local council) can exercise discretion to decide whether the objectives of the relevant standard have been met.

Alternative design solutions are routinely approved in recognition of a site's constraints and smaller lot size.

While Clauses 54 and 55 support alternative design solutions, the 'one-size-fits-all' approach to the standards lacks clarity, adds time and cost to the assessment of applications and may discourage contextually responsive and appropriate designs.

Recalibrating some standards for small lots will:

- more clearly define an acceptable design response for small lots in an urban context
- reduce the need to routinely justify and assess alternative design solutions
- support a clearer and more efficient planning system.

What are the proposed standards?

The following Clauses 54 and 55 standards are proposed to be changed for a lot less than 300 square metres:

- street setback
- site coverage
- walls on boundaries.

The decision guidelines in Clause 54.03-4 (Permeability objectives) are also proposed to be amended to delete consideration for meeting the standard on lots less than 300 square metres.

The existing Clauses 54 and 55 standards will continue to apply to lots of 300 square metres or more.

For lots in the Urban Growth Zone, the Small Lot Housing Code (SLHC) may apply to the construction of single dwellings. If the code applies to a lot, a planning permit is not required to construct or extend one dwelling on a lot less than 300 square metres if it complies with the SLHC. If it does not comply with the code, a planning permit is required and Clause 54 applies including the proposed new standards. More information about the SLHC is available at: vpa.vic.gov.au/strategy-guidelines/small-lot-housing-code/



Department of Transport and Planning

Changes to Clauses 54 and 55 standards for dwellings on small lots

This section sets out the proposals for changes to Clauses 54 and 55 standards for lots less than 300 square metres.

For clarity, the objectives, standards and decision guidelines have been reproduced, with proposed additions shown in blue underlined text, and the proposed deletions in ~~red strike through text~~.

Street setback (standards A3 and B6)

Existing dwellings on small lots in most inner-urban contexts have relatively small street setbacks. The requirements of standards A1 and B6 are excessive for small lots in many inner urban areas where shorter street setbacks are part of the prevailing neighbourhood character.

The proposed new standards have been designed to:

- ensure street setbacks reflect the prevailing character of the area and are better able to be accommodated on small lots
- enable more efficient use of small lots to provide more housing choice and diversity in inner urban areas
- continue to support the planting of canopy trees in front setbacks

Proposed changes to standards A3 and B6

54.03-1 Street setback	
Objective	To ensure that the setbacks of buildings from a street respect the existing or preferred neighbourhood character and make efficient use of the site
Standard	<p>Walls of buildings should be set back from streets:</p> <ul style="list-style-type: none"> • at least the distance specified in a schedule to the zone, or • if no distance is specified in a schedule to the zone, the distance specified in Table A1 and B1. <p><u>For a lot 300 square metres or more</u>, porches, pergolas and verandahs that are less than 3.6 metres high and eaves may encroach not more than 2.5 metres into the setbacks of this standard.</p>

Department of Transport and Planning

54.03-1 Street setback**Decision guidelines**

Before deciding on an application, the responsible authority must consider:

- any relevant neighbourhood character objective, policy or statement set out in the planning scheme
- the design response
- whether a different setback would be more appropriate, taking into account the prevailing setbacks of existing buildings on nearby lots
- the visual impact of the building when viewed from the street and from adjoining properties
- the value of retaining vegetation within the front setback.

