

1 December 2017

Ms Fiona Delahunt

Executive Director, Forward Policy and Business Strategy

Smart Planning sponsor

Department of Environment, Land, Water and Planning

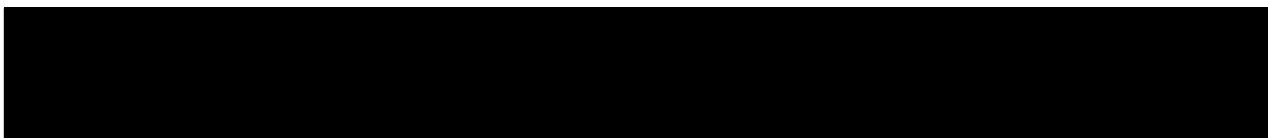
Via submissions portal: <https://engage.vic.gov.au/reform-victoria-planning-provisions>

Dear Ms Delahunt

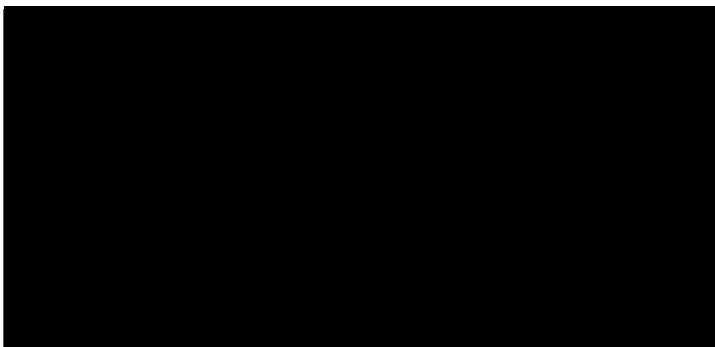
**Reforming the Victoria Planning Provisions**

Thank you for the opportunity to provide a submission on the proposals to reform the Victoria Planning Provisions as set out in the Discussion Paper dated October 2017. The Property Council supports the need for dramatic improvements to the planning provisions and urges adoption of measures to substantially reduce the complexity, ambiguity, lack of certainty and prolonged timeframes for approvals that currently permeate Victoria's planning provisions.

The Property Council's Planning and Infill and Residential Developers committees have assisted in the preparation of the following submission. They have extensive experience in planning and property development and all assert that a more effective and efficient planning system is vital for ensuring Victoria's global competitiveness and achieving important economic social and environmental outcomes for Victoria.



Yours sincerely



## Property Council's Response to the October 2017 Discussion Paper

The Property Council recognises the vital role the Victorian planning system and planning schemes play in Victoria's economy. The unprecedented current and projected population growth in Victoria heightens the urgent need for reform to this State's planning system and planning provisions. A dramatic improvement in the efficiency and effectiveness of the Victorian planning system and planning schemes is essential to ensure housing affordability and Victoria's economic success in the coming decades.

The ambiguity, duplication and overlap, and lack of certainty that characterise the current planning provisions result in a lack of accountability to meet responsibilities provided under the Act and its regulations, and a lack of meaningful consequences where timeframes and responsibilities are not met.

The Property Council's position on planning system reforms can be summarised as:

1. We strongly support the introduction of code-based assessment provisions for less complex planning applications. The current lack of flexibility that imposes a disproportionate regulatory burden on compliant proposals and diverts resources from processing more complex proposals needs to be addressed as a matter of urgency.
2. We support the restructure and reform of VicSmart provisions, integrating them where appropriate into both the VPP and local provisions and evolving VicSmart's operation to support more codified assessment pathways.
3. We agree with the aim to provide proportional assessment processes, user-friendly planning schemes, 'one-stop shop' provisions and more efficient assessments and we recommend that these outcomes need to be pursued as a matter of urgency.
4. We strongly support the need for the work proposed in the Transform phase of Smart Planning to be undertaken as a priority so that the benefits promised from the Reform phase can be realised.

The Property Council would like to highlight three key areas that we believe require more emphasis or detailed consideration by the Smart Planning team when implementing the Smart Planning initiative. They are:

1. Urgent introduction of code-based assessment;
2. Digitisation of the Victorian Planning System; and
3. Commitment to funding the Transform stage of the Smart Planning program.

### Introduction of code-based assessment

The Property Council believes introduction of a code-based assessment pathway is needed as a matter of urgency, thereby reducing the time taken to obtain planning permissions for low and medium risk proposals and freeing up the planning assessment resources for more timely resolution of complex planning applications.

The Property Council urges the immediate inclusion of a much larger range of activities in a code-based assessment pathway and investigation of planning proposals that could be exempt altogether from the need for assessment. Lengthy delays in processing planning applications for low and medium impact proposals add unnecessarily to the cost and timely provision of much-needed workplaces and housing, thereby exacerbating the current pressing issues of congestion and housing affordability.

