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## Victorian Government Housing Statement Welcome

Committee for Melbourne today welcomed the Victorian Government's Housing Statement, which includes a significant range of reforms with the aim of increasing the supply of housing and with an ambitious target to deliver 80,000 new homes each year over the next decade.

The Committee's CEO, Mark Melvin, said, "as Melbourne's population heads towards 6 million people by 2031, we must ensure that an appropriate mix of housing types that are affordable are made available to people close to amenities and transport options."

The Committee's *Benchmarking Melbourne 2023* report, which examines Melbourne's performance against global peer cities, highlights that there is a 'Tale of Two Cities', emerging in Melbourne from the continued expansion of Melbourne's suburbs.

"There is deep concern about whether all Melburnians are participating in the experiences that Melbourne has to offer, such as walkable restaurants and green spaces, as well as having access to public transport and amenities. Whilst there are highly rated and widely enjoyed amenities in the centre of the city, there is less access to public transport, services, experiences and entertainment in many newer or greenfield suburbs."

"Whilst Plan Melbourne has long outlined an aspiration for 70% of new homes to be built in existing suburbs, there is no doubt that this target has not been met."

The Committee's *Benchmarking Melbourne 2023* report shows that Melbourne is the 5<sup>th</sup> most unaffordable English-speaking metropolis for buying a home. Access to affordable housing is clearly an important concern - and has contributed to the urban sprawl with people moving further away from the inner city to access more affordable properties. However, costs associated with living further from the city have shown to be higher - for example running motor vehicles and congestion costs.

"The Committee's Benchmarking report shows that Melbourne is already more expensive than many peer cities to live, travel, study and access key services – and then costs associated with much larger scale suburban sprawl add up."

"It is important that there are appropriate mechanisms to ensure that the supply of new homes can be met, but also that those new homes deliver an appropriate housing mix and in the right places."

"Therefore, by announcing planning reforms to streamline approvals – for example removing planning approvals for a second smaller home - may incentivise more homes to be built in existing suburbs closer to transport and amenities."

"As a further example, the Development Facilitation Program for medium to high density residential developments that meet the set criteria may possibly deliver more density in existing suburbs."

Mr Melvin said that, "While the Victorian Government's policy proposals are a step in the right direction, the devil is in the detail about how and where these new planning processes will be implemented and how quickly some of these reforms can be developed."

"A transparent plan for new housing targets across existing suburbs would be very welcome, with adequate reporting mechanisms for the public to be aware of the progress about where new homes are being built and timeframes for completion."

"That is why the proposal for the Long-Term Housing Plan, set to be developed, is important and urgent. The Committee has been calling for an integrated-transport plan for Melbourne, that includes land-use and economic development planning – and the Committee hopes that these elements can be recognised and incorporated into the Long-Term Housing Plan."

“Whilst it is welcome that an initial 10 activity centres across Melbourne have been identified for activity centre planning, it remains to be seen how other areas across Greater Melbourne can also be densified and planned.”

“Incentives and models for private sector delivery is essential, with initiatives such as the Institutional Investment Framework and Affordability Partnership being good examples of attempts to ensure collaborative models are created within the reform priorities.”

“There is no doubt that action is urgently needed to address the housing supply and affordability challenge in Melbourne and Victoria, and that this is a challenge that we must meet together, with councils, community groups, governments and businesses all having a role to play to support the much-needed reforms,” said Mr Melvin.

## ENDS

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