Table A1 and B1

Development context	Minimum setback from front street	Minimum setback from a side street
There is an existing building on both the abutting allotments facing the same street, and the site is not on a corner.	<p><u>For a lot less than 300 square metres, the average distance of the setbacks of the front walls of the existing buildings on the abutting allotments facing the front street or 3 metres, whichever is the lesser.</u></p> <p><u>For all other lots,</u> the average distance of the setbacks of the front walls of the existing buildings on the abutting allotments facing the front street or 9 metres, whichever is the lesser.</p>	Not applicable
There is an existing building on one abutting allotment facing the same street and no existing building on the other abutting allotment facing the same street, and the site is not on a corner.	<p><u>For a lot less than 300 square metres, the same distance as the setback of the front wall of the existing building on the abutting allotment facing the front street or 3 metres, whichever is the lesser.</u></p> <p><u>For all other lots,</u> the same distance as the setback of the front wall of the existing building on the abutting allotment facing the front street or 9 metres, whichever is the lesser.</p>	Not applicable
There is no existing building on either of the abutting allotments facing the same street, and the site is not on a corner.	<p><u>For a lot less than 300 square metres, 4.5 metres for streets in a Transport 2 Zone and 3 metres for other streets.</u></p> <p><u>For all other lots,</u> 6 metres for streets in a Transport Zone 2 and 4 metres for other streets.</p>	Not applicable

Development context	Minimum setback from front street	Minimum setback from a side street
The site is on a corner	<p><u>For a lot less than 300 square metres:</u></p> <ul style="list-style-type: none"> <u>If there is a building on the abutting allotment facing the front street, the same distance as the setback of the front wall of the existing building on the abutting allotment facing the front street or 3 metres, whichever is the lesser.</u> <u>If there is no building on the abutting allotment facing the front street, 4.5 metres for streets in a Transport Zone 2 and 3 metres for other streets.</u> <p><u>All other lots:</u></p> <ul style="list-style-type: none"> If there is a building on the abutting allotment facing the front street, the same distance as the setback of the front wall of the existing building on the abutting allotment facing the front street or 9 metres, whichever is the lesser. If there is no building on the abutting allotment facing the front street, 6 metres for streets in a Transport Zone 2 and 4 metres for other streets. 	<p><u>For a lot less than 300 square metres, the same distance as the setback of the front wall of any existing building on the abutting allotment facing the side street or 1.5 metres, whichever is the lesser.</u></p> <p><u>For all other lots,</u> the same distance as the setback of the front wall of any existing building on the abutting allotment facing the side street or 2 metres, whichever is the lesser.</p>



Department of Transport and Planning



Site coverage (standards A5 and B8)

Many existing dwellings on small lots already exceed the site coverage standard of 60 per cent. A site coverage of between 65 and 80 per cent is common for lots less than 300 square metres.

As lot size decreases, the site coverage challenges change. On lots less than 100 square metres, it can be difficult to achieve even an 80 per cent site coverage and also meet street setbacks and private open space requirements.

The proposed change has been designed to ensure:

- a maximum site coverage for small lots that reflects the prevailing siting character
- reduce the need to assess alternative design solutions on small lots

Proposed change to standards A5 and B8

54.03-3 Site coverage	
Objective	To ensure that the site coverage respects the existing or preferred neighbourhood character and responds to the features of the site.
Standard	<p>The site area covered by buildings should not exceed:</p> <ul style="list-style-type: none"> • the maximum site coverage specified in a schedule to the zone, or • if no maximum site coverage is specified in a schedule to the zone: 60 per cent: <ul style="list-style-type: none"> – <u>80 per cent for lots of 100 square metres or less</u> – <u>70 per cent for lots more than 100 and up to and including 200 square metres</u> – <u>60 per cent for lots of more than 200 square metres.</u>
Decision guidelines	<p>Before deciding on an application, the responsible authority must consider:</p> <ul style="list-style-type: none"> • any relevant neighbourhood character objective, policy or statement set out in the planning scheme • the design response • the existing site coverage and any constraints imposed by existing development or the features of the site • the site coverage of adjacent properties • the effect of the visual bulk of the building and whether this is acceptable in the neighbourhood.

Permeability (standard A6)

Standard A6 requires at least 20 per cent of the site area to be covered by pervious surfaces to reduce the impact of increased stormwater run-off on the drainage system and to facilitate on-site stormwater infiltration.

A decision guideline enables the responsible authority to consider the practicality of achieving the standard on small lots.

While stormwater run-off from individual small lots may be proportionally small compared with larger lots, cumulatively it can have a significant impact on the drainage system in inner urban areas.

The current standard can be readily achieved on small lots. Removing the decision guideline will ensure that development of small lots maintains a reasonable proportion of permeable area.

