

**ATTACHMENT A**  
**Legislative and Policy Framework**

***Planning and Environment Act 1987***

1. The *Planning and Environment Act 1987* does not as at the date of this SIN, directly refer to affordable housing.
2. Section 4(1) sets out the objectives of planning in Victoria, including
  - (a) to provide for the fair, orderly, economic and sustainable use, and development of land.
3. Section 4(2) sets out the objectives of the planning framework, which include:
  - (c) to enable land use and development planning and policy to be easily integrated with environmental, social, economic, conservation and resource management policies at State, regional and municipal levels.

**Victoria Planning Policies**

***State Planning Policy Framework***

4. Clause 11.02-2 (Urban growth – structure planning) includes:
  - a. the objective:

To facilitate the orderly development of urban areas.
  - b. as a strategy to achieve that objective, to:

Develop precinct structure plans consistent with the Precinct Structure Planning Guidelines (Growth Areas Authority, 2009) approved by the Minister for Planning to:  
...  
Create greater housing choice, diversity and affordable places to live.
5. Clause 11.06-2 (Metropolitan Melbourne – housing choice) includes the objective:

To provide housing choice close to jobs and services.

  - a. as a strategy to achieve that objective, to:

Facilitate development that increases the supply of affordable and social housing in suburbs across Melbourne.
6. Clause 11.07-1 (Regional Victoria – regional planning) includes:
  - a. the objective:

To develop regions and settlements which have a strong identity, are prosperous and are environmentally sustainable.
  - b. as a strategy to achieve that objective, to:

Promote liveable regional settlements and healthy communities by:  
...  
Improving the availability of a diverse range of affordable accommodation, including social housing, in regional cities and locations with good access to transport, commercial facilities and community services.
7. Clause 16 (Housing) states that:

Planning for housing should include providing land for affordable housing.
8. Clause 16.01 (Residential development) includes Clause 16.01-1 (Integrated housing) and Clause 16.01-5 (Housing affordability), which are of particular relevance.

9. Clause 16.01-1 includes:
  - a. the objective:
    - To promote a housing market that meets community needs.
  - b. as strategies to achieve that objective, to:
    - Ensure that the planning system supports the appropriate quantity, quality and type of housing, including the provision of aged care facilities, supported accommodation for people with disability, rooming houses, student accommodation and social housing.
    - Facilitate the delivery of high quality social housing to meet the needs of Victorians.

10. Clause 16.01-5 provides as follows:

**Objective**

To deliver more affordable housing closer to jobs, transport and services.

**Strategies**

Improve housing affordability by:

Ensuring land supply continues to be sufficient to meet demand.

Increasing choice in housing type, tenure and cost to meet the needs of households as they move through life cycle changes and to support diverse communities.

Promoting good housing and urban design to minimise negative environmental impacts and keep down costs for residents and the wider community.

Encouraging a significant proportion of new development to be affordable for households on low to moderate incomes.

Increase the supply of well-located affordable housing by:

Facilitating a mix of private, affordable and social housing in activity centres and urban renewal precincts.

Ensuring the redevelopment and renewal of public housing stock better meets community needs.

## **Local planning policies**

### *Port Phillip Planning Scheme*

11. The Municipal Strategic Statement of the Port Phillip Planning Scheme at clause 21.04 (Land Use) references affordable housing as follows:

**Clause 21.04-1 Key issues**

...

Future housing development must respond specifically to the need for more affordable housing, for housing which is accessible and adaptable for people with disabilities and for older persons (to enable 'aging in place'), and larger dwellings suited to households with children. The private housing market is currently not adequately providing for all of these housing types.

....

**Objectives and Strategies**

...

3. To support a diverse range of housing types to suit the needs of Port Phillip's community.
- 3.1 Support private, public and community sector involvement in the provision of housing to

ensure that a range of housing choices is available. 3.2 Support the retention and provision of affordable housing (public, community and private) for lower income households, including the provision of rooming / boarding houses, single bedroom and bed-sit flats, and crisis accommodation.

...

