



Planning to Prosper

Boosting productivity,
jobs and housing
supply



About the Residential Development Council

The Residential Development Council is an invitation-only leadership forum of the Property Council of Australia that brings together the country's largest residential developers.

The residential development industry is a key driver of the nation's economy. Every million dollars of construction activity creates nine full time jobs. It is the role of the Residential Development Council to steer the national conversations that influence the success of the industry: better planning for growth; smarter tax regimes; and red tape reduction.



About the Authors



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Regional Director – Urbis

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A strategist and thought leader, John concentrates on the planning phase of projects; his work, as he sees it, is to map a path for clients from the drawing board to development approval and beyond, from problems to possibilities. John is a renowned and vocal advocate of good quality urban development who applies his knowledge to his clients and through his active involvement in a range of government and peak industry activities.





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Good planning
matters to each
of us.

Foreword

As we seek to emerge from a global crisis, planning becomes a game-changer for government and industry. The total economic and jobs value of projects making their way through planning departments right now is the subject of welcome government focus on 'priority projects' around the country and more needs to be done. We must champion productive planning systems that deliver more great places to meet community needs.

More houses, more jobs and greater service and social opportunities. Faster.

Planning to Prosper presents:

- an assessment of how policies that determine the rate, type and location of housing can contribute to a **sustainable level of economic activity**;
- **planning and policy 'quick wins' for state and territory governments** to ensure housing delivery keeps pace with population growth and diversity;
- **economic impact modelling** that shows the employment, housing affordability and labour productivity benefits of these quick wins; and
- **an opportunity for government decision-makers** to become productivity champions.

The Productivity Commission's 2017 report, *Shifting the Dial*, highlighted better functioning towns and cities as a reform priority that could deliver a \$29 billion increase in Gross Domestic Product. The report recommendations on public infrastructure, planning and access to housing were no surprise to those in the residential development sector, which adds some \$136 billion to Australian economic growth each year.

Over the past decade the Residential Development Council has commissioned successive research reports that measure the economic benefits of planning reform. In 2016, one of these, Deloitte's *Federal Incentives for Housing Supply*, found that improving housing planning could deliver around \$3 billion a year in potential gains. These research reports have also laid out consistent recommendations to improve planning frameworks.

However, state and territory governments continue to underestimate the economic harm done by poor planning processes. In so doing, governments often pass over reforms allowing new housing supply to meet demand and help grow the economy. When plans are out of date, new housing hasn't been zoned, rules are complex or uncertain and assessment is slow, the result is less housing supply than Australia needs at higher prices and with fewer jobs created.

Planning to Prosper adds to the evidence that states and territories with better planning systems improve the economic output of their cities. The extensive research, inclusive stakeholder engagement and robust economic modelling underpinning this report reinforce the central place of the housing industry as an employer and wealth creator. Thanks to Urbis, *Planning to Prosper* distils the experience and expertise of those who interact with the system on a daily basis, including developers, local government officers, planning consultants, lawyers and academics to highlight potential improvements across Australia at every level.

Planning to Prosper is a reforming call to action: for Treasurers, Housing Ministers and Planning Ministers, government departments and Members of Parliament and for anyone with a role to play in responding to our growing housing needs and strengthening the Australian economy.

I commend *Planning to Prosper* to you and welcome your feedback.



Mike Zorbas

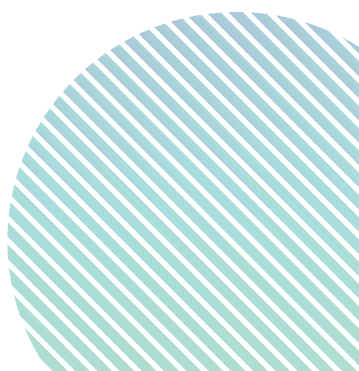
Group Executive Policy





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Executive Summary

Producing adequate housing supply and housing choice are essential to the liveability, affordability and competitiveness of Australian cities. Making a \$136 billion contribution annually and employing almost 1 million people, housing development is also a key driver of Australia's economy¹.

As the Australian economy continues to feel the effects of a global pandemic, there is a clear opportunity to support the economy through the housing sector. While government and planning departments across the country have implemented targeted fast-tracking of residential development, these measures do little to overcome the embedded inefficiencies in Australian planning systems.

In 2016, Deloitte found that improving housing planning can deliver around \$3 billion a year in potential gains². These benefits, dependent on successful reform implementation, would flow from labour market outcomes, including increased participation and improved job matching, reduced congestion and higher productivity in the construction sector.

However, the Property Council's DA Report Cards conducted in 2009, 2012 and 2015 established that state and territory governments do not fully appreciate the negative impact of poor planning processes. The DA Report Card used the Development Assessment Forum's (DAF's) Leading Practice Principles to assess the success of planning reforms. The benchmark report consistently demonstrated that the implementation of reforms to improve housing supply has been slow and inconsistent³.

The objective of this research project is to demonstrate the economic benefits that can easily be realised if state and territory governments prioritise planning improvements that will improve the productivity of the residential development sector in the short term. If each state and territory implements just one of the reforms identified in this report, each year the Australian economy has the potential to gain up to 39,200 additional jobs and \$5.7 billion in added value.

This is not to say that medium to long term reforms are not necessary, in some cases these will have an even more significant economic impact. But action is needed today.

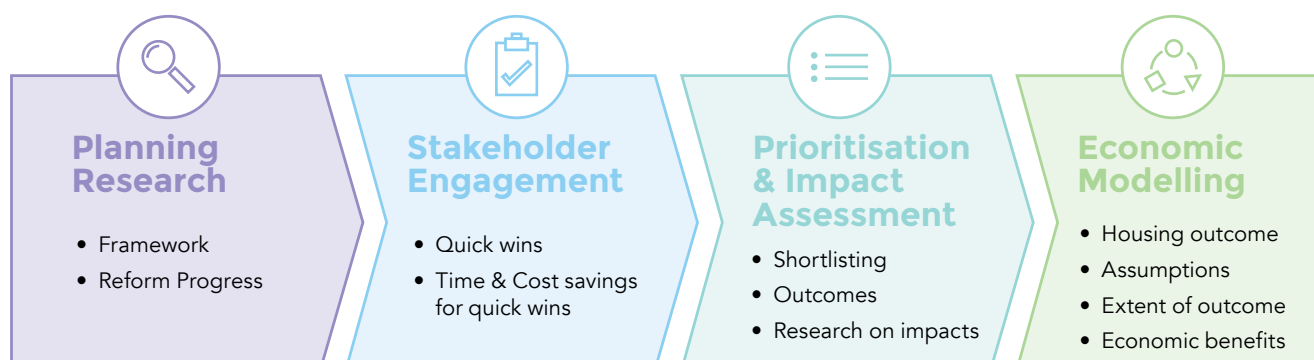
¹ AEC. 2017. *Property Industry Economic Contribution*.

² Deloitte Access Economics. 2016. *Federal incentives for Housing Supply*. www.propertycouncil.com.au

³ Macropian. 2015. *DA Report Card*. www.propertycouncil.com.au

Methodology

This report outlines progress and challenges in Australia's state and territory planning systems. It analyses the role that productive planning improvements can play in accelerating housing delivery. It also measures the significant positive economic impacts such improvements could have on each state or territory's economy.



Planning Systems

Though some progress has been made in recent years, planning systems across all states and territories are plagued by inefficiencies and uncertainties. South Australia and Tasmania, cases in point, where major reforms to their planning systems may well deliver efficiencies, but the reforms will remain unproven for some time.

Planning systems have been evaluated based on their merit and planners and stakeholders have identified high priority, high impact changes that could be delivered within the next 12 months in each state. Across Australia, simplifying approvals processes and improving transparency and certainty within planning systems are considered vital to ensure delivery of adequate future housing supply.

Quick Wins to Drive Productivity & Economic Growth

Though planning issues and proposed solutions vary across jurisdictions, three clear strategic themes emerge to reduce approvals process delays and deliver more housing.

1. Transparent process around re-zonings. These are a major pain point for delivering housing in areas close to transport where it should have the strongest benefits for liveability and urban productivity.
2. Accountability of agency referrals. These remain an issue in four different states and territories as a process that desperately needs more transparency and accountability for decision making timeframes.
3. Ensuring simple proposals undergo simple assessment processes utilising complying development and private certification pathways. These arose as clear wins for the delivery of housing, both accelerating approvals for complying dwellings, and releasing capacity within planning authorities to assess non-complying residential development.

What's a Quick Win?

A 'quick win' is defined as an actionable planning change that can be implemented within 12 months. While medium and long-term planning changes are acknowledged as necessary in some jurisdictions, this report focuses on near term changes that can help mitigate any slowdown in housing delivery at the bottom of market cycles

Identified State and Territory Quick Wins

NSW	Finalise state plan		More complying developments	Calculate contributions	Embrace technology
SA	Restore stamp duty concessions for off the plan development	Simplify the rezoning process	Increase scope of CAT 1 Development (more complying)	Amalgamate Councils	
WA	Clarify role of structure plans	Expand role of DA Panels	Broaden scope of private certifiers	Implement the design review guide	
ACT		Broaden scope of private certifiers	More exempt or code tracked developments	Improve efficiencies in planning policy amendments	Performance of the National Capital Design Review Panel
VIC		Commit to increasing delivery of greenfield lots	Introduce complying development/code based assessments	Provide financial incentives to local governments to encourage performance	Restore stamp duty concessions for off the plan development
TAS	Rationalise the agency referrals process	Statutory approval time frames for engineering	Support development of Glenorchy to Hobart corridor		
NT		Technical guidelines for performance based assessment	Prioritise infrastructure planning and development	Increase density and diversity in high amenity areas	
QLD	Streamlining & consistency in environmental policies	Abandon Brisbane's Town House Ban	Revise infrastructure agreement process	Adopt the state wide housing code	Support the growth monitoring program

Benefit Summary

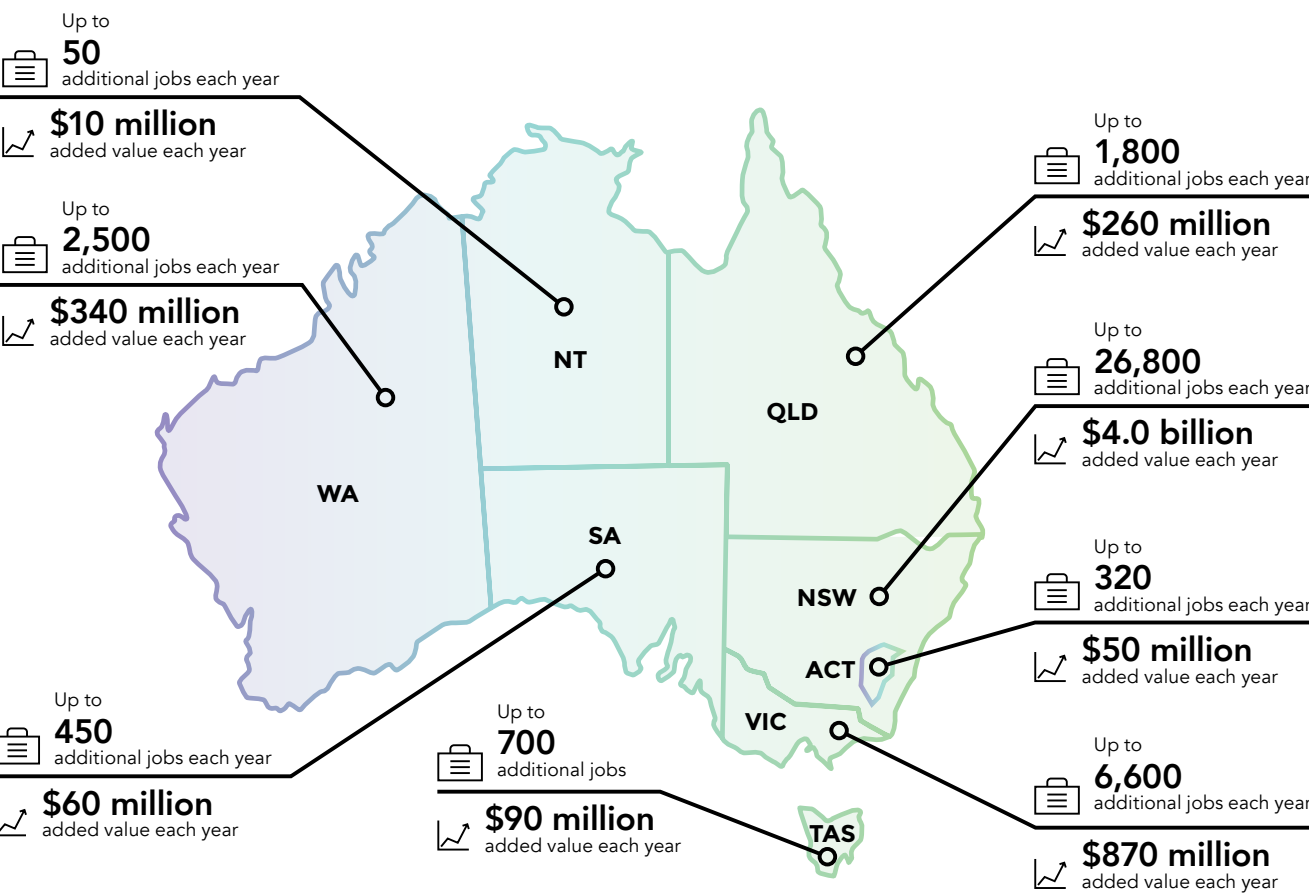
If each state and territory government can deliver their identified quick wins this will immediately boost the number of homes built and shorter timeframes for delivery of these dwellings. This would result in significant benefits to the economy, including more jobs and gross value added (GVA), better housing affordability, and increased labour productivity as a result of agglomeration (population density in key centres increasing productivity of resident workers).

