

## Report to the Future Melbourne Committee

Agenda item 6.7

### Municipal Association of Victoria, State Council meeting May 2021

20 April 2021

**Presenter:** Jack Hanna, Executive Officer Councillor Liaison

#### **Purpose and background**

1. The purpose of this report is to propose City of Melbourne participation at the Municipal Association of Victoria (MAV) State Council meeting on 21 May 2021.
2. The MAV holds two State Council meetings each year with member councils having an opportunity to submit motions for consideration on matters which are of state-wide significance to local government.
3. Motions for the May State Council meeting are due by 23 April 2021.
4. The City of Melbourne will host the May State Council meeting at the Melbourne Town Hall.

#### **Key issues**

5. Following consideration by Councillors and management, it is proposed that motions on the following subjects be considered for submission on behalf of the City of Melbourne:
  - 5.1. provision of Affordable Housing
  - 5.2. planning scheme amendment approvals and the role of planning frameworks in economic recovery
  - 5.3. environmentally sustainable design state-wide planning provision.
6. Details of the proposed motions and supporting rationale are included at Attachment 2.

#### **Recommendation from management**

7. That the Future Melbourne Committee approves the motions outlined in Attachment 2 for consideration at the May 2021 Municipal Association of Victoria State Council meeting.

#### **Attachments:**

1. Supporting Attachment (Page 2 of 5)
2. Proposed motions for the MAV State Council meeting (Page 3 of 5)

## Supporting Attachment

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### Legal

1. There are no direct legal implications arising from the recommendation contained in this report.

### Finance

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

### Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

### Health and Safety

4. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

### Stakeholder consultation

5. No external stakeholder consultation was required in the development of this report.

### Relation to Council policy

6. The MAV State Council meeting provides Council with the opportunity of demonstrating local government leadership by advocating and advancing issues key to the recovery and future of Melbourne.

### Environmental sustainability

7. One of the motions proposed for consideration addresses the issue of environmentally sustainable design.

**MOTIONS PROPOSED BY CITY OF MELBOURNE – MAV STATE COUNCIL MEETING, MAY 2021**

Topic	Motion	Rationale Statement
<p><b>Provision of Affordable Housing</b></p>	<p>That the MAV State Council calls on the Victorian Government and Homes Victoria to undertake the following as part of the response to the increasing housing crisis in Victoria:</p> <ol style="list-style-type: none"> <li>1. Deliver and enable social and affordable housing across the state on well-located sites and leverage the significant opportunity of the state significant urban renewal precincts, to deliver high-quality, accessible and affordable housing at scale.</li> <li>2. Establish, as part of delivery of the 10 year Homes Victoria affordable housing strategy, a strategic approach to increase ongoing funding for affordable housing, including:               <ol style="list-style-type: none"> <li>2.1. Consideration of a state-wide affordable housing levy; and</li> <li>2.2. Introduction of state-wide Mandatory Inclusionary Zoning across multiple land-use types at a rate that can be accommodated in project costs (introduced once the market has stabilised).</li> </ol> </li> <li>3. A stronger, clearer and more consistent partnership approach with Councils.</li> </ol>	<p>Victoria continues to experience a crisis in the supply and availability of affordable and social housing.</p> <p>The announcement in November 2020 by the Victorian Government of the proposed \$5.3 billion <i>Big Housing Build</i> package for the delivery of 12,000 new social and affordable homes is welcomed.</p> <p>However, more than 60,000 new homes are needed for Victoria to reach the national average of 4.2 per cent of social housing dwellings to total dwellings, which would mean building 6,000 each year for the next 10 years.</p> <p>A 10 year strategy is being developed by the Victorian Government to guide how investment into affordable housing will be sustained.</p> <p>This motion seeks to recognise that the complexity and extent of the housing crisis means that a comprehensive response is needed that increases the supply of housing across the spectrum. In doing so, it asks that the following be given consideration:</p> <ul style="list-style-type: none"> <li>• The introduction of higher affordable housing requirements in all urban renewal precincts as a way of ensuring steady growth of social and affordable dwellings into the future.</li> <li>• That when a site increases in value due to government intervention, such as rezoning or the addition of new transport infrastructure, a portion of the increase in land value may be captured by the government to provide public benefit. Social and affordable housing is an example of a public benefit.</li> <li>• There is a significant amount of government-owned land that is currently not being used efficiently, and is close to transport, services and employment which makes it well suited to social and affordable housing.</li> </ul> <p>A stronger relationship between the State and Local Government is sought to deliver the <i>Big Housing Build</i>, especially where Councils have shown a willingness to be a priority delivery area. Consistency, transparency and accountability over how this relationship will work is important.</p>

