

Melbourne 2030

planning for sustainable growth



Implementation Plan 3

Housing

October 2002

Draft

Department of Infrastructure

Contents

The implementation plans explained	Page 1
Melbourne 2030 in summary	Page 2
Housing	Page 3
What is the nature of the housing market?	Page 3
Why and how is it changing?	Page 3
What are the main issues that affect housing?	Page 6
What does this plan aim to achieve?	Page 10
What does it change?	Page 10
What are the implications for local government?	Page 11
Actions	Page 12
How does this plan relate to <i>Melbourne 2030</i> ?	Page 12
What are the recommended actions?	Page 12
Action 1. Plan to meet our housing needs	Page 14
Action 2. Pursue affordability in housing	Page 17
Action 3. Lead by example	Page 19
Next steps – what do we need to do?	Page 20
Appendix 1. Neighbourhood Principles	Page 21
Glossary of terms	Page 22
References	Page 23

The implementation plans explained

Six draft Implementation Plans support *Melbourne 2030 – planning for sustainable growth*.

The plans cover these topics:

- urban growth boundary
- growth areas
- housing
- activity centres
- green wedges
- integrated transport.

An advisory note on implementation of *Melbourne 2030* in the planning system from the date of release will be separately available.

The draft Implementation Plans have been developed to build on sections of *Melbourne 2030* where new or different actions are proposed and to provide further detail on some – but not all – of its initiatives. Despite the 30-year time frame for *Melbourne 2030*, many of its most important initiatives will need to be introduced in the next five years.

The draft Implementation Plans aim to provide local government, the planning profession, the development industry and interested members of the community with guidance and additional information. Presently draft documents, they will serve as a basis for dialogue over the consultation period. When finalised, they will be a springboard for action.

Each plan brings together the policies and initiatives from *Melbourne 2030* relevant to its particular topic, and outlines a preferred approach to implementing them.

Each plan also reinforces the new approach proposed by *Melbourne 2030*. This far-reaching document examines urban management issues in metropolitan Melbourne and its surrounding region, and explores the ways in which the new urban fabric will be laid down for future generations.

You are urged to refer to *Melbourne 2030* as the context for the draft Implementation Plans. Of general relevance to the topic of housing are policies that seek to:

- build up activity centres as important locations for different types of housing, especially higher-density housing
- plan for forecast growth in population and household numbers
- ensure that housing stock matches changing demands
- ensure that housing is located near to services and facilities
- ensure that important conservation areas and non-urban areas of agricultural value are protected from inappropriate urban development
- take every opportunity to increase the supply of affordable housing
- expand and improve the Principal Public Transport Network and develop real transport alternatives.

These draft Implementation Plans do not cover all actions proposed in *Melbourne 2030*. Additional implementation plans will be developed as the need arises.

Melbourne 2030 in summary

Melbourne 2030 is a strategic plan prepared to manage growth and change across metropolitan Melbourne and its surrounding region.

Its prime focus is the area covered by the 31 Melbourne metropolitan municipal councils (including the nine 'interface councils' which cover both urban and rural areas at the fringes of metropolitan Melbourne). It also raises important issues that affect local councils outside the metropolitan area, particularly those astride the regional transport corridors between metropolitan Melbourne and the closest regional cities within current and potential commuting range.

In establishing and articulating a long-term vision for metropolitan Melbourne, built up from many contributions across the community, *Melbourne 2030* provides a framework for governments at all levels to respond to the diverse needs of those who live and work in and near Melbourne, and who visit it.

The substance of *Melbourne 2030* is contained in nine 'directions' that embody the Government's aims of sustainability and of providing a better future for all.

They are:

- a more compact city
- better management of metropolitan growth
- networks with the regional cities
- a more prosperous city
- a great place to be
- a fairer city
- a greener city
- better transport links
- better planning decisions, careful management.

Each of these directions is supported by specific policies that will be incorporated into the planning system. The policies will be implemented through a range of initiatives undertaken through joint action by local government, the Government and the wider community.

As *Melbourne 2030* is a statement of government policy intent only, some of the initiatives will be subject to the availability of budget funding. That is, such initiatives will need to await assessment and prioritisation through normal State budget processes in future periods. It is not intended that all initiatives should begin at once, nor that all should be completed within the five-year time frame. Many will lead to follow-on work. Others may change or be reviewed over the 30-year life of *Melbourne 2030*.

Vision

In the next 30 years Melbourne will grow by up to one million people and will consolidate its reputation as one of the most liveable, attractive and prosperous areas in the world for residents, business and visitors.

Housing

What is the nature of the housing market?

Where people choose to live and the type of housing they select is influenced by a number of factors. These include the cost of housing, accessibility to desirable services and employment opportunities, preference for different neighbourhoods and lifestyle choice.

According to the 2001 census data from the Australian Bureau of Statistics (ABS), metropolitan Melbourne is home to almost 1.2 million households, 75 per cent of them living in detached houses. Of all households, approximately 37 per cent consist of couples with children, 23 per cent are couples without children, 11 per cent are single-parent families and 23 per cent are single-person households. Overall, 70 per cent of all households either own or are buying their home, approximately 20 per cent of households are renting through the private rental market, 3 per cent rent through the public sector, and the remaining 7 per cent either had a different type of tenure or chose not to answer.

Melbourne's housing market is becoming much more complex and, in recent years, the market has exhibited some significant changes.

Households are becoming smaller, although many people are seeking houses that offer more floor space. However, while sale and rental prices in some outer areas of Melbourne remain relatively stable, prices in middle and inner areas have climbed so that well-located housing is becoming increasingly unaffordable for many people.

Why and how is it changing?

Changes in household structure

Melbourne's population is ageing. By 2030, it is estimated that the proportion of persons aged 60 years of age and over will increase from 17 per cent to 27 per cent of the total population. During the same period, the proportion of those under 15 years of age is expected to fall from 20 per cent to 15 per cent. Household sizes will also fall during this period from the present 2.6 persons per household to 2.25 by 2030.