This paper quantifies these economic impacts through impact modelling of each of the identified quick wins. Not all of these economic impacts will apply to each of the quick wins and it should be noted that the economic impacts described in this report should not be cumulatively totalled. Note also that state and local government taxes and charges comprise roughly a quarter of the cost of each new home built around the country.

The graphic below shows the additional jobs and GVA that could be achieved in each year through the proposed quick wins in each state and territory. As the benefits of each quick win should not be cumulatively totalled, the graphic shows the maximum potential jobs and GVA from a single quick win in each state and territory.

If each state and territory implements just one of the reforms identified in this report, each year the Australian economy has the potential to gain up to 39,200 additional jobs and \$5.7 billion in added value.

Estimated Potential Jobs and Economic Value Added



In addition to the economic benefits of better delivery of housing, our research identifies the following additional and broader imperatives in each state and territory planning process:



Integration of Economic & Spatial Planning

Housing policy and local planning and economic strategies need to be better integrated and include productivity and place competitiveness as clear objects.



Planning Culture

We need to support a culture around planning as a way to facilitate positive development and social outcomes, not as a mechanism by which to stifle growth.



Education & Outreach

We must educate the community on why we need to plan for the future and why the shape of our cities must evolve to meet the needs of the population.



Resourcing

We need to support the capability of planners, government officers and decision makers through investment in tertiary and continuing education programs, to recruit, educate and inspire the next generation of planning leadership.

Call to Action

A significant body of research in the last five years has laid the groundwork for change, highlighting the economic benefits that can be achieved through reforms to the planning systems across Australia.

However, the implementation of reforms to improve housing supply to date have been slow and inconsistent. State and territory governments do not fully appreciate the cost of poor planning processes (reduced productivity growth, gross state product, direct jobs and flow on demand) and, as such, fail to prioritise much needed actions to improve the rate of housing supply.

This research paper arms key decision makers and stakeholders with the economic evidence to push for concrete action. The identified reforms to planning systems across Australia are not only quick to enact, but will have powerful effects on jobs, economic value, labour productivity and housing affordability.





Why Housing?

Sustainable, effective delivery of housing must be a national priority.

Housing supply and housing choice are essential to support the liveability and competitiveness of Australia's growing cities.

Improving housing planning is both a social and quality of life opportunity, and a key contributor to our productive economic infrastructure. The residential development sector employs nearly 1 million workers, completes more than 200,000 homes a year during cycle peaks and contributes \$136 billion to the Australian economy annually ⁷.

Policymakers have long understood the relationship between housing and the economy through the multiplier effects of housing investment on national income and employment. Parliaments also rely heavily on housing as the taxation bedrock of state and territory budgets.

Conversations and policy initiatives around housing supply often focus on enabling investment and access. However, housing supply is often overlooked in macroeconomic models of productivity.

As we seek to emerge from a global economic crisis, with high unemployment and low investment in the Australian economy, it is as important now as ever to realise the potential gains of improving housing supply. Government and planning departments across the country have implemented various short-term boosts to the housing sector, but the long-standing inefficiencies of these systems need to be addressed.

Inefficiencies in the planning system are both harmful to the development and construction industry and damaging to the supply of enough new homes to keep downward pressure on prices. Low and slow supply strikes at the heart of the liveability and economic performance of our states and territories.

This report seeks to better understand the economic benefits of planning policy and targeted housing supply.

⁷ AEC. 2017. *Property Industry Economic Contribution*

Housing Challenges in Australia

In the decade between 2008 and 2018 Australia's population increased by 17% (3.7M people), with New South Wales and Victoria accounting for 61% of total national growth. Net overseas migration is responsible for most of the population increase, driven by Melbourne and Sydney's attractiveness as global cities. Keeping up with this population growth has spurred tremendous activity in the residential sector. In 2018, the development and construction industries completed 220,349 dwellings ⁸.

Our policy and planning framework around housing must meet the needs of our current growth and be productive and innovative enough to provide housing for growing future generations and the changing ways they might live.

This also means considering our aging population, the rise of co-living and adapting to the sharing economy. We must therefore make room in our planning framework for innovative projects that might not fit the existing regulations around product types and densities.

A more flexible and adaptable system that supports a more diverse array of housing types will also better enable the market to cope with any future shocks to the economy.

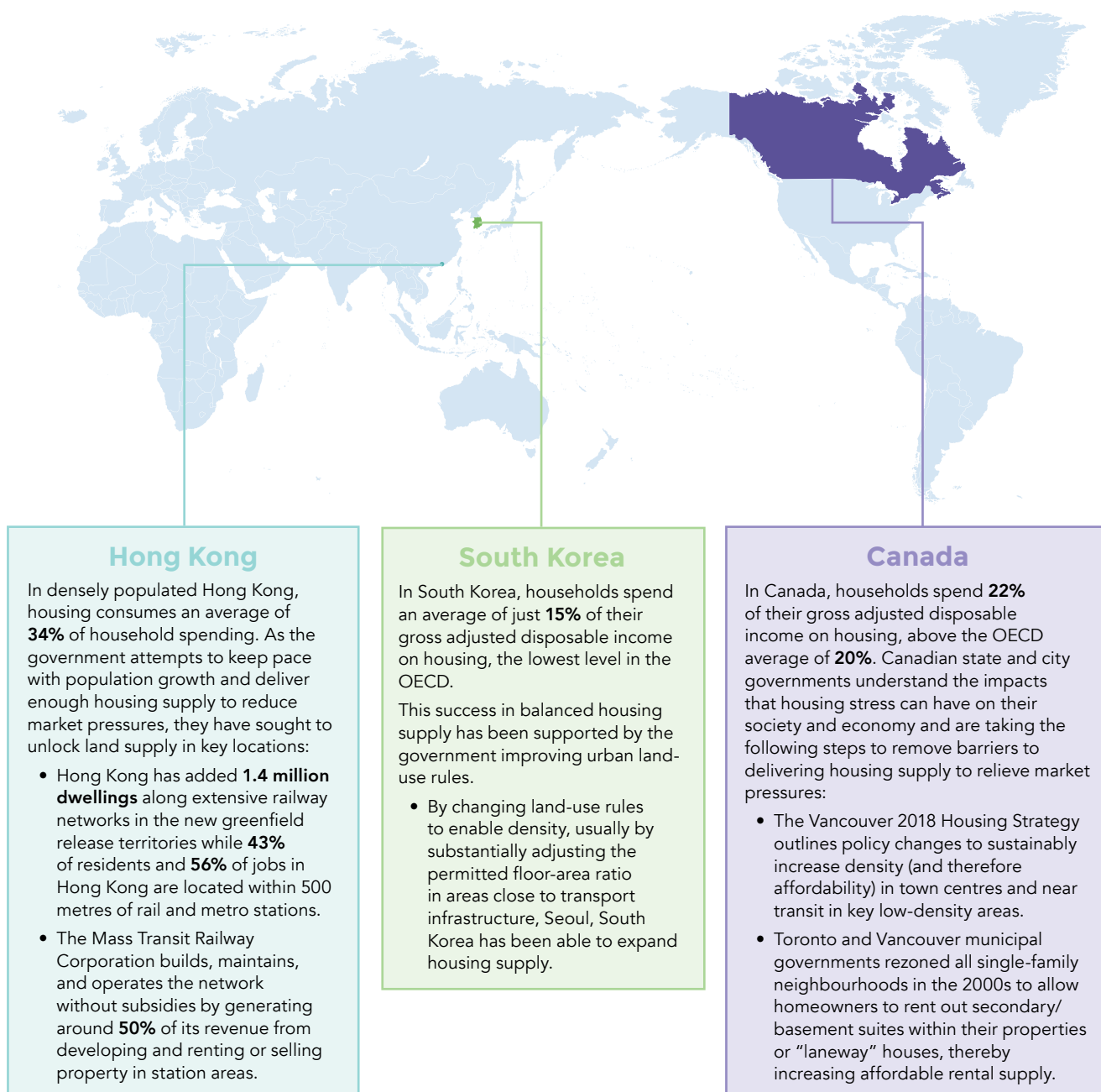
⁸ REMPLAN Economy. 2019.

Who Does It Well?

The global challenge: Take all the world's housing units from the past 6,000 years, and now build them again by 2030.

Global population growth and the increasing rate at which societies are urbanising presents a monumental challenge to all major cities around the world. The growth of urban populations is happening at a rate many times faster than the capacity to plan, build and manage urban settlements to meet demand.

In Australia, we can look to the following global case studies to understand key challenges and responsive housing policies.



Source: OECD Better life Index, South China Morning Post, Urbis

The Research Process



Stakeholder Engagement

The research team facilitated stakeholder workshops in each state and territory to support the distillation of the policy quick wins and their potential benefits.

The workshops included industry experts, large and small development firms, local and state government officials, think tanks and consulting firms. These participants helped explore key challenges within the planning framework, highest priority planning actions and their potential implementation and impact.

Over the first half of 2019, eight workshops hosted 105 attendees who generated a long list of 116 potential actions.

Planning Research

Planning experts from each state analysed the existing planning systems in each state and territory, exploring key challenges, planning priorities and reforms currently in progress. The following framework guided the analysis for each state. In this way, issues and wins across states and territories with diverse planning systems and individual policies could be compared effectively.



Economic Benefit Analysis

Economic impact modelling was undertaken for each of the priority quick wins derived from stakeholder workshops and interviews to understand the impacts each action would have on the quantity of housing supply delivered, delivery timeframes, and impact of homes consequently constructed on each state and territory's economy.

If each state and territory deliver the quick wins identified in the following pages, more homes can be built faster in Australia. This will produce the following key economic benefits:

1. **More jobs:** An increase in dwelling approvals and completions will spur a greater need for workers in the construction and development sectors each year (based on REMPLAN input output modelling and an average construction spend per dwelling).
2. **Gross Value Added (GVA):** Higher output in the construction and development sector will also result in more value added to the economy by these industries (based on REMPLAN input output modelling and an average construction spend per dwelling).
3. **Housing Affordability:** Time saved in the application and assessment process for each new dwelling will reduce the amount of time a landowner must hold land without return. Foregone holding costs for the developer will flow through to lower prices for the final homeowner.
4. **Labour Productivity (Agglomeration):** The delivery of housing in targeted areas will result in agglomeration benefits – where grouping of the population in density around strategic and productive centres will improve the productivity of resident workers in these areas.

The impacts have been quantified for each of the identified priority actions.

Driving modelling assumptions include:

- Subject matter expert inputs on potential time savings of proposed changes;
- Developer holding costs saved due to time savings;
- Analysis of potential additional dwellings based on time savings, reduced project risk, and potential for projects that would not go forward but for the action; and
- The current delivery status of State Plans and the potential for additional housing per year within these planned precincts.

Not all of these economic benefits will apply to each of the priority actions.

It is important to note that the economic benefits described in this section are not additive, meaning that delivery of all of these actions are not expected to result in the sum total of economic impacts shown here.

It is also worth noting that if the priority actions are not delivered as outlined in this document, outcomes in terms of additional dwellings, time savings and economic impact will be different.

These outcomes are dependent on the quality of new planning reforms and tools and unconstrained adoption of changes by market participants. Market factors will also impact the total number of homes delivered.

Beneficial Housing Outcomes

Planning actions should seek to address not only the overall quantity of housing delivered, but also the timeliness, diversity, and affordability of that housing.

Further, targeted policy to ensure housing is delivered in the right areas that have good access to amenity and employment will help enhance overall liveability in Australia.



Housing Supply



Economic principles and the market experience across Australian growth corridors in the last few decades indicate that increasing the supply of housing will reduce pressure on housing prices and enhance affordability. Failing to deliver enough dwellings to house our growing population will have the opposite effect.



Timeliness



Delays in the planning system harm the market's ability to respond effectively to supply and demand fluctuations and consume precious resources that drive up the cost of housing. An efficient system that can respond quickly to changing housing needs and process planning applications within reasonable timeframes will deliver housing faster.



Diversity



As Australia's population becomes more diverse and as the baby boomer generation ages, the housing typologies of the past will not meet the new demographic needs. Providing an appropriate diversity of dwellings (including providing for an increasing number of single person and couple without children households) must be an essential consideration of new housing policies and reforms.



Liveability



Land release and subsequent housing delivery in the right areas with good access to employment and amenities make cities more liveable and more productive. Density also saves on infrastructure costs per capita.

The Federal Government Can Inspire & Circuit-Break



Planning productivity matters and we need more government champions for it.

Inefficiencies in state and territory planning systems hurt the quantity, timeliness, diversity and affordability of housing.

The damage to Australia's liveability and economy can be measured in billions of dollars each year.

The economic evidence shows that the expert-led planning quick wins in Planning to Prosper, will produce more housing supply and support affordability, create thousands of new construction jobs and deliver broader economic activity as our cities continue to grow.

More efficient planning systems will ensure continued delivery of housing that keeps pace with population growth and contributes to a healthy and sustainable level of economic activity regardless of the supply cycle.

However, reform is often challenging regardless of the benefits in prospect. Sometimes state and territory governments need external circuit breakers to kick start reform.

Federal government incentives have previously been successful in encouraging reform. National Competition Policy and Asset Recycling are well regarded examples of productivity incentives.

Analysis undertaken for the Property Council in 2016 by Professor Ian Harper and Deloitte Access Economics showed that using financial incentives to tackle housing supply would have GDP benefits in the order of \$3 billion every year.

Such an incentive model would be similar in principle to that adopted under the National Competition Policy (NCP) reforms of the late 1990s and early 2000s in which the federal government made payments to the States for measurable progress against certain reforms recommended by the *Hilmer Review*.

