



Community Housing
Federation of Victoria
Incorporated

**Submission on the proposed
New Residential Zones
for Victoria**

April 2009

About CHFV

The Community Housing Federation of Victoria (CHFV) was formed in 1997, and is the peak body working on behalf of community housing organisations in Victoria. CHFV represents the views of its members to government and other relevant bodies, as well as providing advice, resources and training to the community housing sector. CHFV's vision is to support accessible, affordable and appropriate housing for all.

Community housing in Victoria is provided by a large and diverse range of not for profit organisations. These organisations manage in excess of 8,000 tenancies across Victoria, with that number expected to double over the next five years. As a result of State Government reforms, the community housing sector is now highly regulated, with 24 organisations now registered under the Housing Act 1983. Eight organisations have achieved registration as Housing Associations, which are the State Government's designated vehicles for future growth in affordable housing stock. A further 16 organisations are registered as Housing Providers, and many more are expected to achieve registration over the next few months.

Introduction

The importance of the community housing sector has been emphasised by both Federal and State Governments in the last two years. In May 2007, a record \$300 million was allocated to community housing organisations over three years to boost the stock of social housing in Victoria. This was followed in early 2008 with the Rudd Federal Government announcement of the National Rental Affordability Scheme (NRAS), which offers Federal and State incentives worth \$4 billion over the next ten years for the development of 50,000 new affordable housing dwellings.

On a per capita basis, Victoria would expect to see over 12,000 of these residential dwellings constructed in this State. It is the Victorian Government's preference that NRAS incentives be allocated to applicants who have designated a not-for-profit organisation as the tenancy manager. CHFV therefore regards NRAS as a key opportunity for the growth of its members, and is working in partnership with the Department of Human Services to promote NRAS to our members and to the broader housing sector.

In February 2009, the Federal Government announced an unprecedented \$6.4 billion in new funding for the social housing sector as part of the second economic stimulus package, the Nation Building and Jobs Plan. Victoria will receive \$1.5 billion to construct 5,000 new social housing properties, the majority of this to be completed within the next 20 months. Federal Housing Minister Tanya Plibersek has noted her expectation that the vast majority of these properties will be owned and managed by the community housing sector.

The stimulus to the sector has come at a critical time. The crisis in affordable housing in Australia cannot be overstated. It's estimated that there is an existing national housing shortage of 150,000 properties, and an annual shortfall in construction of 30,000 currently, rising to 50,000 per annum within the next few years. It has never been more important that housing construction should be supported by clear urban development policies and state and local planning frameworks that encourage development while ensuring that social policy outcomes are achieved.

The Community Housing Federation of Victoria therefore welcomes the proposed new residential zones for Victoria, as they provide greater clarity for local governments and communities while reducing the potential for process bottlenecks for appropriate residential developments.

Planning delays are expensive. Not only do they cost developers in terms of legal processes, additional financing burdens and idle plant and equipment, they also cost the community in terms of employment uncertainty for the building trades, and delayed provision of new housing. The latter should be of concern to all Victorians given the current housing crisis. CHFV's member organisations see the direct consequences of this housing shortage: each year, thousands of individuals and families at risk of homelessness present at community housing organisations for advice and support. Often there is no long-term solution, as there is simply not enough affordable rental properties to meet demand.

There is, therefore, an obligation on government to ensure that good-quality, appropriate residential developments – and in particular those that will provide affordable rental housing – are able to avoid unnecessary planning delays. Many of these delays are due to third-party objection and appeal based on inaccurate community perceptions of social housing. Yet contemporary social housing is quality housing with design and mixed tenancies that integrate with the neighbourhood.

CHFV were pleased to have made a submission in response to the February 2008 discussion paper. Our two recommendations were:

- that community housing organisations registered with the State Government's Housing Registrar be exempted from requiring a planning permit for residential development proposals that satisfied the planning scheme appropriate to that zone, and
- that such developments be exempted from notices and review at VCAT.

CHFV also offered alternative recommendations to the two above, that the Minister for Planning become the responsible authority for deciding planning applications by registered community housing organisations.

The draft zones

CHFV supports the provision of three new residential zones providing for greater certainty about the type of development that can be expected in residential neighbourhoods. The new zones give local governments the capacity to respond to community concerns by specifying preferred neighbourhood character, preferred design outcomes, and building height limits that reflect local housing strategies.

Provision for third party notice, objection and appeals

The proposed new residential zones retain third party notice, objection and appeal provisions in all three zones. CHFV believes there are strong grounds to exempt certain classes of residential development from these provisions, where the development demonstrably meets both local planning scheme requirements and State Government social housing and urban planning objectives.

Streamlined planning processes for residential developments are vital to deliver the new homes needed for Victoria's growing population. Our broader society must be protected from inappropriate local objections that waste the resources of local government and VCAT and that delay good residential developments offering essential affordable rental housing for the wider community.

The need to reduce planning delays to meet the current timelines for new build under the Victorian Government's 2007 housing growth funding, the 2008 National Affordable Housing Agreement new build, the Nation Building Stimulus and NRAS is obvious. However, planning provisions should also meet the need for streamlined processes going forward over the next decade, as the demand for affordable housing is likely to remain critical throughout that period.

CHFV submits that registered community housing organisations are already subject to close government oversight, and that community housing residential development applications receiving public funding must go through rigorous State Government approval processes prior to the usual planning process. It is therefore unnecessary for such a development that meets not just planning scheme requirements but also social policy objectives (such as affordability, sustainability, accessibility, and location close to services, employment and transport) to be subjected to a further review process.

CHFV believes that local government plays an important role in assessing development applications in terms of built form attributes meeting the requirements under ResCode, adopted Structure Plans under Melbourne 2030 and other formal planning tools. In seeking to uphold a balance between local government decision making powers and broader social outcomes, CHFV has consulted with local government planners and has been able to refine our position.

CHFV notes that exemption from provisions for third party notice, objection and appeal already exist under all three proposed new residential zones for the purposes of subdivision of land. Applications for subdivision do require a planning permit, and the proposed new zones also stipulate the additional decision guidelines that the responsible authority must consider. CHFV believes that similar exemption provisions should be applied to applications for residential developments by registered community housing organisations.

Recommendations

To provide a streamlined application process for residential developments that provide urgently-needed, good quality affordable rental housing and achieve the Victorian Government's affordable housing objectives under Clause 16.05 of the Victorian Planning Provisions, CHFV recommends:

- **That residential development applications by registered community housing organisations be exempted from the notice requirements of Section 52(1)(a), (b) and (d), the decision requirements of Section 64(1), (2) and (3) and the review rights of Section 82(1) of the Act.**
- **That before deciding on an application by a registered community housing organisation, the responsible authority must consider the requirements under ResCode and the adopted Structure Plans under Melbourne 2030.**