1. KEY ISSUES

1.1. Council’s participation on the Inner Regional Housing Working Group and the preparation of a Regional Housing Statement is a key implementation requirement of the State Government’s Metropolitan Strategy Melbourne 2030.

1.2. The Inner Regional Housing Working Group has endorsed the public release of the draft Inner Regional Housing Statement (IRHS) to provide an opportunity for public feedback.

1.3. The IRHS provides a regionally based strategy to manage and direct residential growth projected for the region by 2031 (90,000 additional dwellings). The Statement delivers a solution to accommodating housing growth that responds to the particular complexities of the region, and protects its livability and economic capacity, whilst meeting the strategic intent of Melbourne 2030.

1.4. The RHS directs residential growth within the context of broader housing issues including housing affordability, and the adequate provision of infrastructure and services to support population growth.

1.5. A common report is being placed before each of the four partner Council’s to facilitate public release of the Statement and the process for considering submissions, prior to finalisation of the document.

1.6. The final Inner Regional Housing Statement will be used to inform the preparation of a Local Housing Strategy and Structure Plans for major activity centers.
2. CONTEXT

Melbourne 2030 / Regional Housing Working Groups

2.1 Melbourne 2030 - Planning for sustainable growth (Melbourne 2030) establishes a metropolitan wide strategy to guide growth and change over the next thirty years. As a key initiative of Melbourne 2030, the Minister for Planning established five Regional Housing Working Groups as forums to highlight housing issues and needs, identify housing challenges, and determine innovative and sustainable responses to these across each region.

2.2 For the purposes of Regional Housing Working Groups, the Inner Region includes the cities of Melbourne, Port Phillip, Yarra and Stonnington (west of Kooyong Road). The region also includes the Docklands area of Melbourne currently administered by VicUrban.

2.3 Victoria in Future, the Victorian Government’s population and household projections for the State, project that the population of the Inner Region will increase by 159,800 by 2031 and that a further 89,600 dwellings will be required to accommodate the population growth.

2.4 The Inner Regional Housing Working Group (IRHWG) includes (Councillor and officer) representatives from each Council within the Inner Region, the Department of Sustainability and Environment (DSE) and the Department of Human Services (Office of Housing). Each Regional Housing Working Group (RHWG) is required to prepare a Regional Housing Statement (RHS) to assist in planning for the housing needs of present and future households within the region.

RHWG – Terms of Reference

2.5 Terms of reference guide the role of the Regional Housing Working Group (RHWG). Under its Terms of Reference, each RHS is required to (as a minimum):

(i) Identify forecast population and household growth and change and demographic trends over a 30-year period.

(ii) Identify current housing market trends - including dwelling type, tenure, and housing costs and affordability - and likely housing needs.

(iii) Outline objectives, strategies and implementation mechanisms for accommodating housing opportunities and constraints and ways which to accommodate the proposed household distributions within the region as identified within Melbourne 2030.

(iv) Outline a process for monitoring and review against the policies of Melbourne 2030.

A copy of the Terms of Reference for the IRHWG is included as Attachment 1 to this report.
Concurrent Release of RHS with the *Draft Inner Melbourne Action Plan* (IMAP)

2.6 The Inner Regional Housing Working Group (IRHWG) and the Technical Working Group of Officers (TWG) (which advises the IRHWG) have been meeting at regular intervals since December 2003 to prepare the *Draft Inner Regional Housing Statement*. On 6 April 2005, the IRHWG endorsed the release of the Draft Inner RHS for public feedback subject to minor changes. The IRHWG considered that given the inter-relationship between the Draft IRHS and *Making Melbourne More Liveable-Draft Inner Melbourne Action Plan* (Draft IMAP), the two documents should be released concurrently as a package of initiatives to implement Melbourne 2030 within the Inner Region.

2.7 The cities of Melbourne, Port Phillip, Stonnington and Yarra that comprise the Inner Region for the IRHWG, have also been involved in the *Inner Melbourne Action Plan* (IMAP) in partnership with VicUrban. The purpose of the IMAP project (as defined in the funding application submitted to the Department of Sustainability and Environment (DSE) in 2003) is:

".. to develop an Action Plan that includes agreed triple bottom line benchmarks for inner Melbourne, a list of actions, implementation strategy and maps based on a review of policies and strategies, and the outcomes from the stakeholder Forums."

