

**INNER REGIONAL HOUSING STATEMENT**

**Committee**    Planning and Environment

**Presenter**    Cr Ng

**Purpose**

1.    To:
  - 1.1.    outline public feedback on the draft Inner Regional Housing Statement and to seek endorsement of the Statement, subject to minor amendment; and
  - 1.2.    advise that the Inner Regional Housing Working Group adopted the Inner Regional Housing Statement at its meeting on 30 November 2005 and recommended that partner Councils endorse the Statement to inform strategic policy work and infrastructure and services planning.

**Recommendation**

2.    That Council:
  - 2.1.    endorse the Inner Regional Housing Statement to inform strategic policy work and infrastructure and services planning; and
  - 2.2.    authorise the Inner Regional Housing Working Group and Technical Working Group to make editorial and format changes to the Statement prior to its publication.

**Council Report Attachment:**

1.    Planning and Environment Committee, Agenda Item 5.3, 7 February 2006

7 February 2006

## INNER REGIONAL HOUSING STATEMENT

**Division** Sustainability & Innovation

**Presenter** Andrew McCulloch, Manager City Strategy

### Purpose

1. The purpose of this report is to outline public feedback on the draft Inner Regional Housing Statement and to seek endorsement of the Statement, subject to minor amendment.
2. The report also advises that the Inner Regional Housing Working Group adopted the Inner Regional Housing Statement at its meeting on 30 November 2005 and recommended that partner Councils endorse the Statement to inform strategic policy work and infrastructure and services planning.

### Recommendation

3. That the Planning and Environment Committee recommend that Council:
  - 3.1. endorse the Inner Regional Housing Statement to inform strategic policy work and infrastructure and services planning; and
  - 3.2. authorise the Inner Regional Housing Working Group and Technical Working Group to make editorial and format changes to the Statement prior to publication.

### Key Issues

4. The Inner Regional Housing Statement (the Statement) provides a strategic planning framework for the provision of housing in inner Melbourne, up to 2031. A copy of the Statement is provided at Attachment 1. The Statement was developed as a response to Melbourne 2030, which committed to the development of a Housing Statement for each region, to enable sustainable housing growth across Melbourne. Due to its complexity, Melbourne's inner region requires careful management in order to provide for housing growth whilst retaining its valued character and liveability.
5. The Inner Regional Housing Statement was developed by the Inner Regional Housing Working Group (IRHWG), which comprises Councillor and Officer representatives from the Cities of Melbourne, Port Phillip, Stonnington and Yarra, as well as officer representatives from the Department of Sustainability and Environment (DSE) and the Department of Human Services (DHS) (Office of Housing). The IRHWG, supported by the Technical Working Group (TWG) comprising Council and Department officers, has been working progressively for nearly two years to prepare the Statement. The City of Melbourne has been represented by Councillors Ng and Wilson. The DSE managed and funded the delivery of the Statement.

6. The Planning and Environment Committee, at its meeting on 31 May 2005, resolved to endorse the public consultation process for the Statement and sought to formally consider and adopt the Inner Regional Housing Statement prior to its completion.
7. At its meeting on the 30 November 2005 the IRHWG resolved as follows;  
*“That the Inner Regional Housing Working Group adopts the Inner Regional Housing Statement, November 2005 subject to minor editorial changes in preparing the document for publication.*  
*That the Inner Regional Housing Working Group sends the adopted Inner Regional Housing Statement to the Minister for Planning and Minister for Housing and Councils within the Inner Region.*  
*That Technical Working Group members brief their respective Council on the adopted Inner Regional Housing Statement in early 2006 and that Councils endorse the Inner Regional Housing Statement to inform strategic policy work and infrastructure and services planning.*  
*That the Technical Working Group commences preparation of an Implementation Plan for consideration by the Inner Regional Housing Working Group in late March 2006.”*
8. Minor changes have been made to the exhibited document in response to public submissions, including those from Government Departments and agencies and members of the IRHWG and TWG (the membership of which is outlined in paragraph 5 of this report).
9. The consultation process, public submissions and the response to these is outlined in the Consultation section of this report and summarised in Attachment 2.
10. The Statement includes a vision, objectives, strategies and actions as follows:  
*“The Vision for the Inner Region - The Inner Region will proactively manage the process of urban change in order to:*
  - *Maintain and enhance the liveability and amenity of the Inner Region as a place to live, work and pursue a lifestyle of choice.*
  - *Facilitate sustainable forms of development with consideration to the built, natural, economic and social impacts of change.*
  - *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.*
  - *Support the social and cultural diversity that makes the Inner Region an inclusive and vibrant place.*
  - *Maintain and develop communities that have a strong sense of local connection and social cohesion.*
  - *Ensure the identity of the region evolves with respect and acknowledgement of the past and a sense of aspiration for the future.*
  - *Facilitate access to a diverse range of housing, including affordable housing, that will meet the needs of current and future residents.*

11. Objectives and strategies, to achieve the Statement's vision, are grouped under three themes:
  - 11.1. *Theme 1 - Maintaining the Liveability 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. Theme 1 includes preliminary analysis undertaken by the four municipalities that demonstrates that the inner region of Melbourne can accommodate approximately 93,000 dwellings by 2031. (Further detail is provided in the Background section of this report).
  - 11.2. *Theme 2 - Supporting Diverse, Sustainable Communities through meeting a wide range of Housing Needs, Now and into the Future* – aims to increase diversity and adaptability of the region's housing stock; increase the provision of well-located affordable housing opportunities; maximise social interactions in the public and private realm through good design; and to plan for and achieve housing that is environmentally sustainable.
  - 11.3. *Theme 3 - Managing Infrastructure Needs of a Growing Population* – emphasises 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.
12. The Statement addresses the following priority issues:
  - 12.1. housing growth across the inner region of Melbourne, identifying how the inner region can accommodate up to 90,000 dwellings over 30 years, whilst retaining its essential character and identity. The Statement also discusses infrastructure and service needs arising from such population growth;
  - 12.2. mechanisms to require, encourage and promote affordable housing within the inner Melbourne region;
  - 12.3. the environmental sustainability of new housing developments is a key focus area of the Statement. The document seeks to ensure new housing minimises its contribution to greenhouse gas emissions, waste generation, and water consumption; and
  - 12.4. housing diversity is a primary issue in the draft Statement; it seeks to encourage a range of dwelling types throughout the region, to accommodate a varied population and family make-up. The Statement also seeks to require the provision of accessible housing in new development, for persons with special mobility needs.
13. Chapter 6 of the Statement provides objectives, strategies and actions for each of the 3 Themes. There are 48 actions with project lead, partners involved, timeframe and current status detailed for each. Project lead is the responsibility of either the IRHWG, Councils, DSE or DHS. Further there are some actions which will be implemented through the Inner Melbourne Action Plan (IMAP) project. Where Council is the project lead there have been discussions with the team leader or manager of the relevant branch within Council that would be responsible or involved in its delivery. All proposed actions in this category are either consistent with existing projects the branch is undertaking or is proposing to undertake in 2006/2007.
14. All short term actions are to be commenced within 12 months of adoption of the Statement. Of the total 48 actions, 23 are currently allocated as short term actions; 18 of which are already in progress. The IRHWG are meeting in March 2006 to discuss and consider a detailed Implementation Plan.

15. Implementing the Inner Regional Housing Statement will require ongoing co-operation and involvement of the partner Councils and the State Government, DSE and the Office of Housing through participation in joint initiatives and informing policy work and infrastructure and services planning. Please refer to the Time Frame and Finance sections of this report for more information on implementation.

### **Time Frame**

16. The Inner Regional Housing Statement is being presented to each of the partner Council's in early 2006 for endorsement, after which the Statement will be professionally edited for publication.
17. The IRHWG is scheduled to meet in March 2006 to consider an Implementation Plan.
18. Whilst the statement covers the period to 2031 its emphasis is on actions which are achievable over the next five years. It is anticipated that the partner Councils will implement many of the proposed actions within a 5 year timeframe. However, some actions will be implemented in partnership with State Government agencies and other organisations over a longer period. Prioritisation of implementation of the actions will be considered by the IRHWG meeting in March 2006.
19. Once finalised, the performance of the Statement in meeting desired objectives would be monitored on an annual basis by the DSE, in co-operation with the partner Councils. A full review of the Statement will occur 5 years after adoption.

### **Relation to Council Policy**

20. The existing policies, strategies and plans of the partner Councils have formed the basis of the Inner Regional Housing Statement. The Statement is consistent with Council's policy including the Inner Melbourne Action Plan which was adopted by Council in November 2005.

### **Consultation**

21. The Draft Inner Regional Housing Statement was publicly released on 21 June to 22 July 2005. The public notification period occurred concurrently with the Draft Inner Melbourne Action Plan (Draft IMAP). Copies of the Draft Statement, fact sheets and feedback forms were forwarded to a range of parties including key State Government Departments and agencies, peak industry groups, resident and housing interest groups. Documents were made available for viewing at Council offices and libraries and through Council and DSE websites. Advertisements were also placed in local papers inviting feedback on the Draft Statement.
22. Officers from the DSE administered and analysed feedback received from interested parties during the feedback period. Feedback was received from the following ten parties:
  - 22.1. Resident (Stan Cooke);
  - 22.2. Sustainable Energy Authority Victoria, now Sustainability Victoria (Sharon Miles);
  - 22.3. Disability Support and Housing Alliance (Bernd Bartl);
  - 22.4. Housing and Resource Support Service Inc (Trevor Jackson);
  - 22.5. Royal Institute of Architects (Elizabeth Raut);
  - 22.6. Department of Education and Training (Julie Hyde);
  - 22.7. VicUrban (Heidi Dixon);

22.8. Yarra City Activity Centres Business Forum (John Beckwith);

22.9. Residents 3000 (Peter Mathews); and

22.10. Department of Infrastructure (Malcolm Johnson).

23. The DSE Officers reviewed and analysed all feedback received from interested parties, Government Departments and agencies and made recommendations to the TWG regarding changes to the Statement.
24. Submissions generally supported the draft Statement and a number of submissions expressed the desire to be involved in the implementation. The summary of submissions was prepared by DSE and presented to the Inner Regional Housing Working Group and is provided as Attachment 2. The final Inner Regional Housing Statement was then presented to the Regional Housing Working Group for their consideration and was endorsed at their meeting in November 2005.

### **Government Relations**

25. The DSE, Department of Human Services (Office of Housing) and the Cities of Port Phillip, Yarra, Stonnington and Melbourne have been represented on the Inner Regional Housing Working and Technical Working Groups.
26. Implementing the actions will require on going regional co-ordination and collaboration. Further there are also some actions which will be implemented through the draft IMAP project. The actions contained in the Statement will provide a work program for the IRHWG and inform Council work programs. The on-going support of the State Government and other relevant partners is crucial for the Statement to be implemented effectively.

### **Finance**

27. The cost of finalising and producing the Statement will be met by the DSE. The funding for implementation of the Statement over the next 5 years would be met by DSE, partner Councils, other levels of Government, and the private sector.
28. An Implementation Plan will be prepared by the TWG for discussion at the IRHWG meeting in March 2006. Once the Implementation Plan is finalised actions will be funded through regular business planning and budgeting processes.

### **Legal**

29. The recommendations are made in accordance with the Council's functions and powers as set out in the *Local Government Act 1989*.

### **Sustainability**

30. The Inner Regional Housing Statement adopts a vision for the inner region of Melbourne, underpinned by sustainability. The Statement addresses the environmental, social and economic aspirations for the future development of housing in inner Melbourne.
- 30.1. the Statement was prepared jointly with the DSE, Office of Housing and the Cities of Port Phillip, Stonnington and Yarra thus contributing to the broadening and strengthening of strategic relationships. Further, key actions specifically emphasise the need for the timely provision of social and physical infrastructure to meet the needs of a growing population;

- 30.2. a key theme of the Statement is to maintain the economic capacity of the region, particularly its activity centres, while providing for housing growth;
- 30.3. the Statement has a number of actions which contribute to an inclusive and engaging city, including the encouragement of diverse and affordable housing stock, to maximise social interactions in the public and private realm through good design, and the provision of accessible dwellings that meet the diverse needs of the community; and
- 30.4. the Statement seeks to encourage housing that is environmentally sustainable. Actions proposed include advocating for and supporting the introduction of innovative techniques and approaches to improve environmental performance and to improve access to information and increase awareness across the development industry.

## Background

31. 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.
32. The IRHWG and TWG have been working progressively for almost two years to prepare the Inner Regional Housing Statement.
33. Melbourne 2030 projects that by 2031 the Inner Region is expected to grow by nearly 160,000 people, taking its total population to 405,100 people with average household size declining from 2.08 to 1.95 persons in the same period. Almost 90,000 new dwellings will be needed to accommodate the projected population growth and changing households in the Inner Region. The Inner Region comprises the municipalities of Melbourne, Port Phillip, Yarra & Stonnington (Prahran only).
34. To assist in the preparation of an Inner Regional Housing Statement each Council from the Inner Region was required to estimate potential dwelling capacity and distribution.
35. The methodology used by the Melbourne City Research branch was based on a 'ground up' approach incorporating property area information and the Melbourne Planning Scheme including heritage overlays, to determine the physical residential capacity of the City of Melbourne. It was determined that the City of Melbourne had a capacity of 55,780 dwellings with 35,830 dwellings accommodated in the Central Activities District (includes CBD, Southbank & Docklands) and 19,930 dwellings accommodated in major redevelopment sites and precincts. It was assumed that there would be no significant further dwelling increases in established residential areas, with only 1,150 dwellings forecast in these areas over the next 30 years.
36. It is extremely difficult to be precise when estimating dwelling capacity and therefore all figures are estimates only, prepared to provide a guide as to the dwelling capacity of the City of Melbourne to 2031.

37. There are no changes required to policy and/or zoning or overlay controls in the Melbourne Planning Scheme to facilitate development. Figures are based on existing Planning Scheme zone and overlays with a key input being existing planning development approvals. In fact, 60% of the dwellings are either under construction, have planning permits or have been mooted.
  38. The capacity analysis outlines overall potential dwelling capacity and proposed distribution. Whilst it does not necessarily follow that the development will actually occur over the 30 year timeframe, what it does highlight is that, in line with Melbourne 2030 policies, over time there will be a gradual decline in the overall proportion of new housing locating in established residential areas and an increase in the overall proportion locating in and around the Central Activities District and strategic redevelopment sites.
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**Attachments:**

1. Inner Regional Housing Statement
2. Summary of Submissions prepared by DSE



# INNER REGIONAL HOUSING STATEMENT

**November 2005**

This document has been prepared by the Inner Regional Housing Working Group which includes representatives from the municipalities of Melbourne, Port Phillip, Stonnington and Yarra, the Department of Sustainability and Environment and the Department of Human Services (Office of Housing).

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## Executive Summary

The Inner Regional Housing Working Group is one of five Regional Housing Working Groups established across metropolitan Melbourne to identify and address regional housing issues. It comprises representatives from the municipalities of Melbourne, Port Phillip, Yarra, Stonnington, the Department of Sustainability and Environment and the Department of Human Services (Office of Housing).

The Inner Regional Housing Working Group has prepared this Inner Regional Housing Statement to provide a regional strategic framework to plan for the housing needs of present and future households in the Inner Region of metropolitan Melbourne to 2031. The Inner Region includes the municipalities of Melbourne, Port Phillip, Yarra and Stonnington (west of Kooyong Road only).

The Inner Regional Housing Statement is intended to provide guidance and direction for Councils in the development and review of strategic planning work and to Local and State Government in coordinating future infrastructure and services with population growth.

This Statement covers the period up to 2031 and its emphasis is on actions that are achievable within the next five years, after which time a full review of the Statement will take place.

The inner metropolitan Councils have developed Making Melbourne More Liveable - Inner Melbourne Action Plan (IMAP) in parallel with the development of this Statement. IMAP is a 5-10 year action plan to build on the Inner Region's unique assets and attributes. IMAP sets out 11 regional strategies and 57 actions to address one simple objective: to make the Inner Region more liveable.

This Statement is to be read as a companion document to IMAP.

The Inner Regional Housing Statement provides a snapshot of regional features relevant to housing, outlines the policy context for housing in the Inner Region, and identifies household and population changes, housing affordability issues, housing market drivers, and future trends and projections. It also provides a vision for the future provision of housing, discusses factors influencing housing opportunities and identifies objectives, strategies and actions to manage the provision of future housing and related services and infrastructure in the region.

## Regional Snapshot

The Inner Region is one of contrasts with an active central business district, thriving retail and commercial strips, established residential areas, older industrial precincts and emerging high-tech business clusters.

This diversity is reflected in the range of housing types within the region which include higher density apartments, medium density infill development in established residential areas, and intact residential

areas, some of which are protected for their heritage character. It is also relatively well serviced by public transport.

After a period of declining population, the population of the Inner Region started to rise in the mid 1980s as people sought homes that were closer to public transport, work and recreation opportunities.

As a result, the Inner Region has experienced significant residential development over the last 15 years, including major urban renewal developments such as Southbank, Docklands and Beacon Cove.

The Inner Region is the most demographically diverse region within metropolitan Melbourne. In comparison to metropolitan Melbourne as a whole, the Inner Region exhibits; a younger age profile; smaller than average household sizes; a dominance of attached and semi-detached dwellings; smaller sized dwellings; a lower proportion of housing stock that is owned or being purchased; and the highest concentration of public housing in metropolitan Melbourne.

The Inner Region also has a diverse and changing economy, which is becoming services based rather than manufacturing based.

Employment in the region increased by 14% between 1991 and 2001 and income levels are one of the highest in metropolitan Melbourne. In addition, the majority of residents also work in the Inner Region and there are many residential pockets with a high concentration of tertiary trained workers. There are also pockets of high social disadvantage.

## Policy Context

Commonwealth and State housing policies generally focus on the provision and maintenance of housing units (public or community housing) and housing support measures for low income households.

There is currently no comprehensive or integrated national housing policy. However, the Framework for National Action on Affordable Housing sets out a 3 year program to achieve a strategic, integrated and long term vision for affordable housing and a plan to deliver this vision with commitment from all jurisdictions. The Framework is proposed to be achieved through affordable housing delivery and management and parallel policy parameters.

At the State Government level, housing support is administered through the Office of Housing. It focuses on the management and provision of social housing assistance to low income or special needs groups, including crisis and emergency housing.

Direct delivery of affordable housing at the State level is currently provided through not-for-profit housing organisations funded through the State Housing Innovations Project and other funding. Six non-government housing providers have also been identified as prospective Housing Associations eligible for capital assistance from State Government. A number of the selected Housing Associations have been registered and are investigating development opportunities.

The State Planning Policy Framework (SPPF), contained within the Victoria Planning Provisions includes; a statement of general principles for land use and development planning, and specific policies relating to settlement, environment, housing, economic development, infrastructure, and particular uses and development. These state planning policies are included in local planning schemes and must be considered in planning decision making within each municipality.

Melbourne 2030 is the Victorian Government's 30 year strategic plan to manage growth and change across metropolitan Melbourne in a sustainable manner. It provides an integrated set of policies and initiatives aimed at reducing urban sprawl, consolidating urban development around transport nodes to make efficient use of existing infrastructure and improve access to services and infrastructure.

A Fairer Victoria, Creating Opportunity and Addressing Disadvantage, includes a Strategy which aims to boost access to affordable housing.

The Metropolitan Transport Plan has been developed to ensure that population and employment growth will be supported by adequate transport networks, and that accessibility and liveability is maintained across metropolitan Melbourne.

The regional policy context identifies existing policy areas that are important to housing across the Inner Region as a whole, and is based on numerous local Council policies relevant to the region including Municipal Strategic Statements, Municipal Health Plans and Council Plans. This Inner Regional Housing Statement is generally consistent with the existing policy context of the Inner Region local Councils.

## Population and Housing Trends and Projections

In the period 2001 to 2031 the population of the Inner Region is expected to increase from 245,274 people to approximately 405,100 people at an average annual growth rate of 1.7%.

Migration into the Inner Region is anticipated to account for a large proportion of the population increase over the next three decades. A total of 102,000 people are expected to move into the Inner Region mostly from other parts of Melbourne and adjacent regions.

The number of households in the region is also expected to increase from 117,947 in 2001 to 207,500 in 2031, with average household size projected to decline from 2.08 in 2001 to 1.95 persons by 2031.

Other key trends include an almost doubling of lone person households, a significant increase in couples without children and a doubling of single parent households. The dominant age profile for the region will continue to be young adults aged 25–34 years.

Housing prices are significantly higher in the Inner Region than for the rest of metropolitan Melbourne and the cost of rental accommodation has risen sharply in the last few years.

There is also evidence that as people reach the age of purchasing a house or having children they are experiencing difficulty finding appropriate and affordable housing in the Inner Region. Significant levels of housing stress are evident in the Inner Region. By a standard measure, 17% of all households in the region live in housing stress and a large proportion of Victoria's homeless seek crisis accommodation and other support services in the Inner Region.

Many new dwellings expected to be built during the 2002–2016 period in the Inner Region will be one or two bedroom apartments. Changes in housing supply are likely to shape the Inner Region's future population.

## Housing Vision and Opportunities

Due to its complexity, the Inner Region requires careful management in order to provide for change while retaining the region's valued character and liveability.

The Inner Regional Housing Working Group has developed the following vision to manage housing growth and change in the Inner Region.

### Vision for the Inner Region

*The Inner Region will proactively manage the process of urban change in order to:*

- *Maintain and enhance the liveability and amenity of the Inner Region as a place to live, work and pursue a lifestyle of choice.*
- *Facilitate sustainable forms of development with consideration to the built, natural, economic and social impacts of change.*
- *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.*
- *Support the social and cultural diversity that makes the Inner Region an inclusive and vibrant place.*
- *Maintain and develop communities that have a strong sense of local connection and social cohesion.*
- *Ensure the identity of the region evolves with respect and acknowledgement of the past and a sense of aspiration for the future.*
- *Facilitate access to a diverse range of housing, including affordable housing, that will meet the needs of current and future residents.*

Considerable opportunities exist in the region to accommodate additional housing growth but a range of planning issues must be acknowledged and sensitively addressed to realise them. These issues have been ordered under the following themes:

## **Theme 1 – Maintaining the liveability and economic capacity of the region whilst providing for housing growth**

Analysis undertaken while preparing this Statement indicates that the Inner Region will be able to accommodate projected population and household growth over the coming 30 years.

In line with the policies of Melbourne 2030, an increased proportion of new housing will be encouraged to locate in major redevelopment sites and precincts.

Major redevelopment sites and precincts include locations in the CAD, in and around activity centres, and close to the Principal Public Transport Network. Such sites may range from the redevelopment of public housing estates to the redevelopment of former industrial land and buildings. Many such sites are located within Mixed Use Zones which are also important locations for business.

Planning challenges include:

- the need to address land use mix
- the heritage value of many buildings and streetscapes
- the need to ensure reasonable on-site amenity
- the limited capacity to accommodate additional vehicle parking and movement
- ageing infrastructure, and
- the importance of the public domain with new development contributing positively to walking and cycling networks, landscaping and urban design improvements.

Analysis undertaken during the preparation of this Statement shows housing growth and urban consolidation can be achieved in the Inner Region while retaining heritage values, economic and cultural vibrancy and enhancing local urban character and amenity. Due to the complex fabric of the Inner Region, the categories used in Melbourne 2030 have been further defined by the Inner Region into sub-categories as follows:

- **The Central Activities District (CAD)** can accommodate around **35,800** net new dwellings over the next 30 years, including an estimated 12,000 dwellings in Docklands, and an additional 6,000 dwellings in Southbank. This represents about **38.5%** of the total projected household growth for the Inner Region.
- **Major redevelopment sites or precincts** could accommodate around **44,200** net new dwellings over the next 30 years. This represents around **47.5%** of the total projected household growth across the Inner Region.
- **Retail and commercial strips** might accommodate around **6,800** new dwellings over the period 2001–2031. This represents about **7.5%** of the total projected household growth across the Inner Region.
- **Established residential locations** may accommodate around **6,200** additional households over the next 30 years. This



represents about **6.7%** of the total projected household growth across the Inner Region.

