

12.7	Victorian Government Draft Housing Targets - Brimbank Submission
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Attachment(s)	1. Brimbank City Council Submission - Draft Housing Targets - August 2024 [12.7.1 - 17 pages]

Purpose

For Council to consider endorsing the draft submission on the Victorian Government's Draft Housing Targets shown at **Attachment 1**.

Officer Recommendation

That Council:

- a. **Notes that the Victorian Government has released draft housing targets for consultation will local government as part of developing a new plan for Victoria.**
- b. **Endorses the submission on the draft housing targets, shown at Attachment 1, and its lodgement with the Department of Transport and Planning by 30 August 2024.**
- c. **Notes that the Victorian Government intends to release a new Plan for Victoria in late 2024 that includes housing targets.**

Background

The Victorian Government's Department of Transport and Planning (DTP) recently released draft local government housing targets (draft targets) for consultation with all councils in Victoria. When finalised, the targets will form part of a new Plan for Victoria.

As part of the release, DTP provided an interactive map on the Engage Victoria website which identified a draft target for each local government area across the state. For Brimbank a draft target of 72,00 homes by 2051 is proposed.

DTP has also provided Council officers with two briefings on the draft targets. The first briefing focused on the general approach and context within which draft targets will likely sit within a future planning framework. The second briefing provided more detail about the methodology used to develop the draft targets and outlined intended next steps to refine them.

Based on these briefings, Council officers understand the following about the purpose and intent of the Victorian Government's draft targets:

- When aggregated, all targets seek to deliver 2.24 million new homes by 2051 consistent with the Victorian Housing Statement (VHS) released in October 2023.
- Draft targets are an expression of a geospatial assessment of potential housing capacity that could theoretically be built within each local government area.

- Draft targets provide greater supply of housing, over and above demand driven models such as *Victoria in Future* (VIF), which forecast minimum requirements based on population and household change.
- Within the context of the VHS, there is a deliberate intention to provide more housing over demand models to shift the balance towards affordability through extra supply.
- Draft targets are to be viewed as a strategic tool to help drive growth in the most suitable locations across Melbourne and Victoria.

DTP have also updated the Plan for Victoria page on the Engage Victoria website by outlining eight “big ideas” identified from feedback received from initial consultation to inform a Plan for Victoria. Council endorsed a submission in response to this early engagement at the Council Meeting on 18 June 2024. The big ideas are:

1. More homes in locations with great public transport access.
2. More housing options for all Victorians, including social and affordable homes.
3. More jobs and opportunities closer to where you live.
4. More options for how we move from place to place.
5. More certainty and guidance on how places will change over time.
6. More trees and urban greening in our parks and community space.
7. More protections from flooding, bushfire and climate hazards.
8. Greater protection of our agricultural land.

Except for DTP advising that consultation on a new plan for Victoria has been extended until 30 August 2024, there has been no further information shared apart from the above. This extension allows Council to provide feedback on the draft targets and these ‘Big Ideas’.

The DTP website indicates that a new plan for Victoria is to be released in late 2024 following this second round of consultation.

Matters for Consideration

Options

A draft submission has been prepared in response to the release of draft housing targets which is shown at **Attachment 1**.

The following options are available to Council:

- A. Endorse the draft submission shown at **Attachment 1**.
- B. Endorse the draft submission shown at **Attachment 1**, with changes.
- C. Determine not to endorse the draft submission, shown at **Attachment 1**, with no further action.

Analysis

While DTP has provided some explanation regarding the intention and context of draft targets through briefings to Council officers, there isn’t yet a policy and/or strategy framework to better understand more detailed elements surrounding housing targets and their intended use moving forward. This would usually in be in the form of a discussion paper type document or be embedded in a draft Plan for Victoria.

It is unclear beyond the opportunity to provide this submission whether further information will be released that provides greater context and/or opportunity to provide further input on the draft targets.

Within this context, the draft submission has sought to focus on what the main implications are from a Brimbank perspective. The draft submission seeks to provide a constructive overview of key matters that DTP could turn its attention to as part of a wider policy, strategy and/or regulatory reform agenda, or help inform a potential next phase of developing housing targets within the context of a new plan for Victoria. On the above basis, the draft submission notes Council's qualified support for the concept of setting housing targets to help guide planning focus and effort moving forward. The draft submission also seeks to provide a focus of attention and further consideration on the following broad matters:

- Emphasises Council continued endeavours and efforts to facilitate high quality urban development through the tools available within the Brimbank Planning Scheme, and any other levers at its disposal, to encourage greater supply of housing across the municipality. This is in the context of a challenging economic environment.
- Encourages the need for an integrated spatial land use and transport approach and the need for delivery of major rail infrastructure and bus reforms, as a matter of urgency. This is essential to provide confidence, stimulate development demand and improve developer certainty, as well as deliver important transport investment required to service an increasing population.
- Highlights that beyond the planning system, Brimbank has limited levers available to unlock housing supply and therefore there is a need for both the Commonwealth and State governments to explore their respective financial and fiscal levers to influence supply, particularly in the short term.
- Emphasises the need to establish a clear, housing focused, policy, strategy and regulatory reform framework, that is developed in close consultation with local governments, relevant authorities and key stakeholders, to place housing delivery and associated targets into a long-term plan.
- Encourages the need for an ongoing program of effort to be established that monitors, reviews, and reports on the progress of delivering more housing against an established housing framework. This would preferably be progressed via a transparent process managed by an independent body.
- Seeks ways to make housing density through apartments more attractive - both in appearance and as a product to create market demand by gaining community support and acceptance. This is proposed to be delivered through a mix of reformed planning controls by providing innovative solutions that address several complex challenges which currently impede the delivery of housing density.
- Seeks prioritisation of available State based financial and fiscal levers of reforms to deliver a fairer and more equitable approach to funding the necessary transport, community and social infrastructure needed to meet the demands brought about by the proposed housing targets and associated population.
- Supports the need for ongoing collaboration across all levels of government, the development industry and with local communities to identify issues and progress solutions.

In relation to the eight "big ideas" released, officers note that they are very broad concepts that any new plan for Victoria would be expected to consider and without further detail are difficult to comment on in isolation of a draft policy or strategy framework.

Notwithstanding, Council's submission to the plan for Victoria provides appropriate and considered responses to these "big ideas", and therefore no further comment is being made as part of this submission.

Next steps

Subject to Council's endorsement, the draft submission would be lodged with DTP before 30 August 2024.

Council officers will continue to advocate for appropriate consideration, reflection and application of Council policies, strategies and plans, in addition to the matters raised in the submission as part of any further engagement by DTP on the proposed housing targets and/or a new plan for Victoria. DTP have indicated a willingness to receive more detailed information from Council officers about local issues, which will be provided where appropriate.

Community Engagement

The State Government have released information and are undertaking consultation via the Engage Victoria website. Submissions from councils on the draft housing targets are due from 3 July 2024 to 30 August 2024.

Resource And Risk Implications

Resource requirements can be met within the Annual Budget 2022/2023.

Community: potential impact on community, including public trust and customer service impact:

- Yes – Housing targets will require more housing in established areas across Brimbank and may be politically sensitive and have an impact on Council resources. Population growth associated with housing targets will correlate with an increased demand for a range of services and amenities offered by Council that will need to be assessed, planned and funded.

Environmental: impacts on environmental sustainability, including water/waste management, climate change, and contaminated land:

- Yes – Increased dwellings within Brimbank will have an impact on the overall performance of the built environment in response to climate change and overall environmental sustainability. This will also have a correlation in terms of transport needs and will require a stronger focus on active and sustainable transport to help address the impacts on road congestion and pollution.

Financial: significant financial impacts:

- Yes - Increased housing supply with Brimbank, while providing increased rate revenue will also require substantial funding to deliver new and/or extended services and infrastructure in the future.

Regulatory: legal, legislative or regulatory implications including the rights/obligations of stakeholders:

- Yes – Potential regulatory reforms introduced by the progressing of new housing targets may impacts Council's existing legislative and regulatory responsibilities.

Legislation/Council Plan/Policy Context

This report supports the Council Plan 2021-2025 strategic direction and objective of:

2. Places and Spaces - Liveable and connected neighbourhoods that support healthy and sustainable futures - A green place for all

- Liveable and Connected - Inviting and liveable spaces and facilities, connected so people can get around

3. Opportunity and Prosperity - A future focused, transforming city where all have opportunities to learn and earn - A prosperous place for all

- Growing and Transforming - Optimise community opportunities through infrastructure innovation and investment

4. Leadership and Governance - A high performing organisation that enacts the vision and decisions of Council through the delivery of quality and innovative services - A fairer place for all

- Engaged and Responsive - Community insights are valued to enhance connection and engagement with Council.

The draft submission draws on priorities identified in adopted Council strategies and policies, including the Brimbank Housing and Neighbourhood Character Strategy 2024, Brimbank Advocacy Plan 2023-25, Brimbank Transport Priorities Paper 2022, Sunshine Priority Precinct Vision 2050, Brimbank Activity Centre Strategy 2018, Sunshine Station Super Hub Urban Design Principles 2019, Brimbank Position Statement of Social and Affordable Housing 2022 and the Brimbank Economic Development Strategy 2022-2027. The draft submission also draws on the Brimbank Planning Scheme and State Government's Sunshine Precinct Opportunity Statement.

Council officers contributing to the preparation and approval of this report, have no conflicts of interests to declare.



Brimbank
City Council



Brimbank City Council Submission

Victorian Government Draft Housing Targets

August 2024

Council respectfully acknowledges and recognises the Kulin Nation including the Wurundjeri, Bunurong and Boon Wurrung Peoples as the Traditional Owners of the land in the City of Brimbank, and pays respect to Elders past, present and future. For the Traditional Owners, the lands in the City of Brimbank have always been a significant trading and meeting place.

Foreword

Brimbank City Council (Council) welcomes the proposed draft Housing Targets released by the Victorian Government and the opportunity to work with the Victorian Government to further develop housing policy and strategy, and refine the draft Housing Targets, to inform the development of the new Plan for Victoria.