2.8 The Councils initiated IMAP to respond to and implement key directions and initiatives of *Melbourne 2030* for the inner Melbourne region in a way that makes inner Melbourne more livable. A Draft IMAP has been prepared which focuses on key issues and opportunities that require a collaborative approach across the Inner Region Councils and with the State Government. The IMAP Project Steering Group has endorsed the release of IMAP for public comment subject to the agreement of member Councils.

2.9 A separate report regarding IMAP was considered by Council on 26th April 2005 with Council resolving that the Draft IMAP be released for public feedback, and that the Technical Working Group and Project Steering Group consider feedback on the Draft IMAP and present the final document to partner Councils for adoption.

3. PROPOSAL

Draft Inner RHS – Content

3.1 The Draft Inner RHS provides a strategic framework for planning for the housing needs of the Inner Region over a thirty-year period up to 2031. The Draft Inner RHS includes a vision for the future provision of housing and identifies objectives, strategies and actions to manage the provision of housing.

The vision for housing contained in the Draft Inner RHS is to:

(i) Maintain and enhance the livability and amenity of the Inner Region as a place to live, work, and pursue a lifestyle of choice.

(ii) Facilitate sustainable forms of development with consideration to the built, natural, economic and social impacts of change.
(iii) Retain the fine-grain, mixed patterns of land use and development, which characterise the region’s eclectic urban fabric and contribute to its vitality and heritage attributes.

(iv) Support the social and cultural diversity that makes Inner Melbourne an inclusive and vibrant place.

(v) Maintain and develop communities that have a strong sense of local connection and social cohesion.

(vi) Ensure the identity of the region evolves with respect and acknowledgement of the past and a sense of aspiration for the future.

3.2 Achieving this vision requires housing issues to be addressed through implementing objectives and strategies which are grouped under the following three themes:

(i) Theme 1 - Maintaining the Livability and Economic Capacity of the Region whilst providing for Housing Growth – (includes strategies which direct housing growth to preferred locations and balance housing and economic interests in areas of mixed land use)

(ii) Theme 2 - Supporting Diverse, sustainable communities thorough meeting a wide range of housing needs, now and into the future (includes strategies addressing housing diversity / adaptability and housing affordability)

(iii) Theme 3 - Managing Infrastructure Needs of a Growing Population (strategies to ensure housing growth is supported by adequate infrastructure and service provision).

Theme 1 – Maintaining the livability and economic capacity of the region whilst providing for housing growth.

3.3 Theme 1 includes objectives that aim to achieve housing growth in locations that have the capacity for change while protecting heritage assets, neighbourhood character and amenity of established residential areas. Objectives also seek to ensure appropriate (affordable and relevant) housing is available to accommodate key workers and ensure that residential growth occurs where it will not compromise the overall economic capacity of the Inner Region and the commercial/cultural role of activity centres.

3.4 Theme 1 includes preliminary analysis undertaken by the four municipalities which demonstrates that the Inner Region can accommodate up to 93,150 dwellings by 2031. This figure is consistent with the State Government’s projections for the amount of households needed to accommodate projected population growth in the Inner Region by 2031.
3.5 Strategies to achieve objectives in theme 1 encourage growth in major redevelopment sites and precincts’ (including the Central Activities District, Docklands and existing mixed use areas). This enables a strategy of limited growth within activity centers, which recognises that activity centres within the Inner Region are at a mature stage of development and have complex roles and characteristics that limit the opportunity for new residential development. This strategy also allows a significantly reduced rate and intensity of development in established residential areas, consistent with the objective of *Melbourne 2030*.

The proposed distribution of new dwellings in the Inner Region is shown on Figure 1 below.

**Figure 1: Anticipated distribution of additional dwellings in the Inner Region, 2001–2031**

![Pie chart showing distribution of additional dwellings in the Inner Region](chart.png)

- Central Activities District (Central City and Docklands): 38.5%
- Major redevelopment sites & precincts: 47.5%
- Established residential locations: 6.5%
- Retail and commercial strips: 7.5%

3.6 Key actions for the Inner Region to achieve objectives for housing growth under theme 1 include: preparing or reviewing local housing strategies; investigating ways to vary residential development standards to direct housing growth to preferred locations and preparing structure plans for principal and major activity centres and strategic growth precincts.