These changes will mean that the growth rate for households exceeds the population growth rate over the same period. Almost 90 per cent of additional households over this period will be one-person and two-person households. As a result, household structures across metropolitan Melbourne will change significantly.

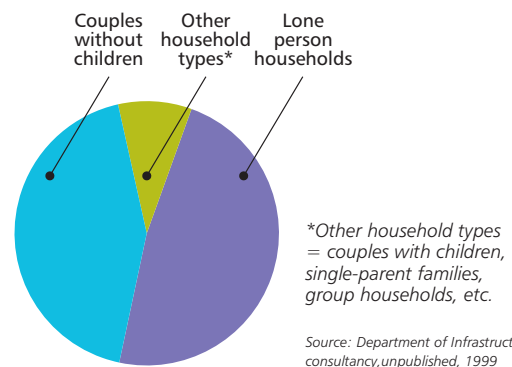


Figure 1. Projected share, by household type, of the 620,000 additional households, Victoria 2001-2031

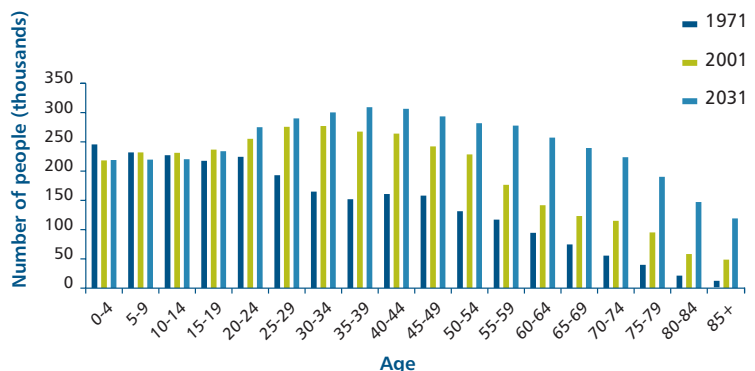


Figure 2. Population by age group, Melbourne Statistical Division (trend projections)

Past patterns of housing consumption and household types give some insight into future trends. ABS data on the Melbourne Statistical Division from 1991–96 indicates some dramatic changes in the type of housing we are choosing. During this period:

- there was an overall increase of 146,000 households
- the largest absolute growth household type during the period was childless couples, accounting for approximately 67,000 households
- 72 per cent of childless couple households (predominantly those aged over 45 years) chose separate housing, but the greatest rate of growth in this group was in flats and apartments, up 47 per cent during the period
- the next largest group in terms of absolute growth was single-person households, whose housing choices were split between separate houses and flats and apartments – this split was relatively uniform across all ages in this group
- fewer couples with children chose to live in separate houses, semi-detached houses and terraces, while more moved into flats and apartments
- overall, growth was relatively weak for detached housing, it fell for semi-detached houses and terraces, and rose sharply for flats and apartments.

(Source: Swinburne Institute for Social Research (2000) *Melbourne's Housing Past, Housing Futures*)

Changes in housing production

In recent years, Melbourne has witnessed the emergence of a more complex housing industry. Small building companies are now competing with larger players, and there is a new, substantial and relatively sophisticated multi-unit building sector.

Melbourne's housing industry has traditionally consisted of smaller businesses working for private clients, building to order rather than on a speculative basis, with mostly single-storey houses concentrated in fringe locations.

Government policies aimed at urban consolidation and providing housing diversity have led to a new regulatory environment that encouraged higher densities in many middle and particularly inner suburbs. This resulted in different types of houses, often produced by a different type of builder.

In another major change, house builders also have become developers, using construction techniques similar to commercial developments, and undertaking developments largely of a speculative nature relying on pre-sales to minimise risk.

While the supply of medium and higher-density housing has increased in all regions of Melbourne, much of this growth has been confined to inner Melbourne. In 1998–99, for example, 80 per cent of all flats were built in inner Melbourne. Elsewhere in metropolitan Melbourne, townhouses and detached housing accounted for 88 per cent of new housing stock.

These changes are creating a different housing landscape. While much of the change can be attributed to who we are and how we want to live, it can also lead to significant social problems, particularly associated with changes in housing affordability.

Changes in housing affordability

Statistics show a growing shortage of affordable housing for home purchasers and in rental accommodation.

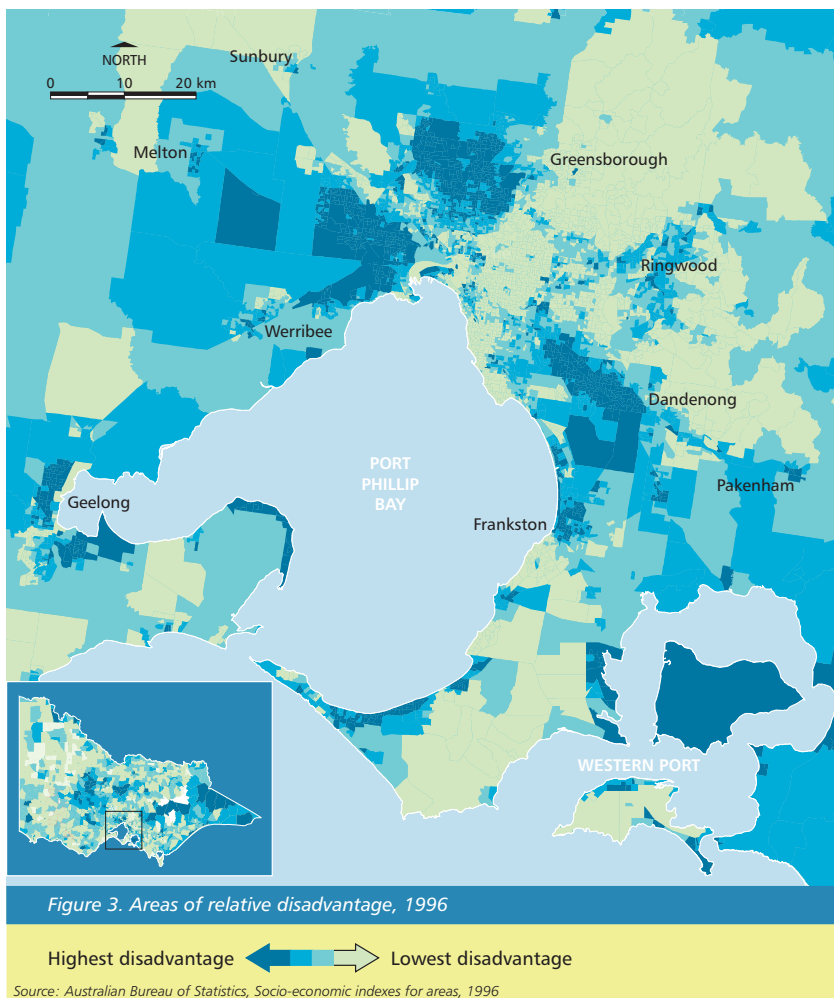
Prices in inner areas continue to escalate, putting buying or renting there out of the reach of those on lower incomes. Home buyers on below-average incomes are left with few choices. The trend is for these households to concentrate in outer areas of Melbourne, where housing prices have not risen to the same extent and home ownership is still a possibility. Often, these areas are not as well serviced as the established middle and inner areas.