### Digitisation of the Victorian Planning System

The Property Council strongly encourages Victorian government investment in progressing to a digitised state-wide planning system. Urgent action is needed to integrate state, regional and local planning policy and introduce a digitised state-wide system so that any changes to planning schemes must be done via a structured template-based method that ensures regional and local planning policies are derived from state planning policy thereby contributing to consistency and certainty in the planning processes.

The Property Council applauds the work done to date to develop a digital repository for the State's planning schemes, which will allow amendments to be published electronically and users to access and search planning schemes and maps more easily. Much more work is needed however, to bring the entire planning system onto a seamless digital basis and enable applicants to make an application, track and progress it, and obtain a permit through an online process. This will also support transparency, accountability and consistency across Local Councils.

Improved access to planning information, increasing transparency and accessibility of planning schemes and promoting faster assessment and decisions, would all contribute to Victoria's economic strength and competitiveness and help to improve housing affordability.

### Commitment to funding the Transform stage of the Smart Planning program

The Property Council is concerned that the significant investment of public funds and time by all stakeholders in progressing the current Smart Planning reforms will be lost in a short timeframe unless there is substantial investment in the proposed Transform stage of the Smart Planning program and that it commences in mid-2018 so there is a seamless transition to this stage from the work undertaken in the Reform stage.

Local Councils have a significant impact on the extent to which the planning system is efficient and effective. The Property Council believes a much-needed significant improvement in timeliness and certainty in the operation of the planning system will only be delivered when planning policies, provisions, and practices at the local council level are aligned with the State planning policies and there is seamless digital interoperability between state and local councils' systems.

The Property Council places a high priority on the development of a state-wide portal for all permit applications, with standardised templates for forms and other documentation implemented at both the state and local government levels. Leaving Councils with the current disarray of various IT systems and disconnected processes will result in lost opportunities to further Victoria's economic and social wellbeing and deliver urgently-needed housing and jobs.

The Property Council is keen to see the introduction of performance monitoring of Councils in real time and the capacity to track a planning application from the first application and payment through to the final decision. We understand a precursor to this being possible is a concerted effort to eliminate inconsistencies between State and Local Council planning schemes, remove duplication between provisions, and establish a process for ongoing monitoring of new provisions to ensure they are drafted within a coherent set of templates. This would ensure a seamless digital process for planning applications and assessment remains viable across the state.

Clearly, strong leadership from the State Government is necessary and appropriate and would be supported by industry.

## Responses to Online Submission questions

The Property Council is the peak body for the property industry in Victoria. Many of our member organisations will make submissions on some or all of the 50 specific questions posed in the online submission template.

Provided below are responses to the high level proposals.

### **Proposal 1. A simpler VPP structure with VicSmart assessment built in**

The Property Council recommends the inclusion of a new principle of *efficiency*.

Current approval processes typically range between 6-12 months through a Council or Minister-led approval process, with an additional 6 months should the matter proceed to VCAT. This delay, which can extend to 18 months or longer, provides a significant lag between market and context conditions at lodgement, compared with approval. While the Property Council recognises the importance of considered and thoughtful decision-making, we believe that the quality of the decisions on current applications is not enhanced through the extended time frames and the negative consequences for Victoria's economic and social well-being are substantial.

### **Proposal 2. An Integrated Planning Policy Framework**

The Property Council supports the integration of state and local planning policy with state policy setting the principles and policy framework and local policy cascading from the state policy without duplicating the state planning provisions.

The Property Council also recognises the value and importance of metropolitan planning policy such as Plan Melbourne and advocates consideration of these significant metropolitan planning policies within a balanced hierarchy of planning policy and provisions.

### **Proposal 3. Assessment Pathways for Simple Proposals**

The Property Council considers proportionality in the decision-making hierarchy is essential and supports implementation of a more streamlined assessment pathway for smaller, lower impact applications.

We also support the inclusion of VicSmart within the zones and overlays. We believe that this will better align VicSmart with specific policy and clearly articulate when VicSmart can be applied, making it a more accessible and user-friendly tool.

Performance based assessment criteria as opposed to qualitative assessment is considered appropriate for these applications. This should be a pass/fail test to ensure that assessment is consistent and avoids the opportunity for subjectivity, inconsistency and lack of clarity.

#### **Proposal 4. Smarter Planning Scheme Drafting**

The Property Council is supportive of a streamlined approach to the drafting of Planning Schemes to improve their clarity and effectiveness and to make them more 'user friendly'. We are also supportive of an online planning database which would house documents from all municipalities relevant to each Planning Scheme and the provisions therein.

However, we believe that such initiatives would benefit from additional consultation and industry input as well as regular reviews to ensure they remain relevant as the planning sphere continues to evolve.