29th June 2018

Improving Stormwater Management Advisory Committee
Attn: Chair - Chris Chesterfield
Department of Environment, Land, Water & Planning
via email: stormwater@delwp.vic.gov.au
and
Engage Victoria website

IMPROVING STORMWATER MANAGEMENT

Thank you for the opportunity to comment on the Issues Paper DELWP for the Improving Stormwater Management Advisory Committee, June 2018 and to attend the workshop held the morning of Tuesday 26th June 2018.

Overview

HIA is Australia’s peak residential building industry association. HIA members comprise a diversity of residential builders, including all Top 100 builders, all major building industry manufacturers and suppliers as well as developers, small to medium builder members, contractors and consultants to the industry. In total HIA members construct over 85% of the nation’s new housing stock.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building and development industry.

As there are a range of HIA members that are involved in the matter of stormwater either as their primary business or carrying out related work as required this correspondence does not attempt to address the breadth of views individual members may have with regard to the Issues Paper.

Using the HIA Victoria ENews publication HIA has made members aware of the Issues Paper and recommended members who are involved with stormwater matters to familiarise themselves with the Issues Paper and lodge their own individual response to the review if desired.

HIA submission

HIA is familiar with the purpose of the Advisory Committee based on a reading of the Terms of Reference and as stated at Section 1.2 of the Issues Paper. It is understood there are two parts A and B to the Purpose of the Advisory Committee and that in summary the purpose of the Issues Paper is to address the issues and opportunities presented and focus primarily on the types of stormwater management issues that the Victorian planning and development system currently has, or could have a role in addressing Key Issues.

In principle HIA does not oppose most of the matters raised and discussed in the Issues Paper though the following comments are provided to assist the Advisory Committee better understand the views of the residential construction industry.
To assist the taskforce in understanding HIA's policy position in relation to this matter the following four HIA policies are attached and referenced throughout this submission.

A. Infrastructure Charges and Levies on Residential Development
B. Government Infrastructure Investment
C. Environmental Constraints and Planning Regulatory Creep, and
D. Truth in Zoning

Pages 5, 11, 21 and 22 with regard to funding: cost recovery mechanisms, offset schemes and Voluntary stormwater offsets

1. Victoria's planning and development approvals system has a number of mechanisms requiring developers to contribute toward the cost of a range of physical and social infrastructure. In relation to stormwater, particularly in metropolitan Melbourne, the two most common methods for developers to contribute toward the cost of drainage and stormwater infrastructure is in the form of an Infrastructure Contribution Plan prepared in association with a Precinct Structure Plan by the Victorian Planning Authority and typically administered and managed by the relevant local government agency. The other method is Drainage Schemes prepared and administered by Melbourne Water.

HIA has an established policy position opposing Infrastructure Contribution Plans (ICP) as it is considered ICP's significantly affect new housing affordability and are in effect a tax on new homebuyers.

Throughout the Issues Paper there are several references questioning and discussing the appropriate method to recover the construction and maintenance costs of public stormwater infrastructure. The paper acknowledges some councils have expressed interest in developing their own local stormwater offset schemes. HIA strongly opposes councils being able to develop their own local stormwater offset schemes if the funding source for the scheme was to be derived from developers. Drainage and stormwater assets have a far reaching community benefit, it is therefore submitted the funds to construct the assets should be levied as a broad tax across the whole community. As such HIA is opposed to another developer funded item of infrastructure for items that the entire community benefits from.

HIA consider that funding arrangements for the construction, upgrade and maintenance of drainage and stormwater infrastructure is one of the most important issues to be considered as part of the Issues Paper and would welcome the opportunity to discuss this in more detail with the Advisory Committee. Details regarding the appropriate contact person and forum for engaging with relevant HIA staff and members is provided at the end of this letter.

Refer Attachment A - Infrastructure Charges and Levies on Residential Development, and Attachment B - Government Infrastructure Investment

Page 16 with reference to Building requirements and Local policies

1. The Advisory Committee may be aware of HIA's opposition to the introduction of an Environmentally Sustainable Development (ESD) local policy by seven councils in 2013 and 2015. We consider a brief explanation of our opposition is relevant in the context of establishing consistency in the comment and feedback HIA is providing in relation to the Building requirements and Local policies discussed in the Issues Paper.