The Department of Transport and Planning (DTP) website identifies that the draft Housing Targets quota for the Brimbank Local Government Area (LGA) is in the order of 72,000 new homes by 2051. Currently, there are approximately 73,200 dwellings in the Brimbank LGA, which equates to the construction of around 2,700 dwellings per year for the next 27 years.

Council understands and appreciates that the proposed draft Housing Targets are based on a geospatial based analysis identifying potential capacity, with the aim of providing a sufficient supply of suitably zoned land, over and above projected population and household change requirements - the latter being the traditional method of determining housing supply through strategic planning.

Council's recently adopted [Brimbank Housing and Neighbourhood Character Strategy 2024](#), uses the traditional method of determining supply, and has identified the need to accommodate an additional 14,000 dwellings by 2041 through a suite of residential zone changes. This represents a little over 800 dwellings per year which is slightly above the short-term average dwelling construction rate for Brimbank over the last five years, but in line with a longer-term average when measured since 2001. Council notes that this strategy does not include the activity centre areas of Sunshine, St Albans or Sydenham, or potential dwelling yield from other potential infill development areas.

Notwithstanding, while potential additional dwelling capacity from these areas and/or existing areas could further increase housing supply across Brimbank, there are several strategic limitations. This includes land use buffers, airport environs impacts (particularly in relation to the proposed Melbourne Airport Third Runway), single dwelling covenants, potentially contaminated land, and flood exposure, which will likely impact overall supply potential.

The theoretical doubling of the number of dwellings within Brimbank necessitates the need for significant infrastructure and service delivery, particularly the provision of greater transport and community services. Within the context of being able to deliver the proposed draft Housing Targets, Brimbank needs the timely delivery of committed rail infrastructure projects and corresponding station upgrades to support significant activity centre growth and development along established rail lines. Greater housing development beyond established rail infrastructure will require more frequent, accessible, and integrated bus services, in addition to a range of social and community related infrastructure, which is required to service a substantially increased population.

Nevertheless, Council supports the establishment of housing targets as a means of supporting strategic planning to facilitate increased housing. However, Council is mindful that it has limited levers at its disposal to be able to influence the housing market and is mindful of the need for targets to be strategically focused on their intention, rather than used as a punitive measure as suggest by the Premier¹.

Within the above context, Council's submission focuses on a range of matters that will help inform a strong and effective housing policy and regulatory environment, including:

1. Unlocking housing development today through further exploration of Commonwealth and State Governments levers.
2. Working collaboratively to further develop a clear and consistently applied methodology to ensure a unified approach across state and local government boundaries.
3. Establishing targets within the context of a strategic metropolitan housing framework that supports localised delivery and is independently monitored and reviewed.

¹Miller, Rooney, Gordon (April 2024) [The Age "Planning powers could be stripped from councils that miss housing targets"](#).

4. The need to make density attractive delivered through a mix of reformed and new planning tools, with a focus on innovative solutions to challenges which impact delivery.
5. Integrating and aligning planning and infrastructure delivery to ensure the application of a fair and equitable approach through reforms to infrastructure contributions and value capture arrangements.
6. The need for ongoing collaboration across all levels of government, the development industry and with communities to identify issues and progress solutions.

Council looks forward to contributing to this important policy discussion and stands ready to assist the process where it can.

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Draft housing targets in context

Key points:

- Proposed draft targets will require 2,700 dwellings per year to be delivered, which is significantly more than the long-term average of approximately 800 per year since 2001.
- Delivery of committed rail infrastructure projects and corresponding station upgrades is required to support housing growth in existing activity centres and along established rail lines.
- Increased housing supply beyond established rail infrastructure will require even more frequent and accessible bus services, which are already insufficient in terms of current requirements.

Draft targets put into the Brimbank context

Brimbank has a vibrant and culturally diverse community with a population of 196,000 in 2021, which is forecast to grow to 212,500 by 2036².

When compared to all inner and middle local government areas across Melbourne, Brimbank is ranked equal third highest (72,000 new dwellings) alongside the local government areas of Monash, Darebin and Merri-bek, in needing to accommodate new dwellings by 2051. Only the local government areas of Whitehorse (79,000) and Melbourne (134,000) have higher housing targets.

Brimbank currently has around 73,500 dwellings, which means the proposed draft Housing Target for Brimbank equates to a theoretical doubling of the number of dwellings to around 143,000 by 2051. This suggests that an average annual construction rate of 2,700 new dwellings would be needed over the next 27 years for Brimbank to deliver this target.

Council's recently adopted [Brimbank Housing and Neighbourhood Character Strategy 2024](#) seeks to accommodate an additional 14,000 dwellings by 2041³. This represents a little over 800 dwellings per year which is slightly above the short-term average for Brimbank of the last five years - but is in line with a longer term average when measured since 2001 (see figure 1 below).