Recent trends only accentuate inequalities in the housing market. Areas of metropolitan Melbourne with high-income levels tend to experience the highest rates of house price inflation and, therefore, wealth creation through home ownership. At the same time, house prices in a number of outer suburbs have experienced real price falls. These patterns lead to a more polarised housing market, in terms of home ownership and also in the private rental sector.

Traditionally, the private rental sector has operated as a short-term bridge between living with parents and moving into first-home ownership. While this still holds true for some, there is evidence that private rental now represents

the preferred or only option for a growing number of Victorians. For some, private rental reflects a need for flexibility to take up employment opportunities or a decision to use other investment vehicles for wealth creation as an alternative to home purchase. However, for many households on low-to-moderate incomes, the increased time spent in the private rental market reflects an inability to enter into home ownership.

There has been a significant decline in low-cost private rental housing stock, and this continues, especially in inner Melbourne and other areas with good access to employment, transport and other services. Low-cost rental stock is in decline and increasingly concentrated in a few outer areas of metropolitan Melbourne.



What are the main issues that affect housing?

Growth in people and households

By 2030, metropolitan Melbourne’s population is expected to increase by 620,000 households and by 925,000 people. Managing this increase will present substantial challenges for where and how we live. We face across-the-board changes that will alter our perception of what we want in housing, and the way the housing market develops. These include:

- the greying of our population – almost 30 per cent of the total population will be over the age of 60 by 2030
- a change in household structures – one-person and two-person households will become more numerous and account for an estimated 90 per cent of all additional households between now and 2030
- a change in the types of houses we live in – for reasons of cost, changing lifestyles, and greater diversity in housing stock
- increased reliance on rental accommodation – more people will rent from necessity or from choice
- greater polarisation – with housing prices and affordability tied to income levels and access to facilities and services.

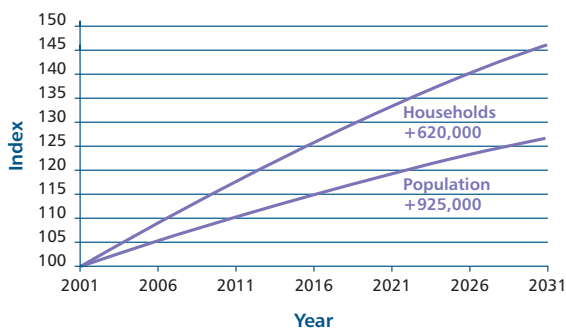


Figure 4. Projected growth of population and households for the Melbourne Statistical Division, 2001–31

Planning for a more compact city

Melbourne 2030 recognises the need for development of new urban areas to accommodate the forecast growth in population and households, but it intends that new housing developments at the fringe should be balanced by more intensive use of existing infrastructure, facilities and opportunities within metropolitan Melbourne.

Encouraging and supporting new households to locate in metropolitan strategic redevelopment sites will help achieve important objectives of *Melbourne 2030*. Locations with good access to a range of facilities, services and public transport will be supported as preferred locations for higher-density housing.

Melbourne 2030 also supports continued change in housing stock in established areas as a way of providing a range of options to meet the changing needs of residents. A growing proportion of new households will be accommodated at activity centres and strategic redevelopment sites, but a substantial share of new dwellings will continue to be built in established residential areas. Within these areas, established character will be maintained and respected through the new residential development provisions (ResCode).

The distribution of new dwelling activity during the period 1996-97 to 2000-01 is shown by Figure 5. This figure also indicates a proposed distribution for new households over the next 30 years.