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

Social and cultural diversity are essential elements of innovative, competitive economies and sustainable communities. Housing plays an important role in enabling diverse and sustainable communities to establish and thrive.

While one of the perceived strengths of the Inner Region is its rich social and cultural diversity, this aspect of the region's population is undergoing change. Maintaining social and cultural diversity means achieving a diversity of household types, income levels and housing tenures as well as age and ethnicity. The needs of poorly represented household types (such as those on low incomes, older persons, those who need crisis housing, people from non-English speaking backgrounds and those living with a disability) need to be acknowledged and addressed.

Four important housing issues emerge in relation to this theme:

- The need to provide a range of dwelling types and sizes to meet the needs of a diverse community.
- The provision of housing and social infrastructure that facilitates social interaction and participation.
- The provision of housing that is affordable and appropriate for low income households (in terms of housing cost, size, standards, and access to services and facilities).
- Ensuring housing and infrastructure are designed to achieve environmental, social and economic sustainability.

Many opportunities exist for local Councils of the Inner Region and the Victorian Government to work collaboratively on facilitating well located, diverse, affordable, accessible and environmentally sustainable housing options.

### **Theme 3 – Managing infrastructure needs of a growing population**

Managing overall development in a coordinated way is essential to ensure quality outcomes for the Inner Region. Additional housing in the region will need to be supported by timely, coordinated and adequate provision of infrastructure.

Population and household growth projected for the Inner Region will demand careful infrastructure planning and delivery. Opportunities exist for the Victorian Government and local Councils to work at a regional level to plan and provide services and infrastructure for the Inner Region to meet the current and future needs of a rapidly growing population including:

- The importance of providing basic community facilities and social infrastructure in order to attract and retain a diversity of households.
- The projected age profile of the Inner Region anticipates a significant increase in the 0–14 year old age group. This increase will require new services in the areas of maternal and child health, childcare and education.
- A projected increase in the number of older people living in the Inner Region over the next 30 years will also require the provision of new or additional infrastructure and services including home and community care programs and healthy ageing activities to help keep older people well, active and socially integrated.

## Objectives, Strategies and Actions

A number of objectives, strategies and actions are proposed to ensure the provision of future housing and related services in the Inner Region addresses issues and opportunities identified in this Statement.

### Key objectives

Key objectives have been developed for each theme with a number of detailed strategies and actions. These are summarised as follows:

### **Theme 1 – Maintaining the liveability and economic capacity of the region whilst providing for housing growth**

#### Residential Growth and Liveability

- To achieve housing growth in locations that have the capacity and propensity for change, and which will maximise economic, social, cultural and environmental sustainability.
- To protect the heritage assets, neighbourhood character and amenity of established residential areas which are fundamental to the liveability of the Inner Region.
- To achieve a shift in the location of residential development away from established residential locations, to the CAD and identified major redevelopment sites and precincts.

#### Economic Capacity

- To ensure residential growth occurs where it will not compromise the overall economic capacity of the Inner Region, and the primary commercial and cultural role of activity centres.
- To ensure appropriate housing is available to accommodate key worker groups of the Inner Region.

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

### Housing Diversity and Adaptability

- To achieve and value social and cultural diversity as the fundamental basis for a sustainable, inclusive and innovative Inner Region community.
- To increase the diversity and adaptability of the region's housing stock to better meet increasingly diverse household structures, lifestyle and cultural needs, income levels and life cycle stages.

### Housing Affordability

- To reduce the current high levels of housing stress experienced across the Inner Region.
- To increase the supply of well located affordable housing opportunities in the region for low income households, across all tenures (as a proportion of the total housing stock).
- To increase the supply of appropriate (well located, relevant, quality) social (public and community) housing for low income residents and those with special needs.
- To progressively increase the long-term supply of affordable housing within the region.

### Socially and Environmentally Responsible Housing Development

- To support and maximise local connections and social interaction in the public and private realm through good design of residential development.
- To plan for and achieve housing that is environmentally sustainable.

## **Theme 3 – Managing infrastructure needs of a growing population**

### Infrastructure Planning and Provision

- To achieve the timely provision of social and physical infrastructure to support population change and housing growth.
- To provide responsive and flexible social and physical infrastructure that supports different life stage and life cycle needs.

## **Implementation, monitoring and review**

The first stage of implementation is to develop an implementation plan which will explore opportunities for implementing the Inner Regional Housing Statement in conjunction with the implementation of other projects and strategies including IMAP.

An annual program will be developed to monitor the housing indicators used to prepare the Inner Regional Housing Statement and to monitor the performance of the Inner Regional Housing Statement in achieving the objectives, strategies and actions outlined in Chapter 6.

Monitoring housing indicators will involve use of existing data sources and data gathered as part of the Urban Development Program and will also involve developing new monitoring systems to gather new data.

It is anticipated that the Inner Regional Housing Statement will be reviewed every five years or earlier if circumstances require. The Inner Regional Housing Working Group will determine the scope of the review. The first review of the Inner Regional Housing Statement is anticipated to commence in 2010.

# 1 Introduction

This chapter outlines the role of the Inner Regional Housing Working Group and the purpose, content and intended use of the Inner Regional Housing Statement.

## The Inner Regional Housing Working Group

As part of Melbourne 2030, the Victorian Government's 30 year plan to manage growth and change in metropolitan Melbourne, five Regional Housing Working Groups were established across metropolitan Melbourne by the Minister for Planning.

The Inner Regional Housing Working Group covers the municipalities of Melbourne, Port Phillip, Yarra and Stonnington (west of Kooyong Road) and the Docklands area of Melbourne.<sup>1</sup>

Established as a forum to identify housing issues and challenges and determine innovative and sustainable approaches to address these issues across the region, the Inner Regional Housing Working Group includes Councillor and officer representatives from the cities of Melbourne, Port Phillip, Stonnington and Yarra as well as representatives of the Department of Sustainability and Environment and the Department of Human Services (Office of Housing).

In accordance with their Terms of Reference, key outcomes for the Inner Regional Housing Working Group are:

- Implementation of the housing policies within Melbourne 2030 at a regional level through the development of a Regional Housing Statement.
- Facilitation of the implementation of housing policies within Melbourne 2030 at a local level through the development of local housing strategies.
- Support to Councils undertaking planning and policy development in the area of housing.

The Inner Regional Housing Working Group will have an ongoing role in the implementation, monitoring and review of the objectives, strategies and actions outlined within this Statement.

## What is the purpose of the Inner Regional Housing Statement and how has it been developed?

The purpose of the Statement is to provide a regional strategic framework to assist in planning and managing the housing needs of present and future households in the Inner Region of metropolitan Melbourne to 2031.

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<sup>1</sup> The Docklands is currently administered by VicUrban and will be included in the City of Melbourne in 2007. Land use planning for the Docklands is currently administered through the Melbourne Planning Scheme and the Minister for Planning is the responsible authority for all planning permits within the Docklands area.

This Statement has been prepared by a Technical Working Group of local Council and Victorian Government officers under the direction of the Inner Regional Housing Working Group. This Statement has been released for public consultation and the comments received have been incorporated into the final document, where relevant.

The inner metropolitan Councils have developed Making Melbourne More Liveable - Inner Melbourne Action Plan (IMAP) in parallel with the development of this Statement.

IMAP is 5-10 year action plan to build on the Inner Melbourne Region's unique assets and attributes. IMAP sets out 11 regional strategies and 57 actions to address one simple objective: to make Inner Region more liveable.

This Statement is referred to in action 5.1 at Strategy 5 of IMAP and is to be read as a companion document to IMAP.

## How will the Inner Regional Housing Statement be used?

The Statement is intended to provide guidance and direction for Councils in the development and review of strategic planning work and to Local and State Government in coordinating future infrastructure and services with population growth. The Inner Regional Housing Statement will not be formally incorporated into the Victoria Planning Provisions or Municipal Planning Schemes.

The Statement details how the broad level housing directions set by Melbourne 2030 will be implemented at the regional level. Due to the Statement's regional focus, it does not identify specific local sites or their capacity to accommodate future growth at a local level. Therefore, it is not appropriate that it be used to determine individual planning applications by local Councils or the Victorian Civil and Administrative Tribunal (VCAT).

## What is included in the Inner Regional Housing Statement?

This Statement is the result of work undertaken by the Inner Regional Housing Working Group in identifying housing issues and needs across the Inner Region.

While the Statement covers the period up to 2031, it focuses predominantly on actions which are achievable within the next five years. After this period, a full review of the Statement will take place and new or modified actions will be outlined.

The Statement includes the following sections.

*Regional Snapshot* – provides an overview of the Inner Region's key features, including a profile on people and housing and regional economic influences.

*Policy Context* – outlines the existing policy framework in the Inner Region in relation to housing.

*Population and Housing Trends and Projections* – outlines key demographic trends, an overview of housing affordability and costs, and an outline of drivers of the Inner Region housing market.

*Housing Vision and Opportunities*– identifies some of the opportunities for achieving policy outcomes across the Inner Region.

*Objectives, Strategies and Actions* – outlines key principles for the Inner Region and outlines objectives, strategies and actions based on three key themes.

*Implementation, Monitoring and Review* – provides an outline of how the Inner Regional Housing Statement will be implemented, monitored and reviewed.

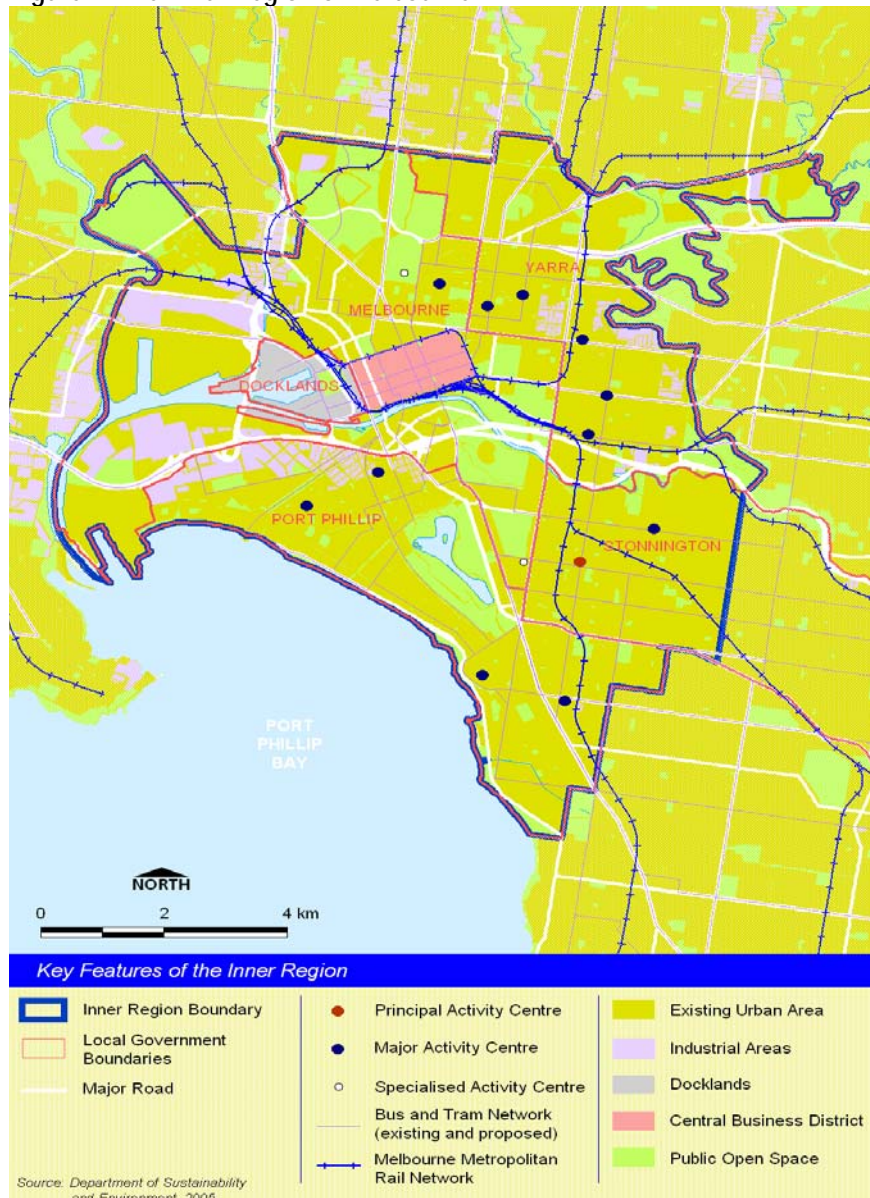
## 2 Regional Snapshot

This chapter provides an overview of the Inner Region's key features, a profile on people and housing, and regional economic influences.

### The Inner Region

The Inner Region of metropolitan Melbourne covers the municipalities of Melbourne, Port Phillip, Yarra and Stonnington (west of Kooyong Road) as well as the Melbourne Docklands area. The region encompasses key geographical features and a range of highly valued Victorian assets including Melbourne's Central Business District, the foreshore areas of Port Phillip Bay, the Yarra River and public spaces such as the internationally renowned Royal Botanical Gardens. These features make the Inner Region an area of significant public value.

Figure 1: The Inner Region of Melbourne



(Source: Unpublished data, DSE 2005)



The land use composition of the Inner Region reflects its role and history in Melbourne's urban development. The area has traditionally supported, and continues to support, a range of important economic activities and employment hubs as well as extensive residential areas. It is also relatively well serviced by public transport.

The Inner Region is also one of contrasts. Older industrial areas co-exist with emerging high-tech business clusters, the Central Business District (CBD) contrasts with vibrant inner city shopping streets, and bayside suburbs and established residential areas are set against new developments such as the Docklands. This diversity is also reflected in the range of housing types within the region which include higher density apartments, medium density infill housing within established residential areas, and intact residential areas, many of which are protected for their heritage character.

## Housing in the Region – An Historical Context

The population of the Inner Region fell sharply in the decade after the Second World War, and after a period of stability in the 1960s, fell again through the 1970s and early 1980s. These trends were initially the product of major dwelling stock losses in the Inner Region, and subsequently were a result of demographic changes, increased mobility and access to more attractive housing elsewhere. Even when the Inner Region experienced increases in dwelling numbers in the late 1960s, the region's population continued to decline as a product of the significant decrease in average household sizes which occurred over the same period.

From the mid 1980s onwards, the Inner Region experienced strong in-migration from what can be termed lifestyle migrants moving to the area to be closer to employment and entertainment. State and Local Government policy initiatives have both responded to and reinforced such trends, seeking to increase the number and range of dwellings within the Inner Region. These policies were supported by:

- various changes to zones and regulations (most notably the increased application of mixed use zones enabling residential use)
- demonstration renewal projects
- recycling and reuse of buildings for residential occupancy
- redevelopment of former industrial and commercial sites, infill developments and multi-unit developments.

High profile housing programs such as Postcode 3000 and the Better Cities projects of the early 1990s (eg. renewal of the Hotham Housing Estate and redevelopment of the Newmarket Sales Yards) generated strong developer and community interest in inner city living. The Victorian Government led renewal of Southbank as a mixed entertainment, arts, commercial and residential precinct also began in the 1980s, with the area attracting significant high density residential development projects within the last 20 years. Redevelopment of the former refinery site in Port Melbourne to create Beacon Cove and the Como site in South Yarra are other examples of large scale residential renewal projects occurring at this time.

These housing programs coincided with a significant shift in the inner Melbourne property market, triggered by the oversupply of office floor-space during the late 1980s recession. Property market trends and public policy were strongly reinforced by the change in consumer preferences with smaller households wanting smaller homes closer to public transport, work, recreation and entertainment.

As a consequence, the Inner Region has experienced significant residential development over the past 15 years. During this period, the region has experienced growth rates comparable to some of the fastest growth areas in Australia. For the first time in many decades the population of the Inner Region started to rise again, with an additional 25,000 dwellings constructed and an additional 32,680 people living in the region between 1991 and 2001 (ABS, 2001a). Forecasts indicate continuing strong growth in the Inner Region's population and housing stock.

## People and Housing – A Current Profile

The Inner Region is the most diverse region within metropolitan Melbourne, both in terms of its demographic composition and in the mix of dwelling types and sizes. Its characteristics are quite distinctive from metropolitan averages and other parts of Melbourne.

### People in the Inner Region

The region is currently home to a diverse range of people, including residents from a wide range of ethnic backgrounds, socio-economic groups and household types. In 2001 the Inner Region made up 5.1% of metropolitan Melbourne's population with a total of 245,274 people (ABS, 2001a). This figure is expected to grow to approximately 405,100 people by the year 2031 (DSE, 2004b).

The Inner Region has a characteristically younger age profile than the rest of metropolitan Melbourne, with the dominant age group being young adults between the ages of 20-39 years (ABS, 2001a). There is a strong lifestyle trend for people to live, work or study within the Inner Region, which impacts on its age structure. This trend reflects the range of key educational facilities located in the Inner Region and the economic diversity of the area, which creates a variety of employment opportunities.

Approximately 63% of people in the Inner Region speak English only. This compares to almost 70% across metropolitan Melbourne. However, there are differences within the region. In the City of Melbourne approximately 52% of people speak English only, whereas in the Cities of Port Phillip and Stonnington approximately 69% of people speak English only which is more consistent with the metropolitan average. In the City of Yarra approximately 65% of people speak English only (ABS, 2001a).

Major countries of origin, after Australia, for residents in the Inner Region include the United Kingdom, New Zealand, Greece, Vietnam and Malaysia. Immigration from a range of countries has contributed significantly to the richness and diversity of the Inner Region and helped shape many of its cultural and entertainment precincts. The role of the Inner Region as a point of arrival for many overseas migrants has been

driven and supported by the location of public housing stock in the region.

Average household size is smaller in the Inner Region than for metropolitan Melbourne in general. This reflects the dominant household types in the region, being lone person households (39.0%), followed by couples without children (24.0 %). Group households are similarly more common than the metropolitan average (13.0% compared to 4.2%) whilst the proportion of family households – couples with children (predominantly young families) and single parent families – are well below the metropolitan average (20.7% compared to 47.5%) (ABS, 2001a).

Table 1: Household types for the Inner Region compared to metropolitan Melbourne, 1991–2001

Households by type	1991			1996			2001		
	Inner Region		MSD <sup>2</sup> %	Inner Region		MSD %	Inner Region		MSD %
	No.	%		No.	%		No.	%	
Couples with children	15,697	17.8	42.9	14,347	15.2	38.8	14,208	13.7	36.8
Single parent families	7,629	8.7	9.2	7,440	7.9	10.2	7,273	7.0	10.7
Couples without children	16,454	18.7	21.9	18,986	20.1	22.5	24,820	24.0	23.5
Lone person households	33,329	37.8	19.4	38,040	40.3	22.6	40,324	39.0	23.2
Group households	12,881	14.6	4.9	12,653	13.4	4.4	13,482	13.0	4.2
Other families	2,117	2.4	1.6	2,901	3.1	1.6	3,374	3.3	1.6
<b>Total</b>	<b>88,107</b>	<b>100.0</b>	<b>100.0</b>	<b>94,367</b>	<b>100.0</b>	<b>100.0</b>	<b>103,481</b>	<b>100.0</b>	<b>100.0</b>

(Source: Unpublished data derived from ABS 1991, ABS 1996 and ABS 2001a)

The fastest growing household types in the Inner Region in the 1991-2001 period were couples without children (net increase of approximately 8,350 households) and lone person households (net increase of approximately 7,000 households) (ABS, 2001a).

It is important to note that major urban renewal developments such as Southbank, Docklands and Beacon Cove, in conjunction with incremental development across the region, have resulted in significant demographic shifts leading into and post the 2001 Census.

### Housing in the Inner Region

A number of key features characterise the housing stock of the Inner Region.

The region's (occupied private) housing stock is dominated by attached and semi-detached dwellings at 80.7%, compared to only 23.7% as the metropolitan Melbourne average. Conversely, the proportion of

<sup>2</sup> The MSD is the Melbourne Statistical Division which includes the metropolitan Melbourne area.

separate houses (17.2%) is much lower than the metropolitan average (75.0%) (ABS, 2001a).

Dwelling sizes, in terms of number of bedrooms, are generally smaller in the Inner Region, with the most common being two bedroom semi-detached and attached homes (39% compared to 12.8% for metropolitan Melbourne overall). Semi-detached and attached one bedroom dwellings are also more common in the region than for metropolitan Melbourne overall (19.9% compared to 4.4%) (ABS, 2001a).

The proportion of housing stock owned or being purchased is significantly lower in the Inner Region than for metropolitan Melbourne (42.9% compared to 72.3%). The most common type of housing tenure in the Inner Region is private rental (45%), significantly higher than for metropolitan Melbourne (20.2%) (DSE, unpublished data).

The Inner Region is characterised by increasingly high purchase prices and high rental costs for both houses and apartments, and as a result, the supply of private affordable housing has rapidly declined.

Whilst the region continues to have the highest concentration of public and community housing in the metropolitan area, a reduction in the proportionate supply of government rental housing has occurred in recent years (10.3% of stock in 1991 to 7.7% in 2001) (Office of Housing, DHS, 2003-2004).

## Regional Economic Influences

### **Business and Employment Profile**

The Inner Region comprises a diverse and changing economy, experiencing an historic shift from a manufacturing based to a services based economy.

Past and current planning policies have consistently supported the Inner Region's role as the primary business, retail, sport and entertainment hub for the metropolitan area. Over the period 1991-2001, along with significant growth in population and housing, the region also experienced strong growth in employment and visitation. Employment in the Inner Region increased from 348,453 jobs in 1991 to 396,880 jobs in 2001 (i.e. a 13.9 % increase or almost 48,500 additional jobs) (ABS, 2001a).

The most significant job increases occurred in the communications, finance, property and business services, recreation and personal services sectors.

Employment in all other sectors declined over the period with manufacturing, transport and storage, and public administration and defence exhibiting a decline.

Table 2: Employment Growth in the Inner Region (excluding Prahran SLA), 1991–2001

Sector	1991	2001	Change
Manufacturing	36,626	30,930	-15.55%
Trade	50,581	48,116	-4.87%
Transport and Storage	25,215	16,120	-36.07%
Communication	13,129	18,712	42.52%
Finance, Property and Business Services	83,975	142,609	69.82%
Public Administration and Defence	33,696	17,907	-46.86%
Community Services	60,535	51,671	-14.64%
Recreation and Personal Services	24,900	52,258	109.87%
Other	19,796	18,557	-6.26%
<b>Total</b>	<b>348,453</b>	<b>396,880</b>	<b>13.90%</b>

(Source: Unpublished data, City of Melbourne, derived from ABS 1991 and ABS 2001a)

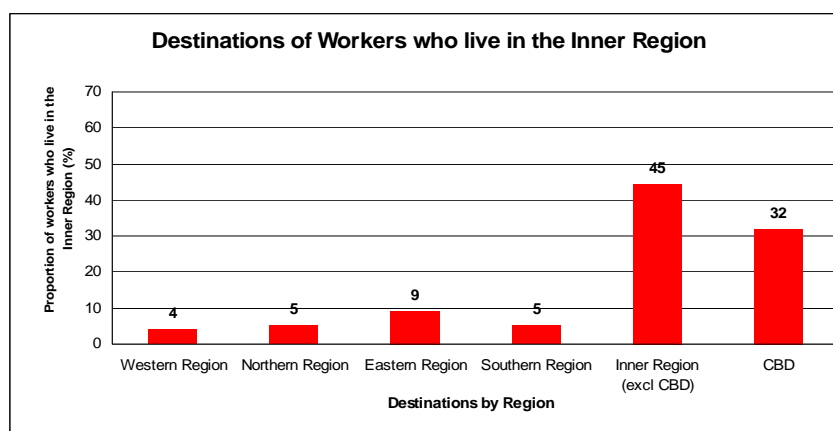
Housing development has emerged as a strong and sometimes dominant player in the Inner Region's property market over the last decade. Managing housing growth in a manner which complements rather than undermines the Inner Region's traditional economic strengths is a significant challenge.