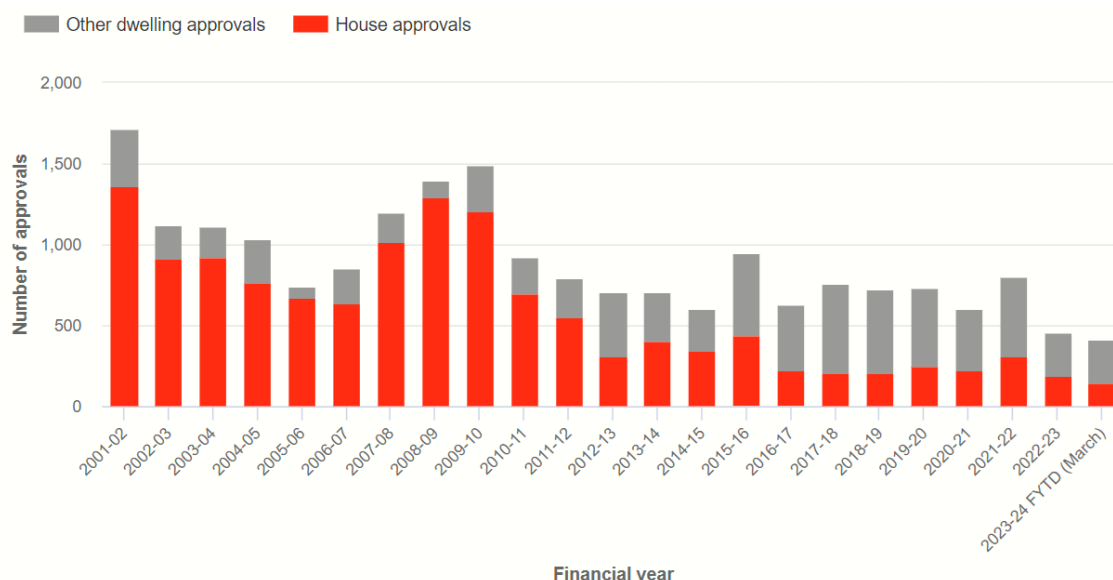


Figure 1: Residential Building Approvals, Brimbank City Council.

Source: Id Consulting

² Victorian Government (2023) *Victoria in Future, municipal forecasts 2021-2036*.

³ Excludes the activity centre areas of Sunshine, Watergardens, and St Albans.

Brimbank requires significant investment in infrastructure to service growth

Council appreciates that a significant proportion of the draft Housing Target is supported by the future development of the Sunshine Priority Precinct (Sunshine), where work is being undertaken to establish Sunshine as the CBD of the west. The DTP's own vision⁴ indicates the potential for approximately 26,000 new dwellings over the next 30 years.

When Sunshine's potential is combined with the *Brimbank Housing and Neighbourhood Character Strategy*, it means that an additional 32,000 new dwellings will potentially need to be found within other areas earmarked for residential growth. This includes the activity centres like St Albans and Sydenham, and other potential residential strategic infill redevelopment areas (such as areas zoned for mixed use or where there is an approved development plan). In addition, Brimbank has a wide range of neighbourhood and local activity centres beyond those mentioned, where housing growth could be further intensified within the context of a 20-minute neighbourhood policy environment. Importantly, the growth and development of these centres is also impacted by poor public transport accessibility, changing economic conditions and increased development costs due to localised conditions, to name a few.

In August 2021, the Victorian Auditor General⁵ noted the absence of a metropolitan wide transport plan (also required by the *Transport Integration Act 2010*) over the last decade. This has meant that unprecedented investment in transport infrastructure has missed opportunities to better sequence and optimise the benefits of these investments to better meet Victoria's transport needs – particularly in Melbourne's west.

Significant and timely investment will be needed in a broad range of transited oriented infrastructure, social and community services, as well as utility infrastructure, if Melbourne is to cater for the population proposed in the draft Housing Targets.

Council has long advocated⁶ about the need for greater and more coordinated investment in transport infrastructure to deliver meaningful and intergenerational change for the Brimbank community and Melbourne's west. Sustained advocacy about once in a generation catalyst project flagged for Brimbank and the western region, could restore transport equity in Melbourne's west and create an environment equivalent to the level of transport infrastructure available within northern and eastern middle ring municipalities. Key projects include:

- Electrification of the Melton/Wyndham rail line and modernisation of stations along those lines
- Delivery of Melbourne Airport Rail including the Keilor East Railway Station
- Delivery of the original design of the Sunshine Super Hub to support the above rail investments full potential and
- Redevelopment of Albion Station to capitalise on the growth potential of the northern areas of the Sunshine precinct.

If greater densities are to be achieved beyond existing rail infrastructure and within the existing activity centre network, then considerable investment in more frequent bus services is needed. This should provide logical interconnections to help achieve greater growth in established suburbs and support efficient flows and accessibility of people travelling within, or through Brimbank.

⁴ Department of Transport (2021) *Sunshine Priority Precinct Statement*

⁵ Victorian Auditor General (2021) *Integrated Transport Planning*

⁶ Brimbank City Council (2021) [Transforming Brimbank](#)

There is a need to deliver new housing now

Key points:

- **Local government has few levers outside the planning scheme to meaningfully unlock supply, particularly in the short term.**
- **Commonwealth and State Government need to use their financial and regulatory levers to help unlock supply delivery.**
- **Building property market confidence through delivery of promised infrastructure will help support Brimbank in attracting investment and unlocking new housing supply.**

Local government has limited levers to unlock supply

Unfortunately, the implementation of housing targets will not contribute to the building of new homes needed today or in the short term.