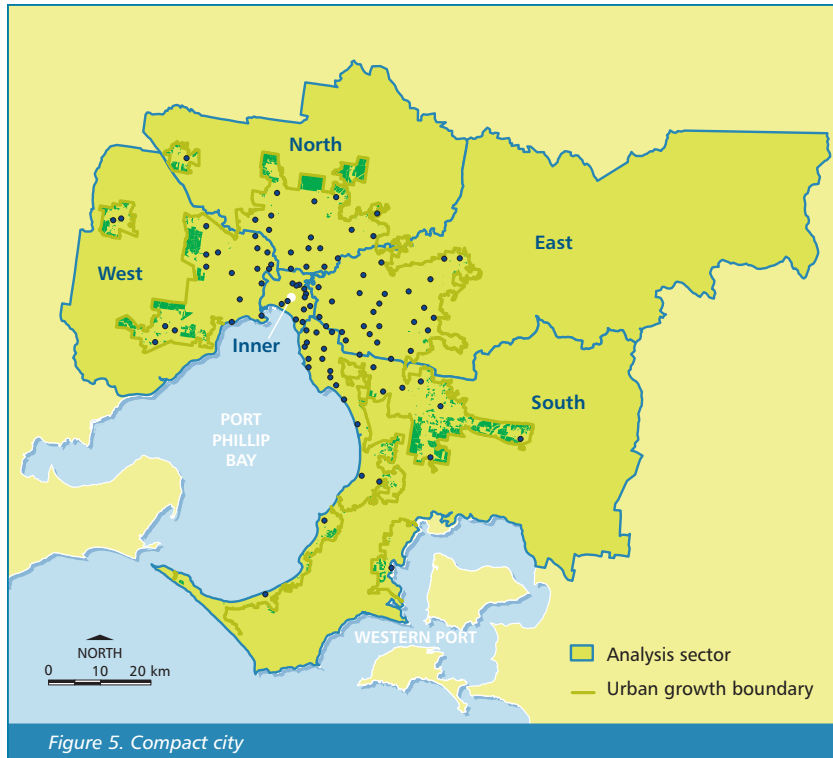


Figure 5. Compact city

WEST			NORTH			EAST			SOUTH		
Average annual dwelling starts 1996-97 2000-01	Proposed household distribution 2001-30		Average annual dwelling starts 1996-97 2000-01	Proposed household distribution 2001-30		Average annual dwelling starts 1996-97 2000-01	Proposed household distribution 2001-30		Average annual dwelling starts 1996-97 2000-01	Proposed household distribution 2001-30	
%	%	No.	%	%	No.	%	%	No.	%	%	No.
55	46	60,000	50	45	50,000	15	5	5,000	60	44	80,000
15	31	40,000	20	32	35,000	20	50	55,000	10	25	45,000
30	23	30,000	30	23	25,000	65	45	50,000	30	31	55,000
Totals	100	100	130,000	Totals	100	100	110,000	Totals	100	100	180,000
Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley, Wyndham			Banyule, Darebin, Hume, Moreland, Nillumbik, Whittlesea			Boroondara, Manningham, Knox, Maroondah, Monash, Whitehorse, Yarra Ranges, Stonnington (part)			Bayside, Cardinia, Casey, Frankston, Glen Eira, Greater Dandenong, Kingston, Mornington Peninsula		
INNER			METROPOLITAN TOTAL			<ul style="list-style-type: none"> ■ Greenfield development ● Strategic redevelopment sites (Principal and Major Activity Centres only depicted) ■ Dispersed urban and non-urban development <p>NOTE. Non-urban development is generally located in and around small townships. It currently accounts for 3 per cent of development and is proposed to account for 1.5 per cent of all additional households by 2030. This equates to 9,500 households.</p>					
Average annual dwelling starts 1996-97 2000-01	Proposed household distribution 2001-30		Average annual dwelling starts 1996-97 2000-01	Proposed household distribution 2001-30							
%	%	No.	%	%	No.						
0	0	0	38	31	195,000						
70	89	80,000	24	41	255,000						
30	11	10,000	38	28	170,000						
Totals	100	100	90,000	Totals	100	620,000					
Melbourne, Port Phillip, Stonnington (part), Yarra											

Location	Average distribution of new dwellings 1997–2001	Proposed distribution of new households metropolitan Melbourne 2001–30						Overall distribution of new households 2001–30
		2001–05	2006–10	2011–15	2016–20	2021–25	2026–30	
Greenfield development [#]	38%	52,000 (45.2%)	42,500 (37.6%)	32,500 (28.9%)	25,800 (23.7%)	23,500 (25.4%)	17,500 (22.4%)	193,800 (31%)
Activity centres and other strategic redevelopment sites [*]	24%	30,000 (26.1%)	36,800 (32.6%)	47,400 (42.1%)	52,560 (48.2%)	46,300 (50.1%)	41,700 (53.5%)	254,760 (41%)
Dispersed residential development [^]	38%	33,000 (28.7%)	33,700 (29.8%)	32,600 (29.0%)	30,640 (28.1%)	22,700 (24.5%)	18,800 (24.1%)	171,440 (28%)
TOTAL	100%	115,000	113,000	112,500	109,000	92,500	78,000	620,000

Table 1. Proposed distribution of new households across metropolitan Melbourne from 2001–30.

[#] Greenfield development includes development within identified growth areas and broad hectare development in fringe areas outside identified growth areas.

^{*} The likely feasibility of providing for such a proportion of housing demand in Activity Centres and other strategic redevelopment sites has been assessed on the basis of development within 400 metres of identified Principal and Major Activity Centres and major redevelopment sites close to major public transport (based on an assessment of completed major redevelopment sites [*Residential Redevelopment in Melbourne*, Issue 6], approximately 80 per cent of major redevelopment sites are located close to major public transport).

[^] Dispersed residential development includes development within established urban areas, remaining major redevelopment sites not well-located for major public transport, and non-urban residential development. Non-urban development is generally located in and around small townships. It currently accounts for 3 per cent of development and is proposed to account for 1.5 per cent of all additional households by 2030. This equates to 9,500 households.

Ensuring housing affordability

Affordability problems in the housing market affect individual households and the wider community. High housing costs can adversely affect the living standards and health of households on low-to-moderate incomes, contributing to family stress and breakdown and extending their reliance on the welfare system. The wider community is affected through the labour market shortages that can result from a lack of affordable housing, and from consequent rising homelessness, social inequality and concentrations of disadvantage.

Statistics show a growing shortage of affordable housing. Research on low-cost rental indicates an absolute decline in the number of affordable private rental dwellings in Melbourne between 1986–96. Recent market conditions are unlikely to have reversed this trend. In addition, the proportion of households deemed to be suffering housing stress has risen, and ABS figures indicate a declining rate of home purchase among those aged below 35 years.

Evidence for metropolitan and regional Victoria also shows a trend to spatial polarisation in the housing market, with some well-serviced areas becoming too expensive for people on low-to-moderate incomes. By contrast, some areas with housing that can be afforded but with limited access to job opportunities, transport, social services and other benefits of urban living have become locations of concentrated disadvantage.

Integrating housing and transport

If higher-density housing is expected to meet the needs of a growing proportion of the metropolitan population, it must be well integrated with transport nodes and activity centres.

The benefits of integrating housing and transport include:

- a better choice of transport options for residents
- greater use of travel options with lower economic and environmental impacts
- improved accessibility for people who don't use cars
- reduced household spending on transport.