## Resident Employment and Economic Profile

Business sectoral changes bring with them new labour markets and new resident groups, with accompanying changes in income and expenditure patterns.

Figure 2 below identifies the workplace destination of people who live in the Inner Region, highlighting that the majority (77%) of residents also work in the Inner Region (ABS, 2001a).

Figure 2: Destination of Workers who live in the Inner Region

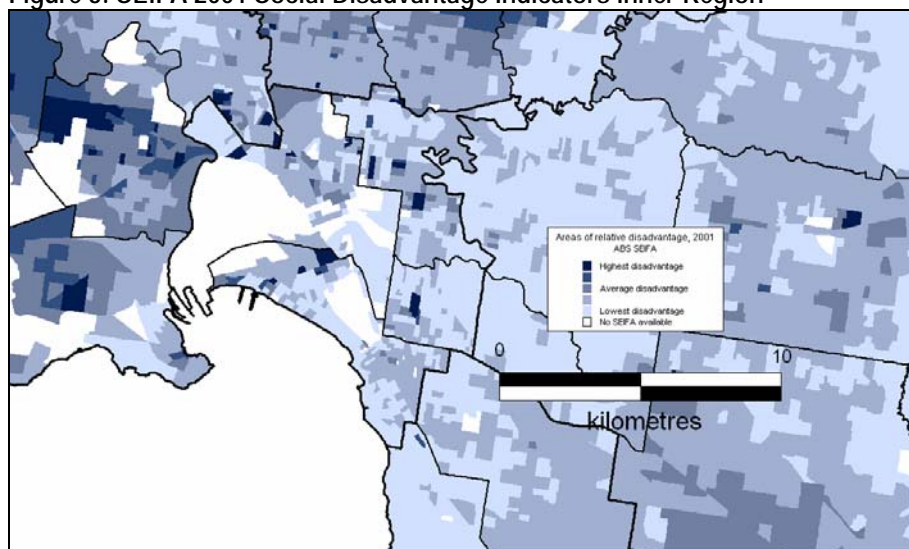


(Source: ABS, Unpublished tables, Census of Population and Housing 2001)

The median gross weekly income for the Inner Region in 2003 was \$1,058, one of the highest in metropolitan Melbourne (DSE, 2003b). Pockets of the Inner Region also have a high concentration of tertiary qualified workers who contribute to the growth of new employment in industry sectors such as information technology and in the wider growth of commercial and professional services.

Despite high median incomes, there are also significant levels of disadvantage in the Inner Region. One measure of social disadvantage, the SEIFA index, is based on levels of income, education, unemployment and motor vehicle ownership. This measure (see Figure 3 below) indicates that there are key pockets of the highest disadvantage in the Inner Region. Most of the region, however, has low levels of disadvantage. Polarisation of income groups within the Inner Region is of increasing concern and will be further reinforced by rising property prices, unless the region's public housing stock is significantly augmented by an increase in other affordable housing.

Figure 3: SEIFA 2001 Social Disadvantage Indicators Inner Region



(Source: Australian Bureau of Statistics, 2001b)

### 3 Policy Context

This chapter summarises the existing housing policy context affecting the Inner Region with a focus on the various roles of Commonwealth, State and Local Government.

#### Commonwealth and State Housing Policy Context

Commonwealth and State housing policies have generally focused on the provision and maintenance of housing units (public or community housing) or housing support measures for low income households.

A number of direct and indirect fiscal and assistance measures administered by the Commonwealth affect the type, affordability, and location of housing in the region. Direct measures include; the Commonwealth State Housing Agreement (which provides funding for the acquisition of public housing units); the Commonwealth Rental Assistance program (available to eligible individuals in private rental units); the First Home Owner Grant scheme to offset the introduction of GST; and the Supported Accommodation Assistance program for Homelessness Support (providing assistance to people who are homeless or at risk of homelessness).

Indirect measures include; fiscal measures such as the tax treatment of primary residence investments, monetary measures such as interest rates and inflation, industry policy such as regional development policies, and urban policies aimed at equalising housing costs.

Over recent years, Commonwealth funding for social housing acquisition has been declining in real terms and rent assistance has received greater emphasis.

There is currently no comprehensive or integrated national housing policy. However, work is being undertaken at the national level on affordable housing. The Framework for National Action on Affordable Housing was endorsed on 4 August 2005 by a joint national meeting of Housing, Local Government and Planning Ministers. The Framework sets out a 3 year program to achieve a strategic, integrated and long term vision for affordable housing and a plan to deliver this vision with commitment from all jurisdictions.

Key initiatives of the Framework include:

- Creating a development plan to build the capacity of not-for-profit housing providers.
- Adopting a national approach to defining and analysing affordable housing need.
- A detailed work plan to deliver increased affordable home ownership and rental opportunities.
- Preparation of a package of policy reform options to diversify the affordable housing delivery sector, expand special programs for target groups, developing incentives to attract private finance,

aligning taxation policy and land use planning and land supply mechanisms.

The Framework is proposed to be achieved through affordable housing delivery and management and parallel policy parameters.

At the State Government level, housing support is administered through the Office of Housing. It focuses on the management and provision of social housing assistance to low income or special needs groups, including crisis and emergency housing. The Office of Housing provides direct housing assistance to more than 60,000 households through general rental stock. In the period June 2003 to March 2004, more than 25,000 households were also assisted through the Office of Housing Bond Loan Scheme and the Housing Establishment Fund, which assist low income Victorians to access the private rental market (Office of Housing, DHS, Unpublished data).

Victoria is facing a potential decline in social housing stock due to reduced Commonwealth funding. A number of programs have been established by the State Government to redevelop, maintain and increase the supply of low income rental housing and to support low income households access to housing. These include the establishment of several not-for-profit Housing Associations, the Victorian Homelessness Strategy, Neighbourhood Renewal Program and the Disability Housing Trust.

Direct delivery of affordable housing at the State level is currently provided through not-for-profit housing organisations funded through the State Housing Innovations Project and other funding. Six non-government housing providers have also been identified as prospective Housing Associations eligible for capital assistance from State Government. Legislation enabling a regulatory structure for the operation of Housing Associations was passed in mid 2005. A number of the selected Housing Associations have been registered and are investigating development opportunities.

## State and Metropolitan Planning Policy Context

### **State Planning Policy Framework**

The State Planning Policy Framework (SPPF), contained within the Victoria Planning Provisions includes; a statement of general principles for land use and development planning, and specific policies relating to settlement, environment, housing, economic development, infrastructure, and particular uses and development. These state planning policies are included in local planning schemes and must be considered in planning decision making within each municipality.

### **Melbourne 2030**

Melbourne 2030 is the Victorian Government's 30 year strategic plan to manage growth and change across metropolitan Melbourne in a sustainable manner. It provides an integrated set of policies and initiatives aimed at reducing urban sprawl, consolidating urban development around transport nodes to make efficient use of existing infrastructure and improve access to services and infrastructure.



Of particular relevance to the Inner Regional Housing Statement are directions and policies that seek to:

- Encourage a greater proportion of housing to locate at strategic redevelopment sites (including activity centres) (Direction 1).
- Build up activity centres as important locations for a range of mixed uses including housing (Direction 1).
- Set clear limits on outward development to protect areas of important conservation, rural and agricultural values and limit fringe development to identified growth areas (Direction 2).
- Protect and support industries and functions important to maintaining an ongoing competitive economy (Direction 4).
- Promote development that is appropriately designed for its context and improves liveability (Direction 5).
- Ensure that housing matches changing and future demographic profiles and provides opportunities to increase the supply of affordable housing are taken (Direction 6).
- Manage the urban system in a way that minimises its impact on the environment (Direction 7).
- Ensure that housing is more accessible to a range of services with good access to public transport (Direction 8).

### **A Fairer Victoria**

A Fairer Victoria, Creating Opportunity and Addressing Disadvantage, which was released in April 2005 sets out 14 major strategies and 85 actions the State Government will take to address disadvantage over the next 5-10 years. Strategy 7 of a Fairer Victoria aims to boost access to affordable housing. Key actions to achieve this Strategy include:

- Expand the supply of social housing.
- Lead the market through VicUrban to increase the supply of affordable housing.
- Accelerate Implementation of affordable housing actions within Melbourne 2030.
- Ensure Victoria's planning system supports affordable housing objectives.
- Increase home ownership among low income Victorians.
- Deliver better services and support for homeless Victorians.

Ongoing monitoring is proposed to evaluate the progress and outcomes of a Fairer Victoria.

### **Metropolitan Transport Plan**

The Metropolitan Transport Plan has been developed to ensure that population and employment growth will be supported by adequate transport networks, and that accessibility and liveability is maintained across metropolitan Melbourne. The key principles of the Plan are to:

- Provide better access to activity centres and job opportunities via alternative transport modes.
- Make better use of existing road and public transport assets.

- Improve access for freight and commercial traffic throughout metropolitan Melbourne with effective links to port precincts and regional Victoria.
- Recognise the importance of non-motorised transport modes.
- Promote greater use of public transport and develop better public transport options.
- Improve safety for users of all transport modes.
- Provide information to enable better travel choices to be made.

## Regional policy context

The regional policy context identifies existing policy areas that are important to housing across the Inner Region as a whole, and is based on numerous local Council policies relevant to the region including Municipal Strategic Statements, Municipal Health Plans and Council Plans.

This Inner Regional Housing Statement is generally consistent with the existing policy context of the Inner Region local Councils.

### **Diversity**

Inner Region Councils aim to encourage and support a community that is socially diverse. Each Council's Municipal Strategic Statement highlights the complexity of this objective and encourages housing and other strategies that support social diversity.

### **Protection of heritage, local character and amenity**

All Councils in the Inner Region have policies requiring new development to: respect the scale and character of surrounding development; maintain access to daylight and sunlight for neighbouring properties; minimise overlooking built structures; ensure high on-site amenity for future occupants; and consider the potential future built form and land use on adjoining sites.

All local Councils seek to retain the low-rise scale of established residential areas and have policies in place to ensure new development is appropriate in design and layout to its neighbourhood character.

The Inner Region has extensive heritage areas and policies to protect heritage places and the streetscape characteristics of established areas. Several Councils have specific policies to retain street trees and mature trees on private properties.

Councils also acknowledge the challenge of trying to minimise amenity conflicts between residential and non-residential uses, including the need for acoustic attenuation measures and design and management techniques to minimise operational impacts.

### **Affordability**

Councils within the Inner Region acknowledge, through their local policies, the need for affordable housing to support social diversity.

However, each of the Councils defines and addresses issues of affordability in different ways. Some local Councils undertake an advocacy role with State or private agencies whereas others are direct providers of support services.

The link between affordable housing and broader economic viability is also acknowledged, such as the impact of construction costs on building completion or the need for retail services to support residents from a variety of economic backgrounds.

### **Community Building**

All Inner Region Councils acknowledge the need to create spaces and meeting places that encourage social interaction.

Many policies support opportunities for residents to engage in activities offered by inner city life. There are a number of strategies and policies that seek to reduce social isolation and encourage active participation in public life. These include built form requirements such as active street frontages in retail buildings and acknowledgement of the importance of local information to encourage social networks and participation in community life.

Inner Region local Councils also recognise the barriers that make community participation difficult, such as unsafe areas, low income, language, employment status and mobility. Each Council addresses these issues in different ways through initiatives such as multicultural policies and community safety plans.

### **Employment Opportunities**

Inner Region Councils have all identified the need to balance residential, employment and recreational opportunities and acknowledge the importance of maintaining a diverse economic base including local industry, retail outlets and small businesses.

Some parts of the Inner Region have incentives aimed at encouraging business to locate in the region while other areas monitor housing supply to ensure it matches the needs of workers. Initiatives include affordable housing for younger people working in the CAD and affordable housing for service workers in areas of new residential development, such as the Docklands.

### **Infrastructure**

Local planning policies for the Inner Region acknowledge the challenge of providing services and facilities that support an increased, demographically complex residential population.

All Inner Region Councils have policies to encourage improved provision of physical infrastructure (including transport and utility services) so that new development is located within an appropriate traffic and transport network with adequate service capacity. Some Councils have specific policies requiring new residential developments to contribute to social and physical infrastructure.

The Inner Region also supports planning for social infrastructure that meets age specific needs (i.e. elderly, young people, families) and the need to design and use the public realm so that it meets the needs of

people living, working and visiting the Inner Region. All Inner Region Councils are moving toward the concept of community hubs or the co-location of complementary services and facilities. Implementation of these sorts of initiatives is at different stages but all local Councils acknowledge this as the way forward, particularly for family and children's services.

The Municipal Strategic Statements of the Inner Region Councils encourage new models for provision of social infrastructure (in light of increased population densities) and workable mixed use areas.

All Councils are committed to improving public transport, pedestrian and bike networks and support environments that offer a number of transport options, not only private car use. Some Councils give dispensation from car parking requirements for residential development that is located close to the public transport network.

## 4 Population and Housing Trends and Projections

This chapter looks at past and current population and housing trends and considers their implications for the way the Inner Region plans for and addresses housing needs in the future.

### Demographic change and diversity

#### Population Growth

Between 1991 and 2001, the estimated resident population of the Inner Region grew by 32,680 to a total of 245,274 persons, a growth rate of 15.4% (ABS, 2001a). This population increase is forecast to continue with growth rates for the Inner Region (to the year 2031) projected to exceed the rate of growth for metropolitan Melbourne as a whole.

It is projected that the Inner Region will increase by about 159,800 people during the period 2001–2031, taking the total population for the region to approximately 405,100 persons by the year 2031. This equates to an average annual growth rate of 1.7% between 2001 and 2031, declining from 2.3% between 2001 and 2006 to 1.4% between 2021 and 2031. Most of this overall population growth will occur within the City of Melbourne (35.8%) and the City of Port Phillip (27.9%) (DSE, 2004b).

Table 3: Projected Population Inner Region of Melbourne, 2001–2031, by Local Government Area

Local Government Area	2001 Census	Total Projected Population 2031	Distribution of 2031 Total Projected Population (%)
Melbourne	50,673	145,138	35.8
Port Phillip	80,552	112,897	27.9
Stonnington (Prahran)	45,102	57,173	14.1
Yarra	68,947	89,898	22.2
Inner Region Total	245,274	405,106	100.0

(Source: Data derived from ABS, 2001a and DSE, 2004b)

#### Household Size and Formation

The number of households in the Inner Region is expected to increase from 117,947 in 2001 to approximately 207,500 in 2031. This represents an increase of around 90,000 households (DSE, 2004b). Most of this anticipated population growth is expected to come from changes in household size and new household formation.

While average household size is declining in all areas of Australia, the average household size for the Inner Region is significantly lower than for other regions of Melbourne. Projections indicate that in the Inner Region average household size will continue to decline from 2.08 persons in 2001 to 1.95 persons by 2031 (DSE, 2004b).

Table 4 below indicates the anticipated distribution of these new households across Inner Region municipalities. The expected distribution of new households within the Inner Region varies, with the Cities of Melbourne and Port Phillip expected to accommodate the largest percentage shares of 55% and 21.9% respectively.

Table 4: Projected additional households for the Inner Region, 2001–2031

	<b>Projected household growth</b>	<b>Percentage of Inner Region</b>
City of Melbourne	49,215	55%
City of Port Phillip	19,624	21.9%
City of Stonnington (Prahran SLA only)	7,922	8.8%
City of Yarra	12,791	14.3%
<b>Inner Region</b>	<b>89,552</b>	<b>100%</b>

(Source: Data derived from DSE, 2004b)

### Household Types

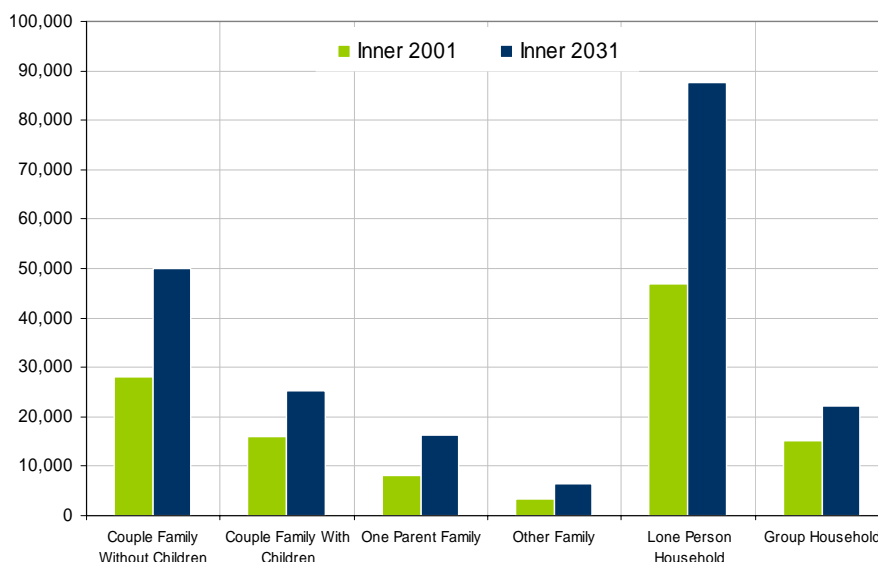
Figure 4 below highlights the changing composition of household types projected for the Inner Region from 2001–2031. Lone person and couples without children are currently, and will continue to be, the dominant household types in the Inner Region. Of particular note are the following projections for changes in household types:

- An almost doubling of lone person households, to 87,600 households by 2031. This equates to 42% of all households in the Inner Region (DSE, 2004b).
- A significant increase in couples without children households to 50,100 households by 2031. This equates to almost 24% of all households in the Inner Region (DSE, 2004b).
- The proportion of households comprising couples with children has declined in the period from 1991–2001 and is significantly lower in the Inner Region than across metropolitan Melbourne, reflecting the out migration trends discussed later in this chapter. The proportion of single parent households has remained fairly constant over the 1991–2001 period and is expected to double between 2001 and 2031 from 8,200 to 16,200. This equates to almost 8% of all households in the Inner Region (ABS, 2001a).

Moderate increases are anticipated in the number of couples with children in the Inner Region to 2031. Recent data suggests that some households with dependants may be moving into the area, including mature households with older children and professional couples with young children. These trends are reflected by a projected increase in the 0–14 year old age group discussed earlier. The emergence of these additional households suggests that the nexus between household type and housing stock is becoming less obvious in the Inner Region. Some households have reported that access to educational and employment facilities, proximity to parklands and cultural venues and convenient public transport override the decision about housing type and that households are now choosing a range of housing types.

There is also a significantly higher proportion of group households (13%) in the Inner Region compared with the metropolitan area (4%), although this figure has declined slightly from 14.6% in 1991 (ABS, 1996 and ABS 2001a). This could be accounted for by high numbers of students in the Inner Region and young workers generally on lower incomes.

Figure 4: Projected Change in household type, 2001–2031

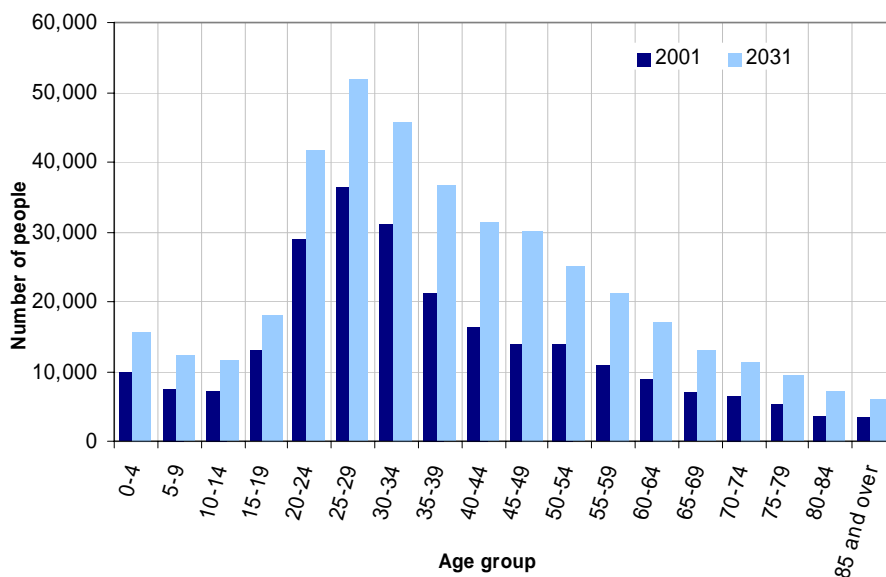


(Source: DSE, Unpublished, Changing Housing Consumptions Inner Region)

### Age Structure

The dominant age profile of the Inner Region is, and will continue to be, young adults between the ages of 25 and 39, with the largest cohorts being the 25–29 and 30–34 year age groups. By 2031, it is projected that the Inner Region will accommodate 97,606 persons in the dominant 25–34 age group, almost one quarter of the total population of the region (DSE, 2004b).

Figure 5: Projected Inner Region population by 5 year age group, 2001 and 2031



(Source: Data derived from ABS, 2001a and DSE, 2004b)

Figure 5 demonstrates that, whilst an increased population size is projected for all age groups in the Inner Region by 2031, the most significant proportional increases by the year 2031 are projected in the 35–49 and 50–69 age groups. Key projections include:

- 35–49 years: 51,463 people in 2001 and 98,116 in 2031 – up 90.7%
- 50–69 years: 40,715 people in 2001 and 76,178 people 2031 – up 87%

(DSE, 2004b).

In actual numbers these age groups remain less significant than the dominant 25–34 (young adult) age group.

Significant increases are also projected for children under 15 years and for those aged 85 and older. However, these groups will remain a relatively small proportion of the overall population through to 2031. Key projections include:

- 0–14 years: 24,699 people in 2001 and 39,497 people in 2031 – up 60%
- 85+ years: 3,467 people in 2001 and 6,107 people in 2031 – up 76%

(DSE, 2004b).

The projected increase in population numbers for various age groups raises significant issues for future infrastructure and service requirements such as family and early childhood services, whole-of-life education opportunities, diversity of open space and health care. The housing and social service requirements of an ageing population, in particular, need to be anticipated, provided and monitored.



### **Migration and Mobility**

Migration into the Inner Region is anticipated to be a significant contributor to the estimated increased population in the Inner Region by 2031. Between 2001 and 2031 natural increase (births minus deaths) are anticipated to account for an approximate increase of 57,800 persons. Net migration is likely to account for an approximate increase of 102,000 persons, with most of this migration occurring from within metropolitan Melbourne, and from adjacent regions (DSE, 2004b).

In recent years the Inner Region has gained young people in the 15–19 through to the 30–34 age bracket, lost people in the 30–34 through to 50–54 age bracket and then gained people in the 50–54 through to 65–69 age bracket. This data supports anecdotal evidence that when households move into new life cycles or life stages, such as having children, they experience increased difficulties in finding appropriate and affordable housing in the Inner Region. For the first time since 1976, there was an increase (although very minimal) in migration into the Inner Region in the 10–14 through to 15–19 age bracket which also supports anecdotal evidence that some people with children are moving into the region (DSE, 2004b).

