

# 2022 VICTORIAN STATE BUDGET PRIORITIES



VICTORIAN GOVERNMENT



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Australian  
Institute of  
Architects

## ABOUT THE INSTITUTE

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The Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with more than 13,000 members across Australia and overseas.

The Institute exists to advance the interests of members, their professional standards and contemporary practice, and expand and advocate the value of architects and architecture to the sustainable growth of our communities, economy and culture.

The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible and environmental design.

## PURPOSE

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- This Policy Paper is published by the Australian Institute of Architects for the purpose of advocating to the Victorian Government the Institute's recommended priorities for funding and government initiatives to be announced as part of the 2022 Victorian State Budget.
- At the time of this submission the National President is Tony Giannone FRAIA.
- The Acting Chief Executive Officer is Barry Whitmore.
- The Victorian Chapter President is Bill Krotiris FRAIA.
- The Victorian State Manager is Tim Leslie FRAIA.

## CONTACT DETAILS

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## COVER PHOTO

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The Australian Institute of Architects' 2021 Sir Zelman Cowen Award for Public Architecture and The David Oppenheim Award for Sustainable Architecture. Monash Woodside Building for Technology and Design. Grimshaw in collaboration with Monash University.

Photographer: Rory Gardiner.

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## SUMMARY OF RECOMMENDED PRIORITIES

### DESIGN EXPERTISE TO INFORM PLANNING DECISIONS

Set aside \$20M co-investment funding for all Local Governments in Victoria to access design expertise including through Design Review Panels (DRPs) to expedite appropriate planning application decision, achieve beneficial outcomes for communities and provide consumer protection.

### APARTMENTS REGULATORY AUTHORITY.

Provide \$60M over four years to establish a new regulator for apartments in Victoria that will provide long-term oversight of the design, construction, management and maintenance of apartments and provide an electronic platform for all apartments' design and building drawing/schedules and building operating and maintenance manuals.

### FLEXIBLE LONG TERM PRECINCT STRUCTURE PLANS AND NEIGHBOURHOOD CHARACTER STUDIES.

Allocate \$76M investment for long term local government precinct structure plans to enhance certainty about land use, development priorities and broad design parameters in our cities, suburbs and regional centres and towns. Allocate \$20M funding pool for local governments to undertake or update out of date neighbourhood character studies.

### REMOVE GAS FROM GENERAL USE IN BUILDINGS.

Fund \$100M over 4 years to enable Victorian households to upgrade from gas to reverse cycle heat pump technology under the Victorian Energy Upgrades program (VEU).

### STRENGTHEN HERITAGE AND SUSTAINABILITY TOGETHER.

Establish a tax incentive framework for heritage preservation and adaptive re-use of privately owned buildings, structures and sites. Include such measures as payroll and land tax relief and rebates for stamp duty paid on site acquisitions.

Allocate \$50M for Heritage Victoria to ensure that places of significance are efficiently assessed and listed on the state's heritage register and to strengthen the Living Heritage Grants Program.

### A HIGH STANDARD FOR REGULATION OF ALL DESIGN PRACTITIONERS

Adopt the Institute, ACA and AASAs' joint statement recommendations for implementation of the National Registration Framework.

### ENSURE THE BEST OUTCOMES FROM LOCAL GOVERNMENT PROCUREMENT

Ensure all Victorian local governments' building procurement activities achieve best quality and value for money outcomes through fair and transparent procurement and design competition processes. The Institute recommends that the new Victorian *Best Practice Procurement Guidelines* references and advises use of the Australian Institute of Architects' suite of guidelines, policies and codes for procurement and competitions.

## DETAIL OF PRIORITIES FOR 2022 STATE BUDGET - VICTORIA

### DESIGN EXPERTISE TO INFORM PLANNING DECISIONS

**Set aside \$20M co-investment funding for all Local Governments in Victoria to access design expertise including through Design Review Panels (DRPs) to expedite appropriate planning application decision and achieve beneficial outcomes for communities and provide consumer protection.**

All local decision-making authorities (i.e. principally local government) in respect of the Victorian Planning Provisions have critical need for access to design expertise through practicing building industry professionals such as architects as well as other specialists where relevant, including landscape architects and appropriately credentialled heritage specialists.