<p><b>Planning scheme amendment approvals and the role of planning frameworks in economic recovery</b></p>	<p>That the MAV State Council:</p> <ol style="list-style-type: none"> <li>1. Notes the aspirations of the State Government to use planning mechanisms to facilitate development, and notes that council-initiated planning scheme amendments are almost invariably economic enablers, underpinned as they are by significant investment, research and modelling to provide planning certainty and clarity to land owners and the community.</li> <li>2. Notes that planning scheme amendments adopted by councils but held up by the state can become economic inhibitors, by placing significant burdens on councils, developers and members of the public, especially where developers are required to adhere to existing planning provisions as well as adopted seriously entertained planning provisions; a duplication of regulation, effort and time.</li> <li>3. Requests that the MAV Board consider the creation of a tool or report card that can better illustrate the problems of Ministerial, Planning Panels Victoria and DELWP accountability in strategic planning, that collates and measures the impost to councils, the economic opportunity costs, and the quantity and wait times of planning scheme amendments across the sector generally.</li> <li>4. Notes the offer by the City of Melbourne to consider seed funding towards such a research project.</li> </ol>	<p>The <i>Planning and Environment Amendment Bill 2021</i> received royal assent on 23 March 2021. It requires councils to, inter alia:</p> <ul style="list-style-type: none"> <li>• publish planning panel reports faster;</li> <li>• place more planning documentation online;</li> <li>• be directed by the Minister in how planning scheme amendments must be changed before being exhibited; and</li> <li>• provide the Minister with contact details of citizens.</li> </ul> <p>While tightening deadlines on councils to process stages of planning scheme amendments, the Bill did not change accountability mechanisms for the Minister and Department. There is still no deadline in the Act for the Minister to determine the outcome of planning scheme amendments adopted by councils, for example.</p> <p>The motion seeks a more constructive relationship between the sector and the Department, and the Minister. Economic revitalisation is a job for the whole of government, not only the State. Planning scheme administration and reform is also a task to be shared by all planning authorities. To view council-initiated planning scheme amendments only as imposts rather than as enablers misunderstands the role of council-led amendments and creates significant inefficiencies throughout the local government sector. The enormous investment made by councils to amend planning provisions to provide certainty and clarity to landowners and the community are increasingly thrown into doubt when such amendments are delayed without explanation for months and sometimes years by the State.</p> <p>The motion seeks to measure the impost to councils, the economic opportunity costs of delaying amendments, and the quantity and wait times of planning scheme amendments generally, to paint a sector-wide picture. Such a sector-wide report will enable local government to argue for planning system reforms and improved accountability to the public from a stronger evidence base.</p>
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<p><b>Environmentally sustainable design statewide planning provision</b></p>	<p>That the MAV State Council notes the progress of the State Government's "Environmentally Sustainable Development of buildings and subdivisions: a Roadmap for Victoria's planning system" and resolves as follows:</p> <ol style="list-style-type: none"> <li>1. The Roadmap represents minimal progress beyond that which is already found in the Victoria Planning Provisions (VPPs), and is not strong, urgent or ambitious enough to respond to the challenges of climate change and the welfare of future populations.</li> <li>2. Environmentally Sustainable Design is not a matter only for Building legislation, and reforms to the VPPs must not be subsumed into a nation-wide building code reform process.</li> <li>3. While the new ESD VPPs need to work for all parts of the state, buildings as a proportion of municipal greenhouse gas emissions vary greatly across the state, and so the new provisions will require local variation – as determined by councils – in order to be meaningful.</li> <li>4. Only a new Particular Provision with local schedules, not merely a new policy, will adequately meet the needs of the sector and provide requisite clarity to developers and all parties.</li> </ol>	<p>Local government in Victoria has long called on the Victorian Government to embed environmentally sustainable development (ESD) in a state-wide planning provision.</p> <p>In 2004, the Council Alliance for a Sustainable Built Environment (CASBE), which operates under the auspices of the MAV, came together to join voices around the increasing urgency of climate change action, share information and resources, and address the inaction of the Victorian Government.</p> <p>CASBE has the objective of achieving stronger ESD outcomes and provided a forum for councils to collaborate and advocate. Slowly but surely, councils (over 20 across Victoria) amended their planning schemes to include ESD.</p> <p>There is a growing need for councils to make decisions using the best available information in the interest of their communities. Victoria has been hard hit by climate change and what is needed is a state-wide approach to enable local responses to make the required difference.</p> <p>Instead, the Roadmap seeks to incorporate national minimums from the Construction Code which by definition are weak and yet to be agreed. This is completely inadequate.</p> <p>The Roadmap suggests that ESD policy be standardised across municipalities, which would prevent more targeted requirements based on context and community aspirations. For example, the form of development and the environmental issues in rural and regional councils differ greatly from interface councils and the more densely built inner city councils and this needs to be reflected in the Roadmap.</p> <p>The approach of standardising planning schemes across the state should not prejudice good planning. It should not prejudice the work of local councils that legitimately wish to tailor planning controls to their municipality in order to respond to climate change.</p> <p>Through the Roadmap the State is introducing basic ESD provisions that would be the absolute minimum that could be applied state-wide. Instead, this motion seeks an approach that recognises and enables ESD policies and standards to meet established state and local emissions targets, and seeks the only planning provision that can allow individual councils to push for meaningful ESD practice in response to their particular context: a Particular Provision with local schedules.</p>
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