## **Diversity in dwelling stock**

### **Dwelling Types and Sizes**

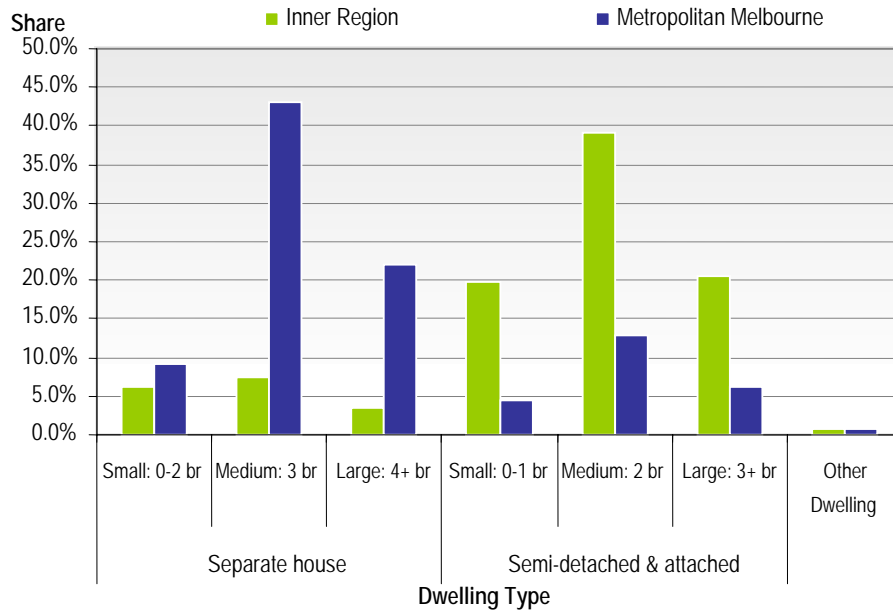
The Regional Profile (Chapter 2) highlighted the marked difference in the type and size (i.e. number of bedrooms) of the Inner Region's dwelling stock when compared to the metropolitan area as a whole. Key dwelling types, sizes and trends are summarised below:

- In 2001, the most common dwelling type in the Inner Region was the semi-detached and attached dwellings which constituted 80.7% of the total stock (compared to 23.7% for metropolitan Melbourne).
- The proportion of separate houses in the Inner Region was only 17.2% in 2001, significantly lower than for metropolitan Melbourne (75% of dwellings).
- Small dwellings continue to dominate the Inner Region's housing stock. In 2001, 65.0% of dwellings were one or two bedroom, which is significantly higher than the 26.3% for metropolitan Melbourne.

The dominance of semi-detached and attached dwellings in the Inner Region is increasing, up from 76.4 % in 1991 to 80.7% in 2001. Of these, two bedroom dwellings have remained the most common, increasing from 36.4% of the total stock in 1991, to 39.0% in 2001 (ABS, 2001a).

The development of smaller, attached dwelling types is evident in recent rapid growth in the construction of multi-level apartments within the region. This form of development has continued strongly in the post 2001 (Census) period and, whilst subject to market fluctuations, is likely to be ongoing.

Figure 6: Dwelling type by size in the Inner Region compared to metropolitan Melbourne, 2001



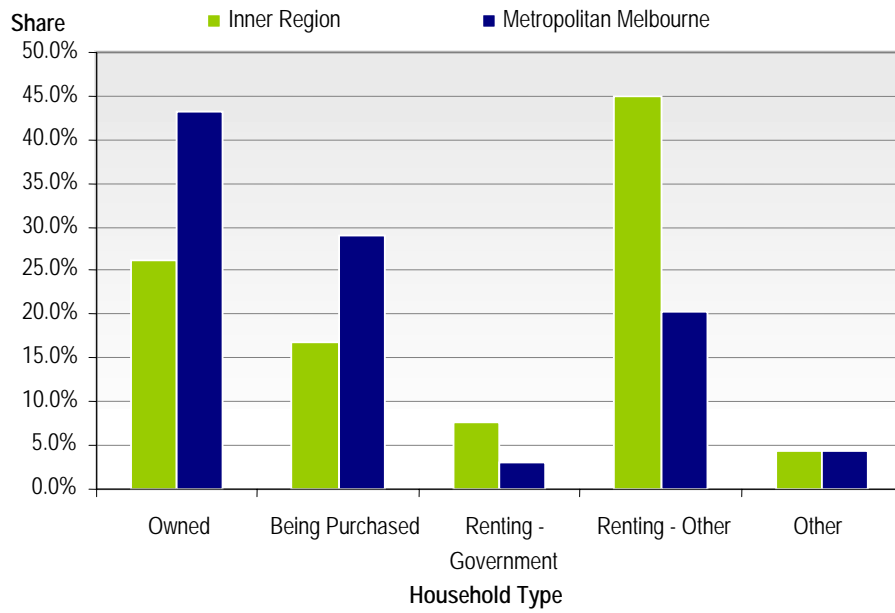
(Source: Data derived from ABS 2001a and DSE, Unpublished, Changing Housing Consumptions Inner Region)

### Tenure

Housing tenure of the Inner Region is characterised by:

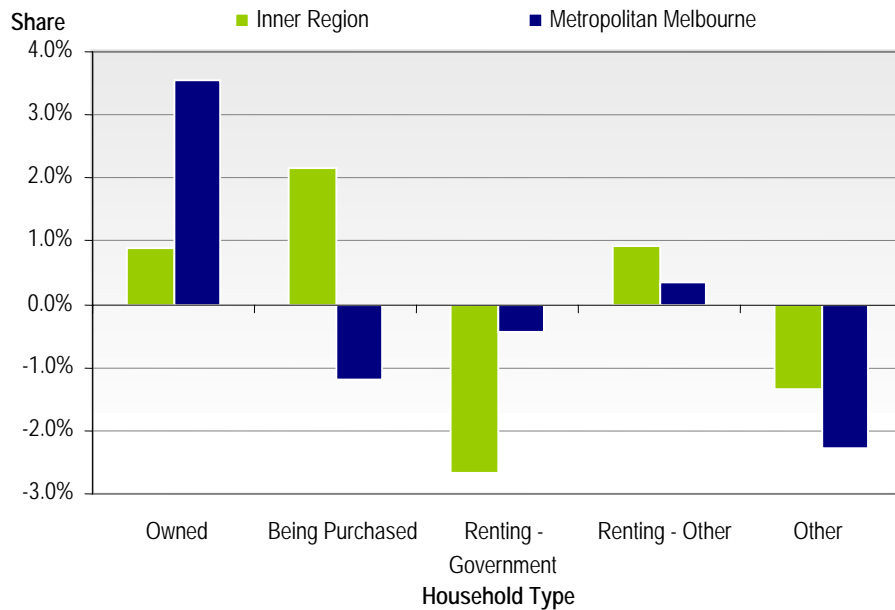
- A continuing high proportion of private rental dwellings. A total of 45% of household tenure in the Inner Region was private rental in 2001, compared to the metropolitan average area of only 20.2%. This figure shows a slight increase from 44.1% in 1991.
- A decline of 2 to 3% (as a proportion of total stock) in the supply of government rental housing over the 1991–2001 period. In 1991, 10.3 % of total stock was government rental stock and by 2001, only 7.7% of dwellings were government rental properties.
- A low proportion (42.9%) of the housing stock is either owned or purchased (2001). Whilst this is a significant proportion of the total housing stock in the Inner Region, this proportion is significantly lower than that for metropolitan Melbourne where 72.3% of housing stock is either owned or being purchased (DSE, Unpublished data).

Figure 7: Share of households by tenure type in the Inner Region compared to metropolitan Melbourne, 2001



(Source: Data derived from ABS 2001a and DSE, Unpublished, Changing Housing Consumptions Inner Region)

Figure 8: Change in share of households by tenure type in the Inner Region compared to metropolitan Melbourne, 1991-2001



(Source: Data derived from ABS 1991 and DSE, Unpublished, Changing Housing Consumptions Inner Region)

Current trends suggest that the future housing tenure of the Inner Region will continue to be dominated by private rental, whilst experiencing a relative decline in government rental stock as a proportion of all dwellings. Home ownership/purchase rates (whilst

having experienced recent increases) will continue to be significantly lower than in other parts of metropolitan Melbourne.

## Housing Affordability and Cost

### Housing Affordability

Affordable housing is accommodation that meets the needs of low income households in terms of cost, size, quality, security of tenure, safety and accessibility to employment, services and facilities. Housing is only truly affordable if it is appropriate in relation to each of these factors. Affordable housing therefore has a broad scope. It is not solely a physical or financial characteristic of a dwelling and is not confined to households on statutory incomes who are eligible for social or emergency housing. It also includes the working poor and those on the margins of home ownership. Although housing affordability has a broad scope, the housing cost dimension is often focused on as it can be readily measured using housing stress data.

A common measure of housing stress used by housing researchers relates to the proportion of low income households (i.e. those in the bottom 40% of the national income quintiles) who are paying more than 30% of income on housing costs. The standard used to assess housing stress in Inner Region was 25% of household income on housing rental costs, or more than 30% on mortgage repayments. When this measure is applied to the Inner Region, significant levels of housing stress are evident across both the rental and home purchaser sectors. Of the 16,202 low income rental households in the Inner Region, 63% are suffering housing stress. This compares to the 69% of low income home purchaser households who are experiencing housing stress (i.e. 895 households out of the total 1305 low income home purchaser households). The overall picture is that 17% of all private rental and home purchaser households in the Inner Region live in housing stress (Office of Housing, DHS, 2004).

Whilst 10,143 low income rental households in the Inner Region live in housing stress, the impacts are different according to the type of low income household. The following household types experience housing stress:

- 81% of group rental households live in housing stress (1,706 households).
- 66% of lone person rental households live in housing stress (5,341 households).
- 51% of family rental households live in housing stress (3,096 households)

(Office of Housing, DHS, 2004).

The extent of housing stress experienced amongst low income home purchaser households also varies across household type. The following household types experience housing stress:

- 72% of all lone home purchaser households are living in housing stress (364 households).
- 67% of all family households purchasing a home are living in housing stress (494 households).
- 66% of all group households purchasing a home are living in housing stress (37 households)

(Office of Housing, DHS, 2004).

It should be noted that these figures provide a static picture of housing stress. It would be beneficial to undertake further analysis to determine which households are experiencing entrenched housing stress over the long-term.

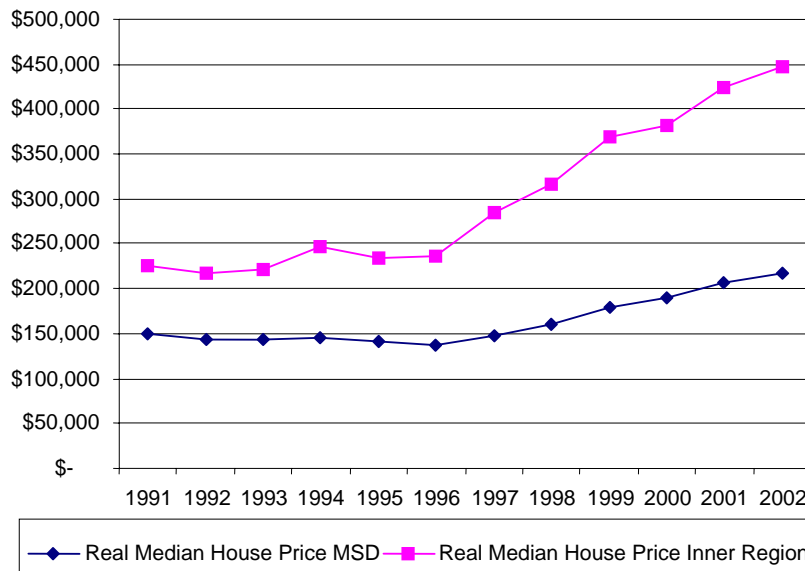
The incidence of homelessness in Victoria is increasing, and whilst the causes of this are complicated, housing stress may be a contributing factor. There were 20,300 homeless people in Victoria on Census night in 2001 compared to 17,800 persons in 1996 (ABS, 2001a). A significant proportion of Victoria’s homeless people utilise crisis accommodation and other support services found within the Inner Region. However, there is an increasing unmet demand in the Inner Region for housing assistance relating to homelessness.

**House and Unit Purchase Prices**

High levels of housing stress in the Inner Region reflect the recent and rapid increase in house and unit purchase costs. In 2003 the median house price for the region was \$470,030. There has been a 151% increase in median house prices in the Inner Region over the period 1993–2003. The greatest increases in median house prices are in the cities of Port Phillip (175%) and Yarra (165%), with significant increases also experienced in the cities of Melbourne (135%) and Stonnington (129%) (DSE, 2003a).

The level of house price increases experienced in the Inner Region is significantly higher than for metropolitan Melbourne. This price differential is shown in the graph below.

Figure 9: Median House Prices, 1991–2001

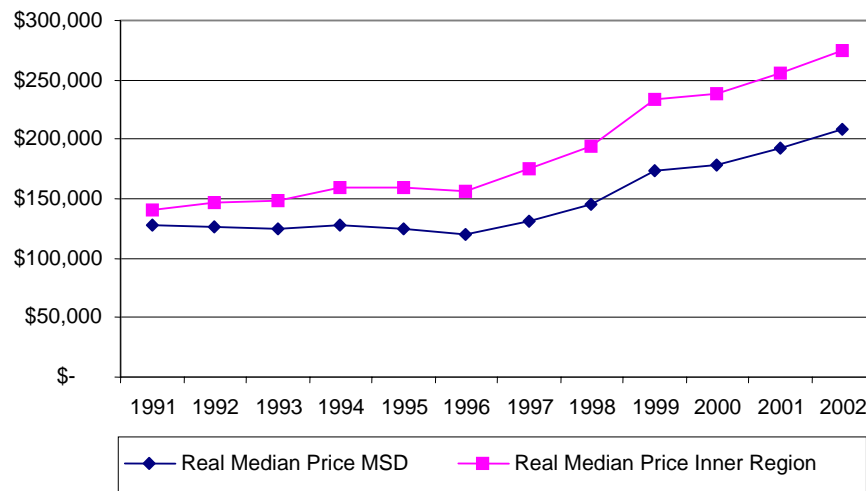


(Source: Burke and Neske, 2003)

The median purchase price of flats, units and apartments has also risen markedly in the 1993–2003 period with an average 148% price increase across the Inner Region. In 2003 the median apartment price for the Inner Region was \$313,750. The increase in the median apartment price varies across the region with Yarra (182%), Port Phillip (180%) and Stonnington (152%) experiencing the highest increases followed by Melbourne (77%) (DSE, Unpublished data).

The increase in purchase price of flats, units and apartments is also greater for the Inner Region than for metropolitan Melbourne, although to a lesser extent than for houses.

Figure 10: Median Prices of flats, units or apartments, 1991–2001



(Source: Burke and Neske, 2003)

### Rental Housing Costs/ Supply

Significant increases have also occurred in the cost of rental accommodation. The stock of private rental units available at rents equal to or less than 25% of the national 40th percentile household income halved between 1996 and 2001, falling from 14,328 to 7,336 dwellings. In 2001 affordable rental dwellings in the Inner Region accounted for 13% of all rental stock. This figure declined further to 4.6% in 2003 (Office of Housing, DHS, 2004).

## Drivers of the Inner Region Housing Market

### Current Market Influences

Changes in the housing market in the Inner Region have been driven by trends common across Australia. Generally low levels of inflation, low interest rates and escalating household incomes have prompted high levels of demand for housing amongst both owner-occupiers and investors. This high level of demand has contributed to escalating housing costs in the Inner Region.

Other key drivers of Inner Region's housing market include:

In-migration – including large numbers of permanent and temporary overseas migrants (many students), migrants from regional Victoria (the bulk of these being young people studying or moving to Melbourne for

lifestyle and/or employment reasons) and those from the middle suburbs (i.e. lifestyle migrants), all of which result in a net flow of migrants to the Inner Region.

State and Local Government policy initiatives – including projects initiated since the 1980s to reverse the earlier decline in the region's population and housing stock.

Increased property development – one of the most significant drivers of the Inner Region's housing market, which has led to a significant change in housing stock, most notably a growth in the number of high-rise and medium-rise apartments.

A number of key markets have been targeted by developers including:

- one bedroom apartments mainly aimed at the student market and largely owned by investors, and
- two and three bedroom apartments aimed at young urban professionals and empty nesters with some investor elements.

These developments are more focused on comparatively high double income households.

The majority of new dwellings that are expected to be built over the 2001–2016 period are apartments, many of which will be relatively small (one and two bedroom). Such changes in housing supply are likely to shape the Inner Region's future population. The apartment market has been dominated by young singles, couples and students (and some group households). Anecdotal information about empty nester demand is generally not supported by data analysis, although development within the Docklands may change this mix.

### **Future Market Trends**

There is potential for significant volatility in the housing market of the Inner Region over the next 15 years, due to its dependence on a number of factors. These include:

- The investor market, which is reliant on a constant source of tenants (notably tertiary students), a stable interest rate environment, consideration of price points and continued support from financial institutions.
- Developer profit margins which help determine the willingness to continue residential construction. The capital intensive nature of property development means developers are dependent on financial institutions (and significant purchase pre-commitments) for support. With the commercial (office) sector predicted to see an upturn later this decade, commercial developments may offer better investment returns than the residential sector.
- International exposure/investment, including a change in international investor sentiment or a slow down in growth of the tertiary student market, which might occur due to changes in the exchange rate or more competitive costs from other Australian cities such as Brisbane or Adelaide.

- Flexibility of development, including the ability to change the mix of residential and commercial space to cater for differing market conditions.
- Maturation of the apartment market (as has occurred in Sydney) where there is less tolerance for poor quality development and demand for greater amenities (eg. open space, services, parks etc.).

In combination, these factors highlight the complexity and volatility of the Inner Region's property market and will impact significantly on both the level and composition of housing growth in the region to 2030.

Research undertaken by Charter Keck Cramer (2004) indicates that across the broader metropolitan area, residential construction activity is forecast to fall by 35% over the period to 2010, with similar trends anticipated for the Inner Region. Limited market demand (and remaining supply) for apartments over this period may see development activity focused more on medium density residential projects. A strengthening in market sentiment is expected to emerge in the period 2010–2014 during which the viability of new apartment development can be anticipated.



## 5 Housing Vision and Opportunities

This chapter outlines the housing vision for the Inner Region and identifies opportunities for achieving this vision.

Current trends indicate that by 2031 around 90,000 additional households will need to be accommodated in the Inner Region (DSE, 2004c).

### Melbourne 2030 Aspirations

Melbourne 2030 supports a greater proportion of future development in those parts of the urban area with better access to services and facilities such as activities centres and other strategic sites. In addition Melbourne 2030 aims to reduce the pressure for inappropriate development in established areas with valued urban character and streetscapes.

The following table shows that between 2001 and 2031 89% of the projected additional households are proposed to locate in strategic redevelopment sites. Melbourne 2030 defines strategic redevelopment sites as: 'Areas within the built-up urban area designated for higher density residential development. These include activity centres and major redevelopment sites'.

Table 5: Melbourne 2030 proposed household distributions for the Inner Region, 2001–2031

	2001-06	2006-11	2011-16	2016-31	Total
Strategic redevelopment sites	10,400 (75%)	13,200 (82%)	14,600 (90%)	41,300 (95%)	79,500 (89%)
Dispersed residential areas	3,500 (25%)	2,900 (18%)	1,700 (10%)	2,000 (5%)	10,100 (11%)
<i>Total</i>	<i>13,900</i>	<i>16,100</i>	<i>16,300</i>	<i>43,300</i>	<i>89,600</i>

(Source: Unpublished data derived from DSE, 2004b and DOI 2002a)

### Vision for the Inner Region

The Inner Region is highly complex in its makeup and this Inner Regional Housing Statement highlights the diversity, complexity and changing nature of the region's people, housing stock and overall land use.

The Statement has been developed in the context of the IMAP's 11 regional strategies and forms the basis on which new population and household growth will be accommodated across the region to 2031 (refer to Strategy 5 of IMAP).

Providing for change, as well as retaining valued characteristics that contribute to the Inner Region's liveability, requires careful management. A key challenge for the Inner Region is managing change

in a way that protects and enhances the assets and attributes which make the Region unique and highly valued.

The following vision has been developed to guide housing development across the Inner Region.

## Vision for the Inner Region

*The Inner Region will proactively manage the process of urban change in order to:*

- *Maintain and enhance the liveability and amenity of the Inner Region as a place to live, work and pursue a lifestyle of choice.*
- *Facilitate sustainable forms of development with consideration of the built, natural, economic and social impacts of change.*
- *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.*
- *Support the social and cultural diversity that makes the Inner Region an inclusive and vibrant place.*
- *Maintain and develop communities that have a strong sense of local connection and social cohesion.*
- *Ensure the identity of the region evolves with respect and acknowledgement of the past and a sense of aspiration for the future.*
- *Facilitate access to a diverse range of housing, including affordable housing that will meet the needs of current and future residents.*

## Housing Opportunities in the Inner Region

Achieving this Vision for the Inner Region will require a range of significant planning issues to be acknowledged and sensitively addressed. These issues are discussed in greater detail under the following themes:

- |                |   |
|----------------|---|
| <b>Theme 1</b> | Maintaining the liveability and economic capacity of the region whilst providing for housing growth.                |
| <b>Theme 2</b> | Supporting diverse, sustainable communities through meeting a wide range of housing needs, now and into the future. |
| <b>Theme 3</b> | Managing infrastructure needs of a growing population.  |

## Theme 1 – Maintaining the liveability and economic capacity of the region whilst providing for housing growth

The Inner Region offers considerable opportunity for further housing growth, however such growth needs to occur in specific locations that have a demonstrated capacity to accommodate intensification. Likewise, great sensitivity is required in planning for intensification of residential development in these locations.

This Inner Regional Housing Statement identifies, in broad terms, locations most suited to accommodate projected household growth. In line with Melbourne 2030, an increased proportion of new housing development will be encouraged in areas that are close to activity centres and public transport. Conversely, reduced levels of growth will occur in established residential areas.

### **Considerations in Identifying Growth Opportunities**

Residential growth within the Inner Region will be directed towards locations that are better able to accommodate redevelopment, without compromising other important planning considerations. This approach will protect and enhance the characteristics and attributes of local areas that make them highly attractive and liveable, whilst allowing for significant opportunities in some locations to be better utilised.

Key characteristics that impact on the ability of the Inner Region to accommodate future housing growth are:

- Retail and commercial strips in the Inner Region are at a mature stage of development with many of them subject to heritage controls. Limited space exists for new development.
- The retail and commercial strips of the Inner Region perform a complex range of activities and functions (both at local and regional levels). Detailed structure plans will be required to determine where, and how much, housing can be accommodated whilst ensuring the viability of economic functions.
- The Central Activities District (CAD), Docklands and other major redevelopment sites and precincts offer significant opportunities for residential development.
- Much of the established residential areas within the Inner Region have highly valued heritage and urban character, and offer limited opportunity for ongoing infill housing development.

These unique characteristics of the Inner Region require that a tailored solution to accommodate housing growth be developed. Whilst the solution differs slightly from that envisaged by Melbourne 2030 for broad application across metropolitan Melbourne, the strategic

outcomes are consistent with the primary objective for new housing opportunities to be well located close to transport and activity centres.

### **Opportunities for Housing Growth – Inner Region Approach**

Analysis undertaken during the preparation of this Statement shows housing growth and urban consolidation can be achieved in the Inner Region while retaining heritage values, economic and cultural vibrancy and enhancing local urban character and amenity.

While it is not the intention of this Statement to identify specific sites for future growth, Councils within the Inner Region have started to analyse housing capacity across the region, taking into account the social, economic and environmental objectives of State and Local Government for the Inner Region.

Work undertaken by Councils to date has focused on known opportunities. Many of these opportunities are identified in locations such as the CAD, Docklands and other major redevelopment sites and areas, such as redundant industrial precincts with good access to a range of services and infrastructure.