Council has, and will continue, to facilitate development through its planning scheme which is the primary lever at its disposal to encourage new development. It is important to note that while permits are issued regularly, not all permits proceed to construction. For example, over the past five years within the Sunshine Metropolitan Activity Centre (MeAC), active permits had the potential to deliver 972 new apartments, however over this same period, approximately 564 apartments did not progress due to lapsing planning permits - which demonstrates the important role the market plays in the delivery of housing.

There are several issues that impact the markets' ability to deliver housing, including the cost of construction, high interest rates, rising wages and labour shortages, and financial incentives etc, and have a more immediate influence on housing supply. For example, Infrastructure Victoria's *Our home choices* advocated for disincentives to buying in established areas to be removed. These included inefficient stamp duties, taxes and subsidies which favour development in growth areas over infill locations.

While Council welcomes both the National Housing Accord and the Victorian Housing Statements as first steps, further exploration of these financial and other levers that impact the market are required to encourage a more immediate response to supply.

Build market confidence by delivering promised infrastructure

The property market dynamics of Melbourne's west means that the delivery of the Melbourne Airport Rail and other city shaping rail infrastructure projects flagged for Brimbank and the region is critical to building market confidence.

There is a significant opportunity for State and Local Governments to leverage public and private investment to create uplift through a range of opportunities. A commitment to a continued strong partnership and collaborative approach between Local and State Governments, that is underpinned by an agreed vision, will be key to realising our mutual aspirations.

Unfortunately, the lack of certainty in the delivery of flagged infrastructure projects is undermining Sunshine's role as a MeAC, and its broader role as part of the National Employment and Innovation Cluster. Significant capacity exists within the Sunshine Precinct to accommodate future homes. Continued uncertainty creates a lack of confidence for investors looking at Sunshine and Brimbank as a place to invest, conduct business and work.

Targets should be set within a clear and implementable framework

Key points

- The proposed methodology that has informed the draft Housing Targets has merit, but a clear and consistent methodology to refine targets needs to be established, in consultation with Local Government.
- Targets need to be set within a metropolitan housing policy and strategy framework, and based on principles, objectives, and spatial delivery aspirations.
- A housing framework should focus on delivering housing choice, diversity, and local needs within the context of delivering an overarching target.
- A housing framework should include a consistent approach to long term independent monitoring and review to measure policy implementation accurately.

Develop a clear and consistent methodology

The DTP⁷ Local Government focused webinar on 12 July 2024, reaffirmed that the combined draft Housing Targets aim is to deliver 2.24 million new homes by 2051, and that the draft targets are based on an initial geospatial assessment to understand what a feasible housing capacity could theoretically be within each local government area.

This means the draft Housing Targets present greater supply of housing, over and above demand driven models such as *Victoria in Future* (VIF) and aim to change the balance of affordability through extra supply.

Council considers that the methodology outlined by DTP is a well-considered first step. Ideally the next stage would involve a more detailed discussion with each local government to allow the provision of more localised feedback to inform the methodology and ensure an accurate base case is developed for each LGA. This includes giving appropriate consideration and regard for localised limitations on development. Within Brimbank, there were several development constraints identified in the adopted [Brimbank Housing and Neighbourhood Character Strategy](#), including:

- Areas where land use buffers may impact dwelling densities, such as in areas surrounding Major Hazard Facilities, closed land fill sites and proximity to high pressure gas or other pipelines.
- Locations where there are known single dwelling covenants, that deliberately limit the dwelling density potential within a given area.

Council has considered the DTP webinar material and included a range of feedback at Appendix 1. Prior to finalising the methodology and final targets, which will inform the Plan for Victoria, Council submits that the following occur:

1. Provide opportunities for considered and detailed feedback from each local government to ensure local conditions are considered, and to improve the accuracy of inputs and elements being used, and the overall integrity of the model.
2. Engage a range of experts to peer review the model's methodology to further enhance its validity and long-term application.
3. Consider placing the methodology/model through a considered public process to allow any interested party, to present their views via an Advisory Committee process in accordance with section 151 of the *Planning and Environment Act 1987*.

⁷ Department of Transport and Housing (July 2024) *Housing Targets, Modelling Webinar – 12 July 2024*

Place housing targets within a clear housing framework

Council supports the need for a 'long term housing plan'⁸ to collectively achieve well designed and well-located housing. The development of a housing framework must be established within a framework based on clear and consistent principles and objectives, that drive the application of specific policy and strategy at both the metropolitan and local government level. Ideally a framework would be focused not just on housing but be coupled with a clear spatial strategy that is supported by a new Plan for Victoria that describes how targets are to be met.

A regional local government approach should be considered for the establishment of targets and their implementation. A regional approach could create a greater focus on similar property market characteristics and behaviours and promote development of fit for purpose approaches based on local area dynamics.

A housing framework must include diversity and choice

Currently, 80% of Brimbank's housing supply is provided in detached dwellings built between the 1950's and 1980's on allotments between 500 – 800m². A housing framework should act to encourage and deliver housing diversity and choice. A key challenge facing Brimbank, and most municipalities, is the ability to support the delivery of diversity that caters for various household types and an older population.