Concentrating new housing development in locations that are easily accessible to existing or proposed train, tram and bus services will promote sustainability and help achieve housing diversity and affordability.

Building sustainable neighbourhoods

The achievement of sustainable neighbourhoods and housing will require their planning to be seen as part of a larger picture that involves urban and non-urban systems.

In many parts of metropolitan Melbourne, relatively low population densities and past patterns of development make it difficult to provide easily accessible local facilities, services, public transport and job opportunities. This can result in isolation at home or dependence on others for access to services, and while housing may be relatively inexpensive in these (usually) outer suburban areas, the overall costs of living there may be higher than necessary.

Much existing housing in Melbourne is not resource-efficient. An average urban dwelling produces some 20 tonnes of CO₂ greenhouse gas per year and consumes an average of 239,000 litres of high-quality drinking water. Of this, around 110,000 litres is used for toilet flushing and garden watering.

Melbourne 2030 outlines a set of Neighbourhood Principles (see Appendix 1). These represent characteristics of liveable neighbourhoods, incorporating notions of sustainability, community and practical good sense.

Protecting agricultural activities and natural resources

At last estimate, there were between 60,000 and 80,000 vacant rural living lots in the broader central Victoria region that surrounds metropolitan Melbourne. Better management of housing development on the fringes of Melbourne will minimise conflict with rural activities and ensure long-term sustainability of agricultural activities and natural resources.

Future planning for rural residential development needs to avoid or significantly reduce adverse economic, social and environmental impacts and maintain and protect rural areas with environmental, economic or cultural values.

What does this plan aim to achieve?

Melbourne 2030 aims to better manage growth and change across metropolitan Melbourne. This plan seeks to achieve housing outcomes that will:

- provide appropriate housing for forecast increases in population and households
- ensure that growth is directed to strategic locations with good access to services and transport
- ensure a range of housing opportunities within established residential areas to meet changing lifestyles and housing needs
- deliver well-located affordable housing to meet the needs of lower-income groups
- promote walking, cycling and public transport as viable transport alternatives
- build better and more sustainable neighbourhoods.

What does it change?

Planning authorities will need to view opportunities for redevelopment, and for more intensive development within existing urban areas, in a more holistic way than in the past to fit a broader regional context.

This plan spells out changes to the way in which housing will be planned for. They are as follows:

- new regional housing working groups will provide a forum in which to identify and discuss housing issues and needs on a broader regional level
- local councils will be required to identify locations for higher-density housing and develop appropriate policies and controls
- activity centres will be a focus for a substantial proportion of new housing
- a new set of State guidelines for higher-density housing will be developed to guide residential development of four storeys and above
- the residential subdivision provisions will be updated to incorporate principles for neighbourhood living, included in *Melbourne 2030*
- the Department of Infrastructure's (DOI) monitoring systems will be improved and strengthened
- surplus government land and government programs will be utilised to achieve better housing outcomes.

What are the implications for local government?

Local government will need to develop and implement strategies and policies that support and implement the directions and policies of *Melbourne 2030*. Particularly relevant are *Melbourne 2030*'s aims to:

- increase the proportion of new housing within the established urban area, particularly at activity centres and other strategic sites suitable for redevelopment
- locate higher-density development on sites that are well-located in relation to activity centres and public transport
- increase the supply of well-located affordable housing.

Councils will be invited to participate in regional housing working groups. These will provide a forum for identifying housing issues and needs. They will give councils a regional context in which to develop their own local housing strategies and policies while taking into account broader regional issues.

Councils will be required to develop housing strategies or part of their Municipal Strategic Statement, as a basis for development of policies and controls to guide the form and design of future residential development within municipalities.

Councils will be given an opportunity to comment on and participate in the development of new guidelines for higher-density housing, and other initiatives that seek to improve the way in which housing is developed.

Actions

How does this plan relate to *Melbourne 2030*?

The actions outlined reinforce Direction 1 of *Melbourne 2030* – ‘a more compact city’, and Direction 6 – ‘a fairer city’.

These directions establish policies for housing that seek to locate a substantial proportion of new housing in or close to activity centres and other strategic redevelopment sites that offer good access to services and transport (Policy 1.3) and increase the supply of well-located affordable housing (Policy 6.1).

Other directions relevant to housing include Direction 2 – ‘better management of urban growth’, Direction 3 – ‘networks with the regional cities’, Direction 5 – ‘a great place to be’, Direction 7 - ‘a greener city’, and Direction 8 – ‘better transport links’. These directions aim to better manage urban growth in and around the metropolitan area by establishing limits to urban development, managing growth in rural areas, making neighbourhoods more liveable, making our city more sustainable and ensuring that growth is part of an integrated transport network.

What are the recommended actions?

Actions designed to address the issues outlined above and to achieve the directions of *Melbourne 2030* are grouped as follows:

- plan to meet our housing needs
- pursue affordability in housing
- lead by example.

These are summarised for easy reference in the accompanying table.

Housing actions

Action area	Task	Time frame (short, medium, long)*	Lead agency	Involved	Relevant initiatives in Melbourne 2030
Plan to meet our housing needs	achieve regional solutions to housing issues through regional housing working groups	short, then ongoing	DOI	local government and key stakeholders	1.3.4 9.4.1
	develop local housing strategies, policies and controls	short, then ongoing	local government	DOI	1.3.2 1.3.3 1.3.4
	monitor land supply	ongoing	DOI	local government and other key agencies and stakeholders	1.3.1 2.3.3
	incorporate environmental and neighbourhood principles into the residential subdivision provisions	short	DOI	key stakeholders	5.1.3 5.5.1 7.4.6
	develop State guidelines for higher-density housing	short	DOI	local government and key stakeholders	1.3.3 5.1.3
Pursue affordability in housing	monitor housing affordability	short, then ongoing	DOI with the Office of Housing	local government and key stakeholders	6.1.1
	increase the supply of affordable housing	medium	DOI	other government agencies, local government and key stakeholders	6.1.2 6.1.5
	revitalise public housing stock	ongoing	Office of Housing	DOI and relevant councils	6.1.3 6.1.4
Lead by example	provide a range of housing in Transit Cities developments	ongoing	DOI	Office of Housing, Urban and Regional Land Corporation, local government and other key stakeholders	6.1.6
	make best use of surplus government land	medium	DOI	Office of Housing and other government agencies	6.1.7

* Short – start within 12 months

Medium – start in 1–2 years

Long – start in 2–5 years

Action 1

Plan to meet our housing needs

Achieve regional solutions to housing issues through regional housing working groups

Lead agent: DOI in partnership with local government and other key stakeholders

Many housing issues cross the boundaries of individual municipalities or apply across the broader metropolitan region. Current mechanisms that allow for dialogue on housing issues are not systematic or far-reaching enough to support ongoing communication between policy-makers, regulators, decision-makers and providers.