Melbourne 2030 supports a greater proportion of new housing locating at strategic redevelopment sites. Strategic redevelopment sites include locations in and around activity centres, and major redevelopment sites located close to the Principal Public Transport Network. Due to the complex fabric of the Inner Region, the category of strategic redevelopment sites used in Melbourne 2030 has been further defined into sub-categories for the purpose of this Statement. The sub-categories include:

- **The Central Activities District (CAD)**  
Includes the CBD, Southbank (to the freeway), Docklands and the Knowledge Precinct in the Carlton/Parkville area.<sup>3</sup>
- **Major redevelopment sites or precincts**  
Includes areas and individual sites with redevelopment potential which are strategically located in proximity to activity centres and/or the Principal Public Transport Network (eg. mixed use zones which were formally industrial areas).
- **Retail and commercial strips**  
Land zoned specifically for business purposes, essentially comprising the major shopping strips within the region.

Melbourne 2030 supports a reduction in the overall incidence of dispersed residential development within established residential areas. This Statement refers to these areas as established residential locations. Established residential locations are categorised as follows:

- **Established residential locations**  
Existing residential areas where significant change is not desirable. In many instances these locations are identified as having

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<sup>3</sup> Melbourne 2030 does not define the location of the Knowledge Precinct. Dwelling growth in the Carlton/Parkville areas have not been included in the figures cited for the CAD.

significant heritage value or an urban character so intact as to warrant additional planning controls.

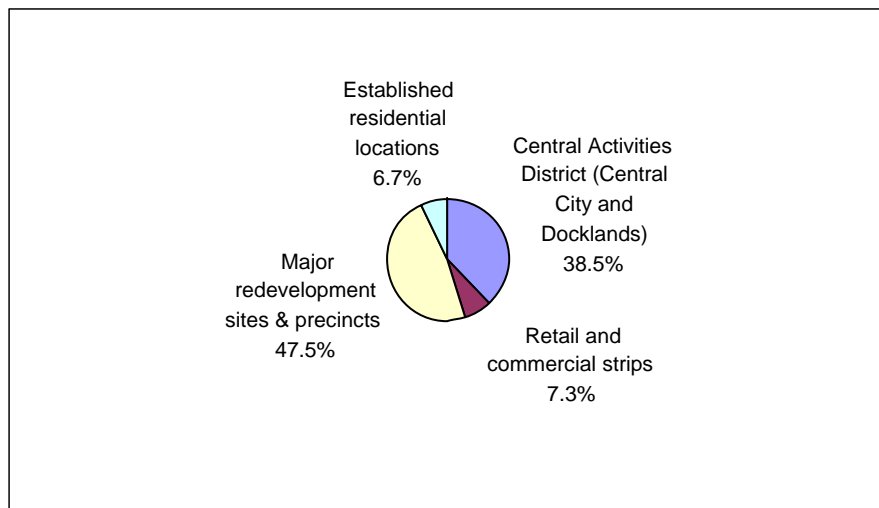
The key difference in approach for the Inner Region relates to the directions for existing residential areas that are proximate to activity centres. These areas have not been included as strategic redevelopment sites offering significant redevelopment potential. The Inner Regional Housing Working Group has determined that sufficient development opportunity exists within other strategically appropriate locations within the region to meet projected growth without the need to direct growth to, and potentially compromise, the heritage, character and amenity of these established areas.

**Capacity for Housing Growth**

Analysis undertaken during the preparation of this Statement indicates that the Inner Region can accommodate the projected growth of around 90,000 additional households by 2031, and that a greater (than current) proportion of this demand can be accommodated within strategic locations.

This conclusion is supported by the discussion outlined in this chapter under each of the four sub-categories of the Inner Region. However, further work will be undertaken by local Councils to develop specific local housing strategies, structure plans and subsequent planning scheme amendments.

Figure 11: Councils anticipated distribution of additional dwellings in the Inner Region, 2001– 2031



(Source: Unpublished data based on preliminary capacity work undertaken by Councils)

Figure 12: Councils anticipated distribution of dwelling capacity in the Inner Region, 2001–2031



(Source: DSE, Unpublished data derived from preliminary capacity work undertaken by Councils)

Table 6: Potential dwelling capacity and proposed distribution of housing within the Inner Region (based on preliminary Council work)

	2001-06	2006-11	2011-16	2016-31	Total potential capacity
<b>Established residential locations</b>					
Melbourne	850	150	50	100	1,150
Port Phillip	1,550	450	400	750	3,150
Stonnington	220	170	100	150	640
Yarra	840	160	150	150	1,300
<b>Sub-total</b>	<b>3,460</b>	<b>930</b>	<b>700</b>	<b>1,150</b>	<b>6,240</b>
<b>Strategic redevelopment sites</b>					
Central Activities District	13,250	6,050	5,300	11,250	35,850
Retail & Commercial strips <sup>4</sup>					
Melbourne	-	-	-	-	-
Port Phillip	300	300	350	900	1,850
Stonnington	500	400	840	2,500	4,240
Yarra	250	130	100	200	680
Major redevelopment sites or precincts					
Melbourne	8,750	6,010	2,320	2,850	19,930
Port Phillip	6,300	1,000	1,200	2,800	11,300
Stonnington	650	650	640	1,200	3,140
Yarra	2,500	1,100	2,450	3,750	9,800
<b>Sub-total</b>	<b>32,500</b>	<b>15,640</b>	<b>13,210</b>	<b>25,450</b>	<b>86,790</b>
<b>Total</b>	<b>35,960</b>	<b>16,570</b>	<b>13,910</b>	<b>26,600</b>	<b>93,030<sup>5</sup></b>

(Source: Unpublished data)

The above table outlines overall potential dwelling capacity and proposed distribution for the Inner Region based on preliminary capacity work undertaken by Councils. While it does not necessarily follow that development will occur at these rates over the 30 year timeframe, what it does highlight is that, in line with Melbourne 2030 policies, over time there will be a gradual decline in the overall proportion of new housing locating in established residential areas and an increase in the overall proportion locating in and around strategic redevelopment sites.

In collating this information, Councils of the Inner Region have begun identifying known opportunities that have gained, or are in the process of gaining, planning approval. Due to market influences and fluctuations, developments identified – particularly in the short-term – may not necessarily commence until later in the planning cycle, if at all. For example, while the region has identified a potential for almost 36,000 dwellings during the period 2001–2006, this has been on the basis of known proposals. Some of these may not be developed until the 2006–2011 period or later if at all.

<sup>4</sup> Includes residential opportunities within Business Zones.

<sup>5</sup> The total potential capacity for households within the Inner Region to 2031 has been identified by Councils within the Inner Region. It is recognised that the number of dwellings constructed will be dependent on a series of factors (i.e. including the economy and property market) and this number of households may not necessarily be developed by 2031.

Over time, identified opportunities may change and new opportunities may be identified. The information in this table will be used to monitor and gauge development activity against identified opportunities across the region on a regular basis.

### The Central Activities District (CAD)

The Central Activities District (CAD)<sup>6</sup> is defined by the City of Melbourne as including the Central City (which encompasses the Central Business District and Southbank) and Docklands (refer to Figure 12).

Of all the areas in the Inner Region, the CAD will accommodate the most significant housing growth for the next decade and beyond.

Analysis undertaken to date suggests that the CAD can accommodate around 35,850 net new dwellings over the next 30 years, including an estimated 12,000 dwellings in Docklands, and an additional 6,000 dwellings in Southbank. This represents about 38.5% of the total projected household growth for the Inner Region.

Residential development in the CAD will take on a variety of forms, as illustrated by the following images.



Residents will occupy both converted commercial buildings and new purpose-built apartment towers in the *CBD* and along *St Kilda Road*.



*Docklands* is taking hold as the newest residential and tourism precinct in Inner Region.



*Southbank* has been transformed from a largely industrial area in the 1980s to a mixed entertainment and residential precinct, accommodating around 5,000 residents. The resident population of this precinct will continue to grow over the next 10 to 15 years.

<sup>6</sup> Melbourne 2030 describes the Central Activities District as Metropolitan Melbourne’s largest activity centre with the greatest variety of uses and functions, and the most intense concentration of development. It includes the Central Business District, Docklands, the Sport and Entertainment Precinct, the Knowledge Precinct, the Arts Precinct and Southbank.



## Major redevelopment sites or precincts

Several major sites and precincts across the Inner Region offer considerable potential for increasing housing stock.

For the purposes of this Statement, major redevelopment sites or precincts are defined as sites or areas with redevelopment potential that are strategically located close to activity centres and/or the Principal Public Transport Network (PPTN).

In some instances, land adjacent to retail and commercial strips has been identified as a precinct with redevelopment potential.

**Analysis undertaken by Councils to date suggests these sites could accommodate around 44,200 net new dwellings over the next 30 years. This represents around 47.5% of the total projected household growth across the Inner Region.**

Major redevelopment sites and precincts range from the redevelopment of public housing estates, such as that being undertaken in Kensington, through to redevelopment of former industrial sites. Many former industrial areas are located close to public transport, employment, shops and other amenities. Careful redevelopment of these areas can make a positive contribution to the vitality and liveability of the Inner Region.

Many redevelopment opportunities in the Inner Region are within existing Mixed Uses Zones. Residential renewal of these areas has generally commenced (often replacing former business uses) but significant development capacity remains.

The land use transition of these locations however requires careful management.



West Melbourne Mixed Use Zone  
Example of a precinct undergoing change.



Warehouse buildings in West Melbourne  
Example of a Precinct undergoing change.



Public housing development, Kensington  
There is opportunity for the renewal of many of the Inner Region's public housing estates.

The desire to create true mixed activity areas is challenged by rising land values that impact on business viability and by planning controls which prioritise residential use.

In addition, although many of the Inner Region's Mixed Use Zones are identified for change, the degree of change possible has not been clearly resolved for all locations.

While these areas are typically close to the PPTN and activity centres, there are limitations on their ability to accommodate significant intensification. Some of the factors influencing the ability of Mixed Use Zones to be redeveloped for housing are:

- Many of these areas represent an important part of metropolitan Melbourne's heritage with many buildings and streetscapes affected by heritage overlays and policies.
- The fine grained mix of residential and non-residential uses in these areas means greater care is needed to ensure reasonable on-site amenity is provided for both existing and future land uses.
- Historic subdivision patterns that mean local road networks have limited capacity to accommodate additional vehicle parking and movement.
- The existing infrastructure in these areas is often ageing and was not intended to cope with more intensive residential and/or commercial activity, and must be addressed.
- Intensification of these areas means the public domain becomes increasingly important and ensuring streets and other public spaces have a high amenity is an emerging priority. Walking and cycling networks, landscaping and urban design improvements are necessary to ensure these areas are functional and attractive for workers, residents and visitors. New development must positively contribute to these outcomes.



Beacon Cove, Port Melbourne

Some of the larger former industrial sites are now fully constructed while others have just begun.



Cambridge and Oxford Street, Collingwood

Many of the former industrial and warehouse buildings in Mixed Use Zones across the Inner Region have been converted or redeveloped for housing.



Sandridge Bay Tower - Old Starch Factory, Beach Street Port Melbourne

In the case of buildings with heritage significance, flexibility is often exercised regarding the provision of open space, parking and other design standards so as to ensure the building has a viable ongoing use.

Structure plans and/or design frameworks prepared for these redevelopment sites and precincts will provide greater certainty in relation to future development. They will also be the means for determining fine grained land use, development and design outcomes.



Home/Office Barkly Street, St. Kilda

A new mixed development on a site formerly zoned for industrial purposes.



Uropa Apartments, Swanston Street Carlton

An example of the medium-rise student accommodation being developed between the University of Melbourne and RMIT.



College Square, Lygon Street Carlton

Student accommodation on the former VicRoads site.



Young Street, Fitzroy

Warehouse conversion within a mixed use zone.



Chapel Street, South Yarra

Higher density development on the Como site.

## Retail and commercial strips

Melbourne 2030 directs significant housing growth to occur in or close to activity centres across metropolitan Melbourne.

For the purposes of this Statement, the housing capacity of retail and commercial strips in the Inner Region (i.e. land zoned for business purposes within activity centres) has been assessed as a separate category. Figures quoted in this section do not include the capacity of any land adjoining or close to such zones.

Analysis undertaken to date suggests retail and commercial strips in the Inner Region will be able to accommodate new housing but not necessarily in significant numbers.

**These locations might accommodate around 6,800 new dwellings over the period 2001–2031. This represents about 7.3% of the total projected household growth across the Inner Region.**

Retail and commercial strips have important economic functions that do not rely on housing to maintain commercial viability. They typically perform a dual role of serving local shopping needs as well as being regional retail and entertainment destinations. Although housing within these locations contributes to their diversity, there is a risk that intensive housing development in retail and commercial strips would undermine some of their important economic and entertainment functions.

Retail and commercial strips in the Inner Region are predominantly made up of outlets on small allotments, largely developed in the 19th century. They often adjoin low-rise mixed use and established residential precincts. The heritage value, character and amenity of these locations and their surrounds also place constraints on how intensive new development can be in these locations.

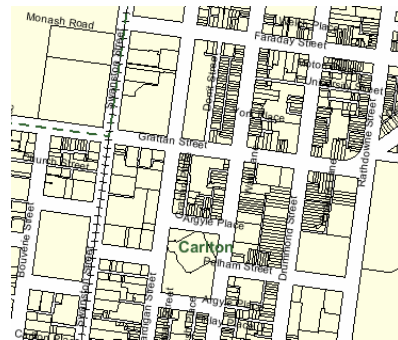
Incremental redevelopment of these locations will result in modest numbers of additional housing in the Inner Region. Shop top housing and modest mixed use developments are envisaged within and on the edges of these locations.



Example 1 – Bay Street, Port Melbourne



Example 2 – Smith St, Collingwood.



Example 3 – Lygon St, Carlton

Structure plans and/or design frameworks prepared for these locations will provide the means by which fine grained land use, development and design outcomes will be managed in each strip.

Major retail and commercial strips identified by Melbourne 2030 as preferred locations to accommodate projected growth in households include:

- Chapel Street, Prahran/South Yarra
- Lygon Street, Carlton
- Victoria Street, Richmond
- Bridge Road, Richmond
- Smith Street, Collingwood
- Brunswick Street, Fitzroy
- Swan Street, Richmond
- Toorak Village, Toorak
- Acland Street, St Kilda
- Fitzroy Street, St Kilda
- Clarendon Street, South Melbourne
- Carlisle Street, Balaclava
- Bay Street, Port Melbourne.

In addition, analysis undertaken while preparing this Statement identified that smaller commercial and retail strips (known as neighbourhood activity centres under Melbourne 2030) provide only limited opportunities for new housing. However, some of these neighbourhood activity centres adjoin major sites and/or precincts with greater redevelopment potential.



Mixed use development, Toorak Rd, Toorak

A variety of residential and mixed use developments have occurred within and on the fringes of traditional commercial and retail strips across the Inner Region. Many of these developments comprise a mix of residential and other activities within the one building.

**South Melbourne Central –  
A Case Study**

The South Melbourne Central Structure Plan was developed around the vision of SMC being a mixed use precinct focused on the South Melbourne Activity Centre. The Plan contains actions under the following themes:

- Activity, Vitality and Diversity
- Supporting the Local Economy
- A Great Place to Live
- Culture and Community
- Movement Networks
- The Built and Natural Environments.

The structure plan sets the future direction for a range of important local precincts and key sites within the study area.

The South Melbourne Activity Centre is clearly defined, comprising the Clarendon Street core retail strip and adjoining mixed commercial areas, the Coventry Street specialty shopping and South Melbourne Market precincts and, connecting these, an area (formerly industrial) emerging as an extension of the existing activity centre. Residential opportunities within the South Melbourne Activity Centre are identified as shop top housing, either above existing retail premises or within new mixed use developments.

The structure plan identifies that the greatest opportunity for residential growth exists within new mixed use areas (the Kingsway Corridor and City Road Wedge precincts) which are close to the defined activity centre.

The plan acknowledges limited opportunities for change exist in established residential precincts close to the activity centre due to heritage controls, and also the importance of retaining established business precincts that provide a competitive advantage to the growing the advanced business services sector in Inner Region.

## Established residential locations

Although not uniform in character, established residential locations within the Inner Region typically share highly valued characteristics that warrant careful management.

In many instances, the heritage value of these locations is recognised at a local, State or national level, whereas other areas have an urban character so intact as to warrant additional planning controls.

Opportunities for significant renewal and intensification in these locations are limited and the planning policies of all local Councils in the Inner Region generally discourage major change in established residential areas.

It is, however, expected that modest infill development will continue to occur in these locations even though the net increase in housing numbers will remain small, even in the longer term to 2031 and beyond.

**Analysis undertaken as part of this Statement indicates established residential locations may accommodate around 6,200 additional households over the next 30 years. This represents about 6.7% of the total projected household growth across the Inner Region.**



Courtney Street, North Melbourne



Leicester Street, Fitzroy



St Kilda Street, Elwood

## Theme 2 – Housing needs and diverse sustainable communities

Social and cultural diversity are essential elements of innovative, competitive economies and sustainable communities. Housing plays an important role in enabling diverse, creative and sustainable communities to establish and thrive.

Many opportunities exist for Councils of the Inner Region and the Victorian Government to work collaboratively to facilitate well located, diverse, affordable, accessible, adaptable and environmentally sustainable housing options.

While one of the perceived strengths of the Inner Region is its rich social and cultural diversity, this aspect of the region's population is undergoing change. For example:

- Household sizes are forecast to continue to decline in the Inner Region and the majority of the population growth will be lone person or couple households. Much of the housing stock being constructed in the region is geared towards these smaller households.
- Traditionally the Inner Region has been a place where new arrivals settle to live, work and study. Although this remains true, the ethnic background and circumstances of new arrivals in the Inner Region is changing.
- At present a significant number of overseas born residents in the Inner Region are overseas students and their housing and lifestyle needs are distinctly different from those arriving as refugees from areas such as the Horn of Africa or the Middle East.
- If property market trends continue, most new residents in the Inner Region will be in higher income brackets because lower income households will be unable to purchase or rent properties in the region.
- The public/community housing stock of the Inner Region is fast becoming the major supply of affordable housing. It is likely that public housing estates will continue to accommodate high concentrations of disadvantaged households.
- Locations such as the CBD, Southbank and Docklands will absorb much of the forecast population growth and these locations will essentially be new communities with different social and cultural characteristics than in outer Melbourne growth corridors or within other inner city locations.

The population trends outlined above are part of an ongoing gentrification of much of the Inner Region. The housing market has been a principal agent in this gentrification process as older areas are renewed or redeveloped and their market value increases.

In this context, achieving social diversity means achieving diversity of household types, income levels and housing tenures, as well as the age and ethnicity of the population. The needs of poorly represented household types (such as those on low incomes, older persons, those who need crisis housing, people from non-English speaking backgrounds and those living with a disability) need to be acknowledged and addressed. The housing needs of many of these groups are not adequately met by the private housing market or traditional public housing.

The Inner Region has a long history of providing accommodation for homeless people and those in housing transition, ranging from hostels, boarding houses, crisis accommodation and other forms of transitional housing. Without a continued focus on providing diverse accommodation for these groups the notion of social diversity risks becoming meaningless in the face of gentrification.

Social and cultural diversity is not simply a measure of ethnicity and income, but also includes the diversity of lifestyles that people pursue. Recent research demonstrates unequivocal connections between the success of regions and their human capital, expressed by the skill content of workers and residents.

The ability to attract, nurture and sustain creative talent is expected to remain an important competitive issue for Australian cities. As such, from an economic development context, the need for the Inner Region to maintain a reputation as an attractive, accessible and tolerant place to live and work takes on added importance. The provision of affordable homes and work locations for people engaged in the knowledge economy is a critical part of Melbourne's future prosperity.

Four important housing issues emerge from the above discussion:

- The need to provide a range of dwelling types and sizes to meet the needs of a diverse community.
- The provision of housing and social infrastructure that facilitates social interaction and participation.
- The provision of housing that is affordable and appropriate for low income households (in terms of housing cost, size, standards, and access to services and facilities).
- Ensuring housing and infrastructure are designed to achieve environmental, social and economic sustainability.



**Achieving housing diversity, flexibility and adaptability**

A diverse range of housing is needed to cater for the needs of older people, a range of family types, people with disabilities, group and multi-family households within the region. Opportunities exist across the Inner Region to plan for a broader range of accommodation types and tenures through regional planning and preparing and reviewing local housing strategies.

Registered Housing Associations and not-for-profit housing organisations could play a role in providing and managing housing stock for groups not well serviced by the private or public housing system.

The private sector has a major role to play in delivering flexible housing designs that can cater for changing household needs over time and different household types. In particular, as Melbourne's population ages and disabilities become more prevalent, more housing is needed that is designed to be universally accessible by people of all ages and abilities. It is vital that all future housing can be adapted to cater for a range of households as the need arises. This means that housing can cater for the needs of residents throughout different stages of their lives, without the need for relocation.

**Designing housing to facilitate social interaction and participation**

Housing design should foster social interaction and emphasis must be placed on designing spaces that enable people to get to know their neighbours.

A proactive approach is needed across the Inner Region to reverse the trend toward isolated, gated apartments and provide housing that enables social and community interaction. Housing that allows for interaction and offers surveillance of public areas, streets and open spaces also promotes a sense of belonging.

Opportunities also exist to enhance the provision of social and recreational services to areas where social housing exists or is planned. Such services foster greater social participation and ensure that more marginal residents are well supported and have the capacity to participate in community networks and decision-making.

There is an urgent need to promote a shared commitment to social and cultural diversity across the Inner Region. Community development programs that link new and old residents, such as school and community integration programs, help ensure the needs and interests of older and newer residents are expressed.

**Addressing the decline in affordable housing**

The Inner Region is a traditional provider of affordable housing and lower cost housing, and contains the highest metropolitan concentration of public housing.

However, gentrification in the 1970s and 1980s and more recently the property and apartment boom of 1990s, have resulted in rapid increases in house and unit purchase prices and a concurrent marked decline in the level of housing affordability for low and moderate income

households. Affordable rental stock has halved between 1996 and 2001, with 63% of low income households in private rental and 69% of low income home-purchaser households suffering housing stress (Refer to Chapter 4) (Office of Housing, DHS, 2004). Limited access to public housing, community housing and rooming houses is a key factor leading to the risk and high incidence of homelessness in the region.

To meet the needs of lower income households, affordable housing must be financially affordable but also appropriate in terms of size, standards and access to services and facilities. It is also important that affordable housing stock reflects the trends in household structures discussed in chapter 4 including reduced household size and ageing households. However, it is equally important that some proportion of affordable housing in the Inner Region meets the needs of larger households who might not otherwise be able to access appropriate housing in the Inner Region. For instance, larger refugee families typically face difficulty in finding affordable housing anywhere within the Inner Region yet this is where many services, education and employment opportunities are located.

Affordable housing is rapidly disappearing from the Inner Region and, without intervention, will largely disappear by 2031. Given the projected demand for approximately 90,000 new dwellings by 2031, and the limited capacity of public and not-for-profit organisations to provide additional affordable housing stock, it is necessary to pursue opportunities for private sector involvement in the provision of affordable housing.

### **Incorporating sustainable design**

The introduction of around 90,000 additional dwellings in the Inner Region presents a considerable opportunity to improve the ecological sustainability of the region's housing stock. More energy efficient buildings reduce resource consumption, waste generation and greenhouse gas emissions, as well as reduce the cost of living for occupants, and thereby contribute to more affordable housing overall.

There are significant opportunities through the planning and building approvals system to establish standards for the environmental performance of new residential and commercial buildings, and residential extensions or conversions.

## Theme 3 – Managing infrastructure needs of a growing population

Managing overall development in a coordinated way is essential to ensure quality outcomes for the Inner Region. Additional housing in the region will need to be supported by timely, coordinated and adequate provision of infrastructure.

### **Providing infrastructure and services to meet a growing demand**

Housing growth places additional pressure on existing physical and social infrastructure, and excessive demands on infrastructure can impact on the liveability of an area and community well being.