A \$20M state government co-investment fund would provide an average of just over \$250,000 per Victorian council. Design expertise delivery could be achieved through either or a combination of the following options across city, metropolitan and regional settings:

- direct engagement of appropriately credentialled design persons,
- the establishment of DRP's,
- in-house local government architectural design teams, shared across neighbouring councils, or to operate DRP's,
- additional funding to the OVGA to deliver design review

Establishing a pool of professionals would also allow for appropriate selection of DRP's based on the specific settings for all types of local government initiated and procured projects.

Having proper design advice can save the government and community significant money in the long term in relation to have appropriately designed and sited buildings and infrastructure. In addition, DRP's input and subsequent actioning on projects, provides a level of consumer protection that is consistent with an intent of Building Reform considered in Victoria and consistent with the recommendations of the Building Confidence Report ( Shergold Weir Report). Design advice can avoid costly delays that impede many planning applications for projects that do not readily meet planning provisions and otherwise referred to the Victorian Civil and Administrative Tribunal (VCAT).

### APARTMENTS REGULATORY AUTHORITY.

**Provide \$60M over four years to establish a new regulator for apartments in Victoria that will provide long-term oversight of the design, construction, management and maintenance of apartments and provide an electronic platform for all apartments' design and building drawing/schedules and building operating and maintenance manuals.**

The new regulator will:

- be the lodgement point for all design and construction declarations and certifications.
- mandate and provide an electronic platform for apartments' design and building drawing/schedules and building operating and maintenance manuals.
- be the central regulator for apartments' "owners corporation" entities
- mandate and regulate scheduled building maintenance to assist with the long-term ageing of apartment buildings - protecting consumers' interests and reducing CO2 generated by embodied carbon by making buildings last longer.
- oversee mandated quality assurance through longitudinal post-occupancy surveys to which owners corporations must provide remediation and improvement responses and use this data pool to publish relevant research to inform state and federal authorities on required improvements to Australian Standards, the National Construction Code, rating schemes for energy efficiency, liveable housing design guidelines, and the Victorian planning provisions
- mandate and audit "owners corporations funds" and/ or "sinking funds" to be maintained in trusts for remediation and improvement works
- monitor and develop strategic responses for defects policing and prevention in partnership with the Victorian Building Authority.

Government policy is moving towards increasing densification, to address multiple policy objectives of reducing urban sprawl, promoting 20-minute neighbourhoods, reducing carbon emissions and improving housing affordability. Expertise in managing large complex pieces of infrastructure (apartment buildings and apartment towers), including establishing yearly budgets and ongoing sinking funds, is required to provide the framework for ongoing maintenance of these assets.

Readily retrievable information about their construction is critical to maintain these buildings, carry out unexpected repairs or undertake planned upgrades. All of these activities are either certain or likely to be needed over the life of buildings. If they are well designed and constructed should be in use for many decades and, for many, even well into the 22<sup>nd</sup> Century.

### **FLEXIBLE LONG TERM PRECINCT STRUCTURE PLANS AND NEIGHBOURHOOD CHARACTER STUDIES.**

**Allocate \$76M investment for long term local government precinct structure plans to enhance certainty about land use, development priorities and broad design parameters in our cities, suburbs, regional centres and towns. Allocate \$20M funding pool for local governments to undertake or update out of date neighbourhood character studies.**

Government policy is moving towards increasing densification, to address multiple policy objectives that improve the liveability, sustainability of our urban environment and the affordability of housing. A consequence is that more households will reside in apartments.

The Institute advised the Apartment Design Standards Inquiry currently being run by Victoria's Legislative Assembly Environment and Planning Committee that Victoria needs a

vision for apartment living as a mainstream housing choice. The DEWLP Land-Use Planning Frameworks released in 2021 guide the various types of land use and development that are intended in six major sub-regions of Melbourne including along transport corridors and in growth areas.

