

A Plan for Housing

Why is it important to plan for housing?

Housing is influenced by a range of demographic, environmental, physical, social and economic influences. These include population growth and changing household formation patterns, the natural and built environments, land use patterns, location and accessibility to infrastructure and services, social and cultural values, the cost of housing, employment opportunities, and individual preferences and lifestyle choices. Many of the changes occurring to the Victorian housing market are due to population changes. Victorians are ageing, having fewer children, forming smaller households and preferring different lifestyles. These changes have impacted on the demand, type and location of housing. Housing markets are becoming much more diverse as evidenced by the increasing popularity of high-rise apartment living on the one hand and semi-rural and coastal living on the other. Lifestyle and preference changes have affected the housing market in several ways, creating demand for new and diverse housing. Victoria is experiencing unprecedented population growth and Melbourne is projected to become Australia's largest city. Each municipality will experience the effects of this growth in different ways and will need to plan for population growth and additional households in its local communities. When planning to accommodate projected population and housing change, planning authorities are required to effectively plan for this change by considering relevant environmental, social and economic factors, and where conflict arises, balance competing objectives in favour of net community benefit and sustainable development.

Housing and the Planning Policy Framework

The Planning Policy Framework (the PPF) is part of all planning schemes in Victoria and sets out the context for spatial planning and decision making. It includes state, regional and local planning policies and set outs a planning authority's obligations in relation to planning for population growth and managing housing change. See Table 1. The PPF requires planning authorities to: Plan to accommodate projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur. Residential land supply will be considered on a municipal basis, rather than a town-by-town basis. Planning for urban growth should consider:

- Opportunities for the consolidation, redevelopment and intensification of existing urban areas.
- Neighbourhood character and landscape considerations.
- The limits of land capability and natural hazards and environmental quality.
- Service limitations and the costs of providing infrastructure. 2 The PPF also requires planning authorities to consider the following region-specific strategies as relevant:
 - Central Highlands Regional Growth Plan (Victorian Government, 2014)
 - G21 Regional Growth Plan (Geelong Region Alliance, 2013)
 - Gippsland Regional Growth Plan (Victorian Government, 2014)
 - Great South Coast Regional Growth Plan (Victorian Government, 2014)
 - Hume Regional Growth Plan (Victorian Government, 2014)
 - Loddon Mallee North Regional Growth Plan (Victorian Government, 2014)
 - Loddon Mallee South Regional Growth Plan (Victorian Government, 2014)
 - Wimmera Southern Mallee Regional Growth Plan (Victorian Government, 2014)
- Plan Melbourne 2017-2050: Metropolitan Planning Strategy (Department of Environment, Land, Water and Planning, 2017). Planning authorities should use Victorian Government population projections and land supply estimates when planning for population growth and managing housing change.

Key PPF housing and settlement policies

Policy

Ensure regions and their settlements are planned in accordance with their relevant regional growth plan, or Plan Melbourne.

Develop compact urban areas that are based around existing or planned activity centres to maximise accessibility to facilities and services.

Plan to accommodate projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur.

Residential land supply will be considered on a municipal basis, rather than a town-by-town basis.

Planning for urban growth should consider:

- opportunities for the consolidation, redevelopment and intensification of existing urban areas
- neighbourhood character and landscape considerations
- the limits of land capability and natural hazards and environmental quality
- service limitations and the costs of providing infrastructure.

Ensure development contributes to existing or preferred neighbourhood character.

Increase the supply of housing in existing urban areas by facilitating increased housing yield in appropriate locations, including under-utilised urban land.

Ensure that an appropriate quantity, quality and type of housing is provided.

Increase the proportion of new housing in designated locations within established urban areas and reduce the share of new dwellings in greenfield and dispersed development areas.

Encourage higher density housing development on sites that are well located in relation to services, jobs and public transport.

Ensure an adequate supply of redevelopment opportunities within established urban areas to reduce the pressure for fringe development.

Identify opportunities for increased residential densities to help consolidate urban areas.

Ensure housing stock matches changing demand by widening housing choice.

Facilitate diverse housing that offers choice and meets changing household needs.

The strategic planning process

Planning for housing change can provide certainty for the community about where change is likely to occur as well as what form it should take. Figure 2: The strategic planning process Monitor and review outcomes To respond to state and regional planning policies and provide clear directions about where housing growth should occur, a planning authority will normally undertake some form of strategic planning to underpin the vision and strategic directions set out in the Municipal Planning Strategy (the MPS).

The strategic planning process