### Theme 2 – Supporting diverse, sustainable communities through meeting a wide range of housing needs, now and into the future

3.7 Objectives under theme 2 aim to: increase diversity and adaptability of the region’s housing stock; increase the provision of well-located affordable housing; maximise social interactions in the public and private realm through good design; and to plan for and achieve housing that is environmentally sustainable.

3.8 Key strategies to achieve these objectives include: ensuring that housing choices are responsive to the needs of existing and future residents; promoting the construction of adaptable / flexible dwellings that can respond to household changes, and building capacity (financial and organisational structures) and government commitment to increase the supply of affordable housing, including through the private sector.
3.9 **Actions** proposed to meet the objectives and strategies of theme 2 include; introducing local policies requiring an increased range of dwelling types and flexible housing design; supporting the introduction of mandatory standards for accessible and adaptable housing; advocating for strengthened government assistance for affordable housing; introducing planning mechanisms to achieve financial contributions for affordable housing; working collaboratively as a region to progress affordable housing strategies; exploring funding and delivery models for the provision of social and affordable housing; supporting the use of surplus government land for affordable or social housing; building the capacity of housing associations; and ensuring good design of new housing which provides for social interaction and surveillance.

**Theme 3 – Meeting infrastructure needs to ensure quality urban areas**

3.10 **Objectives** under theme 3 emphasise the need for timely provision of social and physical infrastructure to support population growth and to provide flexible infrastructure that supports different life-stage and life-cycle needs. **Strategies** to address these objectives include; developing models of sustainable, flexible and affordable social infrastructure and working collaboratively to pursue increased infrastructure funding.

3.11 Key **actions** relate to; identifying regional priorities for social infrastructure provision; advocating for priority transport infrastructure and service upgrades to support residential growth and more effective development contributions for physical or community infrastructure; identifying opportunities for joint service provision and funding arrangements; and ensuring that residential development caters for increased demand on public open space.

A copy of the draft IRHS is included as Attachment 2.

4. **POLICY IMPLICATIONS**

4.1. The final *Inner Regional Housing Statement* will have no formal status in the planning system. It is proposed that the Inner RHS will be used by Councils to inform the preparation of local housing strategies and structure plans, and by all levels of Government to inform forward planning for infrastructure and service delivery. It is not the intention of the Inner RHS to identify specific sites or to be used to determine individual planning applications, including by VCAT.

4.2. The IRHS does not direct housing growth / intensification to any areas not already identified for this purpose in adopted Council policy.
5. SUSTAINABILITY IMPLICATIONS

5.1. The Inner Regional Housing Statement provides a balanced strategy for managing residential growth in the inner region in a manner that delivers positive social, economic, environmental and cultural outcomes.

Social

The IRHS places significant emphasis on reducing the current high levels of housing stress experienced in the inner region and ensuring a long term supply of social and affordable housing in Melbourne’s inner area.

Economic

The IRHS directs residential growth in a way that protects the economic capacity of the region. This includes limiting new residential growth in thriving activity centers and protecting existing industrial / business clusters from residential encroachment.

Environmental

The projection for an additional 90,000 dwellings in the inner region by 2031 provides significant opportunity to incorporate environmentally sustainable design (ESD) elements into an increasing proportion of the region’s dwelling stock. The Statement pursues increased statutory requirements for ESD and the on-going development of ‘best practice’ / ‘innovative’ approaches to reducing the environmental impacts of development.

Cultural

The IRHS is strongly founded on the basis of protecting the region’s community diversity - across ethnic, age and income groups, and life-style choices. Pursuing diversity in the region’s housing stock is a key means of supporting such diversity within the community. Community diversity is recognised as crucial to the cultural vitality and economic competitiveness of the inner region.

6. RESOURCE IMPLICATIONS

6.1. Council contributed $15,000 (matching contributions from other inner Councils) to the preparation of a background paper on affordable housing and a social / demographic analysis. These documents informed the development of the Inner Regional Housing Statement prepared ‘in-house’ by officers from member Councils and DSE.