To ensure that planning for housing effectively implements the policy directions of *Melbourne 2030*, regional housing working groups will be set up.

Coordinated by the DOI, these working groups will include representatives from State and local government. Non-government agencies and key private-sector participants with an interest in housing, such as the Housing Industry Association (HIA) and the Urban Development Institute of Australia (UDIA), will also be invited to take part. It is anticipated that the regional housing working groups will meet every 2–3 months until the regional issues have been worked through.

The role of regional housing working groups

These groups will:

- allow ongoing discussion and dissemination of relevant information between key housing stakeholders
- agree on common approaches to implementing *Melbourne 2030*
- provide a forum to highlight housing issues and needs, identify the challenges, and present innovative and sustainable approaches
- develop an understanding of the region's responsibilities in helping to meet housing needs
- identify emerging housing needs for different population groups and geographic sectors of the community
- identify significant opportunities to address metropolitan housing needs
- establish relationships with other government strategies and policies
- identify areas for research and monitoring
- provide advice which assists in developing local housing strategies and policies.

The groups will also set up and facilitate appropriate and effective monitoring processes to monitor land supply.

Melbourne 2030 identifies five analysis sectors that outline proposed household distributions over the next 30 years. It is proposed that regional housing working groups be based on these sectors. The local governments within each analysis sector are:

Western Region	Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley, Wyndham
Northern Region	Banyule, Darebin, Hume, Moreland, Nillumbik, Whittlesea
Eastern Region	Boroondara, Knox, Manningham, Maroondah, Monash, Whitehorse, Yarra Ranges
Southern Region	Bayside, Cardinia, Casey, Frankston, Glen Eira, Greater Dandenong, Kingston, Mornington Peninsula
Inner Region	Melbourne, Yarra, Port Phillip, Stonnington.

These groupings will provide a starting point for discussions with local government prior to finalisation.

Develop local housing strategies, policies and controls

Lead agent: local government with DOI

A number of councils have already undertaken significant work in relation to housing and residential issues within their municipalities. Generally, these establish policies and controls to guide the form and design of residential development within municipalities.

Local housing strategies

Local housing strategies will identify and assess regional and local trends and factors that influence housing needs.

A local housing strategy would be expected to:

- identify demographic trends, including changes in household structure and composition
- identify housing market trends, including dwelling type, tenure and housing costs
- identify projected population and household increases and housing needs over at least a 30-year period having regard to broader regional trends and projections – this should include numbers and types of additional houses required
- outline strategies and implementation methods that:
 - will accommodate projected population and household increases and needs over an initial 15-year period
 - identify where and how the housing needs of projected populations and households will be met across the municipality in the context of the identified 30-year needs
 - identify locations for more intensive forms of housing, which should be:
 - * in or around the Central Activities District
 - * in or within easy walking distance of Principal or Major Activity Centres
 - * in or beside Neighbourhood Activity Centres that are served by local public transport
 - * abutting tram, train, light rail and bus routes that are part of the Principal Public Transport Network and close to Principal or Major Activity Centres

- * in or near major public transport modal interchanges that are not in Principal or Major Activity Centres
- * major redevelopment sites close to activity centres and well served by public transport
- seek to ensure that a range of housing opportunities is available across the municipality to match the needs of projected populations
- seek to ensure that an adequate supply and distribution of affordable housing is available within the municipality
- identify any future strategic work that is required to be undertaken in order to fully implement the strategy
- ensure that any existing or proposed controls would enable projected housing needs to be accommodated, particularly in locations identified for higher-density housing.

DOI will support councils by making information available on future housing needs, and by providing guidance on preparing local housing strategies. DOI will also work with councils to identify sites and locations with potential for higher-density housing.

Local policies and controls

Councils should develop and implement local policies and controls that reflect the directions and policies of *Melbourne 2030* and build on the policies in the State Planning Policy Framework.

While the residential development provisions (ResCode) will apply in most residential areas, councils will be required to develop appropriate policies and controls for sites or locations identified for more intensive housing, and for areas identified as warranting special protection. These should utilise the tools made available in the *Victoria Planning Provisions*.

DOI will provide assistance to councils whose local housing strategies seek to implement policies and controls that support more intensive housing in and around activity centres and strategic redevelopment sites, and that increase the supply of affordable housing with good access to services and transport.

Monitor land supply

Lead agent: DOI with local government and other key agencies and stakeholders

DOI will set up a new program to monitor land supply for housing development that builds on *Housing Melbourne*.

A framework will be established to indicate where new housing demand will be met across the metropolitan area. The program will ensure that opportunities remain available to achieve a competitive housing market. It will identify and facilitate planning for large-scale development and redevelopment sites in metropolitan Melbourne, including greenfield sites.

Land supply data will be collected and updated for each municipality. An annual forum will be dedicated to this process. All key stakeholders in the development industry, including councils, developers, infrastructure agencies and industry groups such as the HIA and UDIA will take part.

Data collected will form the basis of a residential land supply and development program. This will provide a comprehensive picture of the timing and availability of both greenfield and redevelopment sites across the metropolitan area for each five-year period, up to a threshold of 15 years.

The data will be used to:

- monitor land supply and dwelling production across the metropolitan area
- identify and plan for the provision of physical and social infrastructure
- coordinate land release with service provision
- manage land supply to meet housing needs.