Research undertaken by Infrastructure Victoria (IV)⁹ found that homes in high rise apartments alone were not attractive to many people, concluding that increased density must come in a variety of forms, including townhouses, villas and low-, mid- and high-rise apartments. They must also be priced accordingly to suit a variety of household types, particularly those households with children. Any framework must therefore not solely rely on pure numbers and/or demand, but instead, take a more nuanced approach to providing diverse housing that meets the needs of a broad spectrum of the Victorian population at an appropriate price point.

Establish best practice independent monitoring, reporting and review

Any framework must be monitored and reviewed periodically. There has been no information shared to date that outlines if and how monitoring and review will occur. Council believes reviews should be aligned with ABS census data release periods to ensure that adjustments are measurable and based on trends. Reviews should include assessment of property market movements, fluctuations and economic temperature checking to ensure that any revised or new targets remain realistic and pragmatic.

Given housing is a basic human right, it also considered that the task of setting and adjusting policy and targets should ideally be removed directly from the influence of politics and big business as much as possible. An independent authority, such as the Auditor General, or Infrastructure Victoria could be tasked with setting housing policy and strategy and establishing and reviewing targets. This independent authority would ideally report to parliament directly and be adequately resourced to undertake the overall task.

⁸ Victorian Government (October 2023) Victoria's Housing Statement p39

⁹ Infrastructure Victoria (2023) *Our Home Choices* pg5

Density is complex and needs to be attractive to achieve acceptance

Key points

- **Current planning controls will struggle to achieve the ambitious policy and strategy outcomes suggested by the draft Housing Targets.**
- **Innovative approaches are needed to address a range of planning related barriers to strategic densification.**
- **Embedding good design into the objectives of planning for density is essential.**

Reform existing controls to support delivery of supply

There is a need to provide greater clarity and certainty through modernised planning control provisions to achieve greater housing choice and density in the Victoria Planning Provisions (VPPs), and in turn deliver housing targets.

Existing controls, by design, often limit the ability for areas to realise their full potential. Reformed controls, prepared in consultation with councils, should be implemented to establish greater certainty for councils, communities, and the development industry about required planning and design outcomes. Increased certainty will reduce speculation by stabilising the market and is expected to reduce inflation in the value of development sites and result in more permits being acted on. Reforms could consider:

- Introduction of density-based controls within the existing suite of zones with any 'up-lift' mechanism built into the construct of the zone and pre-agreed to secure community benefit.
- Establishing disincentives for speculative planning permits to avoid delay in supply of new housing.

Part of delivering the right supply at the right density, involves providing clear design guidance and direction on low to mid-rise apartments, which are above 4 storeys but less than 10. At present, there is a significant gap in planning guidance between detached homes (Clause 55, Rescode) and higher density apartments (Clause 58, Better Apartment Design Guidelines). The development of a new low to mid rise apartment code, prepared in consultation with councils, would provide the balance needed in urban form and help drive appropriate outcomes linked with the delivery of housing targets.

Innovate to address complex challenges to achieving density

At present there are insufficient tools in the Planning System to deliver large-scale, coordinated transformation of places. Innovation is needed to address several broad planning challenges beyond the current suite of planning controls. While there are several potential matters, the following are particularly acute within Brimbank in achieving greater housing density in the desired places:

- **Lot consolidation** is a significant obstacle. Research undertaken by Swinburne University as part of the 'Greening the Greyfields' noted that between 2005 and 2021, approximately 28% of all infill development only yielded between 2-4 dwellings¹⁰. It was observed that this was partly due to a reinforcing of the purpose and nature of existing zone controls but also partly driven by an inability to consolidate land into larger parcels to be able to achieve increased density outcomes. The report went on to suggest that new strategic and statutory planning tools need to be explored and developed that are focused on a neighbourhood 'precinct' level as a start, with the potential for State Government to play a role in the arbitrage of land and facilitation of housing development activity.
- **Restricted covenants** can limit the ability to achieve meaningful densities. There are many areas across Melbourne, and within Brimbank are prevalent in Deer Park and areas of Taylors Lakes and limit

¹⁰Glackin, Newman, Newton, Thomson (2023) *Greening the Greyfields*, Page 34

development to single dwellings per allotment. When developed 40 years ago, these covenants were considered an appropriate way to help shape a desired development pattern. However, their legal construct means that they will continue to influence low urban density in perpetuity unless addressed strategically. Given the broad and legal nature of the challenge, Council encourages State Government to explore how such covenants could be considered and removed within the context of a broader strategic housing setting.

- **Underdevelopment** in many parts of Brimbank is a real issue. Since the release of Melbourne 2030 in 2003, several successful VCAT appeals have been won based on a proposal not meeting the objectives or zoning and strategy requirements. Proceeding to VCAT each time is expensive and time consuming. Unfortunately, to date no corresponding state level policy or planning provision has been implemented which is expressly directed at discouraging unreasonable under-development of well-located sites. Council encourages the State Government to examine the potential application of “minimum development provisions” which would help send a clear development expectation signal in areas where state and local policy explicitly call for development to deliver greater employment and housing outcomes.