The principles of ESD are well understood by HIA. HIA has several policies that support the incorporation of ESD principles into a range of residential developments at the appropriate stage of development. HIA's fundamental opposition was that the seven councils were 'going it alone' to introduce as a local policy matters that, if considered reasonable to be in the planning system, should be addressed on a state-wide basis with the objective of encouraging and incentivising the implementation of ESD principles rather than mandatory requirements. HIA submit that to avoid industry confusion among all practitioners it is
important that policy duplication and regulatory overlap is not inadvertently designed into the development approvals process.

Many of the principles contained in the local ESD policies of the seven council’s were a duplication of regulation contained elsewhere in the development approvals process, such as in the Building Act. The ESD policies were being used to unnecessarily bring forward requirements that already exist and function adequately in other jurisdictions.

HIA recommends that if an approach of state based objectives to encourage and incentivise the principles of stormwater management were to be applied councils with existing and proposed local policy relating to stormwater and stormwater management should be discouraged to abandon these policies and the State government take a lead role.

Refer Attachment C - Environmental Constraints and Planning Regulatory Creep

Page 17 with reference to the Conceptual Planning Control options

1. HIA recommends the Advisory Committee proceed with caution when determining the types of development that should be required to comply with Best Practice Environmental Management (BPEM) guidelines. In particular renovations that do not currently require planning approval should not be required to comply with the BPEM guidelines as regulatory requirements for this type of development will be captured elsewhere in the development approvals process. Similarly, if one dwelling is to be constructed on a residential allotment this should also be excluded from having to comply with the BPEM guidelines on the basis that the land is being developed in accordance with the intent of the planning scheme.

2. If the proposal to impose WSUD on the listed development types was to proceed further robust consideration would need to be given to the following points:
   a) Integration into broader stormwater management strategies that may be downstream of the development
   b) Identification of a Legal Point of Discharge all land zoned residential to allow for a ready connection to reduce the impact of providing on-site detention systems that can have a negative impact on the economic development potential of a site
   c) The costs on the developer to implement the WSUD infrastructure
   d) The costs on the authorities to administer the WSUD implementation
   e) The ongoing maintenance and monitoring of the WSUD installation to ensure long term compliance
   f) Training for the building industry may be required to provide that the WSUD measures are installed correctly and provide the designed level of functionality and Installations are not detrimental to the existing stormwater infrastructure

Refer Attachment D – Truth in Zoning

Page 18 with reference to spatial variations

1. To the greatest extent possible performance criteria should be uniform across all jurisdictions to reduce confusion in design, approvals and monitoring of WSUD installations, however there must also be adequate provision within the performance criteria to allow for variation based on either locality or similarities in-terms of the built environment.

HIA submit a region based (or place based) component of the performance criteria may at times be appropriate, particularly in regional Victoria. In the metropolitan Melbourne context the Department of Environment, Land, Water and Planning – Planning Scheme Groupings, Metro: Inner and Middle Urban, Outer Urban and Growth Area may be a useful means in which to consider performance criteria variations as these groupings reflect similarities in the built environment.
Page 19 with reference to the public realm management

1. Greater effort must be assigned to a high standard of design, construction and maintenance of local retarding basins within public areas that do not impede the use of the land as both an engineering asset and a public resort and recreation asset that can contribute to the provision of a developer's private open space requirement either pursuant to Section 18 of the Subdivision Act or requirements pursuant to a Development / Infrastructure Contribution Plan.

HIA connects with its members in a number of ways from Building & Business workshops and Branch meetings to more formal methods such as the Environment, Planning & Development Committee (Planning Committee). Should the Advisory Committee consider it worthwhile to talk directly to the development industry that has both metropolitan Melbourne and regional representatives please contact Mike Hermon, details below, and Mike will facilitate this.

HIA will watch with interest the progress of the Improving Stormwater Management Advisory Committee and would welcome the opportunity for further consultation as the body of work undertaken by the Advisory Committee develops.

Once again we thank you for the opportunity to contribute at this stage. Please do not hesitate to contact Mike Hermon, Director – Planning & Environment, on 9280 8236 or alternatively m.hermon@hia.com.au should you require anything further.

Yours sincerely

HOUSING INDUSTRY ASSOCIATION LIMITED

Fiona Nield
Executive Director, Victoria