DOI will disseminate this data each year.

Incorporate environmental and neighbourhood principles into the residential subdivision provisions

Lead agent: DOI with key stakeholders

The subdivision provisions at Clause 56 of the *Victoria Planning Provisions* will be updated to give effect to the Neighbourhood Principles outlined within *Melbourne 2030* (see Appendix 1). This will include ensuring that the provisions promote development and subdivisions that:

- are safe and secure
- are highly walkable and reduce travel demand and, in particular, car dependency
- are able to include or provide easy access to a range of facilities and services
- are created around a neighbourhood hub which gives a sense of place and coherence to the local community
- provide a range of usable open spaces
- are environmentally friendly, with a focus on energy efficiency, water conservation, conservation of species and habitats, and reduction of stormwater impacts
- provide for ducted broadband services
- incorporate water-sensitive design criteria.

Develop State guidelines for more intensive housing

Lead agent: DOI with key stakeholders

The residential development provisions (ResCode) provide design standards for managing incremental change, but there are times when more significant change is desirable and appropriate. More intensive residential development that is supported and encouraged by *Melbourne 2030* must be subject to appropriate design and development standards.

DOI will also ensure that the *Victoria Planning Provisions* are responsive to the need to encourage well-designed higher-density developments in strategic locations.

DOI will work with local government and key stakeholders to develop guidelines for more intensive residential development. These guidelines will be incorporated into the *Victoria Planning Provisions* and include performance criteria and standards for safety, surveillance, noise, amenity and privacy.

Action 2 Pursue affordability in housing

Monitor housing affordability

Lead agent: DOI with the Office of Housing and other key stakeholders

The cost of housing is important to all households, especially so where income levels are low-to-moderate. An adequate supply of affordable housing in the right locations is essential for the social and economic wellbeing of such households. It is needed also to nourish a sustainable housing industry and an efficient, buoyant urban economy.

Detailed information on housing needs, housing costs and on the distribution of affordable housing is important to establish the level and quality of affordable supply, to identify which groups are vulnerable or missing out, and to ascertain the required mix of housing options. At State and local government levels, this information can then be used to develop appropriate responses through the planning and housing assistance systems, and to focus necessary action on different locations and households.

DOI will investigate and analyse trends in the provision of affordable housing. With the Office of Housing, it will develop a process to monitor changes in the supply and distribution of affordable housing across the metropolitan area.

This information will be linked to measures of housing need that take into account differences across age groups, household types and sizes, and individual needs (such as the need for housing linked to support services).

Research will extend to other cities and countries, to uncover valuable lessons that could lead to better solutions for addressing affordability issues in local, metropolitan and regional environments. DOI will work with other agencies to identify best practice examples of well-designed, affordable housing developments around Australia and appropriate international examples. Information will be distributed to policy-makers and practitioners.

Increase the supply of affordable housing

Lead agent: DOI with the Office of Housing, other government agencies and key stakeholders

Creating opportunities to provide appropriately located affordable housing involves issues such as land supply, design and construction standards and encouraging suppliers of affordable housing.

Many government and non-government agencies play active roles in the supply and provision of affordable housing. Through coordinating their resources and functions, the Government can seek to promote innovative and flexible affordable housing opportunities for renting or purchasing that go beyond traditional approaches. Strengthening alliances and partnerships between agencies is an important way of maximising opportunities. DOI will work with the Urban and Regional Land Corporation, the Office of Housing, local councils and the not-for-profit sector in this way.

Recent government initiatives on affordable housing include a strategy on social housing issues in Victoria, being developed by the Office of Housing, and an advisory committee appointed by the Minister for Housing to advise on ways in which State and local government might work together on the subject. DOI will consider recommendations that emerge and will work with key agencies and stakeholders to investigate, develop and implement initiatives that aim to increase the supply of well-located affordable housing.

Revitalise public housing stock

Lead agent: Office of Housing with other key stakeholders

The Government is committed to providing more social housing and improving its quality, as an essential part of the provision of affordable housing.

The Office of Housing is engaged in major programs to:

- refurbish outdated public housing
- reconfigure the mix and choice of housing to match changes in the needs of clients
- reduce concentrations of public housing and strengthen local communities and neighbourhoods in areas of social and economic disadvantage.

The Office of Housing is currently undertaking neighbourhood renewal programs in the Latrobe Valley, Wendouree West, Collingwood, Fitzroy, Maidstone, Braybrook, Corio, Norlane, Eaglehawk, Long Gully, Seymour and Shepparton. A shared vision for neighbourhoods will be developed through local Neighbourhood Renewal Action Plans.

DOI will continue to support the Office of Housing's programs, with a central focus on working with local government to promote strategies to revitalise and diversify housing and improve amenity and opportunity in neighbourhood renewal areas.

Action 3

Lead by example

Provide a range of housing in Transit Cities developments

Lead agent: DOI with government departments, agencies, local governments and other key stakeholders

The Transit Cities program can support the *Melbourne 2030* objectives of higher-density housing at strategic redevelopment sites, and more well-located affordable housing. It also provides an opportunity for innovative, high-quality development in urban precincts around key transport nodes.

DOI will work with all stakeholders, including the private sector, to identify opportunities and develop techniques and solutions to ensure that a range of housing types for different market segments is provided in Transit Cities.

Through the Transit Cities program, DOI will work with the non-profit sector as well as the private sector to provide for a mix of affordable housing, and will liaise with the Office of Housing and other departments and agencies to promote a whole-of-government response to opportunities for residential, commercial, institutional and governmental development and investment in Transit Cities.

Techniques may include site assembly and site preparation, public works, closure of redundant roads, structure planning, identification of an appropriate mix of uses and development, including housing.

The Transit Cities program will emphasise the promotion and delivery of affordable housing generally, as well as social housing in locations requested by the Office of Housing.

Make best use of surplus government land

Lead agent: DOI with other government departments

Surplus government land can present an opportunity to help provide affordable, social and community housing. Past practice has been to dispose of government land at the best commercial rates. This does not always achieve good social outcomes.