The way the 'permeable area' is calculated is sometimes inconsistent and may include surfaces that do not provide adequate stormwater absorption, including gravel driveways, paved areas, or areas above basements.

Proposed change to standard A6

54.03-4 Permeability	
Objective	<p>To reduce the impact of increased stormwater run-off on the drainage system.</p> <p>To facilitate on-site stormwater infiltration.</p>
Standard	<p>The site area covered by pervious surfaces should be at least:</p> <ul style="list-style-type: none"> the minimum area specified in a schedule to the zone; or if no minimum area is specified in a schedule to the zone, 20 per cent of the site.
Decision guidelines	<p>Before deciding on an application, the responsible authority must consider:</p> <ul style="list-style-type: none"> the design response the existing site coverage and any constraints imposed by existing development the capacity of the drainage network to accommodate additional stormwater the capacity of the site to absorb run-off. The practicality of achieving the minimum site coverage of pervious surfaces, particularly on lots of less than 300 square metres.

Department of Transport and Planning

Walls on boundaries (standards A11 and B18)

On a small lot, it can be more challenging to ensure that the impact of new construction on neighbouring properties is acceptable. The potential impacts on residents of neighbouring dwellings must be balanced with appropriate room sizes, adequate solar access and daylight and natural ventilation for occupants of the new dwelling or extension. One way this tension is addressed is through the application of the standards for walls on boundaries (A11 and B18).

The standards specify that the average height of a wall on a boundary should not exceed 3.2 metres. On small lots and particularly on small lots subject to inundation, the standard is often difficult to achieve by only a small amount and can result in a low internal floor-to-ceiling height, which cannot be offset by larger room sizes due to the lot size. Applicants often seek variation to the standard.

The proposed new standard has been designed to:

- improve design outcomes and internal amenity for residents in the new dwelling or extension
- reflect current building design outcomes
- provide greater certainty for decision makers, the community and industry.

Proposed changes to standards A11 and B18

Wall on boundaries	
Objective	To ensure that the location, length and height of a wall on a boundary respects the existing or preferred neighbourhood character and limits the impact on the amenity of existing dwellings.
Standard	<p>A new wall constructed on or within 200 millimetres of a side or rear boundary of a lot, or a carport constructed on or within 1 metre of a side or rear boundary of a lot, should not abut the boundary:</p> <ul style="list-style-type: none"> • for a length more than the distance specified in a schedule to the zone; or • if no distance is specified in a schedule to the zone, for a length of more than: <ul style="list-style-type: none"> – 10 metres plus 25 per cent of the remaining length of the boundary of an adjoining lot, or – where there are existing or simultaneously constructed walls or carports abutting the boundary on an abutting lot, the length of the existing or simultaneously constructed walls or carports, whichever is greater. <p>A new wall or carport may fully abut a side or rear boundary where the slope and retaining walls or fences would result in the effective height of the wall or carport being less than 2 metres on the abutting property boundary.</p> <p>A building on a boundary includes a building set back up to 200 millimetres from a boundary.</p> <p><u>For a lot less than 300 square metres, the height of a new wall constructed on or within 200 millimetres of a side or rear boundary or a carport constructed on or within 1 metre of a side or rear boundary should not exceed an average of 3.4 metres, with no part higher than 3.6 metres unless abutting a higher existing or simultaneously constructed wall.</u></p> <p><u>For all other lots,</u> the height of a new wall constructed on or within 200 millimetres of a side or rear boundary or a carport constructed on or within 1 metre of a side or rear boundary should not exceed an average of 3.2 metres, with no part higher than 3.6 metres unless abutting a higher existing or simultaneously constructed wall.</p>

Wall on boundaries**Decision guidelines**

Before deciding on an application, the responsible authority must consider:

- any relevant neighbourhood character objective, policy or statement set out in the planning scheme
- the design response
- the extent to which walls on boundaries are part of the neighbourhood character
- the visual impact of the building when viewed from adjoining properties
- the impact on the amenity of existing dwellings
- the opportunity to minimise the length of walls on boundaries by aligning a new wall on a boundary with an existing wall on a lot of an adjoining property
- the orientation of the boundary that the wall is being built on
- the width of the lot
- the extent to which the slope and retaining walls or fences reduce the effective height of the wall
- whether the wall abuts a side or rear lane.
- the need to increase the wall height to screen a box gutter

*Note: A change to standards A11 and B18 would necessitate a change to Diagram A1 in Clause 54.04-01 (side and rear setbacks) and to Diagram B1 in Clause 55.04-1 (side and rear setbacks).