An incentive framework leveraging incentives to states and territories into billions of dollars of economic output has the potential to drive concrete changes in the short term.

More productive planning systems will also uplift delivery of housing to keep pace with population.

In addition to supporting the priority actions, we note the ongoing need to support the integration of economic planning and housing policy as two frameworks that are necessarily intertwined. We also acknowledge that these actions must be supported by adequate resources and education within the relevant planning bodies.

Finally, together, we must continue to educate community stakeholders on the need for planning and policy to support increased housing supply as a way to preserve quality of life, equality of opportunity, liveability and dignified ageing in place for everyone in our great Australian cities.



An aerial photograph of Sydney, Australia, showing the city skyline in the background and a large rail yard in the foreground. A large teal circle is overlaid on the center of the image, containing the title text. In the top right corner, there is a decorative graphic of diagonal teal and white stripes.

New South Wales

Planning
Quick Wins

The Planning Context

				
74,796	\$35.3B	61,980	8.13 million	985,000
Housing Completions	2017 Contribution to State GDP	Jobs in Residential Building Construction	Residents in 2019	Dwellings
(2018)	(3.1% of total output)	(1.8% of Total Employment 2018)	(65% in Greater Sydney)	Needed by 2036

Source: Australian Bureau of Statistics; REMPLAN Economy

Though some progress has been made, New South Wales remains the most complex planning and approvals system in Australia, plagued by inefficiencies and questions around implementation of the established strategic vision.

Progress in New South Wales

In the last five years, the NSW Government has made significant progress:

- NSW has established the Greater Sydney Commission and the regional and district plans, effectively setting a vision for a quickly-evolving Sydney Metropolitan area and state overall.
- Independent assessment panels for state significant developments has been a win for the development approvals process.
- E-planning capacity being expanded by the NSW Department of Planning, Industry and Environment.

The NSW Government has also committed to streamlining the approval process by introducing the following:

- A best practice guide on assessment timeframes for LGAs
- Reducing state assessment timeframes
- Increasing complying development opportunities
- New frameworks for concurrences and referrals
- Independent assessment panels to all councils
- A renewed focus on productivity improvements, led by the NSW Productivity Commissioner, including reforms to the planning and contributions system

Challenges Ahead and Opportunities

In late 2019, Premier Berejiklian announced the NSW Government would focus on key reforms to the NSW planning system in 2020. This included reforms to the infrastructure contributions system and continuing the implementation of eplanning. The substance and extent of these reforms is yet

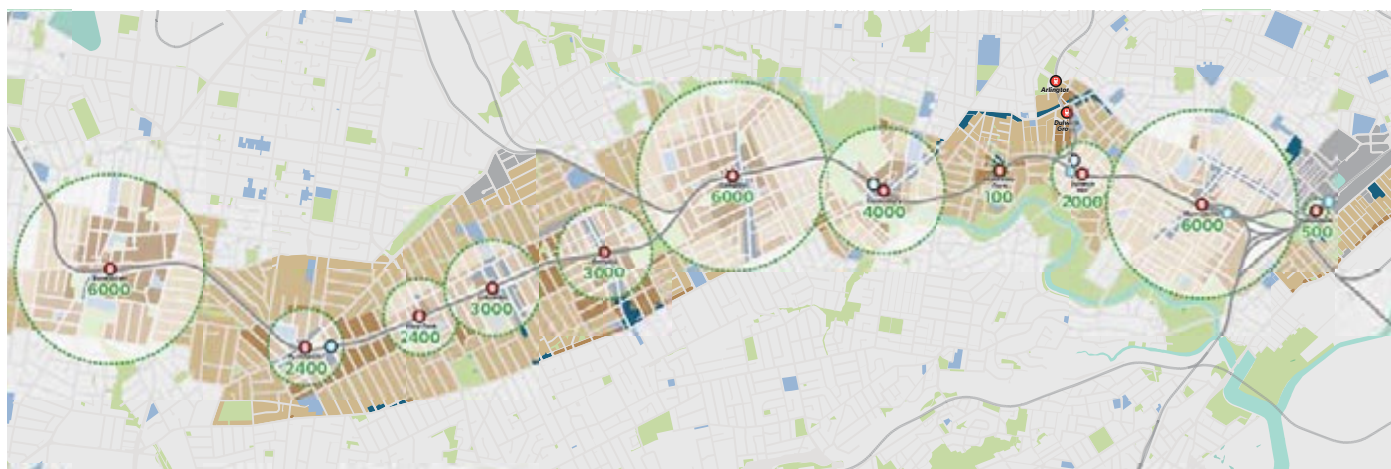
to be determined and further development of these plans is expected in 2020.

The NSW Government has confirmed changes to planned precincts across Sydney. Four new pathways; Strategic Planning, Collaborative Planning, State-led Rezoning and Council-led Rezoning, have been developed to overcome the delays and obstacles with the current arrangements. This new system is yet to be fully implemented and its effectiveness is still unknown.

The successful implementation of the strategic vision established in the Greater Sydney Commission's Greater Sydney Region and District Plans will be determined through the update of Local Environment Plans (LEP) by Councils over the next year. Local Strategic Planning Statements that will inform these updates are required to be finalised by March 31, 2020.

Despite significant progress in NSW, several challenges remain to increasing housing supply.

- Uncertainty about councils' **ability to effectively execute on the State's strategic vision**
- The poor **quality of some strategic statements** concerns the development community and creates ambiguity about the future of individual project sites.
- Ambiguity in strategic outlook in some Local Government Areas has resulted in **delays finalising some precinct and corridor plans**, such as Sydenham to Bankstown or the Parramatta Light Rail Corridor. This uncertainty creates additional project risk and forces developers to submit site-specific rezonings for projects to proceed before a corridor plan is finalised, adding to project cost and lengthening project timelines.
- **Ineffective rezoning process** with long timeframes, a convoluted process and a lack of strategic foresight at a local level. This means a lack of transparency and certainty for the community and the industry.



Sydney to Bankstown corridor plan housing targets.

	Key Legislation	What Works Well?	What are the Problems?
Strategic Direction	<p>NSW Housing Affordability Package (2017)</p> <ul style="list-style-type: none"> Premier's Priority 61,000 dwellings/ year through streamlined approvals process & accelerated rezoning <p>GSC Region Plan and NSW Regional Plans: set the 20-year vision to plan for housing, jobs, infrastructure and environment.</p>	<ul style="list-style-type: none"> Strong commitment to boosting supply and clear guidance for policy makers regarding housing need. Regional plans clearly articulate where new growth can occur and the policy measures to protect land (e.g. protection of rural lands) Recent changes to state legislation set a framework for plan making to reflect the strategic vision, which gives veracity to the housing supply goals. 	<ul style="list-style-type: none"> Political decisions and change of government can lead to change in approach and funding, evident in 2019 where policies aimed at increasing supply (e.g. The Missing Middle) have been deferred to appease local politics
Plan Making	<p>NSW Environmental Planning and Assessment Act establishes:</p> <ol style="list-style-type: none"> Regional and District Plans State Environment Planning Policies (SEPPs) Local Environment Planning Policies <p>Precinct Plans</p>	<ul style="list-style-type: none"> SEPPs have provided clear guidance and have aided in the delivery of targeted outcomes. Complying Development Certification enables fast track development for single dwellings without being delayed by the development application process. State Significant Development panel approvals provide certainty compared to approvals at the LGA level. Precinct Plans are most effective when State-initiated rezoning is implemented Provides housing opportunity in locations with high quality infrastructure (i.e. transport) 	<ul style="list-style-type: none"> The Apartment Design Guide lacks clarity on interpretation and implementation and can limit innovation Outdated SEPPs require review Some Councils have been granted a deferral to the 'Missing Middle', the legislation that gives permission to subdivide and redevelop lots into terraces/dual occupancies. Action on precinct plans is slowed down by local politics, especially when local councils have role of implementation (lengthy delays and changes in outcome).
Development Approvals	<p>NSW Environmental Planning and Assessment Act</p>	<ul style="list-style-type: none"> Independent Planning panels provide a level of consistent approach to decision making. E-lodgement opportunities. NSW Government has introduced a best practice guide on assessment timeframes for LGAs. 	<ul style="list-style-type: none"> Prolonged development assessment timeframes Substantial reports and supporting documents for DAs with no consistency across councils Shortage of planning staff and resources in councils Substantial delays in court appeals process
Contributions	<ol style="list-style-type: none"> Local Infrastructure contributions (flat rate or proportioned) Voluntary Planning Agreements (VPA) Special Infrastructure Contributions (SIC) 	<ul style="list-style-type: none"> Provision of adequate infrastructure in areas of housing growth. Opportunity for voluntary planning agreements (VPAs) can provide flexibility. A State-wide guideline for Voluntary Contribution Plans is being undertaken and yet to be finalised. 	<ul style="list-style-type: none"> Delays in preparation of draft SIC plans for planned precincts creates uncertainty for development feasibility. Layering of contributions and lack of coordinated approach impacts feasibility and subsequent delivery of supply Inconsistency in application and approach

Quick Win 1

Finalise state plans

What's the issue?

According to the Greater Sydney Commission (GSC), Sydney needs 725,000 more homes by 2036 to meet the population growth we are likely to experience. To meet this challenge more than 40,000 new homes need to be delivered each year. Government needs to keep a clear focus on ensuring housing is being delivered at the necessary rate.

Meeting Sydney's housing challenge is not just about meeting the overall target. It is about putting the right type and number of homes in the right locations in the timeliest manner possible.

This means we need the right policy and plans in place to guide development in Planned Precincts, Growth Corridors and through Code Assessment.

Local Strategic Planning Statements also need to be high quality and comprehensive documents that set a 20 year vision for managing and supporting growth in local areas.

In recent times, policy changes, local politics and a lack of policy focus on housing has put housing supply and more affordable homes at risk.

How do we fix it?

Finalise and implement State Plans and Policies that ensure appropriate local zoning, deliver infrastructure and ensure a diverse supply of housing.

Key policies and plans include:

- The Missing Middle
- Planned Precincts and Growth Areas
- Corridor Plans
- Quality, targeted, Local Strategic Planning Statements

What are the benefits?

Increased development reflecting strategic state plans across the Sydney Metropolitan area will enhance the liveability and affordability of housing.



Quantity

Planned Precincts and Growth Areas alone can provide over 300,000 additional dwellings. If plans for these precincts are finalised, this could deliver up to an additional **10,570 dwellings per year** in targeted, well serviced locations across the state.



Timeliness

Implementing these policies and plans will improve certainty and transparency for both the community and industry and reduce project risk in these high investment areas.



Affordability

Potential to provide a diverse supply of housing in priority areas, close to transport, infrastructure and services.



Liveability

Improve the quality of life for residents through delivering housing well-serviced by transport infrastructure - shortening commute times, green space and community services.



Diversity

By implementing the "Missing Middle" policy, it will support increased supply of medium density housing appropriate for NSW's changing demographics and provide a more affordable option for first home buyers.



Big Economic Impacts

These policy changes will result in more jobs, a boost to economic growth and increased productivity.



Jobs

↑ **26,800**
ongoing jobs per year



GVA

↑ **\$3.96B**
gross value added per annum

Labour Productivity

↑ **\$95 million**
gross value added per annum

Quick Win 2

Relook at rezonings

What's the issue?

New South Wales is growing.

By 2050 Sydney's population will be about 8 million and growing. To ensure it is a great global city we need to focus on managing that success by dealing with unaffordability and congestion, deliver the Greater Sydney Commission's 30-minute, polycentric vision and improve amenity and liveability by focusing on creating great places.

This can sometimes mean changing the way land in strategic locations is zoned. While the strategic vision of local areas is being finalised, industry still requires an efficient pathway to realise a change in land use to meet the changing social and economic needs of a community.

Long timeframes, a convoluted process and a lack of strategic foresight at a local level all make the rezoning process unwieldy and ineffective. This means a lack of transparency for the community and a lack of certainty for industry.

How do we fix it?

Implement a more streamlined rezoning process that is implemented consistently across councils, mirroring the efficiency of state led rezoning processes.

Clear and consistent guidelines for rezoning land must be set as a part of this process including timeframes for approval that planning authorities are held to. If a timeframe for approval lapses, then "deemed approval" should apply.

What are the benefits?

An efficient and consistent rezoning process will greatly improve the certainty of outcomes, reduce approval timeframes, and help increase overall dwelling supply.



Quantity

Reforming the rezoning process could deliver up to an additional 6,336 dwellings per year.



Timeliness

It would shorten the application and assessment timeframe by up to 10 weeks per dwelling.



Affordability

It would result in savings of \$2,222 per household, \$46 million in house price savings across the market per year.



Liveability

By building residential where it is needed most, residents have better access to jobs, education, transport and essential services.



Big Economic Impacts

Relooking at the rezoning process will result in more jobs and greater economic growth.

In addition to jobs, GVA and housing affordability benefits, this action would help to:

- Improve certainty of development outcomes, attracting more investment in the property sector
- Ensure cohesive land use planning across large-scale rezoned precincts, and successfully deliver density around centres and transport nodes



Jobs



16,071

ongoing jobs per year



GVA



\$2.374 billion

gross value added per annum

Quick Win 3

Deliver diverse housing more easily

What's the issue?

Complying development means a greater supply of diverse, more affordable housing.

It means development that can move more easily through the planning system as it meets already agreed stringent standards and local council zoning requirements which means high quality development in the right places.

It means a range of quality affordable homes can be assessed as complying development as long as they meet specific design standards, saving time and money for homeowners.

Currently, simple projects that are compliant with planning and building requirements are stuck in the planning system and key complying development codes have been deferred.

How do we fix it?

Increase the effect and coverage of complying development pathway as an alternative to development applications.