The old broad acre concept or ‘room to move’ that applied to a new house on a block (house and land package) needs to be updated to a vision of ‘space for living’ across many of our suburbs where apartment developments are occurring and will foreseeably continue.

Apartment complexes need to be designed, approved, and built with respect to the local context, and not just as a building on a site so that we can shape high liveable urban environments with readily accessible social and economic amenity, transport infrastructure as well as open space, green space, and light.

Planning controls could also take into consideration pre-determined uplift of height/yields within an acceptable range as part of their strategy to incentivize improved outcomes both in relation to social and environmental sustainability.

Therefore, Local Governments need greater investment in developing precinct level structure plans and associated local planning controls that have sufficient flexibility for at least a decade.

The structure plans will help set planning and design parameters for dwelling density, dwelling size and mix, building form, overshadowing, height, street activation, private and public open space, setbacks and siting relative to other apartments and buildings.

**Allocate \$20M funding pool for local governments to undertake or update out of date neighbourhood character studies.**

Neighbourhood character studies need to assume a broader contemporary view of residential areas fit for purpose in metropolitan Melbourne. Neighbourhood Character studies are key documents in relation to the planning process and through VCAT processes and therefore need to be relevant and current.

The Victorian State Government Policy is committed to densification – especially in middle ring suburbs – in order to reduce urban sprawl and dependency on private motor vehicle transportation as well as increase the amount of affordable and social housing. This necessary densification often competes with the interests of local residents who wish to preserve their neighbourhoods at all costs. Neighbourhood character studies prepared in the 80’s 90s and 2000’s may no longer be fit for purpose as the demographic characteristics and activities in a given precinct have changed substantially.

Tensions occur when there is significant discrepancy between what was planned for and what is allowed – this can be through residents being surprised at extent of development after consultation suggested lower height or developers assessing cost of land and development on one set of parameters only to have them change. Greater scrutiny on getting clearer planning parameters and more market certainty is critical.



Re-investment in both precinct planning and neighbourhood character studies will help provide a more clear planning framework for broader urban areas addressing constraints and opportunities, permit more accurate assessment of development costs and improve engagement with and understanding of the expectations of local communities.

### **REMOVE GAS FROM GENERAL USE IN BUILDINGS.**

**Fund \$100M over 4 years to enable Victorian households to upgrade from gas to reverse cycle heat pump technology under the Victorian Energy Upgrades program (VEU).**

The VEU program presents a perfect opportunity to encourage households to make a single step transition to electric appliances that can source their electricity from a range of renewable sources with low or no CO2 emissions.

This matter is particularly important as the Victorian Government's Gas Substitution Roadmap consultation paper released in 2021 reported that 60% of gas use in Victoria is for space heating, hot water, and cooking with 74% of residential gas use in Victoria being consumed for space heating and 24% for hot water.

Space heating and hot water are the two areas of gas use where the largest reduction in residential gas consumption might be achieved. However, the subsidies for upgrading from gas to electric heating and hot water appliances upgrades under the VEU are miniscule. The scheme effectively continues to heavily incentivise households today to install brand new gas appliances with even conservative lifespan estimates of 15 years. This makes little sense and should be urgently reviewed.

This is a relatively straight forward change that would have significant positive and transformational benefits.

### **STRENGTHEN HERITAGE AND SUSTAINABILITY TOGETHER.**

**Establish a tax incentive framework for heritage preservation and adaptive re-use of privately owned buildings, structures and sites. Include such measures as payroll and land tax relief and rebates for stamp duty paid on site acquisitions.**

The vast majority of heritage buildings are owned and managed by the private and community interests. Capital outlays often mean it is cheaper to demolish and rebuild rather than preserve, upgrade or adaptively re-use places which have important heritage value for communities. Incentives for preservation of heritage places in the form of tax or sustainability credits could put "preservation", "conservation" and "sustainability" in the front of the private and community sectors' minds and be a key design driver, rather than seen as a design inhibitor. Similar schemes are being adopted in Canada, California (USA) and the European Union.



## **\$50M for Heritage Victoria to ensure that places of significance are efficiently assessed and listed on the state’s heritage register and to strengthen the Living Heritage Grants Program.**

The current listing and overlays for heritage places are grossly underrepresented, with many heritage places of 20th Century significance falling under the demolition hammer.