Have your say

DTP is inviting your feedback on the proposals in this paper. Your feedback will contribute towards better planning and policy outcomes.

Submissions can be emailed to planning.systems@delwp.vic.gov.au

Your submission should clearly explain your, or your organisation's, position on a particular matter and describe any proposed changes, attaching supporting evidence if that would validate or assist in understanding your position.

Your organisation's submission may be made public.

Next steps

DTP will consider all submissions received and will then brief the Minister for Planning on recommendations for implementation.



14 November 2023

Michael Orford
Manager Statutory Reform
Department of Transport & Planning

By email: planning.systems@delwp.vic.gov.au

Re: Improving residential development standards for small lots discussion paper (October 2023)

Dear Mr Orford

Thank you for the opportunity to respond to the above discussion paper, released to Council for comment on Monday 2 October 2023.

General comments

The discussion paper has been reviewed and the following response below is provided. Council endorsed this response at its Urban Planning Delegated Committee meeting on 13 November 2023.

Council is disappointed by the timing of the release of the discussion paper, at a time when resources are already stretched reviewing and responding to the Victorian Housing Statement and related VC amendments. Similarly, the limited consultation period has made it difficult for officers to consider the proposal and to take a response to Council for endorsement.

Council reiterates its long-held position of opposing the codification of ResCode. While the exercise of discretion is cited as creating uncertainty, it affords the responsible authority the ability to consider each application on its merits, considering a site's unique context and neighbourhood character.

In 2021 Council submitted a detailed response to the discussion paper *Improving the operation of ResCode* (DELWP 2021), strongly making this point. It is disappointing that this submission seems to have been disregarded. This submission is attached for your information.

The previous submission also highlighted existing issues with ResCode, including drafting that is not in keeping with the *Practitioners Guide*. If the suggested changes are to be made, there is scope to "clean up" the existing drafting, including simplifying lists into text, and not using 'and' or 'or' at the end of a point. Examples of better practice drafting are provided at each relevant standard below.

Camberwell Office
8 Inglesby Road, Camberwell VIC

Postal Address
Private Bag 1 Camberwell VIC 3124

Email
boroondara@boroondara.vic.gov.au

Website
www.boroondara.vic.gov.au

Telephone
9278 4444

Facsimile
9278 4466



Council is also concerned that these changes will place a burden on local government strategic planning teams by adding a new urgency to create detailed variations via localised residential zone schedules. Any further changes to ResCode must allow councils time to prepare and implement local variations prior to their introduction.

With that background, a more detailed response to each of the proposed changes is provided below.

Street setback (Standards A3 and B6)

Council raises concerns over Standards A3 and B6 being considered 'deemed to comply'. Depending on site context, individual sites may have constraints or in unique circumstances should be provided with street setbacks greater than the standard. In these situations, planners will undertake an assessment to determine best outcomes for the site while achieving reasonable street setbacks subject to the standard and decision guidelines. Transforming these standards to be 'deemed to comply' may create poor neighbourhood character or amenity outcomes for adjoining sites.

Reducing the minimum setback to 3m within a fine-grained context will create discordant and jarring building lines, adversely impacting neighbourhood character. The average of the adjacent lots or in line with the existing front setback (of the building to be demolished) is a more reasonable proposition which will be in keeping with neighbourhood character. Particularly jarring outcomes will occur where the proposed dwelling (with a 3m front setback) will be sited next to a dwelling which is built to the common boundary and has a setback of in excess of 3m.