In 2017-2018, the latest year for which data is available, roughly 30% of development approvals in NSW qualified as exempt and complying developments. A higher percentage of applications going through a complying development pathway would improve certainty of outcomes, reduce approval timeframes, and deliver more affordable, diverse homes.



CASE STUDY:

The Queensland Code Assessable Pathway, which took effect in mid-2017, simplified the approvals process for compliant development applications. From January to June 2018, 78% of development applications in Brisbane City Council fell under the code assessable pathway.

What are the benefits?

Increased development reflecting strategic state plans across the Sydney Metropolitan Area will enhance the liveability and affordability of housing.



Quantity

If the complying development pathway in NSW had the same effect and coverage as the equivalent pathway currently has in Queensland, this could deliver up to an additional 570 dwellings per year.



Timeliness

Increase the coverage of exempt and complying development to shorten the application and assessment timeframe by up to 7 weeks per dwelling.



Affordability

Potential savings of \$7,287 per household, \$213 million in house price savings across the market per year.



Big Economic Impacts

Delivering diverse housing more easily will mean more jobs and increased economic growth

In addition to jobs, GVA and housing affordability benefits, this action would help to:

- Improve the certainty of development outcomes
- Allow planning authority resources to be re-allocated away from small developments to the delivery of more complex, city-shaping projects.



Jobs



1,450

ongoing jobs per year



GVA



\$213 million

gross value added per annum

Quick Win 4

Calculate contributions

What's the issue?

New South Wales' tax environment heavily influences our attractiveness as an investment destination.

Not only does NSW compete for capital with other Australian states and cities, the State increasingly competes with international jurisdictions as part of the global economy.

Currently the contributions regime is spread across legislation, regulations, orders, determinations, directions, practice notes, circulars and local contribution plans.

The current calculation and application of state and local development contributions is inconsistent and unsustainable and undermines our State's competitiveness as an investment destination.

It means we have a layer cake effect of taxes and charges on development that undermines project feasibility, adds to the cost of housing and doesn't necessarily lead to better infrastructure for the community.

How do we fix it?

Improve clarity and consistency of the total development contributions that apply to developments by publishing a Development Contributions Calculator.

1. Improve upfront transparency of fees
2. State and local entities must holistically consider the impacts of various contributions on overall feasibility in an area and to finalise these contributions as soon as possible, especially:
 - a) draft special infrastructure contribution amounts for Growth Areas
 - b) potential SEPP 70 affordable housing requirements.

What are the benefits?

Transparency of development contributions will provide certainty on project costs, lower costs on homes and make NSW a more attractive State for investment. This would create efficiencies throughout the planning process by creating a single point of reference for the multiple parties that contribute to the preparation and assessment of an application.



Quantity

Up to an additional 520 dwellings per year



Timeliness

Shorten the application and assessment timeframe by up to 12 weeks per dwelling.



Affordability

Potential savings of \$2,980 per household, \$194 million in house price savings across the market per year.



Big Economic Impacts

Calculating contributions will increase jobs and increase economic growth.



Jobs

↑ **1,310**
ongoing jobs per year



GVA

↑ **\$194 million**
gross value added per annum

Quick Win 5

Embrace technology

What's the issue?

Technology has changed the way we socialise, our healthcare system, the way we communicate and the way we travel – it should also be used to change our planning system.

Technology must be used to drive change in the planning system and in lodgement, assessment, and consultation processes.

Existing powerful technology that could streamline these processes isn't currently being used and if embraced, could result in big benefits for the community, government and industry.

How do we fix it?

Continue to implement the e-lodgement system across all councils and continue to advance the way that technology is applied in the assessment and consultation process.

- With the e-lodgement system being rolled out to all councils, the Department of Planning Industry and Environment needs to ensure that sufficient guidance is provided and rigour is in place around processes and timelines.
- 3D modelling and online consultations can also be adapted so the community can better understand the impact of proposed developments and the potential cumulative effect of all proposed developments in an area or precinct.



CASE STUDY:

The City of Adelaide has a 3D model for the entire Metropolitan area (3D Adelaide) publicly available for use by planners, developers, etc. in understanding and communicating the impacts new development could have on the existing fabric of the city. 3D Adelaide offers dynamic concept modelling for buildings, infrastructure and projects, which will be used to strengthen strategic planning, pre-lodgement case management, development assessment and transport planning outcomes. 3D Adelaide forms part of a three year collaborative project with AEROMETREX and Urban Circus, using the best available 3D mapping and data capture technology to produce highly detailed mappings of the Metropolitan area with verifiable overlays.

What are the benefits?

Planners, planning authorities, industry and mum and dad renovators across NSW will save on time, will save money and the community will have a clearer idea of the development that will occur in their community.



Quantity

Up to an additional 50 dwellings per year will be delivered.



Timeliness

Shorten the application and assessment timeframe by up to 1 week per dwelling.



Affordability

Potential savings of \$260 per household, \$17 million in house price savings across the market per year.



Big Economic Impacts

Embracing technology will add jobs and boost economic growth.



Jobs

↑ 114

ongoing jobs per year



GVA

↑

\$17 million

gross value added per annum

An aerial photograph of the Chicago skyline, showing the city's skyscrapers and the surrounding greenery of Lake Michigan. A large, semi-transparent teal circle is centered over the image, containing the title text. In the top right corner, there is a decorative graphic of diagonal teal and white stripes. In the bottom left corner, there are a few small teal diagonal lines.

Victoria

Planning Quick Wins

The Planning Context



Source: Australian Bureau of Statistics; REMPLAN Economy

In recent years, the Victorian Government has focussed on delivering transport and community infrastructure projects, partly to address the impacts of the state's strong population growth. The issue of housing affordability is intertwined in the population growth story. There has been a recognition at state and local government level that more needs to be done to increase the supply of housing and access to it. The planning system represents a constraint to housing affordability as well as an opportunity for improving it.

Progress in Victoria

During the last four years, the Victorian Government has undertaken an ambitious reform agenda to improve housing supply and affordability across the state. The following examples provide a snapshot of the extent of reform:

- The creation of the **Department of Jobs, Precincts and Regions** (December 2018). The Priority Precincts portfolio will view the Government's ambitious infrastructure agenda through a land use lens and lead the development of identified priority precincts (e.g. Fishermans Bend and Arden). The portfolio is working with other Departments and agencies to ensure that Government projects in these precincts are delivered in an effective and coordinated manner.
- The establishment of the **Victorian Planning Authority** (via the VPA Act 2017). The VPA plans strategically important precincts in Melbourne, key growth areas, and regional cities with the priority of facilitating housing and jobs growth. While its growth areas task is well understood, its role in inner and middle ring areas is not always understood by other stakeholders.
- Release of **Plan Melbourne 2017-2050** (March 2017). Victoria's blueprint for the sustainable growth and development provides high level guidance on where and how housing should be delivered throughout the state. A 2019 addendum was issued in February 2020, which updated key aspects of the strategy, including revised sub-region employment forecasts, inclusion of Government transport projects in the Melbourne 2050 Spatial Framework (e.g. the Suburban Rail Loop), and recognition of Melbourne's network of Priority Precincts.

- Reforms to Victoria's **residential planning zones** (March 2017). While the full impacts of these changes have not yet been quantified, it is understood that housing capacity has been increased in previously 'locked down' areas, whereas some new additions (e.g. the calculation of 'garden area') have created uncertainty amongst council planners and developers.
- Release of the **Homes for Victorians strategy** (March 2017). A whole of government strategy to improve housing affordability for Victorians and increase the supply of housing (both private sector and social housing). Initiatives include:
 - ◊ Increasing land supply in Melbourne's growth areas by adding 100,000 extra lots of zoned land (100,000 goal completed in early 2019).
 - ◊ Administering the Streamlining for Growth grants program to accelerate the planning and approvals process in both metropolitan and regional areas.
 - ◊ Amending the Planning & Environment Act 1987 to include a definition for affordable housing, and releasing a Ministerial Notice that outlines considerations for voluntary affordable housing agreements.
- Introduction of **Better Apartments Design Standards** (December 2016). A suite of planning controls were introduced to improve the amenity and longevity of apartment buildings in Victoria.

The Government and its agencies continue to undertake a number of long-term planning projects:

- Planning for major urban renewal areas in Melbourne's Central City (e.g. Fishermans Bend Urban Renewal Area and the Arden Precinct) and suburbs (e.g. the National Employment and Innovation Clusters).
- Planning for 50,000 additional lots in Melbourne's growth areas (12 new suburbs).
- Rollout of the Smart Planning Program to improve the performance of the planning system and reduce inefficiencies (VicSmart)
- Review by the Red Tape Commissioner of the State and local government processes surrounding building and planning approvals, and early building works infrastructure approvals and to identify opportunities to streamline processes and reduce delays.

Challenges Ahead

The Government's sweeping planning and housing reform agenda has naturally created uncertainty as programs are established, new governance arrangements are set up, and recently introduced controls and regulations are clarified or revised. A number of challenges remain to increasing the supply of housing, outlined below.

- **The success of many of Plan Melbourne's housing related actions will rely on strong state government leadership and local government decision-makers** willing to make potentially unpopular decisions within their local communities (e.g. accommodating additional residents and supporting dwelling intensification in established suburbs).
- While steps have been taken to clarify how voluntary affordable housing agreements should be struck between councils and landowners/developers, there is still much **uncertainty around how affordable dwellings should be delivered and what value uplift may be available.**

- **The time needed to produce Precinct Structure Plans for new suburbs on Melbourne's fringe continues to extend as the documents become lengthier and more complex.**
- **As urban renewal in middle ring areas becomes even more important, the process to undertake a land rezoning is becoming more resource intensive and complex.** No fast track process exists for significant sites and landowners rely on ministerial intervention if councils reject the proposal.

Solving issues such as these will be a challenge for those working within the Victorian planning system. Solutions may involve changes to governance and decision-making frameworks; effectively balancing the benefits of a fulsome consultation process versus a fast-track process; and stakeholders having a clear and realistic expectation of what information is required of applicants in order to make informed and timely planning decisions.

	Key Legislation	What Works Well?	What are the Problems?
Strategic Direction	<ul style="list-style-type: none"> • Planning & Environment Act 1987 (P&E Act) • Homes for Victorians strategy (2017), led by the Treasurer • Plan Melbourne 2017-2050 • Regional Growth Plans and Regional Partnerships 	<ul style="list-style-type: none"> • Strong commitment to increasing housing supply, including social and affordable housing • Long-term strategy to direct the growth of Melbourne (sub-region approach) • Overarching housing strategy • Recent change to P&E Act provides a definition for affordable housing (supported by a Ministerial Notice and GIC Order) 	<ul style="list-style-type: none"> • Political decisions and change of government can lead to change in approach and funding, although Plan Melbourne is broadly bi-partisan. • Timelines for Plan Melbourne actions are vague. • No long-term transport strategy/plan for Melbourne to complement land use planning initiatives.
Plan Making	<p>P&E Act establishes the framework for:</p> <ul style="list-style-type: none"> • Preparation of Growth Corridor Plans and Precinct Structure Plans in Melbourne's Growth Areas – VPA. • Development of Framework Plans and Structure Plans for metro areas identified for growth (e.g. NEICs, Health & Education Precincts,) – Councils and VPA. • VPA Act 2017 establishes the VPA's mandate to work on strategic projects throughout Victoria. 	<ul style="list-style-type: none"> • PSP program has delivered affordable lots in Melbourne's growth areas and provides a reasonably certain development pathway. • Activity centre designation helps to deliver housing opportunities in locations with high quality infrastructure (e.g. in proximity to a train station). • VPA involvement in middle ring areas helps to expedite rezoning processes and better coordinate state level infrastructure provision. 	<ul style="list-style-type: none"> • Outdated local policies and Activity Centre Structure Plans require review (not aligned with state level policy and updated population forecasts). • Planning for activity centres and strategic sites are slowed down by local politics and decision-maker uncertainty, resulting in lengthy delays and a increase project risk. • The timeframe to develop and approve a PSP has lengthened and generally includes a costly Planning Panel process. • Post-PSP approval processes are often delayed (e.g. time taken to sign off on subdivision plans, utility approvals).
Development Approvals	P&E Act	<ul style="list-style-type: none"> • Decision appeal process (VCAT) provides consistency in decision-making across municipalities. • Increased e-lodgement opportunities for applications. • Smart Planning program has begun to streamline planning schemes and reduce duplication. 	<ul style="list-style-type: none"> • Lack of regard to statutory timeframes for application assessment from Councils and referral authorities. • Substantial supporting documentation required for applications, no consistency across councils. • Shortage of planning staff and resources in councils. • Substantial delays in VCAT appeals process (lack of resources, growing complexity of cases).
Contributions	<p>P&E Act provides the framework for a variety of contribution mechanisms:</p> <ul style="list-style-type: none"> • Growth Areas Infrastructure Contribution (GAIC) • Infrastructure Contributions Plan • Development Contributions Plan (to be phased out after ICP rolled out) • Section 173 Agreement. 	<ul style="list-style-type: none"> • Provision of adequate transport and community infrastructure in areas of housing growth. • A tried and consistent approach to DCPs across growth areas. • Voluntary agreements between landowners and councils provide opportunities for the private sector to deliver affordable housing. • Works in Kind (WIK) agreements are becoming more common for state infrastructure projects (GAIC). 	<ul style="list-style-type: none"> • The greenfield ICP system is brand new, regional and strategic area ICPs are overdue. • Voluntary agreements (S173) are increasingly being used by councils as leverage for the adoption of planning scheme amendments. • Layering of contributions and lack of coordinated approach impacts feasibility and subsequent delivery of housing supply.

