

## EXTENSIVE REGULATORY REFORMS AND FUNDING FOR VICTORIA'S HOUSING SECTOR ANNOUNCED YESTERDAY IN VICTORIA'S HOUSING STATEMENT

### Key reforms and actions - summary table

REFORM	DETAILS
<p><b>Clearing the permit backlog and red tape reforms</b></p>	<p>Clearing the backlog of 1,400 housing permit applications that have been stuck with councils for more than six months by:</p> <ul style="list-style-type: none"> <li>Establishing a dedicated team that works with project proponents, local councils, and referral agencies to resolve issues delaying council decision making - to avoid projects ending up in VCAT.</li> <li>Increasing planning resources in the Department of Transport and Planning (DTP) (bringing on 90 new planners).</li> </ul> <p>Cutting red tape by:</p> <ul style="list-style-type: none"> <li>Implementing all of the recommendations from the 2021 Red Tape Commissioner's report.</li> <li>Giving VCAT the power to dismiss matters without a prospect of success and imposing time limits on submissions.</li> <li>Permitting planning panels to undertake hearings on the papers and join parties.</li> </ul>
<p><b>Planning fast-track for projects with affordable housing</b></p>	<p>Expanding Victoria's <a href="#">Development Facilitation Program</a> (speeding up approval process from 1-2 years to 4 months) by:</p> <ul style="list-style-type: none"> <li>Making the Minister for Planning the decision maker for significant residential developments that meet the set criteria: <b>construction costs worth at least \$50 million in Melbourne or \$15 million in regional Victoria and delivering at least 10 per cent affordable housing</b>. This will include new build-to-rent projects. If a developer does not want to include a portion of affordable housing - but wants to benefit from the faster approval process - they can gift at least 3% of their build's total value to the Victorian government agency, Homes Victoria, which will then be spent on social housing.</li> <li>Ensuring once a project is approved by this program, third parties cannot appeal the decision.</li> </ul>

REFORM	DETAILS
<b>Inner Melbourne growth via activity centres, priority precincts and office to resi conversion</b>	<ul style="list-style-type: none"> <li>• Introduction of clear planning controls to deliver an additional 60,000 homes around an <b>initial 10 activity centres across Melbourne</b>: Broadmeadows, Camberwell Junction, Chadstone, Epping, Frankston, Moorabbin, Niddrie (Keilor Road), North Essendon, Preston (High Street) and Ringwood.</li> <li>• DTP to lead the delivery of “priority precincts” (integrated with transport projects - Suburban Rail Loop, Metro Tunnel and Level Crossing Removals) focused on building communities around major transport and services hubs - including Arden, Docklands, Fishermans Bend, Footscray, East Werribee, Parkville and Sunshine, Richmond to Flinders Street Corridor and National Employment and Innovation Clusters (NEICs).</li> <li>• Government to work on converting 80 underused office buildings (identified by PCA and City of Melbourne) to residential and mixed-use properties, creating up to 12,000 homes.</li> </ul>
<b>Supporting institutional investment</b>	<p>Commitment to establish an <b>Institutional Investment Framework</b> to enable institutional investors like superannuation funds or insurance companies to invest in build-to-rent and build-to-sell projects.</p>
<b>Funding for affordable and social housing</b>	<p>In addition to the investment underway in the Big Housing Build:</p> <ul style="list-style-type: none"> <li>• \$1 billion for the <b>Affordable Housing Investment Partnership (AHIP)</b> program, providing low interest loans and government guarantees to finance social and affordable housing. This is the first time this government support will be extended to affordable housing.</li> <li>• \$1 billion for a <b>Regional Housing Fund</b> to deliver 1300+ new social and affordable homes across regional Victoria.</li> <li>• \$150 million for a <b>Regional Worker Accommodation Fund</b> for key workers in regional areas.</li> <li>• Opportunities for developers to sell off the plan to the government for social housing and also head-lease surplus stock to Homes Victoria. It is unclear how the latter will be workable given that leasing new stock previously intended for sale generally requires developers to pay additional GST.</li> </ul>

**Renters' rights**

Some strengthening of renters' rights, however nothing likely to substantially affect institutional investment:

- Pleasingly, no change to rent controls except that owners who end leases after a 12 month fixed term cannot charge more rent to a new renter for at least 12 months. This is intended to stop owners evicting renters at the end of their first fixed-term lease in order raise the rent substantially when re-listing.
- Accepting unsolicited rental bids from renters will be outlawed. Inviting bids is already against the law.
- A new body, **Rental Dispute Resolution Victoria**, will be established as an alternative to VCAT for simpler disputes.
- Notice of rent increases and notice to vacate periods to be extended to 90 days.

**Urban renewal and development opportunities**

- Rezoning of surplus government land to deliver around **9,000 homes across 45 sites** in both metropolitan Melbourne and regional Victoria. Government will set a target of at least 10 per cent of affordable homes to be built across these sites.
- All 44 of Melbourne's high-rise public towers to be redeveloped by 2051, starting with towers in Flemington, North Melbourne and Carlton. It isn't clear from the statement, but it is possible that a ground lease model will be used - enabling a mix of social and market housing on the site but only providing developers with a 50 year ground lease before the housing reverts to public hands.