The policy that governs the disposal of government land will be changed to reflect the best use rather than the highest price achievable, based on new socially responsible criteria. Where land is surplus, it will first be tested against its ability to meet local housing needs.

DOI will work with the Office of Housing and central agencies to develop appropriate protocols for disposing of surplus government land to ensure consideration of environmental, social and economic factors.

Next steps – what do we need to do?

The Government is releasing *Melbourne 2030* and the draft Implementation Plans for a period of public review and comment. The initial comment period, up to 14 February 2003, is to give all interested parties the chance to comment on how *Melbourne 2030* works overall, whether the draft Implementation Plans are workable, and whether there are any unforeseen issues that need further consideration.

Public information sessions will be held at various venues around the metropolitan area following the release. Public displays will be held at the Melbourne Museum in Carlton and at other venues. Workshops will be held with key stakeholder groups about particular topics. They will focus on what needs to be done, and when.

General comments on *Melbourne 2030* and specific feedback on its implementation should be submitted by 14 February 2003 to:

Metropolitan Strategy Project
Department of Infrastructure
GPO Box 2797Y
Melbourne VIC 3001

or

melbourne2030@doi.vic.gov.au

Information is available by calling 1300 366 356

Details of our consultation process will be advertised widely and will be available on DOI's web site. We value your comments and involvement.

For further information on the Melbourne Metropolitan Strategy process and *Melbourne 2030*, go to www.melbourne2030.vic.gov.au

Submissions

In order to ensure the integrity of the consultation process, you are asked to provide your name and address with your submission. Unfortunately we will not be able to accept submissions which do not include this information. However, all personal identifying information could be removed after it is received if that is your request. If this is the case, or there are any other parts of your submission that you wish treated confidentially, please make this clear in your submission.

Appendix 1

Neighbourhood Principles

The Neighbourhood Principles included within *Melbourne 2030* aim to create more liveable neighbourhoods that demonstrate the following characteristics:

- an urban structure where networks of neighbourhoods are clustered to support larger activity centres on the Principal Public Transport Network
- compact neighbourhoods that are oriented around 'walkable' distances between activities and where neighbourhood centres provide access to services and facilities to meet day-to-day needs
- reduced dependence on car use because public transport is easy to use, there are safe and attractive spaces for walking and cycling, and subdivision layouts allow easy movement through and between neighbourhoods
- a range of lot sizes and of housing types to satisfy the needs and aspirations of different groups of people
- integration of housing, workplaces, shopping, recreation and community services, to provide a mix and level of activity that attracts people, creates a safe environment, stimulates interaction and provides a lively community focus
- a range of open spaces to meet a variety of needs, with links to open space networks and regional parks where possible
- a strong sense of place created because neighbourhood development emphasises existing cultural heritage values, attractive built form and landscape character
- environmentally friendly development that includes improved energy efficiency, water conservation, local management of stormwater and waste water treatment, less waste and reduced air pollution
- protection and enhancement of native habitat and discouragement of the spread and planting of noxious weeds.

Glossary of terms

Activity centres

Provide the focus for services, employment and social interaction in cities and towns. They are where people shop, work, meet, relax and often live. Usually well-served by public transport, they range in size and intensity of use from local neighbourhood strip shopping centres to traditional universities and major regional malls.

Affordable housing

Well-located housing, appropriate to the needs of a given household, where the cost (whether mortgage repayment or rent) is no more than 30 per cent of that household's income. Exceeding the mark places one under 'housing stress', particularly in the lower 40 per cent of the income distribution scale.

Fringe

Areas of the city that border on non-urban areas or the 'edge' (loosely defined) of the built-up urban area.

Greenfield site

Undeveloped land identified for residential or industrial/commercial development, generally on the fringe of the metropolitan area

Growth areas

Areas on the fringe of metropolitan Melbourne around major regional transport corridors that are designated for large-scale change, over many years, from rural to urban use. The new communities of the future will be located in growth areas, with housing, shopping, employment, parks and other features of urban life.

Higher-density housing

Housing units on a given area of land that are more numerous than the average in the surrounding locality.

Metropolitan Melbourne

The 31 metropolitan municipalities that make up the metropolitan region: Banyule, Bayside, Boroondara, Brimbank, Cardinia, Casey, Darebin, Frankston, Glen Eira, Greater Dandenong, Hobsons Bay, Hume, Kingston, Knox, Manningham, Maribyrnong, Maroondah, Melbourne, Melton, Monash, Moonee Valley, Moreland, Mornington Peninsula, Nillumbik, Port Phillip, Stonnington, Whitehorse, Whittlesea, Wyndham, Yarra and Yarra Ranges.

Principal Public Transport Network

A high-quality public transport network that connects Principal and Major Activity Centres, and comprises the existing radial fixed-rail network, extensions to this radial network and new cross-town bus routes.

ResCode

A package of provisions for residential development that was introduced in Victoria in August 2001, and incorporated into planning schemes and the Building Regulations.

Social housing

Non-profit housing owned and managed for the primary purpose of meeting social objectives such as affordable rents, responsible management, security of tenure and good location in relation to employment services. The term encompasses public housing and includes housing owned or managed by the community.

Strategic redevelopment sites

Areas within the built-up urban area designated for higher-density residential development. These include activity centres and major redevelopment sites.

Urban growth boundary

A management tool to contain urban areas and limit their expansion. It divides land that is urban – to be used for housing, shops, factories – from land that is non-urban and to be used for purposes such as conservation, agriculture, mineral extraction, airports and the like. An urban growth boundary encourages urban consolidation and protects valued non-urban areas from urban development.

Victoria Planning Provisions

Policies and requirements for the use, development and protection of land in Victoria.

Walkable

Walkable communities, or locations, make footpath-based travel as easy as possible for all members of the community including children, people with prams/shopping carts and people using mobility aids. Walkability encompasses issues of safety (traffic and personal), attractive surroundings, distance between destinations, gradients, appropriate surfaces and physical barriers to access such as steps and gutters.

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