The preservation of heritage places, both indigenous and cultural, is a key driver of Australia’s cultural heritage. It tells the stories of our past and provides the rich diverse tapestry of our predecessor’s lives and the way we lived. It enhances our cities and landscapes providing a rich ground of history, appreciation and a sense of identity. Heritage is increasingly under stress due to globalisation, environment changes and development pressures.

The UNESCO 2030 Agenda for Sustainable Development directly links the role of cultural heritage and creativity as an enabler of sustainable development. Existing buildings have a high level of embodied energy which is lost if they are destroyed. The preservation and the adaptive reuse of heritage places reduces CO2 emissions, landfill waste, energy used for demolition and new construction and materials. There is a symbiotic relationship between “recycling and reducing waste” and “preservation and conservation of place”.

Additional funding for Heritage Victoria would enable more heritage places to be assessed on a timely basis. Funding could be used to promote heritage through public education and to provide subsidies through Heritage Victoria’s Living Heritage Grants program to private individuals and community groups which gain no benefit from state tax incentives or credits.

## **A HIGH STANDARD FOR REGULATION OF ALL DESIGN PRACTITIONERS**

### **Adopt the Institute, ACA and AASAs’ joint statement recommendations for implementation of the National Registration Framework.**

Our request to the Victorian Government is to adopt the recommendations of the joint statement of the Australian Institute of Architects (the Institute), the Association of Consulting Architects (ACA) and Association of Architectural Schools of Australasia (AASA). The recommendations of the joint statement have been made to ensure that Victorian buildings are designed by practitioners who are qualified and formally credentialled as competent, and adequately regulated to ensure consumer protection for buildings according to class, typology, size and complexity. In order to address the NRF’s stated aspirations, any new registration process and stated provision of services, as outlined under any new State/Territory legislation, must include the following:

- competency frameworks that go beyond education qualification and years of experience alone
- suitable robust independent methods of assessment of education standards against a common set of national competency standards equivalent to the Architects Accreditation Council of Australia’s (AACAA) National Standards of Competency for Architects.
- recognition of current educational qualifications for Architects (Bachelor of Architecture + Master of Architecture) as exceeding qualification and demonstratable competencies of a Building Designer

- recognition that any Building Designer, based on Bachelor-level qualification, should not be permitted to provide an unlimited provision of services unless complimented by a Master of Architecture qualification
  - national regulatory body responsible for accreditation of building designer qualification providers equivalent to AACA
  - suitably robust and independent methods of assessment of practitioners against standards established by the competency framework
  - strong codes of conduct focussed on consumer protection, with appropriate investigatory powers and sanctions
  - mandated professional indemnity insurance of coverage suited to the work being performed
  - ongoing requirement for Continuing Professional Development (CPD)
  - scopes of work for different levels of design practitioner, adopting a risk-based approach, and which determine these scopes according to:
    - Building class (according to the Building Code of Australia)
    - Levels and size
    - Building typology
    - Building complexity
    - NCC Construction type
    - Building Procurement Model

## **ENSURE THE BEST OUTCOMES FROM LOCAL GOVERNMENT PROCUREMENT**

**Ensure all Victorian local governments' building procurement activities achieve best quality and value for money outcomes through fair and transparent procurement and design competition processes, The Institute recommends that the new Victorian *Best Practice Procurement Guidelines* references and advises use of the Australian Institute of Architects' suite of guidelines, and policies and codes for procurement and competitions.**

These include:

- Guidelines for the Conduct of Architectural Competitions which provides details of the considerations and tasks typically required to plan and implement an architectural competition in line with the Institute's policy.
- Model Conditions for an Architectural Competition, which provides a template set of rules that can be easily adapted, as required, for most typical competitions.
- Guidelines: Expressions of interest ( EOI ) and Requests for Tender ( RFT ) for Architectural services (the Guidelines).
- The Code of Novation that provides an industry code for novation used in conjunction with design and construct procurement and which helps to ensure protection of the interests of local governments as a client.