Quick Win 1

Commit to increasing delivery of lots in greenfield areas to meet population growth (16,000 per year)

What's the issue?

Victoria is Australia's fastest-growing state. Almost 150,000 people from interstate and overseas move to Victoria every year, and growth is trending at 2 per cent per annum over the past decade. On current projections, Melbourne will require at least 1.6 million new homes over the next 35 years, approximately 50,000 per year. Delivery of housing, particularly greenfield lots, has not kept up.

In the past 20 years, Melbourne's median house price has tripled, from \$195,000 to \$845,000, locking many Victorians out of the housing market.

An essential part of addressing the growing demands on housing availability and affordability is to increase supply. Victoria needs diverse housing stock provided through a mix of greenfield developments, urban infill, especially medium-density development along existing and future public transport corridors and strategic urban renewal precincts such as Fishermans Bend, Arden and E-Gate.

How do we fix it?

Commit to the delivery of at least 16,000 lots of development-ready greenfield land in Melbourne's growth corridors every year to meet average annual demand.

Actions:

- Complete a full review of land available for housing development in the short, medium and long-term
- Continue to publish annual land supply data across all stages of development, including anticipated lot yield across all stages of development, to provide greater transparency and accountability for a reliable pipeline of housing projects.
- Provide the Victorian Planning Authority with greater authority and resources to streamline PSP approvals process to 24 months from commencement to completion.

What are the benefits?

Delivery of lots that will alleviate pressure on the housing market and increase liveability in Melbourne.



Quantity

New residents moving into Melbourne will drive demand for approximately 16,000 new dwellings in Melbourne's growth corridors each year. Based on historic delivery of new housing in these growth corridors in recent years, hitting a lot delivery target of 16,000 will enable delivery of an additional 2,200 dwellings per year.



Affordability

Housing shortages across Melbourne have driven housing costs higher.



Big Economic Impacts



Jobs



6,616

direct and indirect ongoing jobs per year



GVA



\$873 million

gross value added per annum to the Victorian economy

Quick Win 2

Restore stamp duty concessions for off the plan development investment

What's the issue?

In July 2017, changes to the stamp duty concession for off-the-plan developments came into effect, limiting the concession to buyers purchasing an off-the-plan property to occupy as their principal place of residence with a dutiable value under the threshold.

The removal of stamp duty concessions for off-the-plan developments has contributed to a fall in apartment releases and a drop in dwelling approvals. The relative attractiveness for investors to participate in the off the plan apartment market has challenged developers' capacity to secure sufficient off the plan sales and ultimately, their ability to attract construction funding and deliver new housing supply.

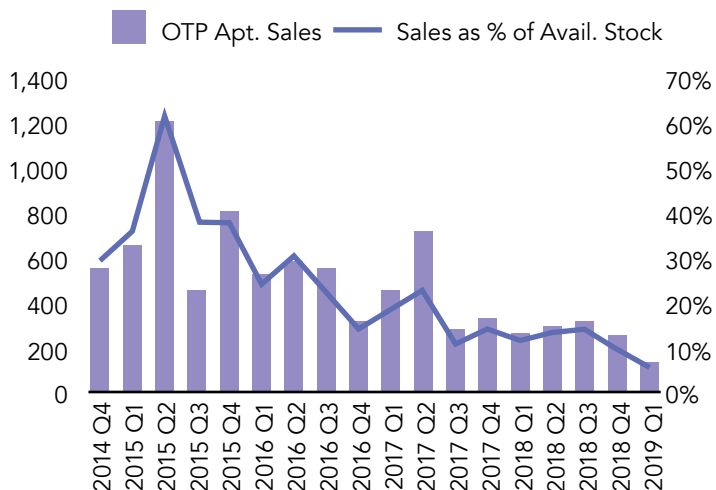
How do we fix it?

Re-instate stamp duty concessions for off-the-plan developments as an urgent affordability measure. Restoring the concessions will help to retain affordability as a key competitive advantage for Melbourne regarding overseas and interstate migration.



CASE STUDY:

Urbis' Apartment Essentials tracks off the plan sales volumes in the Apartment Market in Melbourne's inner and middle rings. The impact of the stamp duty changes in the second quarter of 2017 are clearly illustrated in the chart below. Sales spike before the concession ends and fall off sharply in the third quarter of 2017.



What are the benefits?

More medium and high-density housing in inner city areas will create agglomeration benefits including lower cost of infrastructure than greenfield developments, lower transport costs for residents and increased labour productivity.



Affordability

Based on a median attached dwelling price of \$545,000 in Melbourne, anticipated savings per dwelling of approximately \$50,000 for foreign buyers and \$18,500 for domestic buyers, excluding first home buyers who currently receive stamp duty concessions. This will result in an overall market savings of \$1.5 billion each year.



Quantity

Stamp duty concessions are expected to drive pre-commitments for new apartment developments, enabling the supply of up to an additional 2,062 dwellings per year.



Diversity

Support for apartment development will help increase the availability of more compact, affordable housing choices in a constrained market, appropriate to decreasing household size.



Productivity

Additional dwellings and population in key urban centres (urban areas) will increase population density and improve the productivity of resident workers in these areas. This impact will generate an increase in economic productivity of \$13 million per year across the state.



Infrastructure Savings

Infrastructure savings due to increased infill development over the delivery of greenfield lots is anticipated to be \$173 million per year.



Big Economic Impacts



Jobs

6,198
direct and indirect
ongoing jobs per year



GVA

\$818 million
gross value added per annum
to the Victorian economy

Quick Win 3

Introduce code based assessments

What's the issue?

The development industry and the delivery of housing is slowed down by the time consuming process of seeking feedback and consent on certifications, statements of compliance and planning permit comments which routinely take longer than statutory timeframes even on simple, straightforward submissions.

How do we fix it?

Introduce code-based assessment in the planning system to improve approval timeframes.

The adoption of private certification of "low-risk" development application and certifications by accredited consultants would reduce the resourcing burden on council and utility providers. This process has been successfully applied in South Australia's Category One Approvals process and in Queensland's code based assessments. A more streamlined approvals process for simple developments will help keep Victoria competitive for property investment.

What are the benefits?

Faster development timeframes driven by more code based assessments will help delivery of development and housing that reflects strategic state plans across Victoria will enhance affordability in key growth areas.



Timeliness

Currently, around 89% of development applications in Brisbane City Council go through code based assessment with an average timeframe of 20 days. If the Victorian planning system can implement code based assessment with the same average timeframe and half the coverage of development applications as in Brisbane, assessment timeframes across the state will be shortened by up to 5 weeks per dwelling.



Quantity

Reduced approval timeframes will free up council resources and cut costs for developers, which has the potential to deliver an additional 1,638 dwellings per year.



Affordability

Based on time savings and reduced holding costs for developers, savings of approximately \$1,333 per household are expected, overall savings to the housing market of \$21 million per year.



Big Economic Impacts



Jobs

↑ 4,650

direct and indirect ongoing jobs per year



GVA

↑

\$650 million

gross value added per annum to the Victorian economy

Quick Win 4

Provide financial incentives to local governments to encourage proper and timely planning permit decisions

What's the issue?

Many councils are underprepared and under resourced when it comes to accommodating recent and projected population growth.

The Streamlining for Growth Program (funded by the Victorian State government and the Victorian Planning Authority (VPA)) has been successful in providing grants for councils who are struggling to cope with growth and have a backlog of planning applications.

How do we fix it?

Allocate an additional \$5 million to support improved planning, to enable the delivery of much-needed housing supply across Melbourne's middle-ring suburbs and put downward pressure on house prices.

As council populations grow, the fund will help councils through the provision of planning experts to deliver on the new design and assessment needs of Melbourne's middle-ring communities. The experts will be employed by the State Government, and deployed to councils as-needed, to assist with short to medium-term resourcing constraints and bottlenecks.

What are the benefits?

Council planners will be able to more thoughtfully assess planning applications with resources, guidance and support staff that the program can provide.



Quantity

Additional resources for planning departments are expected to increase capacity to approve an additional 1,195 dwellings per year.



Timeliness

These resources are also expected to save 1 week per dwelling through shorter delays in council planners assessing applications.



Big Economic Impacts



Jobs



3,592

direct and indirect ongoing jobs per year



GVA



\$474 million

gross value added per annum to the Victorian economy

Legend

- 2016-2017
- 2017-2018
- 2018-2019



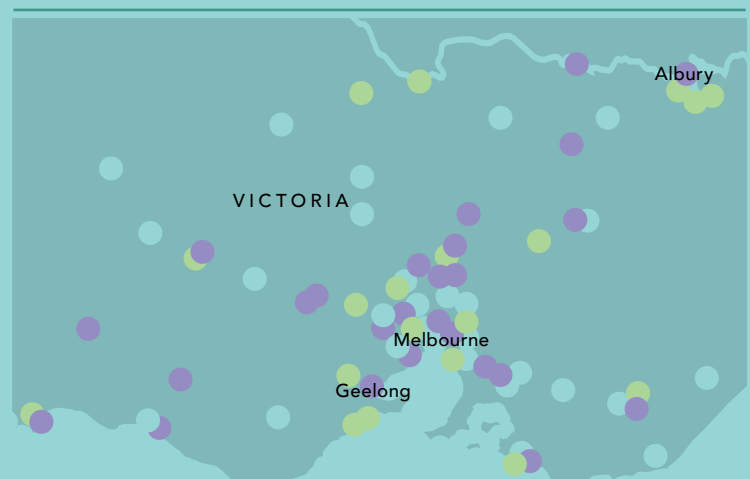
STREAMLINING FOR GROWTH PROGRAM:

More than \$15M in grants have been awarded to help accelerate projects across greater Melbourne and regional Victoria since 2016. Streamlining for Growth is administered by the VPA and has assisted on over 150 projects so far.

Notable projects for the delivery of housing (among many) include:

- Bakery Hill Urban Renewal Project
- Benalla Urban Growth Strategy Plan
- Monash NEIC Development Facilitation Offer (DFO)

FUNDED PROJECTS



Quick Win 5

Rationalise the referral process

What's the issue?

The referrals process in Victoria suffers from a lack of transparency and direction. The established statutory timeframe of 28 days is unrealistic and there are no consequences when referral agencies miss deadlines (some agencies regularly take three or four times as long as the established timeframe to deliver their reports). Complex applications can take three to six months within the referral process.

How do we fix it?

Establish an online tracking system to show a referral's status, staff assignment contact, and any outstanding information needed for assessment. The new system must also guide consistency across referral review processes, which today vary significantly across different authorities and regions.

Establish and enforce a realistic timeline of 8 weeks for referrals.

What are the benefits?

Transparency within the referral system will create accountability among agencies through better performance tracking and lead to better overall outcomes.



Affordability

Time savings and reduced holding costs would lead to savings of \$1,100 per household, \$52 million in house prices across the market



Quantity

A better referral process will enable more efficient assessment of development applications, resulting in the delivery of an additional 168 dwellings per year.



Diversity

Support for apartment development will help increase the availability of more compact, affordable housing choices in a constrained market, appropriate to decreasing household size.



Timeliness

The improvements to the referral process will save an average of 4 weeks per dwelling.



Big Economic Impacts



Jobs



505

direct and indirect ongoing jobs per year



GVA



\$66 million

gross value added per annum to the Victorian economy



Tasmania

Planning Quick Wins

The Planning Context



Source: Australian Bureau of Statistics; REMPLAN Economy

A strong economy supported by accelerated population growth has driven a healthy property sector in Tasmania over the last five years. A significant increase in migration from overseas and interstate has put pressure on Tasmania's constrained housing market. These issues have particularly impacted urban areas like Hobart and Launceston. For example, Hobart is Australia's least affordable capital city to rent a home relative to the average wage. In 2018 it had the lowest vacancy rate in the country at 0.7%, and the highest growth rate in both housing prices and median asking rents. House prices grew by 32% in Greater Hobart between early 2016 to August 2018.

Greater Hobart's planning system is under pressure from this accelerated growth. There is a growing concern about the lack of capacity and limited planning resources at councils and within the Tasmanian Planning Commission (TPC), an independent body created by the *Tasmanian Planning Commission Act 1997*. There is a limited pool of experienced planners to work within government and the private sector who are overwhelmed with the recent increase in development applications and the ongoing Tasmanian Planning reform.

Progress in Tasmania

The *Land Use Planning and Approvals Amendment Act of 2015* made changes to the *Land Use Planning and Approvals Act 1993*, which is the principal legislation for planning in Tasmania. The Amendment Act established the Tasmanian Planning Scheme, which will aim to deliver consistency in planning controls across the state. The Scheme consists of both State Planning Provisions and Local Provisions Schedules (LPS). As of this writing, some Councils are still preparing their LPS, so it is yet to be seen if the integrated scheme is responsive in addressing local issues, and if consistent rules are being proposed.

The reforms include:

- The Tasmanian Planning Scheme has allowed for greater consistency in standards in the 29 jurisdictions of the state.
- Heritage Tasmania and TAS Networks are now embedded in the DA assessment. This is seen as a positive improvement to the system
- The State is providing access to information. Significant additions to GIS and mapping are available online through IPLAN
- Hobart and Launceston City Councils have introduced e-lodgement processes, with many other Councils allowing electronic lodgement via email.
- Mediation process is now required by law under the tribunal
- Short stay accommodation controls

There have also been efforts to provide affordable housing such as the North West Land Release, however, more must be done to accommodate the steady population growth.

Challenges Ahead

Despite changes to the Tasmanian Planning Scheme that has facilitated more consistency in standards, a number of challenges remain as outlined below.