Accordingly, the population and household growth projected for the Inner Region by 2031 demands careful infrastructure planning and delivery. Opportunities exist for State and Local Government to work at a regional level to plan and provide services and infrastructure for the Inner Region to meet the current and future needs of the growing population.

Key considerations are:

- The importance of providing basic community facilities and social infrastructure in order to attract and retain a diversity of households (as highlighted in consultations with City of Melbourne residents). Such facilities help make residential neighbourhoods vibrant and welcoming places. At the neighbourhood level, residents also aspire to have access to a full range of learning, recreation, social support and lifestyle opportunities that are open to all regardless of income.
- The projected age profile of the Inner Region anticipates a significant increase in the 0–14 year old age group. This increase will require new services in the areas of maternal and child health, childcare and education.
- A projected increase in the number of older people living in the Inner Region over the next 30 years will also require the provision of new infrastructure and services to meet the needs of an ageing population. New residents who are already in an older age group report an increased sense of social isolation after moving from their previous communities. These people express the need for access to community facilities and public spaces that engender a sense of community and foster local belonging. Other specific infrastructure demands for an ageing population include transport, home and community care programs and healthy ageing activities to help keep older people well, active and socially integrated.

### **Funding additional infrastructure and service provision**

Many Inner Region neighbourhoods expected to undergo significant population growth over the next 30 years do not have the necessary social or other infrastructure to meet future demand.

There is potential for considerable cost impacts on Local Government, as additional capacity is required to upgrade both physical infrastructure and social services. Structured development programs and clear funding mechanisms are crucial to support the necessary upgrade of social and physical infrastructure and public spaces.

The redevelopment process itself provides opportunities for new and innovative ways of meeting these infrastructure needs. Increasingly, partnerships between all three levels of government, non-government organisations and the private sector will be required to ensure these facilities are provided.

The exact role of the private sector in contributing to the development of these facilities needs to be established as part of the finalisation and implementation of local structure plans across the Inner Region.

### **Sustainable transport**

Melbourne 2030 encourages more sustainable personal travel options, by promoting alternative means of travel such as public transport, walking and cycling. It is critical that housing is supported by, and has access to public transport services. An efficient and sustainable transport network relies on an integrated and efficient public transport network, a range of transport modes, good pedestrian and cycle access, and connectivity between different modes of transport.

### **Integrated public transport**

An integrated, convenient and efficient public transport system that is linked to residential growth is crucial to the success of Melbourne 2030.

Although Inner Region has a well established public transport network, there is capacity for better utilisation of the public transport network. Priorities remain to:

- Investigate opportunities to maximise use of the public transport network
- Address critical gaps in the tram network.
- Achieve significant service improvements to increase patronage.
- Improve walking and cycling environments in the Inner Region.

Prioritisation and timely scheduling of these improvements need to be resolved and these and other public transport improvements will be necessary to achieve the Victorian Government's vision for a public transport mode share target of 20% by 2020.

### **High quality public realm and sufficient open space**

Intensification of development, particularly in and around activity centres, means more people will rely on the public realm for leisure and recreation. Opportunities to create new open space in the Inner Region are severely limited. Whilst individual structure plans will determine opportunities for additional open space at a local level, high quality

design will be critical to ensure that existing public space meets the needs of residents, visitors and workers across the Inner Region.

Private development can make an important contribution to the public realm through interesting and high quality design, including such features as active frontages, spaces for casual social interaction and opportunities for passive surveillance. Providing quality public spaces encourages greater use of the public domain and increases opportunities to engage in community life. Open spaces need to be designed and developed to meet the various needs of the Inner Region now and into the future. For example, public open space has a role in connecting destinations via the pedestrian and cycle network including activity centres, housing and the PPTN.

Whilst contributions from residential development across the region will be directed to improving and extending local open space, consideration must also be given to the significant opportunities which exist to further develop and link the regional open space network. A partnership approach across governments in the region will be crucial to delivering these opportunities.

## 6 Objectives, strategies and actions

This chapter sets out the objectives, strategies and actions developed by the Inner Regional Housing Working Group to achieve the housing vision for the Inner Region (see Chapter 5). It focuses particularly on actions to be undertaken in the next five years.

The objectives, strategies and actions are underpinned by the following key principles:

- Government Policy objectives on urban consolidation and housing growth must be met from a regional capacity and context. The characteristics and trends that have shaped and defined the Inner Region provide the basis for managing housing growth and change into the future.
- Housing policy and strategies need to be developed in partnership with the community and in the context of, and balanced with, other objectives and considerations such as the economic and cultural role of the Inner Region.
- A range of housing considerations are required to achieve sustainability. Sustainability is not just about achieving growth in dwelling numbers to meet demand but is also about managing the affordability and diversity of stock to meet the diverse needs of the Inner Region communities.
- Implementation of Melbourne 2030's housing directions is dependent upon an effective partnership between the Victorian Government and Local Government. The Victorian Government has a critical role in providing leadership, resources and mechanisms to support Local Government's delivery of Melbourne 2030 housing objectives.
- The private development sector will play a key role in contributing to and supporting the housing objectives of this Statement, not only in terms of contribution to dwelling growth but also to housing diversity and affordability.

Organised by theme, this chapter sets out the objectives (what we want), strategies (how we will approach this) and a series of detailed actions (what we will do). The actions are set out in a table that explains; what mechanism will be used to implement the action (advocacy, education, facilitation, leadership, partnerships, planning schemes, research, monitoring, statutory planning and strategy development); the project lead responsible for implementation of each action; project partners involved in the implementation of each action and when the action will commence.

The role of partner organisations in implementing these actions will vary depending on the nature of each action and will need to be clarified in discussion with each nominated partner organisation.

The timeframes for commencement of actions are as follows, with many of the short-term actions already underway:

- Short-term: commence within 12 months.
- Medium-term: commence in 1-2 years.
- Longer-term: commence in 2-5 years.

## THEME 1

### MAINTAINING THE LIVEABILITY AND ECONOMIC CAPACITY OF THE REGION WHILST PROVIDING FOR HOUSING GROWTH

#### OBJECTIVES, STRATEGIES AND ACTIONS

#### 1.1 Residential Growth and Liveability

##### Objectives (what we want):

- To achieve housing growth in locations that have the capacity and propensity for change, and which will maximise economic, social, cultural and environmental sustainability.
- To protect the heritage assets, neighbourhood character and amenity of established residential areas which are fundamental to the liveability of the Inner Region.
- To achieve a shift in the location of residential development away from established residential locations, to the CAD and identified major redevelopment sites and precincts.

##### Strategies (how we will approach this):

- Provide sufficient and sustained opportunities for new residential development, in strategically appropriate locations within the Inner Region, to meet projected residential growth to the year 2031.
- Direct housing growth and intensification (based on identified capacity) to achieve:
  - The majority of housing growth within the CAD and identified major redevelopment sites and precincts (located in close proximity to activity centres and the Principal Public Transport Network).
  - A moderate increase in residential infill development within Principal and Major Activity Centres (as guided by structure plans).
  - A substantial reduction in the rate of infill development in established residential areas (to less than 10% of total growth) through provision of development opportunities and incentives elsewhere.
- Strengthen the effect of local planning policy and planning scheme provisions to proactively identify and facilitate outcomes in areas where housing growth and intensification is desired and areas where it is not.
- Build the capacity and propensity of the development sector to undertake complex, larger scale renewal projects (residential or mixed use) within activity centres, and major redevelopment sites and precincts, in preference to infill development within established residential areas.



Actions (what we will do):

1.1 Residential Growth and Liveability  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current Status
<p><b>Directing Growth</b></p> <p><b>1.1.1</b> Prepare, review, and implement local housing strategies to give effect to the Inner Regional Housing Statement at the municipal level.  (Strategy Development/Planning Schemes)</p> <p><b>1.1.2</b> Investigate varying residential development standards <sup>7</sup>across the region to actively differentiate and direct housing growth to preferred development areas, and ensure lower intensity outcomes in established residential areas reflective of the prevailing neighbourhood character and heritage significance.  (Planning Schemes)</p> <p><b>1.1.3</b> Prepare and implement structure plans for Principal and Major Activity Centres and major redevelopment sites and precincts to provide clear direction on the extent, location and form of residential use and development, responsive to local capacity and conditions.  (Strategy Development/Planning Schemes)</p> <p><b>1.1.4</b> Review (where necessary) the Local Planning Policy Framework of planning schemes to ensure they provide sufficient clarity and certainty to effectively direct residential development to strategically preferred locations.  (Strategy Development/ Planning Schemes)</p>	Councils	Community	Short-term	In progress
	Councils	DSE	Short-term (on-going)	In progress
	Councils	Community  DOI	Short-term (on-going)	In progress
	Councils		Medium-term	In progress

<sup>7</sup> Varying development standards can be used to facilitate increased dwelling yields in preferred major redevelopment sites and precincts and could include varying development standards (such as height, site coverage, setbacks, and private open space requirements).

1.1 Residential Growth and Liveability  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current Status
<p><b>1.1.5</b> Establish an agreed approach to increase development certainty and streamline planning permit processes for housing and mixed use developments within defined major redevelopment sites or precincts, where proposals for housing are consistent with approved local policy and/or structure plans.</p> <p>(Strategy Development/ Planning Schemes)</p>	DSE (metropolitan wide)	IRHWG  Other RHWG's	Longer-term	Not commenced
<p><b>1.1.6</b> Work collaboratively as a region to develop a best practice approach to the application of neighbourhood character provisions in local planning schemes which clearly articulate preferred built form and urban design outcomes that respect the local context.</p> <p>(Partnerships/Planning Schemes)</p>	IRHWG		Medium-term	Not commenced
<p><b>1.1.7</b> Research macro-economic influences on the regional housing market, and the impact of housing preferences and development activity in the region.</p> <p>(Research)</p>	DSE	DHS  IRHWG  Councils	Short-term	Not commenced

1.1 Residential Growth and Liveability  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current Status
<p><b>Facilitating Renewal</b></p> <p><b>1.1.8</b> Work collaboratively with the private development sector<sup>8</sup> and other stakeholders to:</p> <ul style="list-style-type: none"> <li>investigate the economic viability of different approaches and models for residential development in activity centres.</li> <li>identify and remove barriers to larger scale residential renewal projects within Principal and Major Activity Centres and major redevelopment sites and precincts.</li> </ul> <p>(Partnerships/Research)</p>	DSE (Metropolitan-wide)	DOI  IRHWG  Other RHWGs  Industry	Medium-term	Not commenced
<p><b>1.1.9</b> Build expertise and capacity to facilitate complex renewal projects on strategic sites.</p> <p>(Partnerships/Research)</p>	IRHWG  DOI	DSE  Councils	Medium-term	Not commenced
<p><b>1.1.10</b> Investigate options for the removal of restrictive covenants which affect the potential of major redevelopment sites and precincts to accommodate housing.</p> <p>(Research)</p>	DSE (metropolitan-wide)	Councils	Longer-term	Not commenced

<sup>8</sup> Including developers and peak bodies such as the HIA, UDIA, Property Council.

## 1.2 Economic Capacity

### Objectives (what we want):

- To ensure residential growth occurs where it will not compromise the overall economic capacity of the Inner Region, and the primary commercial or cultural role of activity centres.
- To ensure appropriate and affordable housing is available to accommodate key worker groups within the Inner Region.<sup>9</sup>

### Strategies (how we will approach this):

- Protect regionally significant business or employment precincts from residential development pressures and encroachment.
- Ensure residential development within activity centres occurs in accordance with opportunities identified by approved local policy, structure plans and/or urban design frameworks.
- Seek to prevent land use conflicts within mixed activity areas and mixed use developments.

### Actions (what we will do):

1.2 Economic Capacity Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<b>Protecting Economic Activity</b>  <b>1.2.1</b> Retain and enforce business and industrial zonings which prevent residential use and development in regionally significant business/employment precincts.  (Planning Schemes)	Councils	Community/ Land Owners	Short-term (on-going)	Not commenced

<sup>9</sup> The actions listed under 2.2 Housing Affordability are intended to assist in implementing this Objective.

1.2 Economic Capacity  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<p><b>1.2.2</b> Ensure structure plans for activity centres, whilst providing for residential opportunities, also identify and protect retail/commercial growth and change, necessary for maintaining the long-term economic role and viability of centres.</p> <p>(Strategy Development/Planning Schemes)</p>	Councils	Community/ Land Owners	Short-term (on-going)	In progress
<p><b>1.2.3</b> Work in partnership to investigate and achieve planning tools that can effectively maintain a balance between business and residential activities within areas of mixed land use activity.</p> <p>This may include:</p> <ul style="list-style-type: none"> <li>- A mixed use zone which provides discretion over the extent/nature of residential use in accordance with local policy.</li> <li>- The capacity for vertical zoning to maintain active commercial frontages at street level whilst encouraging residential development above.</li> </ul> <p>(Strategy Development/Partnerships/Planning Schemes)</p>	IRHWG	DSE  Other RHWGs	Short-term	In progress

1.2 Economic Capacity Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<p><b>Preventing land use conflicts</b></p> <p><b>1.2.4</b> Work collaboratively to minimise and manage amenity conflicts in areas of mixed land use activity, including activity centres, through:</p> <p>(i) Working in partnership across State and Local Government to develop a 'best practice' technical and policy framework<sup>10</sup> that achieves a co-ordinated and integrated approach to managing amenity impacts.</p> <p>(ii) Implementing planning tools and other mechanisms that enable more effective management and emphasise the prevention of amenity conflicts between residential and other land uses. This may include an increased capacity to determine an appropriate land use mix, building standards (eg. acoustic measures in new dwellings), and business operating standards.</p> <p>(Strategy Development/ Partnerships/Facilitation )</p> <p>(Refer to the <i>Inner Melbourne Action Plan</i>, Action 6.3 relating to managing conflicts in activity centres).</p>	<p>DSE</p> <p>EPA</p> <p>Building Commission</p> <p>Councils</p> <p>Councils</p>	<p>DOJ</p> <p>Victoria Police</p>	<p>Short term</p> <p>Medium-term</p>	<p>In progress</p>

<sup>10</sup> \*\*This framework shall have regard to the recommendations of the 'Inner City Entertainment Precinct Taskforce' and the 'Live Music Taskforce.' It shall reflect and reinforce the principles that:

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-resident expectations must acknowledge that reduced levels of acoustic amenity will occur within mixed activity areas' (ie. when compared to established residential areas), and

-that the 'onus of responsibility rests with the agent of change' (ie. new residential development must take responsibility for reducing impacts arising from established nearby commercial/entertainment based activities).

## THEME 2

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### SUPPORTING DIVERSE, SUSTAINABLE COMMUNITIES THROUGH MEETING A WIDE RANGE OF HOUSING NEEDS, NOW AND INTO THE FUTURE

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#### OBJECTIVES, STRATEGIES AND ACTIONS

### 2.1 Housing Diversity and Adaptability

#### Objectives (what we want):

- To achieve and value social and cultural diversity as the fundamental basis for a sustainable, inclusive and innovative Inner Region community.
- To increase the diversity and adaptability of the region's housing stock to better meet increasingly diverse household structures, lifestyle and cultural needs, income levels and life cycle stages.

#### Strategies (how we will approach this):

- Target the range of housing choices (type and tenure) available in the Inner Region to ensure they are responsive to the identified needs of existing and future residents.
- Promote the construction of adaptable and flexible dwellings that can respond to anticipated household changes.
- Provide an increase in housing stock that is accessible to all persons and also enables people to age in place.
- Monitor changes to the regional dwelling stock and investigate potential tools to maintain dwelling stock diversity.
- Redress the diminishing supply of larger dwellings in the Inner Region through reducing development pressure on established residential areas.

#### Actions (what we will do):



2.1 Housing Diversity and Adaptability  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<b>Monitor Demographic and Housing Change</b> <b>2.1.1</b> Monitor regional demographic trends, and changes in diversity of housing stock and housing affordability (including housing stress levels), to provide a basis for determining future housing needs. (Research/Monitoring)	DSE (Metropolitan-wide)  DHS	IRHWG  Other RHWGs  Building Commission	Short-term	In progress
<b>2.1.2</b> Monitor regional housing needs and satisfaction levels, including post-occupancy studies of a range of new residential development types, and comparison of changing housing needs against housing choice.  (Research/Monitoring)	IRHWG	DSE DHS	Medium-term	Not commenced
<b>Mechanisms to improve housing diversity</b>				
<b>2.1.3</b> Investigate planning tools and other mechanisms to promote and provide for increased housing diversity and housing adaptability.  (Research/Strategy Development)	DSE	IRHWG  Other Councils	Short-term	Not commenced
<b>2.1.4</b> Develop and review local policies to encourage an increased range of dwelling types targeted to respond to identified 'gaps' in housing types, emerging life style choice and life cycle needs.  (Planning Schemes)	Councils		Medium-term	In progress
<b>2.1.5</b> Improve property market acceptance of a wider range of housing types through mechanisms including education programs, information sharing and demonstration projects.  (Education/Facilitation)	DSE	IRHWG  Other Councils Industry DHS VicUrban	Short-term	Not commenced

2.1 Housing Diversity and Adaptability  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<b>Accessible and Adaptable Housing</b>				
<b>2.1.6</b> Investigate accessible and adaptable housing needs across metropolitan Melbourne. (Research)	Building Commission on DSE (Metropolitan wide)	IRHWG  Other RHWG's	Medium-term	Not commenced
<b>2.1.7</b> Pursue the introduction of building standards and regulations for accessible and adaptable housing, with 'visitable' housing set as a minimum standard for all new dwellings.  (Leadership/Facilitation)	IRHWG  Councils	Other RHWGs	Short-term	Not commenced
<b>2.1.8</b> Develop local policies to encourage flexible and multi-functional housing design that enables easy (low cost/energy efficient) adaptation to suit the needs of the widest possible range of people including: 1. People who wish to work from home. 2. People with physical disabilities and live-in carers. 3. Older persons. 4. Households whose size and lifestyle needs change over time.  (Planning Schemes)	IRHWG  Councils	Industry	Longer-term	In progress
<b>2.1.9</b> Develop demonstration models of accessible and adaptable housing design (including access for aged persons living with physical disabilities, and dwellings responsive to changing household and life cycle needs).  (Facilitation/Partnerships/Education)	IRHWG  Councils	Registered Housing Associations  DHS Industry DSE	Longer-term	Not commenced

2.1 Housing Diversity and Adaptability  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<p><b>2.1.10</b> Promote best practice examples of flexible and multi-functional housing design through joint Inner Region awards (with categories for home business, adaptable housing, accessible housing, ecologically sustainable development, etc).</p> <p>(Education/Facilitation/Partnerships)</p>	IRHWG  Councils	DSE Industry  DHS	Longer-term	Not commenced

## 2.2 Housing Affordability

### Objectives (what we want):

- To reduce the current high levels of housing stress experienced across the Inner Region.
- To increase the supply of well located affordable housing opportunities in the region for low income households, across all tenures (as a proportion of the total housing stock).
- To increase the supply of appropriate (well located, relevant, quality) social (public and community) housing for low income residents and those with special needs.
- To progressively increase the long-term supply of affordable housing within the region.

### Strategies (how we will approach this):

- Pursue greater cross-government leadership, funding and fiscal policy commitment to increasing affordable and social housing in the Inner Region, in particular at the Commonwealth Government level.
- Establish regional benchmarks for significantly expanding the supply of affordable housing in the Inner Region (including housing that is either publicly or community owned and/or managed).
- Ensure appropriate institutional and organisational structures are in existence to manage the increased supply of affordable housing within the Inner Region.
- Significantly increase the proportion of affordable housing generated through private sector investment whilst ensuring the application of affordable housing mechanisms which can be absorbed by the private housing market so as not to deter development activity.
- Maximise opportunities presented by surplus government and institutional land holdings to be used for development of affordable or social housing.
- Recognise and support the ongoing role of the Inner Region in providing opportunities for a range of affordable accommodation to suit specific groups (including rooming houses, bed-sits for singles and crisis accommodation) given the well established support services/networks for these groups within the region.
- Recognise and ensure that affordable housing policy and initiatives include the concepts of suitable and accessible housing (relevant to needs, of reasonable size, quality, condition and universally accessible) and affordable living (well located, energy efficient).
- Work collaboratively as a region to progress the affordable housing strategies and actions outlined in this Statement with Local Government focusing on local leadership and innovation to deliver projects, and Australian and State Governments providing an enabling framework (legislative, financial and institutional).

## Actions (what we will do):

2.2 Housing Affordability Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<b>Government Leadership</b>				
<p><b>2.2.1</b> Participate in the work program to implement the Framework for National Action on Affordable Housing. (Leadership/Partnership)</p> <p><b>2.2.2</b> Advocate for the development of a National Affordable Housing Agreement across the three spheres of government to integrate, rationalise and strengthen assistance for affordable housing including:</p> <ul style="list-style-type: none"> <li>- A Tax Reform Package to promote housing affordability focusing on reforms to promote: <ul style="list-style-type: none"> <li>▪ Investment in affordable housing;</li> <li>▪ First home purchase.</li> </ul> </li> <li>- Increased Public Investment (in particular a reversal of the decline in Commonwealth Government funding) directed to expenditure on: <ul style="list-style-type: none"> <li>▪ Renewal of Public Housing;</li> <li>▪ Expanded Community Housing;</li> <li>▪ An Affordable Housing Innovations Fund to facilitate private sector and Local Government investment in the provision of affordable housing;</li> <li>▪ New funding models and mechanisms for the provision of social and affordable housing (and for the subsidies required to bridge the gap between affordable and market rents).<sup>11</sup></li> <li>▪ The development of a National Affordable Housing Plan to implement the NAHA.</li> </ul> </li> </ul> <p>(Advocacy) <b>Funding</b></p>	<p>IRHWG Councils</p> <p>IRHWG</p>	<p>DSE DHS VicUrban</p>	<p>Short-term (on-going)</p> <p>Long-term (on-going)</p>	<p>Not commenced</p> <p>Not commenced</p>
<p><b>2.2.3</b> Advocate for the majority of affordable housing funds to be used for outright stock acquisition and development.  (Advocacy)</p>	IRHWG		Medium-term (on-going)	Not commenced

<sup>11</sup> Models and mechanisms may include government affordable housing bonds and loan programs, bank finance, private sale proceeds from mixed private or social developments, superannuation funding, local taxes, philanthropic investors and development contributions.

<b>2.2 Housing Affordability</b> <b>Action Statement / Mechanism</b>	<b>Project Lead</b>	<b>Partners Involved</b>	<b>Timeframe for commencement</b>	<b>Current status</b>
<b>Private Sector Investment</b>				
<p><b>2.2.4</b> Encourage the State Government to introduce planning mechanisms<sup>12</sup> to achieve mandatory private sector contributions to the provision of affordable housing. Mechanisms for further investigation include Inclusionary Zoning<sup>13</sup> and Negotiated Development Contributions.</p> <p>(Advocacy/Partnerships/ Strategy Development)</p>	IRHWG Councils	Other RHWGs	Short-term	Not commenced
<p><b>2.2.5</b> Identify opportunities and encourage private developers to undertake joint ventures or establish partnerships with social and affordable housing providers, to provide mixed private and community housing developments including:</p> <ul style="list-style-type: none"> <li>- The provision of developer incentives for affordable housing;</li> <li>- The development of 'best practice' models/documentated precedent for the provision of affordable housing by private developers.</li> </ul> <p>(Facilitation/Partnerships)</p>	IRHWG	Registered Housing Associations DHS Industry VicUrban	Medium-term (on-going)	Not commenced
<b>Land Opportunities and Resources</b>				
<p><b>2.2.6</b> Prepare and implement structure plans for activity centres which include the identification of opportunities for well located, affordable and social housing (maximising access to shops, services and transport for low income households).</p> <p>(Strategy Development/ Planning Schemes)</p>	Councils	DSE DHS	Short-term (on-going)	
<p><b>2.2.7</b> Work with relevant government agencies to identify surplus or under-utilised government land (including car parking, railway land, airspace) that can be used for (or includes) the development of affordable housing.</p> <p>(Strategy Development/ Partnerships)</p>	Councils	Australian Government State Government	Medium-term (on-going)	Not commenced

<sup>12</sup> Planning mechanisms for affordable housing contributions must be established as an immediate priority, in order to maximise propensity for the cost burden to be passed back to land sellers and to minimise lost opportunities for contributions to growth of affordable housing stock.