Further embed good design into the objectives of planning for density

Victoria must establish greater leadership as a design state, increasing its competitiveness to attract and retain residents, jobs, and investment. Making density attractive to both existing and future residents is essential if ambitious targets are to be achieved.

Unfortunately, the planning system tends to lack sufficient design policy and can result in poor design quality and performance of the built environment. Embedding what good design means within a policy, strategy and statutory context is essential and should also be a key element of a potential housing framework.

This could include introducing a new objective into the *Planning and Environment Act 1987*, supported by umbrella design policy that establishes expectations and supporting processes to enable good design. This would involve updating the Victoria Planning Provisions and embedding both policy, process, and outcomes into relevant elements of planning schemes.

Integrated and aligned planning and infrastructure delivery

Key points

- **The need for integrated land use and transport planning has never been greater.**
 - **A fair and equitable approach should be applied through value capture arrangements.**
 - **Delivery of an effective contributions system is needed to reduce burden on local governments.**
 - **Reforming infrastructure contributions is needed to send the right price signals.**
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An integrated and coordinated approach to transformation

A significant component of any housing framework is to focus development in existing urban areas which would generally include brownfield renewal areas, activity centres and developments of large-scale strategic sites. The current approach to coordinating individual development interests at a precinct scale can often lead to mixed results with uncoordinated outcomes leaving councils to pay for the amenity aspects post completion.

Planning for successful urban renewal must include the feasibility of public facilities and amenities, including the location and design of high quality and tree lined streets, and provision of open spaces and community facilities, before determining development yield and scale.

Potential tools required to achieve greater integration and coordination include:

- Processes to achieve state and local partnerships in precinct master planning to provide greater certainty in the planning, design, and funding of public amenity.
- Establishment of incentives to encourage lot consolidation that maximises the co-ordination and delivery of new public realm transformational projects.
- Establishment of clear thresholds and guidelines for proponent led master planning prior to the design of and permitting of individual buildings.

Without a clear and integrated approach, there is the potential to lose significant opportunities to capture public value and leave a longer-term financial burden on councils to retrofit the required infrastructure to support liveability, as has occurred in the Montague Precinct in Fisherman's Bend, and Josephs Road in Footscray.

Ensuring communities benefit from density

Ensuring communities benefit from increased density must be a core principle of any future housing framework. Too often, housing projects are focused on plot-by-plot development, resulting in increased density, with little improvement to the public realm, or sufficient contributions to local community infrastructure. This in turn creates resistance from local communities who then view the contribution of increased housing negatively when existing infrastructure is straining to cope with increased population growth.

There is a need to match housing growth with investment in the neighbourhoods where it is located. The ideal outcome would be to get to a point where the community wants housing growth in their neighbourhoods because of the benefits it delivers. Elements of reform could include, but is not limited to:

- Ensuring funding for open space, street upgrades and community infrastructure is directly tied to the anticipated future density.
 - Prioritising the careful planning and costing of public realm needs and upgrades, and that this occurs prior to the upzoning of urban land.
 - Ensuring greater emphasis on participatory strategic planning processes to ensure community members participate and benefit from increased density.
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Fairness through return on value capture

Council supports the implementation of the Windfall Gains Tax (WGT) on rezonings that brings a significant capital improvement to land. At present, the gains extracted from WGT are returned to the State Government's consolidated revenue. Currently there isn't any transparency about how money collected is spent to create a better urban environment from where it has been collected from.

Council encourages the State Government to consider an equitable approach to the distribution of the proceeds involving a portion being returned to the local areas they were collected from to support the delivery of increased services. Ideally, any altered arrangements should hypothecate the intended outcomes to achieve stability within the process, and delivery transparency in operation.

Infrastructure contributions reform must be a high priority

Victoria has no dedicated revenue source to fund infrastructure that supports building new homes outside of new growth areas. The current system of section 173 agreements, Infrastructure Contributions Plans (ICP), Developer Contributions Plans (DCP) is disconnected, patchy, complicated, and administratively burdensome. In particular, the DCP system carries significant barriers and risks for councils. Issues include but are not limited to the:

- Cost of developing a DCP
- Time it takes to develop and have a DCP approved
- Complexity of DCPs and the expertise required to manage them effectively
- Financial risks of entering a DCP - a DCP locks in councils to deliver projects, even if development does not proceed and council cannot collect the levies.

For many councils, agreements struck under section 173 of the *Planning and Environment Act 1987* are the only realistic and cost-effective option to collect contributions for infrastructure.

The development of a new system must be underpinned by principles of fairness, certainty, transparency, efficiency, simplicity, and affordability. Ideally a two-tiered approach that focuses on local infrastructure and state infrastructure is needed. A local system would fund basic and essential infrastructure needed to support or respond to development, while a state system could look to fund major state or regional infrastructure to unlock potential.

Several reviews, the most recent being *Infrastructure Contributions Advisory Committee* (established in 2021) have promised much sought after reforms to the ICP and DCP system, with none resulting in meaningful change.

Ongoing collaboration to identify broad based solutions

Key points

- Any process must involve all tiers of government as part of the solution.
 - Consultation with the development industry is needed for pragmatic solutions.
 - The needs of communities that state and local government service must be front and centre.
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All tiers of government and industry need to work together

Greater collaboration is urgently needed to formulate ideas that lead to solutions. While local government plays a key role as experts in understanding their local spatial issues and community needs, both State and Commonwealth Governments have levers that can affect the greatest and most immediate change to deliver housing in the short term.