- The Tasmanian Planning Scheme will be an effective tool for implementing strategic planning. However, Tasmania needs a **comprehensive updated strategic plan** (i.e. update to its Regional Land Use Strategies) in order to determine where to best locate new development. Opportunities also exist to facilitate development, such as for rezoning of former industrial estates and for places in already identified priority areas. Planning officers have been experiencing “reform fatigue” – as the **limited planning resources** struggle to keep up with the growth in development applications; planning for a suddenly busy environment, and in keeping up with the requirements of the Tasmanian Planning Scheme.
- While there are regional land use plans that outline planning and development priorities for the three regions and the local government areas, there is a perceived **lack of an economic strategy aligned with infrastructure and land use planning, as well as housing targets**. The regional land use strategies, for example, were based on 2006 census data and failed to capture the recent demographic trends and demand for housing. It will be important to adequately plan and support density in key growth areas such as the Glenorchy to Hobart Transit Corridor.
- The Department of State Growth’s Population Growth Strategy aims to grow the population to 650,000 by 2050 from the current population of 515,000. Tasmania needs to determine how to optimally accommodate more development as well as protect areas of high cultural, landscape and agricultural value. There is a need for **strategic densification infill areas**.

	Key Legislation	What Works Well?	What are the Problems?
Strategic Direction	Resource Management and Planning System <i>Housing Land Supply Act 2018</i>	<ul style="list-style-type: none"> • RMPS guides strategic plans for the State, regions, and LGAs. It is guided by the principles of sustainable development (including intergenerational equity, efficiency, conservation of biodiversity). • Three regional land use strategies currently in place in Tasmania, originally declared in 2011. 	<ul style="list-style-type: none"> • Lack of a strategic plan that considers the population growth and accelerated demand for housing. • Regional land use strategies were based on 2006 census data. These strategies should be updated and refined in regards to a brand new land use strategy.
Plan Making	<ul style="list-style-type: none"> • <i>Land Use Planning and Approvals Act, 1993</i> • <i>State Policies and Projects Act 1993</i> 	<ul style="list-style-type: none"> • Tasmanian Planning Scheme allows for greater consistency across the State. 	<ul style="list-style-type: none"> • The local sections have been handed over to the local Councils to prepare for exhibition. This involves preparation of the mapping of zones and overlays, local provisions schedules (LPS’s), lists to relevant codes, particularly purpose zones, specific area plans and any site specific qualifications. Some Councils have been slow to commit resources to undertake this work (given it came straight of the back of the Interim Planning Scheme reform), causing significant delays. The changes to the rural zones has also made the changes to the schemes complex. • This has a flow on effect to zoning (and other provisions), such that each Planning Scheme may change, resulting in general uncertainty around investment and approvals.
Development Approvals	<ul style="list-style-type: none"> • <i>Land Use Planning and Approvals Act, 1993</i> 	<ul style="list-style-type: none"> • Overall, average approval timeframes in TAS are faster than in states with more complex planning systems. 	<ul style="list-style-type: none"> • Lack of adequate resourcing is a key challenge. • Building approval and subdivision approval. There is private certification for buildings, but not for subdivision approvals. • Councils are struggling to fulfil their role especially with review of concept level engineering drawings.
Contributions	<ul style="list-style-type: none"> • <i>Local Government (Building and Miscellaneous Provisions) Act 1993</i> 	<ul style="list-style-type: none"> • Contributions can be made towards provision of public open space equivalent to 5% of the unimproved value of the land. 	<ul style="list-style-type: none"> • Tenement charge system for TasWater and TasNetwork. • Inconsistencies in charges among councils.

Quick Win 1

Accelerate approvals with statutory approval timeframes

What's the issue?

While a consolidated statewide planning scheme will help speed up housing development, complex and inefficient approval processes across several regulatory bodies still impede the time taken to deliver new housing to market.

Time limits exist for the assessment by councils of applications for planning approval. However, there are no such limits for secondary consent processes such as the assessment of detailed engineering designs, which contributes to lengthy delays for infrastructure developers who cannot start to assess DAs until the engineering designs are approved.

How do we fix it?

The Tasmanian Government must legislate for approval timeframes across all regulatory bodies involved in the planning and building process, similar in structure to the existing 28-day timeframe for assessing permitted planning application and 42-day timeframe for determining discretionary planning applications.

If these timeframes lapse and the planning authority has failed to determine the application in question, a deemed approval process is triggered and the application can be referred to the Resource Management and Planning Appeal Tribunal.

What are the benefits?

Accelerated approvals will save time within the development process which will reduce holding costs that are eventually passed on to the final buyer. A highly competitive development approvals process compared with other states will help Tasmania stay a focus for investment.



Timeliness

Based on current design approval processes often taking up to 3 months, enforced approval timeframes within the planning and building process could save as much as 8 weeks per dwelling in Tasmania.



Quantity

Reduced approval timeframes will cut costs for developers, which has the potential to deliver an additional 15 dwellings per year.



Affordability

Based on time savings and reduced holding costs for developers, savings of approximately \$2,000 per household are expected, overall savings to the housing market of \$3.4 million per year.



Big Economic Impacts



Jobs



33

direct and indirect ongoing jobs per year



GVA



\$4.2 million

gross value added per annum to the Tasmanian economy

Quick Win 2

Rationalise the referral process

What’s the issue?

TasNetworks have a lack of visibility in the project pipeline, which creates challenges around resourcing. Backlogs at the agency cause lengthy project delays and an inefficient approvals process. Electrical designs (typically completed in-house at TasNetworks) can take as long as 10 weeks. This 10-week process does not start until after the civil engineering drawings are complete, which is inefficient.

How do we fix it?

We propose the following:

1. Development applications should trigger a referral process to allow TasWater, TasNetworks and NBN Co. to forward plan work schedules and avoid design delays and supply problems.
2. A concurrent design process in which civil drawings and the TasNetworks electrical designs happen in parallel with coordination across engineers on both sides.
3. Ministerial direction for a six (6) week timeframe for electrical designs for TasNetworks.

We note that in a concurrent design process, the applicant would realise any risk and cost associated with having to redo electrical design drawings because something had to shift in civil design drawing process. Applicants can opt for non-concurrent processes for complex projects that may have higher risk of redesign.

What are the benefits?

Because an estimated 80% of dwellings go through this process, the impacts of streamlining and enhancing transparency within the referrals process will be significant. Accelerated timeframes will reduce holding costs that are eventually passed on to the final buyer.



Affordability

Based on time savings and reduced holding costs for developers, savings of approximately \$2,875 per dwelling are expected, overall savings to the housing market of \$8 million per year.



Quantity

Reduced referral timeframes have the potential to deliver an additional 35 dwellings per year.







Timeliness

A revised referrals process for utilities could save as much as 2-3 months per project, equating to approximately 12 weeks per dwelling.



Big Economic Impacts

 Jobs	 77 direct and indirect ongoing jobs per year
 GVA	 \$10 million gross value added per annum to the Tasmanian economy

Quick Win 3

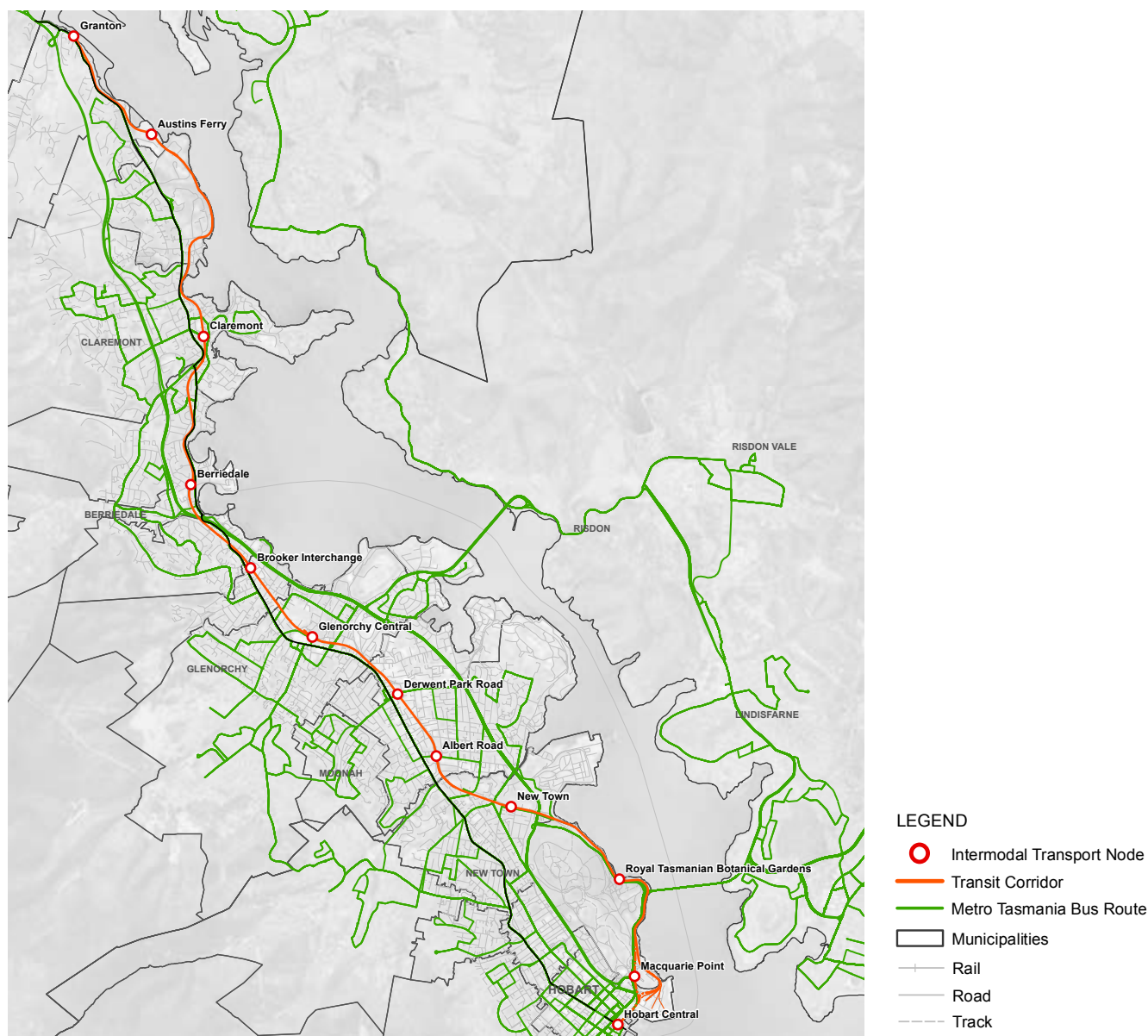
Develop the Glenorchy to Hobart Transit Corridor

What's the issue?

The transit corridor running between Glenorchy to the Hobart CBD has been identified as a key strategic area to support further growth of the greater Hobart region (refer to the figure below from the Glenorchy to Hobart Public Transport Corridor Study). Public transport and infrastructure development along the Glenorchy transit corridor is a key initiative in improving connectivity to Hobart's northern suburbs, an area with significant capacity to accommodate increased housing density.

Residential and commercial development along the corridor will follow improved public transport, increasing urban population density and activity in the region, making it a more desirable place to live and in turn, support the increased investment and use of public transport services.

The management and resources required to deliver such an integral component of continued economic and residential development in Tasmania are above what local governments can provide.



How do we fix it?

To support and encourage increased residential density in the northern suburbs, the Government should take action to develop the Glenorchy to Hobart transit corridor, increasing amenity for people living along the length of the corridor through improved access to services, employment and education opportunities.

- Funds must be allocated to establish the required public transport infrastructure quickly, providing immediate support for increased medium density housing along the Transit Corridor route. Bus system optimisation and bus travel priority measures must be implemented to improve public transport travel time and reliability. Further studies that investigate light rail alternatives to be conducted.
- Land use change to support urban renewal and development along the length of the corridor (such as rezoning Light Industrial sites in the Glenorchy central area to Inner Residential) must occur in order to accommodate and encourage further residential activity in each of the nodes it services.
- Existing barriers to development, such as planning restrictions in relation to height and other matters, must be eased along the length of the corridor in order to provide further incentives for medium density housing investment. Additional measures to incentivise development, such as Government funding of contamination assessments, should also be considered.
- Improved urban design in the street and park networks within the corridor must also be encouraged.

What are the benefits?

Release of land and development of supporting transport infrastructure along the Hobart to Glenorchy Transit Corridor will support development of housing in a key area with access to high quality employment.



Infrastructure Savings

Infrastructure savings of approximately \$38 million per year are expected, due to increased infill development over the delivery of greenfield lots.



Quantity

If support for the corridor results in achieving dwelling targets for the growth area, that will mean an additional 323 dwellings per year (equivalent to 10% of dwelling approvals in 2018)



Productivity

Additional dwellings and population in areas with good access to transport, jobs and amenity will improve the productivity of Tasmania's labour force. This impact will generate an increase in economic productivity of \$2.1 million per year across the state.



Big Economic Impacts



Jobs



703

direct and indirect ongoing jobs per year



GVA



\$91 million

gross value added per annum to the Tasmanian economy





Queensland

Planning Quick Wins

The Planning Context



Source: Australian Bureau of Statistics; REMPLAN Economy

The Queensland planning system has undergone multiple reviews and improvements over the past 10 years. This has included a new planning act, updated regional plans, planning scheme templates and planning scheme reviews. Updates to planning legislation is only one component of the overall planning system and challenges remain with respect to infrastructure provision and environmental and planning policy implementation.

Progress in Queensland

In the last five years, the QLD government has made significant progress:

- Commencing in mid-2017, the *Planning Act 2016* established a new planning system for the state, replacing the *Sustainable Planning Act 2009*
- Regional plans provide a regional framework for growth management, and set planning direction for sustainable growth, global economic competitiveness and high-quality living
- The Land Supply and Development Monitoring (LSDM) Report is a key new initiative, the objective of which is to work progressively towards a single point of truth for land supply and development activity data in SEQ to better inform infrastructure planning and land supply planning and policy
- Consolidation of State interests in land use planning and development across Queensland into a single State Planning Policy (SPP). The SPP applies when a council is making or amending their local planning instruments.

