Planning Mechanisms for Affordable Housing Ministerial Advisory Committee

Committee appointed pursuant to Part 7, Section 151 of the Planning and Environment Act 1987

The Ministerial Advisory Committee on Planning Mechanisms for Affordable Housing is an Advisory Committee appointed pursuant to section 151 of the Planning and Environment Act 1987 (the Act). The Advisory Committee will operate for a period of six (6) months from the date of its initial meeting and provide advice and recommendations to the Minister for Planning on options to develop a state planning policy to facilitate the supply of affordable housing. The term affordable housing is defined within the meaning of the definition as specified in section 3AA of the Act. The operation of the Advisory Committee may be extended at the discretion of the Minister for Planning.

NAME

1. The Advisory Committee is to be known as the ‘Ministerial Advisory Committee on Planning Mechanisms for Affordable Housing’.

PURPOSE

2. The purpose of the Advisory Committee is to consider and provide advice to the Minister for Planning on possible models and options to facilitate the supply of affordable housing through the Victorian planning system.

3. The Advisory Committee will provide the Minister with a report detailing advice and findings, including recommendations for the introduction of additional planning mechanisms to facilitate the supply of affordable housing.

4. In forming its advice, the Advisory Committee should:
   
   a. Advise on the efficacy of Victoria’s current planning policy settings and mechanisms for affordable housing contributions via the planning system, taking into account:
      
      • the scale and distribution of affordable housing need, and
      
      • the supply of affordable housing likely to be realised through the planning system under current policy settings.
      
      This will include consideration of the outcomes to date of the introduction of the voluntary framework which came into operation on 1 June 2018 and its potential to meet the demand for affordable housing.

   b. Consider the benefits and costs, opportunities and constraints of any alternative models and options to enable planning mechanisms to contribute to affordable housing. This will include consideration of mandatory requirements, any other options, any associated regulatory legislative impacts and the impact on key stakeholders (developers, local government, housing providers, community).
c. Consider how such models (whether current or alternative) could be implemented taking into account the housing market cycle and impact on housing prices in different sub-markets and areas and appropriate risk management strategies.

d. Engage with identified key industry and community stakeholders, and government agencies including:

- Community Housing Industry Association;
- Metropolitan Development Advisory Panel;
- Municipal Association of Victoria;
- Property Council of Australia;
- Urban Development Institute of Australia;
- Development Victoria
- Victorian Planning Authority

e. Provide its advice in a complete and final report on matters within 3 months of its initial meeting.

f. Following completion of the final report, assist in the development and drafting of a discussion paper to be released for public comment as required by the Minister for Planning.

MEMBERSHIP

5. The Advisory Committee will comprise of seven appropriately qualified members, one of whom will be the Chairperson. Should the Chairperson not be available, the Joint Chairperson will assume the role of the Chairperson.

- Jude Munro (Chairperson)
- Michael Lennon (Joint Chairperson)
- Rory Costelloe
- Jessie Keating
- Stephen Rowley
- Marcus Spiller
- Roger Teale

TIMING

6. The Committee will provide its final report to the Minister for Planning within 3 months of its initial meeting. The Advisory Committee will operate for a period of six (6) months from the date of its initial meeting.

ADMINISTRATIVE ARRANGEMENTS

7. The Secretariat function will be performed by the Department of Environment, Land, Water and Planning (Department) Planning Group - Forward Policy Coordination. This will include: organising meeting rooms, minute taking and record of meeting, distributing agendas and other administrative support. Agendas and draft minutes will be prepared in consultation with the Chair(s).

8. Members of the Advisory Committee should generally treat Advisory Committee presentations and discussions as confidential, unless there is an agreement to share specific information. The Advisory Committee is to agree to enter into an ‘Deed of Confidentiality’ and this deed must be signed prior to its first meeting on 10 September 2019. This agreement will ensure that public debate takes place during any future consultation period and ensures integrity without pre-empting outcomes.

9. The Advisory Committee is not required to carry out any public consultation. However, the Advisory Committee will inform itself in the form of consultations with key stakeholders, if it considers information is required to enrich its consideration of relevant matters.
METHOD

10. The Department will provide the Advisory Committee with administrative and technical support, including provision of a range of background and preliminary policy papers to assist the Advisory Committee in its considerations. A package of materials will be provided to Advisory Committee members at the first meeting on 10 September 2019 and will include (but may not be limited to):

   a. a brief presentation on the scale of affordable housing need;
   b. assessment of affordable housing outcomes emerging from the current voluntary framework;
   c. an outline of specified options for planning mechanisms within the current planning system to facilitate the supply of affordable housing and their relative advantages and disadvantages; and
   d. comparison of other mandatory approaches being pursued in other jurisdictions.

11. Drafting of policy papers and other materials to support the Advisory Committee in informing its advice will be undertaken by a Project Team led by the Executive Director Forward Policy and Business Strategy. The Project Team will include officers from within business units of the Planning Group and other seconded personnel, including an officer from the Victorian Planning Authority.

12. Departmental Officers and relevant agencies, including the Centre for Affordable Housing in Department of Health and Human Services, Department of Treasury and Finance, Department of Premier and Cabinet and Department of Jobs, Precincts and Regions will also be consulted and invited to provide advice and technical assistance.

13. The Department’s Project Team will assist the Advisory Committee in drafting and documenting its considerations and finalising its advice.

BACKGROUND

14. *Homes for Victorians: Affordability, access and choice* (March 2017) and *Plan Melbourne 2017-2050* (March 2017) recognise the critical need to increase the supply of affordable housing.

15. Both strategies found that the planning system alone cannot address all of the issues relating to the affordability of housing but acknowledged that there is a role for the planning system to facilitate the supply of affordable housing.

16. Plan Melbourne, Policy 2.3.3 acknowledged there is “a pressing need to increase the supply of social and affordable housing for households unable to afford market-rate housing”, and sets out the following agenda to meet this identified need:

   “The planning system will be reformed to facilitate the delivery of more social and affordable housing. These reforms will clearly define social and affordable housing, create a clear head of power for affordable housing contributions, and clarify the role the planning system has to play in the delivery of new housing. Reforms will also include new planning provisions or tools to deliver social and affordable housing. These reforms will explore inclusionary zoning and mechanisms to capture and share value created through planning controls. New provisions or tools will be developed in consultation with the community-housing sector, the residential development industry and local government.” (Policy 2.3.3)

17. Some of these actions have already been completed. Amendments to the Act to facilitate the provision of affordable housing in residential development came into operation on 1 June 2018. These amendments:

   - Made the facilitation of affordable housing an objective of the Act
   - Defined affordable housing for the purpose of the Act
   - Affirmed the use of section 173 agreements for the provision of affordable housing.
18. These amendments have already facilitated agreement to supply affordable homes as part of residential developments.

19. Attention now turns to the development of an inclusionary zoning regime appropriate for the Victorian context, as well as mechanisms to capture and share value created through planning controls.

Dated 10 September 2019