Industry is well placed to explain the bottlenecks and market conditions the impact them in the delivery of housing supply, and there is a real need to understand the various limitations across the legislative and regulatory frameworks that create obstacles in creating new supply or inhibit new housing models such as build to rent.

Bring communities along for journey

Communities need to be part of the journey and solution, and critically, to understand the trade-offs needed as a society if housing is to be provided for existing and future generations in a meaningful way. Easy to understand messaging is needed to deliver a greater understanding that the problem cannot be shifted elsewhere, and that expansion of the urban growth boundary is not an appropriate solution.

The City of Vancouver¹¹ has had a housing strategy in place for over 20 years. A key ingredient of the strategy has included targeted consultation with residents to promote greater acceptance of increased densities and allow feedback where that density is located. This has been essential in gaining community confidence and support for density overtime.

¹¹www.vancouver.ca/people-programs/housing-vancouver-strategy.aspx

Appendices

Detailed feedback – Housing Targets Modelling Webinar¹²

Council understands, and appreciates the following about the proposed draft Housing Targets:

- When aggregated, all targets seek to deliver 2.24 million new homes by 2051 consistent with the Victorian Housing Statement (VHS) released in October 2023.
- Targets are an expression of an assessed geospatially based assessment to understand what a feasible housing capacity could theoretically be within each local government area.
- Targets present greater supply of housing, over and above demand driven models such as *Victoria in Future* (VIF) which forecast minimum requirements based on population and household change.
- Within the context of the VHS, there is an intention to deliberately provide more housing, over and above VIF projected levels, with the aim of changing the balance of affordability through extra supply.
- Targets are to be viewed as a strategic tool to help drive growth in the most suitable locations across Melbourne and Victoria.

Council submits the following feedback about the modelling presented:

Discounting non-developable land

- Lots between 0-300 sqm are likely to have some density potential, particularly where the underlying zone is Residential Growth, Mixed Use, or other special purpose development zone.
- Industrial land that is not in a State or regionally significant precinct should be considered in consultation with the relevant local government, particularly around significant activity centres such as Sunshine. Existing Council policy may provide direction in relation to the future of some of this land.

Considering constrained land

- Reference to 'High and medium risk flood areas – Melbourne Water' requires further explanation, particularly as to how they differ from established flood controls within planning schemes.
- The application of 'capacity discount' rates require further clarification, in particular what the discount is being measured or based on.
- Capacity discount of 20% for areas within the MAEO and AEO need to be reconsidered. The purpose of both is to limited density to either a single dwelling (MAEO1), or density not exceeding one per 300 sqm (MAEO2), which suggests both are "not developable" under the proposed methodology, unless there are planning reforms proposed.
- Discounts relative to other overlays e.g. the EAO, ESO, NCO, SBO, SLO and VPO, need further interrogation and reconsideration. It might be that such overlays may not directly affect dwelling density and could be viewed more as important considerations that need to be considered when contemplating increased density within an area, rather than a density control per se.

Calculating Capacity

- Greater clarity is required about 'Maximum possible density' regarding overall lot size and theoretical dwelling capacity. For example, how is the potential capacity under an apartment scenario determined as distinct from traditional detached dwelling forms within relevant residential zones?
- Greater methodological clarity is needed in how Floor Area Ratios (FAR) are applied. This is within the context of the existing regulatory aspects that govern what can be built under each residential zone under clauses 53 to 58 of the Victoria Planning Provisions. FARs normally assume no other, or limited built form controls are present on a site.

¹² Department of Transport and Housing (July 2024) *Housing Targets, Modelling Webinar – 12 July 2024*

Attributing Growth

- Further explanation about the influence of “CityPlan” and “PLUM” as elements of the methodology would help clarify how the overall methodology works in practice.
- While the proposed elements appear logical, there are a few inputs that require explanation as to how they influence housing target development, including:
 - What are the policy interventions being used as inputs into the model, and how do future policy interventions impact the model?
 - What elements of the transport network are being considered? Does the model consider existing capacity, or does it also include planned capacity (i.e. Western Rail Plan upgrades?) Is the bus network considered, and if so, how? Will the model consider serviceability?
 - What modal split is the model assuming across all forms – and is there an assumption that greater take up of public transport informs location-based density deliberations.

Assessing feasibility

- What are the inputs into the consideration of land value and how developer decisions are made? These assumptions would be important to check via peer review.
- Feasibility should also consider the potential additional costs to fund infrastructure or pay State taxes and/or duties.

Additional considerations

- While it is understood that population change is not a core factor in the overall capacity consideration, it is an important element in understanding demand and the type of housing needs from one area to another.
- Household size and formation is an important part of determining housing choice and on this basis, housing diversity should be a core consideration in the development of housing targets.
- Further consideration is required of the proposed methodology and model prior to its finalisation. This should involve further development based on peer review advice, continued engagement with stakeholders, particularly local government, and an opportunity for a third-party review process such as an Advisory Committee.