The QLD Government has also committed to enhancements to the planning process by outlining the following near-term focus areas:

- A series of 36 implementation actions have been identified that are necessary to deliver the intent and vision of *ShapingSEQ South East Queensland Regional Plan 2017 (SEQRP)*. The implementation actions are being delivered by various government and non-government entities over the life of the regional plan. Key initiatives include:
 - ◊ Unlocking the underutilised urban footprint
 - ◊ Deliver a Strategic Assessment
 - ◊ Progressing with a City Deal for SEQ



Challenges Ahead

Queensland has undertaken a range of planning policy reviews and updates over the past five years. The key to the success of this work will be the ongoing implementation of new policy by State and Local Government in partnership with industry and close engagement with community. A need to foster a culture of enabling solutions to planning and development challenges is emerging as a key area of focus for the industry in Queensland particularly in relation to the following areas:

- Implementation of new planning policy consistently across local authorities and jurisdictions
- Streamlining of the infrastructure agreement process needed to unlock development
- Managing the use of Temporary Local Planning Instruments inconsistent with strategic planning directions set for local areas

- Depoliticising the planning decision making and policy development process
- Enhanced engagement with community and use of technology to explain the benefits and plan to accommodate growth
- Further developing and agreeing on a best practice approach to the monitoring of land supply and growth.

The major challenge facing the Queensland planning system is one of culture. Despite regulatory reform, it has increasingly become political, tactical and adversarial. There is non-compliance with planning rules or policy making by councils without recourse for the industry. Stakeholders have raised the issue of needing to renew the inherent social license between the development community and Queensland's residents and emphasise the fundamental common goal of creating the best outcomes and delivering homes for Queensland's growing population.

	Key Legislation	What Works Well?	What are the Problems?
Strategic Direction	<ul style="list-style-type: none"> • <i>Planning Act 2016</i> • <i>Planning Regulation 2017</i> • <i>Regional Planning Interests Act 2014 (RPI Act)</i> • <i>Regional Planning Interests Regulation 2014</i> 	<ul style="list-style-type: none"> • Local government planning schemes help articulate strategic intent for the development of their communities. • Regional plans help set an overarching and long term strategy for sub-regions to better coordinate land use and infrastructure planning. 	<ul style="list-style-type: none"> • The roles of strategic plans being lost or overtaken by prescriptive planning in the development assessment process.
Plan Making	<ul style="list-style-type: none"> • <i>Planning Act 2016</i> • <i>Planning Regulation 2017</i> • <i>Regional Planning Interests Act 2014 (RPI Act)</i> • <i>Regional Planning Interests Regulation 2014</i> 	<ul style="list-style-type: none"> • Consistency in planning scheme structures and terminology. • Utilisation of the Code assessment process in new policy to promote desired land use outcomes. • The ability to run a rolling program of planning scheme amendments to updated policy intent. 	<ul style="list-style-type: none"> • A complex and lengthy plan making process that struggles to keep up to speed with design, technology or product innovation. • Limited appetite to test or explore innovation in design outcomes or new housing typologies through policy changes.
Development Approvals	<ul style="list-style-type: none"> • <i>Planning Act 2016</i> • <i>Planning Regulation 2017</i> 	<ul style="list-style-type: none"> • Familiarity across the industry and government with the assessment process. • Ability for the process to be implemented in an efficient way where desired by a local government. 	<ul style="list-style-type: none"> • A growing trend for prescriptive assessment and dilution of comprehensive assessment which considers site, context, prescriptive and strategic criteria. • Politicisation of the decision making process.
Contributions	<ul style="list-style-type: none"> • <i>Planning Act 2016</i> • <i>Planning Regulation 2017</i> 	<ul style="list-style-type: none"> • Clarity and certainty around infrastructure charges. 	<ul style="list-style-type: none"> • Complexity and inconsistency in approaches to reach final infrastructure agreements. • Uncertainty with respect to infrastructure charges for some greenfield development.

Quick Win 1

Streamlining, consistency and certainty around environmental policies

What's the issue?

The assessment process, is taking precedence over outcomes and the urgent need to deliver housing to accommodate population growth within the defined urban footprint.

Uncertainty around the future of environmental policies such as the Vegetation Management Act (VMA) scope changes passed in 2018 (protections increased across greater extent of land and Matters of State Environmental Significance greatly increased as a result of the new mapping) and recent court rulings regarding the clearing of Category X vegetation make it challenging for developers to clearly understand their development risk on a given land holding.

The newly adopted koala habitat regulation has also added a new layer of complexity and uncertainty that the industry is currently working through and will have further impact on supply.

How do we fix it?

Finalise environmental regulations as quickly as possible to reduce risk and unpredictability and deliver a Strategic Assessment for South East Queensland.

Areas identified as priority for residential development and the delivery of housing should have a greater level of exemption from environmental restrictions and overlays. In priority areas, planners should be enabled to make judgment calls about holistic project outcomes that are beneficial for the local community and environment without needing excessive documentation.

What are the potential consequences?

Uncertainty around the future of policies makes it challenging to measure the potential negative impacts of all proposed policies. We have made a conservative assumption that the potential developable area for greenfield residential housing across Queensland will be reduced by 5%.



Quantity

The reduction in total developable land is expected to reduce the overall number of dwellings delivered in Queensland each year by 803.



Timeliness

Revised environmental overlays and the need for additional environmental documentation is expected to extend the approvals process for new dwellings.



Affordability

Based on approval delays around environmental documentation causing increased holding costs for developers, we expect that the policy changes will cause dwelling prices to rise in the affected areas.



Big Economic Impacts

Reduced delivery of housing would result in



Jobs

↓ **1,788**

fewer direct and indirect jobs per year



GVA

↓ **\$260 million**

per annum of potential gross value lost for the Queensland economy



CASE STUDY – MORETON BAY REGIONAL COUNCIL:

A report prepared by Saunders Havill Group assessed the effect of Environmental Legislative overlays on residential development within the urban footprint of Moreton Bay Regional Council. The study identified all developable greenfield residential land in the LGA and overlaid the local, state and federal development controls for residential development before and after the amendments to the *Vegetation Management Act 1999*.

The study found that 23.3% of the identified potential developable area was affected by environmental overlays. Significantly, the amendments to the VMA resulted in a **decrease of 9.1%** in the potential developable area within Moreton Bay Regional Council. This is due to the way in which Moreton Bay Regional Council incorporate Matters of State Environmental Significance in their Planning Scheme.

Quick Win 2

Abandon Brisbane's townhouse and apartment ban

What's the issue?

Responding to a call to "protect the Brisbane backyard," Brisbane City Council (BCC) voted in early 2019 to remove provisions allowing for the development of multiple dwellings on blocks of more than 3,000 square metres zoned LDR – low density residential.

The ShapingSEQ South East Queensland Regional Plan sets an objective of 60% of new housing development in South East Queensland in the existing urban area and emphasises promoting 'missing middle' forms of housing to support better and more diverse housing. It also sets a target for 2041 for BCC of 188,200 new dwellings and 94% consolidation (infill) development. This comes at a time where new house dwellings in Brisbane have remained relatively stable and higher density dwelling types have made a major contribution to meeting dwelling targets, particularly in inner Brisbane.

With traditional housing approvals likely to decline over the coming years and a stronger reliance placed on high density housing, multiple dwelling developments in low-density residential areas will provide much needed supply and diversity of housing.

How do we fix it?

Abandon Brisbane's townhouse and apartment ban.

While some of the negative feedback on poorly delivered townhouse projects is valid, the solution to this issue is to improve design controls to guarantee better design quality, not to ban townhouses altogether.

What are the potential consequences?

The proposed ban on townhouses and apartments in low density residential areas in BCC is likely to result in increased pressure on the housing market and less diverse and liveable housing in high-demand areas of Brisbane.



Quantity

A review of low-density residential zoned land in BCC found approximately 188,000 sq.m of undeveloped land that currently meet the requirements for medium density housing. This land has the potential to accommodate up to 723 medium-density dwellings, or 145 dwellings per year if absorbed over the next five years. This is a conservative estimate that does not take into account currently developed adjoining sites that could be consolidated into sites over 3,000 sq.m meet the requirements.



Diversity

Townhouses and apartments help encourage housing diversity and affordability, especially in high amenity, attractive neighbourhoods where young homebuyers or downsizing retirees could not otherwise afford to buy.



Affordability

Townhouses and apartments represent a more affordable dwelling type in BCC, with a median price \$225,000 lower than the median house price in 2019. By removing the provision of these dwelling types, housing affordability will fall in these high demand residential areas.



Liveability

Eliminating townhouse and apartment development in single family areas will effectively shut out some portions of the housing market from these areas because of lack of supply diversity, reducing liveability for some Brisbanians.



Big Economic Impacts

Reduced delivery of housing would result in



Jobs

↓ **322**

fewer direct and indirect jobs per year



GVA

↓

\$47 million

per annum of potential gross value lost for the Queensland economy

Quick Win 3

Revise the infrastructure agreement process

What's the issue?

The infrastructure agreement process in Queensland is unpredictable and drawn out, delaying the delivery of housing in key growth areas and putting developers at risk. Complex infrastructure agreements can take as long as three to four years to negotiate. There is no standard structure or process around infrastructure agreement negotiations, so each infrastructure agreement essentially starts from scratch.

How do we fix it?

Create standard infrastructure agreement templates for different land use types (greenfield, brownfield, etc.) to help support a more streamlined process for ensuring alignment between land use goals and the supporting infrastructure needed to support those land uses. The templates should also establish timeframe guidelines to support a 24 month negotiation period.

Standard infrastructure agreements applied like the property acquisition template contract will improve consistency and timeframes in delivery of infrastructure agreements.



WHAT IS AN INFRASTRUCTURE AGREEMENT?

An infrastructure agreement is established between one or more developers, a local authority, and an infrastructure provider, such as a water authority, and sets out the terms by which infrastructure in a particular development area will be funded and constructed. Infrastructure agreements help distribute the costs of new development infrastructure fairly across stakeholders.

What are the benefits?

An improved infrastructure agreement timeframe will reduce development timeframes and overall project costs for developers and for local and state government authorities if negotiation timeframes are reduced. It will also create consistencies across infrastructure agreements and allow for overall improvement to the process and stakeholder outcomes within the process if the negotiations and structure aren't starting from scratch with each agreement.



Timeliness

A revised infrastructure agreement process could save 6 months per project on average, or up to 12 months on projects where a complex infrastructure agreement is required.



Quantity

Reduced infrastructure agreement timeframes have the potential to deliver an additional 357 dwellings per year.



Affordability

Based on time savings and reduced holding costs for developers, savings of approximately \$6,000 per dwelling are expected, overall savings to the housing market of \$106 million per year.



Big Economic Impacts



Jobs

795

direct and indirect ongoing jobs per year



GVA

\$115 million

per annum gross value added to the Queensland economy

Quick Win 4

Adopt the statewide housing code

What's the issue?

The Queensland Development Code (QDC) sets the rules for siting and design of houses and duplexes including aspects such as minimum setbacks from lot boundaries and maximum building heights. Industry groups and local governments have raised concerns that these rules are now out of date and do not reflect contemporary housing practice.

Most local governments include alternative siting and design requirements in their planning schemes. They also allow new residential developments to set their own rules in Plans of Development.

This creates a complex assessment system which leads to costly delays for the building sector and applicants.

How do we fix it?

The proposed Queensland Housing Code (QHC) will replace Parts 1.1 – 1.3 of the QDC with a single contemporary code that reflects current building and planning trends, simplifies processes and eliminates duplication between building and planning assessments.

This will standardise design and siting rules for the majority of residential dwelling development in Queensland and provide further guidance about what and how siting and design rules can be included in planning schemes. This will provide local government and the housing and property development industries with up-to-date siting and design rules that reflect emerging best practice for dwelling house development, while preserving local governments' ability to shape their communities through neighbourhood design. The proposed QHC will not impose density outcomes or set minimum lot sizes and will only deal with housing outcomes inside allotments once the local government has approved a subdivision.

The draft code applies to single and attached Class 1 dwellings, dual dwellings and associated Class 10 buildings (e.g. garages, car ports) and structures.

What are the benefits?

The Queensland Housing Code's new siting and design rules will support housing affordability by encouraging more efficient use of land and saving on infrastructure costs, and to allow for innovation in housing to provide for the changing housing needs of the community. The rules are likely to reduce the number relaxation applications and siting related building development appeals.



Quantity

Reduced approval timeframes will cut costs for developers, which has the potential to deliver an additional 26 dwellings per year. The QHC will also facilitate more efficient use of land and better responsiveness to market needs.



Timeliness

The QHC siting rules will reduce the number of relaxation applications and siting related appeals going through the planning system and generate efficiencies in design across different jurisdictions that currently have inconsistent guidelines, saving an average of 1 week per dwelling.



Affordability

Based on time savings, reduced holding costs, and reduced administrative costs for developers, savings of approximately \$250 per household are expected, overall savings to the housing market of \$7.8 million per year. This is in addition to affordability driven by lower developer costs associated with well-planned infrastructure.



Big Economic Impacts



Jobs



59

direct and indirect ongoing jobs per year



GVA



\$8.5 million

per annum gross value added to the Queensland economy

Quick Win 5

Support the growth monitoring program

What's the issue?

The Growth Monitoring Program is an implementation item of the *ShapingSEQ South East Queensland Regional Plan 2017* and has funding allocated over 2 years. As part of the program the government the Government delivered the inaugural Land Supply Development Monitoring Report in November 2018.