This change will have ongoing planning impacts into adjoining properties where the reduction of street setbacks of small sites will create reduced average street setbacks to adjoining larger sites. Additional consideration may be required to determine how this will impact areas with inconsistent lot sizes.

A 3m setback will result in insufficient space for landscaping, which fails to contribute to sustainability objectives and combating urban heat island effects.

A 3m setback does not meet the minimum parking space requirement within Council's design standards for car parking.

In cases where only a single space is required, and applications provide this, insufficient informal parking space within front setbacks may result in parked cars encroaching onto footpaths creating poor outcomes for pedestrians and neighbourhood character.

New dwellings are required to be provided with 2 car parking spaces for a dwelling of 3 or more bedrooms. Due to site constraints, it is rare that a double width garage would be provided and generally parking is provided within the driveway of the site. For these sites, despite the standard for front setback being



met, it is unlikely the car parking will be appropriate, and the setback will need to be increased anyway.

Proposed redrafting:

Walls of buildings should be set back from streets at least the distance specified in a schedule to the zone, or if no distance is specified in a schedule to the zone, the distance specified in Table A1 and B1.

Site coverage (Standards A5 and B8)

Council supports the graduated approach for lots less than 200 square metres.

It is acknowledged that smaller sites require specific consideration when assessing site coverage, with the addition of the 'deemed to comply' amendments, creating a stepped approach for smaller sites ensures it is clear what should be achievable within these sites, notwithstanding the impacts of other ResCode Standards.

The language of "lots less than" should be maintained. This Standard should also be redrafted as a sentence to avoid a multilevel list.

Proposed redrafting:

The site area covered by buildings should not exceed the maximum site coverage specified in a schedule to the zone, or if no maximum site coverage is specified in a schedule to the zone:

- 80 per cent for lots less than 100 square metres
- 70 per cent for lots of 100 -199 square metres
- 60 per cent for lots of 200 square metres or more.

Permeability (Standard A6)

Council generally agrees that Standard A6 should be achieved on both large and small sites, unless the site is impacted by extenuating circumstances.

The removal of the specified decision guideline is supported, and it is agreed that the current standard can be readily achieved on small lots. Removing the decision guideline creates a greater ability to seek full compliance towards this standard.

Proposed redrafting:

The site area covered by pervious surfaces should be at least the minimum area specified in a schedule to the zone or if no minimum area is specified in a schedule to the zone, 20 per cent of the site.

**Walls on boundaries (Standards A11 and B18)**

Standards A11 and B18 now being 'deemed to comply' raises serious concerns. Previously decision makers could fall back on the objective to the standard and the decision guidelines in order to achieve better outcomes even when the standard was met. This is no longer a possibility. This minimum compliance approach is disappointing and not supported by Council.

Increasing the height further will only increase the impact upon the outdoor space of neighbouring properties. Lots less than 300sqm are likely to be adjacent to other similarly sized lots, where their Secluded Private Open Space areas are already compromised.

While increasing the allowable height will increase offsite impacts, it does not result in an equivalent improvement for on-site amenity. The increased height does not allow for additional floor space for the subject site. Suitable floor to ceilings can already be achieved with a 3.2m high wall on boundary (also noting that the floor to ceiling heights can increase as they move away from the boundary).

Proposed redrafting:

The language used within the existing standard varies, sometimes omitting the "of a lot" after "side or rear boundary". This should be amended so that the language used is consistent. Council prefers the omitted version, as this removes any ambiguity as to whether this applies to boundaries of a smaller lot making up a larger parcel of land.

Conclusion

Thank you again for the opportunity to provide feedback on the discussion paper. Council officers use the ResCode provisions daily and are a valuable resource in examining proposed changes.

We look forward to an ongoing relationship of collaboration with the Department to improve ResCode for all Victorians.

To discuss further, please contact me by telephone on 9278 4973 or email mikaela.carter@boroondara.vic.gov.au.

Yours sincerely

Mikaela Carter
Principal Strategic Planner
Boroondara City Council