<sup>13</sup> Inclusionary Zoning may be simply defined as planning provisions which require either the mandatory inclusion of certain uses, development of facilities (such as affordable housing), or a monetary contribution in lieu of this, in identified new development as a condition of planning approval.

<b>2.2 Housing Affordability</b> <b>Action Statement / Mechanism</b>	<b>Project Lead</b>	<b>Partners Involved</b>	<b>Timeframe for commencement</b>	<b>Current status</b>
<p><b>2.2.8</b> Support the development of protocols for the disposal of State and Local Government land that establishes a first option to Office of Housing and Community Housing Organisations to develop sites (or parts of sites), or acquire individual units for affordable or social housing in private residential development.</p> <p>(Strategy Development/ Partnerships)</p>	IRHWG  Councils	DHS  DSE	Medium-term (on-going)	Not commenced
<p><b>2.2.9</b> Work with the Australian Government to achieve the development of protocols for the disposal of surplus Commonwealth land.</p> <p>(Partnerships/Strategy Development)</p> <p><b>Organisational Structures</b></p>	IRHWG	Australian Government	Medium-term	Not commenced
<p><b>2.2.10</b> Build the capacity of Housing Associations (and support the formation of other larger scale not-for-profit housing providers) to deliver and manage affordable housing stock in a coordinated manner across the Inner Region.</p> <p>(Facilitation/Partnerships)</p>	DHS	IRHWG  Councils  DSE	Medium-term	In progress
<b>Targets and Monitoring</b>				
<p><b>2.2.11</b> Set regional targets for affordable housing units (as a proportion of new residential construction in the Inner Region) that will at least ensure affordable housing, as a proportion of the Inner Region's increasing housing stock, is not reduced from current levels.</p> <p>(Research/Strategy Development)</p>	IRHWG  Councils	DSE  DHS	Medium-term	Not commenced
<p><b>2.2.12</b> Establish a framework to monitor regional targets for affordable housing.</p> <p>(Monitoring/Partnerships)</p>	DSE  DHS (Metropolitan wide)	IRHWG  Other RHWG's	Medium-term	Not commenced

## 2.3 Socially and Environmentally Responsible Housing Development

### Objectives (what we want):

- To support and maximise local connections and social interaction in the public and private realm through good design of residential development.
- To plan for and achieve housing that is environmentally sustainable.

### Strategies (how we will approach this):

- Promote examples of new residential development that prevent or ameliorate the impacts of social isolation.
- Maximise accessibility, legibility and public safety within the public realm, including open space areas.
- Facilitate a high standard of environmentally sustainable design features to be incorporated into all new dwellings and dwelling extensions, including water reuse, energy efficiency and waste recycling.

### Actions (what we will do):

2.3 Socially and Environmentally Responsible Housing Development  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<p><b>Social interaction by design</b></p> <p><b>2.3.1</b> Develop and review local policies to encourage the design of residential development which facilitates social interaction and community inclusion by:</p> <ul style="list-style-type: none"> <li>-providing for daily interaction amongst residents;</li> <li>-providing shared community spaces in association with new developments over 20 dwellings;</li> <li>-discouraging gated communities that exclude general community access;</li> <li>-facilitating pedestrian permeability;</li> <li>-facilitating active street frontages in multi-storey developments.</li> </ul> <p>(Strategy Development/ Planning Schemes)</p>	Councils		Short-term (on-going)	In progress



2.3 Socially and Environmentally Responsible Housing Development  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<b>Community safety by design</b>				
<b>2.3.2</b> Ensure the design of new public spaces, streets and adjacent residential developments facilitate community safety using healthy design principles such as CPTED (Crime Prevention Through Environmental Design), Safer Design Guidelines, and address the principles of the Disability Discrimination Act.  (Facilitation/Leadership)	Councils	Industry	Short-term (on-going)	In progress
<b>Ecologically Sustainable Development</b>				
<b>2.3.3</b> Pursue and support the introduction of improved State-wide minimum standards which assess and ensure the effective environmental performance of new buildings with residential uses and residential extensions or conversions.  (Advocacy /Partnerships)	IRHWG	Other RHWG's	Short-term	In progress
<b>2.3.4</b> Increase community and development industry awareness, and access to information, about improved practice for sustainability outcomes using integrated and consistent approaches including the Sustainability in the Built Environment initiative.  (Education/Facilitation/Partnerships)	DSE (Metropolitan wide)	Councils  Sustainability Victoria	Medium-term	In progress
<b>2.3.5</b> Continue to pursue innovative techniques and approaches to improve environmental performance in new buildings which include residential uses and residential extensions or conversions as part of the development approvals process.  (Leadership)	Councils		Short-term	In progress

<b>2.3 Socially and Environmentally Responsible Housing Development</b>  <b>Action Statement / Mechanism</b>	<b>Project Lead</b>	<b>Partners Involved</b>	<b>Timeframe for commencement</b>	<b>Current status</b>
<b>2.3.6</b> Develop an education program regarding opportunities for housing design which reduces household running costs.  (Education/Partnerships)	DSE  Sustainability Victoria	Councils  IRHWG  Other RHWG's  Industry	Medium	Not commenced

## THEME 3

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**MANAGING INFRASTRUCTURE NEEDS OF A GROWING POPULATION**


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**OBJECTIVES, STRATEGIES AND ACTIONS****3.1 Infrastructure Planning and Provision****Objectives (what we want):**

- To achieve the timely provision of social and physical infrastructure to support population change and housing growth.
- To provide responsive and flexible social and physical infrastructure that supports different life stage and life cycle needs.

**Strategies (how we will approach this):**

- Develop models of sustainable, adaptable and affordable social infrastructure that reflect an integrated and regional approach to government infrastructure and service planning and provision across the Inner Region.
- Strengthen partnerships with Victorian infrastructure and service providers, to achieve coordinated, effective and responsive regional infrastructure.
- Work collaboratively as a region to pursue increased infrastructure funding that reflects the true cost and timing of upgrading (physical and social) infrastructure in renewal areas.

**Actions (what we will do):**

<b>3.1 Infrastructure Planning and Provision</b>	<b>Project Lead</b>	<b>Partners Involved</b>	<b>Timeframe for commencement</b>	<b>Current status</b>
<b>Action Statement / Mechanism</b>				
<b>Infrastructure to support growth</b>  <b>3.1.1</b> Identify priorities for regional social infrastructure (e.g. education, health, cultural facilities) needed to support population growth and changing household needs, and develop joint funding submissions/advocacy for key regional projects and initiatives.  (Monitoring/Strategy Development/ Partnerships).	IRHWG  Councils	DSE  DHS  DET  DOJ	Short-term	Not commenced
<b>3.1.2</b> Work with physical infrastructure providers to	Councils	Infrastructure	On-going	Not commenced

3.1 Infrastructure Planning and Provision  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
plan residential growth, having regard to the capacity of physical infrastructure.  (Strategy Development/ Partnerships)		providers  DOI		d
<p><b>3.1.3</b> Work collaboratively to identify and achieve priority regional transport infrastructure and service improvements to support residential growth, with an emphasis on improving accessibility to principal and major activity centres by sustainable transport modes, including walking and cycling.  (Advocacy/Partnerships)</p> <p>(Refer to the <i>Inner Melbourne Action Plan</i>, Action 2.6 aims to investigate new tram routes to address network gaps)</p>	IRHWG  Councils	DSE  DOI  Transport providers	Short-term	In progress
<p><b>3.1.4</b> Work collaboratively as a region to identify potential funding models (including more effective development contribution tools) to fund regional physical and social infrastructure, services and facilities.  (Advocacy/Partnerships/ Planning Schemes)</p> <p>(Refer to the <i>Inner Melbourne Action Plan</i>, Action 2.1 includes an action to develop a region wide mechanism to fund transport and community infrastructure).</p>	IRHWG  Councils	Infrastructure providers	Short-term	Not commenced
<p><b>Regional Approaches to Service Planning and Delivery</b></p> <p><b>3.1.5</b> Identify models and opportunities for joint service provision and funding arrangements that acknowledge cross-municipal patterns of facility</p>	IRHWG  Councils	DHS	Medium-term	Not commenced

3.1 Infrastructure Planning and Provision  Action Statement / Mechanism	Project Lead	Partners Involved	Timeframe for commencement	Current status
<p>and service usage, including the potential for regionally based specialist services.</p> <p>(Partnerships/Research)</p> <p><b>Open Space to Support Population Growth</b></p> <p><b>3.1.6</b> Work in partnership to ensure that new residential development (particularly those at higher densities) adequately cater for, or contribute towards, the increased demand on regional and local public open space through:</p> <ul style="list-style-type: none"> <li>- Investigating tools to achieve public open space contributions of at least 5%;</li> <li>- Ensuring the type of contribution (land and/or money) is responsive to localised open space needs and limitations (as indicated by local open space strategies).</li> </ul> <p>(Partnerships/Research)</p>	IRHWG  Councils	DSE	Medium-term	Not commenced

## 7 Implementation, Monitoring and Review

This chapter outlines the proposed implementation of the Inner Regional Housing Statement and how achievement of the Statement's objectives, strategies and actions will be monitored and reviewed over time.

### Implementation and Governance

The Inner Regional Housing Working Group is committed to having an ongoing role in the implementation of the objectives, strategies and actions identified in this Statement. The first stage of implementation is to develop an implementation plan. The implementation plan will explore opportunities for implementing the Inner Regional Housing Statement in conjunction with the implementation of other projects and strategies including IMAP.

While this Statement covers the period up to 2031, its emphasis is on actions which are achievable within the next five years. Achieving these actions is likely to require advocating for the inclusion of priority actions in State and Local Council plans, business plans and budgets to ensure that sufficient resourcing is obtained to achieve these actions.

### Monitoring

The Inner Regional Housing Working Group is committed to ensuring that the Inner Regional Housing Statement is adequately monitored to measure and record changes over time and that it remains appropriate to the needs of the Inner Region.

An annual program will be developed to monitor the housing indicators used to prepare the Inner Regional Housing Statement and to monitor the performance of the Inner Regional Housing Statement in achieving the objectives, strategies and actions outlined in Chapter 6. Some monitoring could be undertaken at the State or regional level while other monitoring may be more appropriately undertaken at a local level.

Monitoring housing indicators will involve use of existing data sources such as the estimated resident population, dwelling approvals, housing costs (home purchase and private rental sectors) and data gathered as part of the Urban Development Program. Monitoring housing indicators will also involve developing new monitoring systems to gather data such as:

- The distribution of new dwellings and dwelling type, size and price across the CAD, major redevelopment sites and precincts, retail and commercial strips and established residential locations.
- The location of new dwellings in relation to public transport and other social infrastructure and services.

- The inclusion of adaptable, accessible and ecologically sustainable design features within residential development.
- The percentage and distribution of affordable housing across the region.

Monitoring the performance of the Inner Regional Housing Statement will involve an assessment of:

- Whether the outcomes meet the housing objectives sought for the region.
- Whether the objectives remain consistent with the regional housing policy context.
- Whether the strategies and actions are effective in achieving the Statement's objectives.
- The nature of progress towards achieving actions and the effectiveness of these actions in meeting the Statement's objectives.
- Whether the Inner Regional Housing Statement has been successful in guiding and directing Councils in the development and review of strategic planning work and in informing Local and State Government in coordinating future infrastructure and services with population growth.

## Review

It is anticipated that the Inner Regional Housing Statement will be reviewed every five years or earlier if circumstances require. The Inner Regional Housing Working Group will determine the scope of the review. It is anticipated that the review will consider the annual monitoring reports, progress in implementing the actions, and whether major changes of direction are required to respond to new regional housing issues, trends or changing circumstances or to strengthen the performance of the Inner Regional Housing Statement.

The review will utilise results of the five yearly Census. It will include assessing population projections for the previous five year period against actual numbers, and use the results to inform future population projections.

The first review of the Inner Regional Housing Statement is anticipated to commence in 2010.

## Glossary

<b>Accessible</b>	Accessible design refers to dwellings that are designed to reduce barriers and improve access to people with disabilities.
<b>Activity centres</b>	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 shopping centres.
<b>Adaptable</b>	A dwelling structure that has the ability to be modified or extended at minimum cost to suit the changing needs of the occupants.
<b>Affordable housing</b>	Well located housing, appropriate to the needs of a given household, where the cost (whether mortgage repayment or rent) is no more than 30% of that household's income. Exceeding that proportion places households under housing stress, particularly in the lower 40% of the income distribution scale.
<b>Central Activities District (CAD)</b>	Metropolitan Melbourne's largest activity centre with the greatest variety of uses and functions, and the most intense concentration of development. Melbourne 2030 defines the CAD as including the Central Business District, Docklands, the Sport and Entertainment Precinct, the Knowledge Precinct, the Arts Precinct, and Southbank. The City of Melbourne describes the CAD as including the Central City (which encompasses the Central Business District and Southbank) and Docklands.
<b>Central Business District (CBD)</b>	Melbourne's gridded original street layout designed by Robert Hoddle bounded by the Yarra River, Spring Street, La Trobe Street and Spencer Street, as well as the triangular area to the north bounded by Victoria, Peel and La Trobe Streets. This is part of the larger Central Activities District.
<b>Development contributions</b>	Payments or in-kind works or facilities provided by developers towards the supply of infrastructure required to meet the future needs of a particular community, of which the development forms part.
<b>DHS</b>	State Government Department of Human Services.
<b>Dispersed residential areas</b>	Locations within established urban areas, and including remaining major redevelopment sites not well located to major public transport, and non-urban residential areas generally located in and around small townships.
<b>DOI</b>	State Government Department of Infrastructure.
<b>DSE</b>	State Government Department of Sustainability and Environment.
<b>DVC</b>	State Government Department of Victorian Communities.
<b>Dwelling</b>	A building or structure in which people live. This can be a building, such as a house, part of a building, such as a flat, or it could be a caravan, a tent or humpy.
<b>Empty nesters</b>	People whose children have grown up and left the parental home.
<b>Established residential locations</b>	Existing residential areas where significant change is not desirable. In many instances these locations are identified as having significant heritage value or an urban character so intact as to warrant additional planning controls.
<b>Higher density housing</b>	Housing units on a given area of land that are more numerous than the average in the surrounding locality.  Higher density housing could include different housing types including apartments, townhouses, shop top dwellings, multiple dwellings on single lots. Higher density does not necessarily result in high-rise development.



<b>Household</b>	<p>Either:</p> <ol style="list-style-type: none"> <li>1. A group of two or more related or unrelated people who usually reside in the same dwelling, who regard themselves as a household, and who make common provision for food or other essentials for living or;</li> <li>2. A person who makes provision for his/her own food and other essentials for living, without combining with any other person to form part of a multi-person household.</li> </ol>
<b>Household size</b>	The number of persons per household.
<b>Housing Associations</b>	Housing Associations are not-for profit community based organisations eligible for consideration for growth strategy funding from the State Government.
<b>Housing Stress</b>	Experienced when households in the lowest 40% of the income distribution range pay more than 30% of income on housing (rental or mortgage repayments)
<b>Infrastructure providers</b>	Providers of the physical installations and facilities that provide a fundamental framework for an economy. It includes the provision of transport, communication, power supplies and other public utilities
<b>Inner Melbourne Action Plan (IMAP)</b>	The Inner Melbourne Action Plan (IMAP) is a major initiative of four inner councils, Melbourne, Port Phillip, Stonnington and Yarra in conjunction with the Department of Sustainability and Environment to develop a comprehensive series of actions to improve the liveability of inner Melbourne. It sets out 11 regional strategies and 53 actions to strengthen the liveability, attractiveness and prosperity of inner Melbourne.
<b>Inner Region</b>	The municipalities of Melbourne, Port Phillip, Yarra and Stonnington (west of Kooyong Road). It also includes the Docklands area of Melbourne.
<b>Inner Regional Housing Working Group (IRHWG)</b>	One of five forums established by the Minister for Planning to highlight housing issues and needs, identify challenges, and determine innovative and sustainable approaches to address housing issues across each region. It consists of representatives from the Inner Region municipalities, the Department of Sustainability and Environment and the Department of Human Services (Office of Housing).
<b>Liveability</b>	Liveability relates to human well-being and environmental quality.
<b>Low Income Households</b>	Households on the lowest 40% of the income distribution range (as defined by the 1991 National Housing Strategy).
<b>Major Activity Centre</b>	Around 79 Major Activity Centres have been identified in Melbourne 2030. Major Activity Centres have similar characteristics to Principal Activity Centres but serve smaller catchment areas (see also Principal Activity Centre). These centres are the preferred locations for future high density residential and mixed used developments.
<b>Making Melbourne More Liveable- Inner Melbourne Action Plan (IMAP)</b>	The Inner Melbourne Action Plan (IMAP) is a major initiative of four inner councils, Melbourne, Port Phillip, Stonnington and Yarra in conjunction with the Department of Sustainability and Environment to develop a comprehensive series of actions to improve the liveability of inner Melbourne. It sets out 11 regional strategies and 53 actions to strengthen the liveability, attractiveness and prosperity of inner Melbourne.
<b>Melbourne 2030 (M2030)</b>	The State Government's 30 year metropolitan strategy to manage growth and change across metropolitan Melbourne and the surrounding region.

<b>Metropolitan Melbourne</b>	The 31 metropolitan municipalities that comprise 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.
<b>Municipal Strategic Statement (MSS)</b>	Part of Local Planning Policy Framework, these contain the strategic planning land use and development objectives of the relevant planning authority, the strategies for achieving these objectives and the relationship to controls over the use and development of land in the planning scheme.
<b>Neighbourhood Activity Centre</b>	An activity centre dominated by small businesses and shops that offers some local convenience services and at least some access to public transport.
<b>Office of Housing (OoH)</b>	Office of Housing, part of the State Government Department of Human Services.
<b>Planning Scheme</b>	A Planning Scheme is a statutory document which sets out objectives policies and provisions relating to the use, development and protection and conservation of land in the area to which it applies. A planning scheme regulates the use and development of land through planning provisions to achieve those objectives and policies.  Matters that a planning scheme may provide for are described in section 6 of the Planning and Environment Act 1987.
<b>Principal Activity Centre</b>	Around 25 Principal Activity Centres have been identified in Melbourne 2030. Principal Activity Centres have a mix of activities including business, retail, services and entertainment, are generally well served by multiple public transport routes, and on the Principal Public Transport Network (PPTN or capable of being linked to that network), have a very large catchment, and have the potential to support intensive housing developments. These centres are the preferred locations for future high density residential and mixed used developments.
<b>Principal Public Transport Network (PPTN)</b>	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.
<b>Public Housing</b>	State Government owned and/or managed social housing. See also Social Housing.
<b>Regional Housing Working Groups (RHWG)</b>	Five forums established by the Minister for Planning to highlight housing issues and needs, identify challenges, and determine innovative and sustainable approaches to address housing issues across each region. See also Inner Regional Housing Working Group.
<b>ResCode</b>	A package of provisions for residential development introduced in Victoria in August 2001, and incorporated into planning schemes and the Building Regulations that apply to development of three storeys or less.
<b>SEIFA Index</b>	The Socio Economic Indexes For Areas produced by the Australian Bureau of Statistics using data derived from the 2001 Census of Population and Housing. SEIFA 2001 provides a range of measures to rank areas based on their relative social and economic well being. The indices of disadvantage are derived from attributes such as income, educational attainment, unemployment and dwellings without motor vehicles. In particular, it focuses on low income earners, relatively lower educational attainment and high unemployment.

<b>Social housing</b>	Not-for-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.
<b>Strategic redevelopment sites</b>	Areas within the built-up urban area designated for higher density residential development. These include activity centres and major redevelopment sites.
<b>Sustainable Development</b>	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
<b>Universally accessible</b>	The design of products and environments usable by all people, to the greatest extent possible, without the need for adaptation or specialised design.
<b>Urban Development Program</b>	A major initiative of the Victorian Government to support the strategic intent of Melbourne 2030. Its purpose is to secure the ongoing ability to supply land and supporting infrastructure to meet future residential and industrial needs of metropolitan Melbourne and the Geelong region. The program operates on an annual cycle of data collection, consultation, analysis and reporting to both industry and government.
<b>Victorian Civil and Administrative Tribunal (VCAT)</b>	The Victorian Civil and Administrative Tribunal is a part of the civil justice system in Victoria and has jurisdiction over a range of civil issues, including disputes between people and government in areas such as planning and land valuation.
<b>Victoria in Future 2004</b>	The State Government's Population and household projections for Victoria.
<b>Victoria Planning Provisions</b>	Policies and requirements for the use, development and protection of land in Victoria.
<b>VicUrban</b>	The Victorian Government's urban development agency (established by the Victorian Urban Development Act 2003). The functions of VicUrban include the development of land in Melbourne and Victoria for residential and other purposes, promoting best practice in urban and community design and development, and contributing to improvements in housing affordability.
<b>Visitable</b>	Implies that a person in a wheelchair should be able to access a dwelling through the front door, use a toilet on the ground floor and sleep in a bedroom or other room on the ground floor. It provides not only for the accessibility of guests with a disability, but for the future needs of occupants (acquired disability or reduced mobility).