5. To create an environment in which the arts can flourish. 5.1 Support and encourage independent artist-managed exhibition spaces. 5.2 Support and encourage the development of affordable housing / commercial spaces suitable for use as artist residencies / studios.

12. The Employment and Dwelling Diversity within the Fishermans Bend Urban Renewal Area policy at clause 22.15 of the Port Phillip Planning Scheme and 22.27 of the Melbourne Planning Scheme relevantly provide:**Clause 22.15-1 Policy Basis**

...

To support this growth, it is important to ensure dwelling diversity, affordable housing and employment opportunities (sic) are provided consistent (sic) with the Vision for Fishermans Bend.

...

#### **22.15-3 Policy**

Where a permit is required for use and / or development of land, it is policy to:

##### **Dwelling Diversity and Affordable Housing**

Encourage development on sites greater than 3,000m<sup>2</sup>, proposing more than 300 dwellings or proposing more than 1 building, to prepare a master plan for the whole site that includes provision for:

- Publicly accessible spaces that accommodate local passive recreation that are consistent with the Open Space Key Element of the Strategic Framework Plan;
- Diversity of land uses, including non-residential floor space (see 'Employment');
- Diversity of dwelling types and sizes, including an affordable housing component; and
- Diversity of built form typologies, including low and medium rise buildings.

Encourage all new development that proposes accommodation uses and is over 12 storeys in height should provide at least 30% of dwellings as 3-bedroom units.

Encourage all new development that proposes accommodation uses and is over 12 storeys in height, to allocate at least 6% of dwellings as affordable housing to a registered housing association or provider.

13. This local policy defines affordable housing in clause 22.15-3 as:

**Affordable Housing** is generally defined as housing where the cost (whether of mortgage repayments or rent) is no more than 30% of a low-to-moderate household income.

#### *Definitions*

14. The Victoria Planning Provisions include no definition of 'affordable housing' or 'social housing'.

## ***Plan Melbourne 2017-2050***

15. Clause 9.01 in the Victoria Planning Provisions requires planning and responsible authorities, where relevant, to consider and apply Plan Melbourne 2017-2050: Metropolitan Planning Strategy (Department of Environment, Land, Water and Planning, 2017) (**Plan Melbourne**).
16. Direction 2.3 in Plan Melbourne is to:

Increase the supply of social and affordable housing.
17. Plan Melbourne describes what is meant by ‘affordable housing’ and ‘social housing’ as follows:<sup>1</sup>

Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households, and priced (whether mortgage repayments or rent) so these households are able to meet their other essential basic living costs.

Social housing is a type of rental housing that is provided and/or managed by the government (public housing) or by a not-for-profit organisation (community housing). Social housing is an overarching term that covers both public housing and community housing.
18. Policy 2.3.3 in support of direction 2.3 is to:

Strengthen the role of planning in facilitating and delivering the supply of social and affordable housing.
19. In relation to policy 2.3.3, Plan Melbourne states

There is a pressing need to increase the supply of social and affordable housing for households unable to afford market-rate housing.

The supply of social and affordable housing is largely dependent on the availability of subsidies to cover the gap between what very low income households can pay and the cost of providing housing. However, the land-use planning system can be reformed and strengthened to help support and facilitate the delivery of more social and affordable housing.

There are currently several planning-related barriers to the delivery of more social and affordable housing— including a lack of clarity in legislation and planning provisions on what constitutes affordable housing, and the absence of clear planning tools or mechanisms to require the provision of social or affordable housing as part of the planning process. Current approaches (such as requiring section 173 Agreements under the Planning and Environment Act 1987 or applying requirements through tools such as Development Plan Overlays) have been criticised for not being sufficiently robust and inequitably applied.

The planning system will be reformed to facilitate the delivery of more social and affordable housing. These reforms will clearly define social and affordable housing, create a clear head of power for affordable housing contributions, and clarify the role the planning system has to play in the delivery of new housing. Reforms will also include new planning provisions or tools to deliver social and affordable housing. These reforms will explore inclusionary zoning and mechanisms to capture and share value created through planning controls.

New provisions or tools will be developed in consultation with the community-housing sector, the residential development industry and local government.

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<sup>1</sup> Page 55.