7. INTERNAL CONSULTATION

7.1. The draft IRHS has been developed with Councillor representation (Mayor) on the Regional Housing Working Group and with Councillor input obtained via numerous Council briefings. The RHWG and TWG also includes officer representation.
7.2. The IRHS was developed with input from across the organisation including Council’s housing development officer, housing support worker, social and cultural planning policy and statutory planning units.

8. EXTERNAL CONSULTATION

Public Release and Feedback on Draft Inner Regional Housing Statement

8.1 The Terms of Reference for the IRHWG require that the Draft Inner RHS is made available for public comment. The Draft Inner RHS will be made available for public input concurrently with IMAP. The two documents are considered to be complementary as the Draft IMAP has enabled the Draft Inner RHS to be developed in the context and understanding of broader regional considerations (ie. economic development, sustainable transport strategies etc). The Draft Inner RHS provides detailed directions on housing growth which complements the actions contained in the Draft IMAP.

8.2 It is proposed that the public feedback period for the Inner RHS will be for four weeks from 14 June 2005 to 15 July 2005. Key stakeholders will be encouraged to make feedback to the IRHWG during the public feedback period. Proposed methods of communicating the concurrent release of the two documents include:

(i) Advertisements for both the Draft Inner RHS and Draft IMAP in local papers placed at the same time.

(ii) Media releases for both the Draft Inner RHS and Draft IMAP issued at the same time.

(iii) Website articles on Council and Melbourne 2030 website with downloadable copies of each document.

(iv) A short fact sheet summarising the Draft Inner RHS and providing details about the public feedback process.

(v) Copies of documents available for viewing at Council service centres and libraries (including a limited number of CD Rom’s and copies of the Draft Inner RHS).

(vi) A direct letter to key stakeholders.

A copy of the proposed Fact Sheet is included as Attachment 3.

8.3 The Department of Sustainability and Environment will take the lead in administering and analysing feedback received from the public during the comment period.

8.4 Following the public feedback period Council will be briefed about the feedback received and proposed changes to the Inner RHS. Council will be able to provide any feedback on the Draft Inner RHS via Council’s Inner Regional Housing Working Group representative for consideration and discussion at an Inner Regional Housing Working Group meeting.
9. IMPLEMENTATION

9.1 The TWG will prepare a summary of public feedback received on the Draft Inner RHS and recommend any changes to the Draft Inner RHS in response to the public feedback. This information will be presented to the IRHWG which will make appropriate changes and then adopt a final Inner RHS. Councils will be advised of the final outcomes of the public feedback process and of the final IRHS endorsed by the IRHWG. The IRHWG will also send the final Inner RHS to the Minister for Planning for noting.

9.2 Implementing the actions will require regional co-ordination and collaboration. The actions contained in the Inner Regional Housing Statement will provide a work program for the IRHWG and inform Council work programs. The performance of the Draft Inner RHS in meeting desired objectives will be monitored on an annual basis and a full review of the Inner RHS after five years.

9.3 The Draft Inner Melbourne Action Plan is proposed to be finalised as a separate process to the Draft Inner RHS. Once community feedback has been received on the Draft IMAP, it is recommended that the Technical Working Group and Project Steering Group finalise the document and that it is adopted by the partner Councils and noted by VicUrban.

10. CONCLUSION

10.1 The Draft Inner Regional Housing Statement has been prepared by the IRHWG over the past 16 months to plan for future housing needs across the Inner Region of Melbourne. The Draft Inner RHS has been endorsed for release for public feedback by the IRHWG. The Draft Inner RHS will be released concurrently with the Draft Inner Melbourne Action Plan as a package of initiatives to implement Melbourne 2030 within the Inner Region. Whilst the two documents will be released concurrently and should be read and considered as ‘companion’ documents, it is envisaged that both documents will be finalised separately by the groups that have previously been responsible for preparing and endorsing the documents.
11. RECOMMENDATION

11.1 That Council note that the Inner Regional Housing Working Group has endorsed the release of the *Draft Inner Regional Housing Statement* to obtain public feedback concurrently with the *Draft Inner Melbourne Action Plan*.

11.2 That Council, following the public feedback period, be briefed on submissions received and given the opportunity to provide feedback to Council’s Inner Regional Housing Working Group representative for discussion at a meeting of the Inner Regional Housing Working Group.

11.3 That the Inner Regional Housing Working Group finalise and endorse the *Inner Regional Housing Statement* after considering the public feedback.