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For copies of each planning scheme please refer to:  
[<http://www.dse.vic.gov.au/planningschemes>]

## SUMMARY OF FEEDBACK ON DRAFT INNER REGIONAL HOUSING STATEMENT

Sub No	Submitter/Organisation	Summary of position	Summary - Statements in Support	Summary - Statements of Concern / Suggestion	Original Objective/Action number	TWG recommended response/ Changes to document (action numbers refer to October 2005 draft)
1	Stan Cooke (Resident)	Qualified support		<p>New action required for housing stress market data at both regional/local sub-markets level.</p> <p>New action required to remove third party appeal rights to VCAT and to give the Minister the sole planning authority over low cost accommodation stock.</p> <p>New action required to ensure that housing associations have first right of refusal to purchase/manage low cost accommodation.</p> <p>Highest priority actions should be focused on ensuring economic /financial viability of the region.</p> <p>Social/ environmental/ neighbourhood character actions should be the lowest priority actions.</p> <p>Highest priority actions should be setting up transparent and separate targets for key workers/shareholders and customers of safety net resources unattached to the labour force.</p> <p>Transparent and separate class/social housing industry systems assets targets should be set, based on regional/local sub-market housing data sets.</p> <p>Developer levies/inclusionary zoning based on the UK section 106 planning models should be introduced.</p> <p>Use of social housing industry systems assets/private rental market assets at the end of their economic life should be used for the expansion of low cost accommodation stock.</p>	2.2   2.2  2.2  2.2  2.2	<p><b>Action 2.1.1 amended</b> to include monitoring changes in housing affordability including housing stress.</p> <p>Beyond the scope of this Statement. <b>No change required to address this comment.</b></p> <p>Action 2.2.8 adequately addresses this issue. <b>No change required to address this comment.</b></p> <p>A range of short and medium term actions address the economic /financial viability of the region. <b>No change required to address this comment.</b></p> <p>This Statement balances the economic /financial viability of the region with social/ environmental/ neighbourhood character. <b>No change required to address this comment.</b></p> <p><b>Action 2.1.1 has been amended</b> to include monitoring changes in housing affordability and housing stress. Action 2.2.11 includes setting regional targets for affordable housing. <b>No change required to address this comment.</b></p> <p>Action 2.2.11 sets regional targets for affordable housing and action 2.2.12 monitors regional targets for housing affordability. Eligibility criteria for social housing is set through State and Federal Government funding processes. <b>No change required to address this comment.</b></p> <p>This comment is addressed by actions 2.2.4, and 2.2.5. Eligibility criteria for social housing is set through State Government processes and Federal funding processes. <b>No change required to address this comment.</b></p> <p>Actions 2.2.5, 2.2.6 and 2.2.11 address the provision of social and affordable housing. <b>No change required to address this comment.</b></p>
2	Sharon Miles (SEAV)	Qualified support	Supports principle of increasing housing density in appropriate locations, supports focus of development on sites aligned with PPTN, and development of consistent approach to sustainable development.	<p>Opportunities for linkages between key activity centres, the PPTN and major redevelopment sites should be explored to maximise sustainability of the region.</p> <p>Statement should include consideration of region wide and beyond benefits of mixed use development more explicitly.</p> <p>Statement should include reference to how renewable energy infrastructure (solar hot water systems) and stand-alone infrastructure (for electricity) might be encouraged and result in less pressure on existing infrastructure and avoid/delay the need for expensive augmentation.</p> <p>Environmental sustainability should be a theme of the Statement to provide a framework to address the environmental pressures of accommodating a further 90,000 dwellings.</p> <p>Opportunities for retrofitting existing housing stock could be explored by drawing on the Energy Task Force project.</p>	1.1-1.2  1.1  2.3  2.3  2.3	<p>Addressed through implementation of Actions 1.1.1, 1.1.3, 1.1.4, 1.2.2 and 3.1.2. <b>No change required to address this comment.</b></p> <p>Actions 1.1.1, 1.2.3 and 1.1.3 provide opportunities to include consideration of region wide benefits of mixed use development. <b>No change required to address this comment.</b></p> <p>The IRHS and Melbourne 2030 are underpinned by sustainability principles. Actions 2.3.3, 2.3.5 and 2.3.6 address ecologically sustainable development. <b>No change required to address this comment.</b></p> <p>The IRHS is underpinned by sustainability principles. Objectives and actions in Theme 2.3 'Socially and Environmentally Sustainable Housing Development' address the issue of environmental sustainability. <b>No change required to address this comment.</b></p> <p><b>Action 2.3.5 amended</b> to refer to pursuing innovative techniques and approaches to improve environmental performance of buildings including as part of the development approvals process. The merits of the Energy Task Force project can be assessed as part of implementation of this action.</p>
3	Bernd Bartl (Disability Support and Housing Alliance)	Qualified support		<p>New action needed to support State building regulation making all new housing visitable/ adaptable/ accessible be put in place as a matter of priority.</p> <p>New action needed to encourage local and state government to have access provisions in planning schemes.</p> <p>Amend actions 2.1.6, 2.1.7 and 2.1.8 to high priority.</p>	2.1  2.1  2.1	<p>This comment is addressed in part by action 2.1.7 which aims to support the introduction of building standards for accessible and adaptable housing. Introducing regulation for making all new housing visitable/ adaptable/ accessible is a state-wide and national issue which is beyond the scope of this Statement. <b>No change required to address this comment.</b></p> <p>This comment has been addressed in part by action 2.1.8. Access provisions to buildings should be addressed by building regulations as they relate to building fabric. <b>Action 2.1.6 has been added</b> regarding researching the need for accessible and adaptable housing within the region.</p> <p>Action 2.1.7 is a short-term action and this is considered to be the highest priority for implementation of actions 2.1.6-2.1.10. <b>No change required to address this comment.</b></p>

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				<p>New action is needed to implement strategy 2.2 and should be a high priority action.</p> <p>New action is required to implement design principles for all public spaces, streets and adjacent developments that support community inclusion (access for all) to support DDA access to premises.</p> <p>New action is needed to support accelerated program of making all public transport accessible.</p> <p>Equal access needed within public buildings and commercial buildings, the public realm outside buildings, structural requirements for housing which can be adapted for accessible housing at relatively low cost, accessibility around outside of house and from property boundary to dwelling entries, rental properties being suitable for all tenants and an effective mainstream complaints resolution body and process.</p>	2.2 2.3 3.1	<p>It is considered that actions 2.2.1-2.2.12 adequately implement the strategies outlined in section in 2.2 relating to housing affordability. <b>No change required to address this comment.</b></p> <p><b>Action 2.3.1 amended</b> to refer to community inclusion and access. <b>Action 2.3.2 amended</b> to address the principles of the DDA.</p> <p>This comment is addressed in part by action 3.1.3 which is a short term priority action. Making public transport accessible is beyond the scope of the Statement and is addressed by "Linking Melbourne: Metropolitan Transport Plan". <b>No change required to address this comment.</b></p> <p>Issues of disability access are addressed in part in this statement. Introducing regulation to make all new housing visitable/adaptable/accessible is a state-wide and national issue which is beyond the scope of this Statement. <b>No change required to address this comment.</b></p>
4	Trevor Jackson (Housing Resource & Support Service Inc)	Qualified support		<p>Draft Statement doesn't adequately address the need to support the diverse, sustainable communities wishing to live or currently living in the Inner Region.</p> <p>Residents with a disability must also be included in this Statement.</p> <p>Strategy (2) in 2.1 needs to be changed to provide for not just promote adaptable and flexible dwellings.</p> <p>All new housing should be made adaptable and visitable for children, the aged and people with disabilities.</p> <p>The needs of people with disabilities should be considered by both the private and the public housing sector.</p> <p>Housing affordability must be given equal consideration in planning and development in the Inner Region.</p>	1.1 2.1 2.1 2.1 2.1 2.1	<p>Theme 2 relates to supporting diverse sustainable communities through meeting a wide range of housing needs now and in the future. <b>No change required to address this comment.</b></p> <p>Section 2.1 addresses the issue of housing diversity and adaptability. Action 2.1.7 supports the introduction of standards for accessible housing with visitable housing set as a minimum standard for all new dwellings. <b>No change required to address this comment.</b></p> <p>As IRHWG member Councils do not have responsibility for providing housing, it is more appropriate that the wording remains as promote. <b>No change required to address this comment.</b></p> <p>This comment is addressed in part through Strategy 2.1. Action 2.1.7 supports the introduction of standards for accessible housing with visitable housing set as a minimum standard for all new dwellings. A new action has also been included (action 2.1.6) to undertake research on the need for accessible and adaptable housing within the region. <b>No change required to address this comment.</b></p> <p>A number of strategies and actions address the needs of people with disabilities within both the private and the public housing sector. Strategy 2.1 aims to provide an increase in accessible housing, including actions 2.1.7, 2.1.8 and 2.1.9. A new action has also been included (action 2.1.6) to undertake research on the need for accessible and adaptable housing within the region. <b>No change required to address this comment.</b></p> <p>This Statement contains a series of actions regarding housing affordability and aims to balance the economic /financial viability of the region with social/ environmental/ neighbourhood character. <b>No change required to address this comment.</b></p>
5	Elizabeth Raut Royal Australian Institute of Architects	Qualified support	Supports the vision of the IRHS, actions in Chapter 6 and involvement of the public sector in the housing development industry.	<p>Interested in development of public funding to achieve objectives and private sector incentives and associated planning policy mechanisms for affordable housing.</p> <p>Amend Actions 1.1.5, 1.1.7, 1.1.8, 1.1.9, 2.1.5, 2.2.1, 2.2.11, 2.3.5 to include RAIA as a project partner.</p>	2.2 1.1, 2.1, 2.2, 2.3	<p>The actions in section 2.2 aim to explore funding models for the provision of social and affordable housing and advocate for the introduction of planning mechanisms to achieve private sector contributions for affordable housing. <b>No change required to address this comment.</b></p> <p>The RAIA can be involved in the implementation of this action. However, it would not be appropriate for RAIA to be listed in the IRHS as a Partner, as listed partners are expected to have responsibility and capacity for implementing actions. <b>No change required to address this comment.</b></p>
6	Julie Hyde Department of Education and Training	Qualified support	The submission supports the statement. The submitter, DET, would like to be involved in the implementation of the Statement.	<p>Encourage strengthening partnerships with local councils and governments agencies given the difficulties in identifying suitable land parcels for the development of schools.</p> <p>Local information regarding redevelopment sites should be shown on a map.</p> <p>Change action 3.1.1, 3.1.4 and 3.1.5 to include DET as a project partner.</p>	3.1 3.1	<p>Throughout the Statement the importance of partnerships is recognised. Action 3.1.1 aims to identify priorities for social infrastructure provision (including education facilities) at the regional level. This action would enable Councils and Government agencies to work together and strengthen partnerships. <b>No change required to address this comment.</b></p> <p>It is not the purpose of the IRHS to identify individual redevelopment sites. This level of detail is more appropriate in local planning. <b>No change required to address this comment.</b></p> <p><b>Action 3.1.1 amended</b> to add DET as a project partner.</p>



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7	Heidi Dixon VicUrban	Qualified support	Supports action 1.1.8 in principle. Early involvement of VicUrban is needed in implementation.	<p>Rewrite/edit document consistent with the style of IMAP.</p> <p>Vision statement could be rephrased into a set of principles (suggested list).</p> <p>Housing affordability strategies and actions should be strengthened to emphasise partnerships with Housing Associations.</p> <p>Increasing awareness of options for the delivery of affordable housing could be achieved through the inclusion of case study material in the Statement (egs provided).</p> <p>Governance of the IRHWG needs to be fully articulated.</p> <p>Actions need to be reduced in number, strengthened in terms of expected outputs, and be agreed to by project partners.</p> <p>Clearer definition is needed on VicUrban's role.</p> <p>VicUrban's abilities to assist preparing a site for development is no different to that of other developers.</p> <p>Definition is needed on the term 'larger scale residential development'.</p> <p>Support Action 1.1.8 in principle with early involvement of Vic Urban.</p> <p>IRHS should encourage Councils to identify strategic development sites for housing.</p> <p>IRHS should prioritise early involvement of development partners such as VicUrban in the planning of strategic redevelopment sites for housing.</p>	<p>2.2</p> <p>2.2</p> <p>1.1</p> <p>1.1</p> <p>1.1</p>	<p><b>No change required to address this comment.</b></p> <p><b>Vision Statement amended</b> to include: "Facilitate access to a diverse range of housing, including affordable housing, that will meet the needs of current and future residents."</p> <p><b>Action 2.2.5 has been amended</b> to read "establishing partnerships with social and affordable housing providers...".</p> <p>Actions 2.2.5 addresses the development of best practice models for the provision of social and affordable housing. <b>No change required to address this comment.</b></p> <p>An examination of broader governance structures for local government in the Inner Region is beyond the scope of the IRHS. However, there is potential for IRHS actions to be delivered under the regional governance structures established to implement IMAP. <b>No change required to address this comment.</b></p> <p><b>No change required to address this comment.</b></p> <p><b>Statement changed</b> to clarify VicUrban's role (ie, to ensure that the actions they are partners in are consistent with their charter).</p> <p><b>Statement changed</b> to clarify VicUrban's role (ie, to ensure that the actions they are partners in are consistent with their charter).</p> <p>It is not considered that a definition for the term 'larger scale residential development' is required. <b>No change required to address this comment.</b></p> <p>VicUrban has been removed as a partner from this action as its role in redevelopment is considered to be no different from other developers. <b>No change required to address this comment.</b></p> <p>Councils have commenced identifying strategic redevelopment sites for housing as part of developing the Inner RHS. Further opportunities for housing will be identified through the preparation or review of local housing strategies or activity centre structure planning. The DSE's Urban Development Program identifies strategic development sites. <b>No change required to address this comment.</b></p> <p>Planning for specific redevelopment sites is a local rather than regional issue. <b>No change required to address this comment.</b></p>
8	John Beckwith (Yarra City Activity Centres Business Forum)	Objection		<p>Concern that there will be compulsory land acquisitions to accommodate new housing.</p> <p>Questions whether forecasts in Table 6, will be the limit of development.</p> <p>Considers that new social housing provided by the Office of Housing should be accommodated in the cities of Port Phillip and Stonnington which are in a better financial position than the City of Yarra to withstand the loss of rating revenue.</p> <p>Additional State Government funding will be required to provide for additional and improved quality public transport infrastructure and services for new residents.</p> <p>Concern that multi-unit developments are approved without family or visitor parking.</p> <p>Population growth will require two additional police stations and additional resourcing of SES, additional hospitals and other agencies, additional pre-school, primary school and secondary school services and an upgrade in water supply and waste water treatment.</p> <p>Development contributions may be insufficient to meet needs of new and upgraded infrastructure.</p>	<p>2.2</p> <p>3.1</p> <p>3.1</p>	<p>Compulsory land acquisition is beyond the scope of this Statement. The issue of any land acquisition for housing (compulsory or otherwise) would need to be addressed by each local Council. <b>No change required to address this comment.</b></p> <p>The IRHS plans for housing growth and change over a 30 year period. Future planning for housing growth and change will be needed beyond 2030 to provide for the needs of the Inner Region's current and future residents. <b>No change required to address this comment.</b></p> <p>Section 2.2 seeks to achieve an increased supply of well located affordable and social housing across the region. Implementation of actions within this section will identify locations across the region where more affordable housing is needed. <b>No change required to address this comment.</b></p> <p>Action 3.1.3 relates to working collaboratively with the State Government to achieve priority transport infrastructure and service improvements to support residential growth. <b>No change required to address this comment.</b></p> <p>Addressing the parking requirements for specific residential development is beyond the scope of this Statement. <b>No change required to address this comment.</b></p> <p>Section 3.1 includes objectives to resource the timely provision of social and physical infrastructure to support population growth and change. Action 3.1.1 will identify priorities for regional social infrastructure. Other local infrastructure required to support housing growth will need to be planned for by Councils within the Inner Region, in association with service and infrastructure providers. <b>No change required to address this comment.</b></p> <p>Action 3.1.4 aims to achieve more effective development contributions for physical and community infrastructure. It is recognised that other funding mechanisms may be needed to meet the needs of new and upgraded infrastructure. <b>No change required to address this comment.</b></p>

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				<p>Retail goods are not in close proximity to residents, particularly social housing tenants.</p> <p>Rental costs are constantly rising for low income groups.</p> <p>Housing for low income groups needs to be supported by a good contract from the State Government.</p>		<p>Planning for housing in locations close to retail opportunities should be undertaken by Councils as part of preparing or reviewing local housing strategies and activity centre structure plans. <b>No change required to address this comment.</b></p> <p>Section 2.2 aims to expand the supply of affordable housing for low income Victorians through a series of policy, financial and organisational mechanisms. <b>No change required to address this comment.</b></p> <p>Section 2.2 includes actions that work towards strengthening government assistance for affordable housing. <b>No change required to address this comment.</b></p>
9	Peter Matthews (Residents 3000)		<p>IRHS generally provides a good forward plan. Support for Section 26 (sic) Special Committee as a governance model. Support provision of more affordable housing.</p>	<p>IMAP, Inner Regional Housing Statement and Draft Council Plan should be integrated.</p> <p>Examination of broader governance structures for local government in inner Melbourne is needed.</p> <p>Consider more social support, community support and recreational/sport are needed.</p> <p>Emergency accommodation for the homeless appears inadequate.</p>	2.3	<p>While these documents have been prepared by different agencies for different purposes, the housing elements of IMAP and the Inner Regional Housing Statement are integrated. <b>No change required to address this comment.</b></p> <p>An examination of broader governance structures for local government in the Inner Region is beyond the scope of the IRHS. However, there is potential for IRHS actions to be delivered under the regional governance structures established to implement IMAP. <b>No change required to address this comment.</b></p> <p>Section 3.1 adequately addresses the need for community and social infrastructure. It is beyond the scope of the Statement to provide social and community support services. <b>No change required to address this comment.</b></p> <p>A strategy under 2.2 supports the ongoing role of the Inner Region in producing a range of opportunities for a range of affordable housing, including crisis accommodation. Action 2.2.10 relates to building capacity of housing associations to deliver and manage affordable housing, and action 2.2.4 relates to exploring new funding models for the provision of affordable housing. <b>No change required to address this comment.</b></p>
10	Malcolm Johnson (DOI)	Qualified support		<p>Car parking provisions should be unbundled from development for reasons of affordability, to suit both young and ageing.</p> <p>IRHS should recognise Integrated Transport Plans (ITPs) and to include the requirement for ITPs.</p> <p>Improved amenity and public realm and better built outcomes should be emphasised. In particular, pedestrian permeability is essential as a key requirement for viable and efficient public transport.</p> <p>IRHS treats all areas as 'one size fits' all and different approaches should be included for different areas.</p> <p>Retail mix should be retained to fulfil ongoing daily living needs of both young and old.</p> <p>The process for identifying opportunities and addressing them needs to be outlined.</p> <p>Needs discussion of sustainable transport provision. Parking requirements need to be linked to strategic outcomes outlined in an Integrated Transport Plan including maximum parking requirements.</p> <p>The access and transport requirements of an ageing population need to be provided for.</p> <p>Reduced levels of growth in established areas are not converse to activity centre growth but are concurrent.</p> <p>The links to and best use of the PPTN and existing transport infrastructure needs to be emphasised. A process is needed to identify the different needs and the changes that are possible rather than one size fits all.</p> <p>Lack of recognition of excess capacity in public transport network.</p> <p>Pedestrian connectivity to destinations via pedestrian and cycle network. The link to public open space providing this network is not made.</p>	2.3	<p>Changes to car parking provisions are beyond the scope of the Statement. <b>No change required to address this comment.</b></p> <p>Integrated Transport Plans are beyond the scope of the Statement. ITPs could be considered as part of structure planning for activity centres and strategic redevelopment sites. <b>No change required to address this comment.</b></p> <p>Actions in Chapter 6 relate to the preparation of structure plans for Principal and Major Activity Centres which can address issues relating to pedestrian permeability. <b>Action 2.3.1 has been amended</b> to include facilitating pedestrian permeability in local policies.</p> <p>Different approaches are included for strategic redevelopment sites and dispersed residential locations. Local planning will also provide tailored solutions to specific local housing issues. <b>No change required to address this comment.</b></p> <p>Action 2.3.1 seeks to facilitate active street frontages and a mix of functions at street level. It is expected that this will include retaining retail mix that meets the needs of all residents. <b>No change required to address this comment.</b></p> <p>Themes in the Executive Summary are expanded on in Chapter 5. <b>No change required to address this comment.</b></p> <p><b>Text on page 48 has been amended</b> to discuss the provision of sustainable transport. Parking requirements are beyond the scope of the Statement.</p> <p><b>The text on page 47 has been amended</b> to identify the need for access and transport for the ageing population.</p> <p>The Inner Region's approach to achieving reduced levels of growth in established areas is articulated in the IRHS. <b>No change required to address this comment.</b></p> <p>Consideration of the best use of the PPTN and existing transport infrastructure is beyond the scope of the Statement. <b>No change required to address this comment.</b></p> <p><b>Chapter 5 has been amended</b> to acknowledge the challenge of encouraging full utilisation of the public transport network and support further investigation into opportunities to maximise its use.</p> <p><b>Chapter 5 has been amended</b> to include the role of open space in providing pedestrian connectivity to destinations including activity centres, housing and the PPTN, and the reliance of an efficient and sustainable public transport network on good pedestrian access.</p>

Sub No	Submitter/Organisation	Summary of position	Summary - Statements in Support	Summary - Statements of Concern / Suggestion	Original Objective/Action number	TWG recommended response/ Changes to document (action numbers refer to October 2005 draft)
				<p>The strategies indicate the need to identify areas for intensified housing but the process is not evident.</p> <p>Urban Design Unit</p> <p>Urban Design Unit</p> <p>SEAV</p> <p>Vic Track, DOI</p> <p>The links to Integrated Transport Strategies and include DOI.</p>	<p>1.1</p> <p>2.1</p> <p>2.1</p> <p>2.1</p> <p>2.2</p> <p>2.3</p>	<p>Areas suitable for higher intensity housing will be identified through Actions 1.1.1, and 1.1.3. <b>No change required to address this comment.</b></p> <p>This action will involve consultation with the DSE Urban Design Unit. <b>No change required to address this comment.</b></p> <p>This action will involve consultation with the DSE Urban Design Unit. <b>No change required to address this comment.</b></p> <p>SEAV have made a separate submission to the Statement and have indicated where they believe they should be involved as partners. <b>No change required to address this comment.</b></p> <p>Action 2.2.7 refers to working with relevant government agencies. <b>No change required to address this comment.</b></p> <p>Councils in the Inner Region should consider the need for and linkages to integrated transport strategies as part of local planning for strategic redevelopment sites and activity centre structure planning. <b>No change required to address this comment.</b></p>
				<p>Establish a partnership with DOI to deliver medium to long run outcomes (infrastructure).</p> <p>All infrastructure providers need to be involved in Action 3.1.3</p>	<p>3.1</p> <p>3.1</p>	<p><b>Action 3.1.4 has been amended</b> to refer to development of regional development contribution policies and levies for key physical and community infrastructure and projects.</p> <p><b>Action 3.1.4 has been amended</b> to include infrastructure providers in partner organisations.</p>
11	Stephen Hare (National Trust)	Qualified support	<p>Support conclusions regarding directing large scale growth away from traditional shopping strips and historic housing areas, modifying Melbourne 2030 to suit character and conditions of inner city areas, directing the bulk of residential growth to the CBD, Docklands, Southbank and large redevelopment sites, recognising the special character of retail strips, mixed use areas adjacent to retail strips often have heritage and amenity issues, established residential areas should only accommodate modest growth.</p>	<p>Too few actions are proposed to achieve the strategy of directing development away from established residential areas dominated by historic housing stock and towards existing high rise areas and large sites.</p> <p>Opportunity to promote consistency across the inner suburbs is possible as the cities of Yarra and Melbourne are reviewing their heritage controls currently.</p> <p>Consideration should be given to the extension of the relatively small areas currently protected in formal Heritage Overlay precincts in areas such as the Richmond and Collingwood flats and South Yarra.</p>	<p>1.1</p>	<p>A range of actions in Theme 1 are proposed to achieve the strategy of directing development away from established residential areas and towards the CAD, Docklands and strategic redevelopment sites. <b>No change required to address this comment.</b></p> <p>Reviews of heritage controls are a matter for each municipality to consider rather than a regional issue to be addressed through the Inner Regional Housing Statement. <b>No change required to address this comment.</b></p> <p>Extension of heritage overlays are a matter for each municipality to consider rather than a regional issue to be addressed through the Inner Regional Housing Statement. <b>No change required to address this comment.</b></p>

**FINANCE ATTACHMENT**

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**INNER REGIONAL HOUSING STATEMENT**

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There are no direct financial implications arising from the recommendations contained in this report.

The cost of finalising and producing the Statement will be met by the Department of Sustainability and Environment (DSE). The funding for implementation of the Statement over the next 5 years would be met by DSE, partner Councils, other levels of Government, and the private sector.

Council funding of initiatives or programs will be subject to the annual budget process.

**Joe Groher**  
Manager Financial Services

## LEGAL ATTACHMENT

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### INNER REGIONAL HOUSING STATEMENT

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Section 3C of the *Local Government Act 1989* (“the Act”) provides that the primary objective of a Council:

(1) *“is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions”*.

Section 3C of the Act goes on to State that in seeking to achieve its primary objective, a Council must have regard to facilitating objectives, including:

(2)(a) *“to promote the social, economic and environmental viability and sustainability of the municipal district”*.

Section 3D of the Act provides that the role of a Council includes:

(2)(b) *“providing leadership by establishing strategic objectives and monitoring their achievements”*.

Under section 3F of the Act, Council also has the power to do all things necessary and convenient to be done in connection with the achievement of its objectives and performance of its functions.

The recommendations are therefore made in accordance with the Council’s functions and powers as set out in the Act.

**Alison Lyon**  
Manager Legal & Governance