It is critically important to continually monitor the region's land supply and development activity to ensure we have adequate land in the right locations to maintain SEQ's enviable lifestyle and unique characteristics. This will ensure the right infrastructure, housing and jobs are being delivered now and in the future.

Findings from the first Land Supply and Development Monitoring Report (LSDMR) (self-reported by Councils) appears contradictory to anecdotal, on-the-ground experience of developers and other stakeholders regarding availability of land supply. While the LSDMR attempted to assess impacts of changes to the scope of the *Vegetation Management Act* passed in 2018, those impacts are still uncertain.

How do we fix it?

Secure funding for the Growth Monitoring Program (GMP) for years to come and support ongoing improvements to the way the program collects and analyses land supply and housing delivery data. Maintaining clear data standards and accurate reporting is imperative to reap the benefits of this valuable program.

The 15 years of supply policy provides an indicator for when the state and local governments should initiate a range of solutions in response to potential shortages in planned dwelling supply, including identifying new land for urban purposes or investigating additional infrastructure opportunities. In doing this, both the state and local governments should ensure they are increasing supply in a way that is affordable to governments and the community, especially in terms of the quality, timing and cost of any required infrastructure.

What are the benefits?

The economic benefits of the GMP will be felt over the long-term and have not been quantified at this time. The data and trends reported as part of the GMP will serve to inform evidence-based decision making in accordance with the land supply framework identified in *ShapingSEQ* and provide a strong foundation for future iterations and reviews of the SEQ Regional Plan.

The GMP will continue to increase transparency and accountability around housing targets across different local government areas. It will become a single point of truth for this data, helping to resolve the back and forth between councils and the development industry around land supply.

As the GMP can identify councils that are underperforming on their targets and availability of land supply, it will enable the state government to pressure those councils to release additional lots and/or call for density uplifts in key target areas appropriate for additional density.



Northern Territory

Planning
Quick Wins

The Planning Context



Source: Australian Bureau of Statistics; REMPLAN Economy

The Northern Territory (NT) has a highly centralised planning system with few layers and a planning scheme that extends over almost all the NT.

The Northern Territory Planning Commission is responsible for strategic planning, which is then included within the NT Planning Scheme following Ministerial endorsement. Statutory planning – development assessment and scheme amendments – falls to a Development Consent Authority and the Hon Minister.

The NT has a relatively small population that combines urban centres such as Darwin and Alice Springs with highly dispersed, regional settlements. There are particular demands on the quantum and form of NT housing including housing that is highly responsive to climate, that meets the needs of Aboriginal communities and achieves energy/communications/water security.

Student, tourist and mining populations are also factors in terms of housing type and the transient nature of these residents (including the cyclical nature of mining activity). Defence is another key NT industry and housing for defence personnel is an important consideration.

Progress in Northern Territory

The NT Government has embarked on a system of planning reform with Stage 3 of consultations in late 2019. On 13 February 2020, the Planning Amendment Bill 2020 was introduced to amend the Planning Act 1999 and the Northern Territory Planning Scheme. Reform is based on the principles of certainty, balance, transparency, reducing complexity, community participation/consultation and decision review. Proposed reforms include:

- Better strategic planning
- Better definition of the role of the Northern Territory Planning Commission
- Clarity and improvement around the role of policies in decision making
- Clearer application of discretion
- Better integration of land use planning and infrastructure
- Reform of consultation processes to allow for simpler notification on basic projects and better consultation on complex projects
- Clarity around planning scheme amendment processes

Challenges Ahead

Work has commenced on reforms to improve certainty, transparency and simplicity. However, a number of challenges remain to increase the supply of housing, outlined below.

- There are challenges in “unlocking” greenfield development in growth areas because of **insufficient infrastructure in development areas**. While Area Plans indicate how development might unfold in an area from a land use and built form perspective, these plans do not guide or coordinate the provision of infrastructure and services.
- The **fluctuating and transient nature of the NT population** presents a difficulty for longer term planning – when and where development might occur. This creates uncertainty for investment decisions, including the provision of infrastructure. It also puts housing affordability at risk if there is an unanticipated boom in population. This creates an imperative to get the planning frameworks right during periods of lower growth to prepare.
- While planning reform aims at better community participation – in relation to consultation on applications and third party review for example – this must be balanced with surety of process to create an environment of confidence for development to occur. Effective supply may be impeded by delays associated with potential reform outcomes such as **expanded third party appeal rights and proponent/submitter conferences**.
- It will be important that **planning officers are effectively trained and engaged** so they have scope and confidence to apply flexibility as appropriate, and to ensure that expanded community participation has a positive (rather than inhibiting) impact on planning processes and outcomes.

	Key Legislation	What Works Well?	What are the Problems?
Strategic Direction	<i>Planning Act</i> <ul style="list-style-type: none"> Establishes function of NTPC <i>NT Planning Scheme</i> <ul style="list-style-type: none"> NT & regional planning principles & land-use frameworks Regional and sub-regional land-use plans Area plans 	<ul style="list-style-type: none"> Simple, easy to understand framework Ability to implement detailed guidance for specific areas 	<ul style="list-style-type: none"> Strategic planning being reflected in the Planning Scheme risks more rigid application than intended Appears to be a missing, coordinating layer that sits outside of the Scheme: the equivalent of a State Planning Strategy, State Planning Policies and the like.
Plan Making	<i>Planning Act</i> <ul style="list-style-type: none"> NT Planning Scheme Jabiru Town Plan <i>NT Planning Scheme</i> <ul style="list-style-type: none"> As per 'Strategic Direction' 	<ul style="list-style-type: none"> Simple, easy to understand framework Ability to implement detailed guidance for specific areas 	<ul style="list-style-type: none"> Because the Planning Scheme is essentially NT wide, unless an Area Plan is in place the Scheme isn't geared to reflect location-specific issues Strategic Direction and Plan Making are so combined there is the absence of an overarching, higher-order strategic/coordinating plan that can balance certainty with change to reflect economy (for example) and brings together economy, environment, infrastructure etc. Focus on greenfield areas has left some inner ring areas in need of revitalisation
Development Approvals	<i>Planning Act</i> Need, process and responsibility for development applications	<ul style="list-style-type: none"> Ability for self-assessment can reduce determination timeframes 	<ul style="list-style-type: none"> Delays can be experienced where approval is required, particularly within the agency referrals process. Technical design guidelines are inconsistent and cause project delays and costly redesigns
Contributions	Individual jurisdictions implement their own areas specific contribution schemes	<ul style="list-style-type: none"> Contributions are simple, transparent and easy to understand 	<ul style="list-style-type: none"> Applies only to servicing infrastructure – not 'soft' infrastructure that contributes to local amenity and liveability Insufficient linkages to core principles/factors of need, nexus, timing etc. Lack of effective infrastructure contribution scheme to support greenfield development

Measuring Economic Benefits in the Northern Territory

Because the scale of development in the Northern Territory differs significantly from other states (728 total dwellings were approved in 2018 in NT, compared to 64,716 in NSW), the scale of the benefits is also much smaller than in other states and territories analysed in this report. Furthermore, because the housing market is currently sluggish, demand factors like population growth (projected at just 0.5% per year until 2026) are limiting the number of dwellings delivered each year much more than any issues or inefficiencies within the planning system.

While some of the benefits for the following quick wins are quite small when calculated based on 2018's diminished level of supply, they can be expected to ramp up as the overall market improves. Implementing the quick wins outlined in the following section is important to prepare the planning system to increase flexibility for when demand drivers improve.

Quick Win 1

Establish referral process timeframes

What's the issue?

While the development application process is efficient in the Northern Territory – an average DA takes about three months – the post-approval agency referral process in order to obtain a certificate of compliance can take up to another three months.

Delays in referral approvals are driving up project costs and delaying construction starts at a critical project stage when resources are often already mobilised.

Delays in the referral process are also creating challenges around titles.

How do we fix it?

Establish a timeframe of 35 days for post-approval comments for referral agencies with deemed approvals if timeframes apse.

What are the benefits?

Greater certainty around approval timeframes will reduce holding costs for developers and overall project risk.



Timeliness

The approvals process could be cut down by approximately 7 weeks per dwelling.



Affordability

The time savings in this process will reduce developer holding costs and uncertainty, with an anticipated savings of \$1,852 per dwelling.



Quick Win 2

Develop technical guidelines to improve performance based assessment

What's the issue?

There is a lack of clear, consistent technical guidelines across different sites within a council and across different planning jurisdictions. After plans are submitted for approval, the technical reviews by agencies often yield inconsistent results. For example, a road width that was accepted in a prior planning proposal in the same jurisdiction might now require a costly site redesign.

Inconsistency and lack of transparency around technical standards are causing project delays and increasing project risk.

How do we fix it?

Finalised technical guidelines for greenfield infrastructure design (roads, sewerage, etc.) that are consistent across the state and updated on an established five year schedule will allow developers to have more uniform approvals processes across different councils and more consistent design outcomes.

What are the benefits?

Clear, consistent technical guidelines managed by the NT government will provide confidence and certainty around project rollout and better clarity around costs and revenue. It will also help to streamline the time-consuming agency referrals process and allow for performance based assessment of proposed schemes.

The economic benefits of technical guidelines are not able to be quantified using existing data sources, but are expected across the following categories:



Timeliness

Reduced need for project redesigns and fewer project delays will help accelerate the approvals process.



Affordability

The time savings in this process will reduce developer holding costs and uncertainty, resulting in house price savings across the market. Every week saved by a developer will reduce the cost of affected houses by approximately \$250.

Quick Win 3

Establish a development contribution plan for greenfield infrastructure in growth areas

What's the issue?

The Northern Territory suffers from a lack of strategic planning and coordination around infrastructure. The absence of effective, fair cost sharing measures stalls development in periods of high demand and makes "unlocking" land for new residential greenfield development challenging.

For example, if a developer wants to bring infrastructure to a particular parcel, they need to front the entire cost of the infrastructure even if it will also benefit adjacent parcels.

How do we fix it?

Establish a development contribution plan to fund infrastructure in high growth greenfield areas. A study should be undertaken to understand optimal areas for growth and the optimal structure for an infrastructure cost sharing and implementation plan.

What are the benefits?

A development contributions plan focused on infrastructure provision will help enable greenfield development and prepare the Northern Territory for the next upswing in the market cycle. Development parcels in high growth areas will be unlocked and projects that are not happening today will go forward.



Quantity

Based on a 10% increase in the number of greenfield projects proceeding as a result of implementing an equitable infrastructure contribution plan, this action could support the delivery of an additional 36 dwellings per year, depending on market demand.



Big Economic Impacts



Jobs



49

direct and indirect ongoing jobs per year



GVA



\$10.8 million

gross value added per annum to the Northern Territory economy

Quick Win 4

Ease zoning requirements to increase housing diversity and density in high amenity areas

What's the issue?

Much of new housing being delivered in the Northern Territory is in greenfield areas such as Palmerston. Infill areas that enjoy high levels of amenity and proximity to jobs need revitalisation and could logically support additional density.

There are older neighbourhoods in Greater Darwin that need revitalisation and could provide additional density within close commuting distances to Darwin's employment core.

Current zoning in inner ring areas supports low density product that already exists in the market. There is a shortage of product suitable for smaller households (singles, couples, and retirees) who could especially benefit from living in inner ring areas with high amenity. This type of housing is particularly important for transitional populations and better equipped to cope with population booms.

How do we fix it?

A planning policy led by the Department of Planning to support lot subdivision and development of medium density housing within existing high quality neighbourhoods would help improve the diversity of housing supply and revitalise inner ring neighbourhoods.

An infrastructure plan should accompany any planning policy to ensure that the increase in density is supportable given existing and proposed local infrastructure in the target areas.

What are the benefits?

Additional density and diversity of housing will revitalise inner ring neighbourhoods and improve liveability in Greater Darwin.



Diversity

Easing zoning requirements will increase the variety of product types available in Inner Ring areas.



Liveability

Increased density in areas close to amenity and employment centres will have productivity benefits for the city and will enhance liveability. If 100 dwellings each year were developed in infill areas in Inner Darwin instead of greenfield areas (equivalent to 27% of new dwellings in 2018), this would create \$1.3 million in labour productivity benefits each year.



Affordability

The diversity of product type will open up some neighbourhoods that are currently exclusively detached homes to those with affordability restrictions that limit them to smaller dwellings.





Western Australia

Planning Quick Wins

The Planning Context

 17,965 Housing Completions (2018)	 16,211 Dwelling Approvals (2018)	 21,535 Jobs in Residential Building Construction (1.8% of total employment)	 2.64 million Residents in 2019	 265,500 New dwellings (needed by 2031) Based on forecast 616,000 new residents and an average household size of 2.32
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Source: Australian Bureau of Statistics; REMPLAN Economy; WA Department of Planning, Lands and Heritage

While Western Australia (WA) planning policy has traditionally focussed on greenfield housing supply, metropolitan areas and regional centres with greater demand for high quality, smaller dwelling types are drawing renewed planning policy focus.

The WA Government is pursuing planning reform to streamline planning processes, create certainty (for proponents and the community) and achieve quality outcomes. Part of this reform is a move toward performance-based planning controls. While the planning system is fundamentally sound, the culture of implementation in WA is a potential barrier to effective delivery of housing supply.

Progress in Western Australia

The WA Government has embarked on a variety of important planning reforms with direct impact on housing supply. These have included:

- State Planning Policy 7.0 - Design of the Built Environment suite (especially State Planning Policy 7.3 Apartment Design)
- The Design Review Guide for Western Australia (effective as of 24 May 2019)
- Deemed Provisions – Planning & Development Act Regulations (Local Planning Schemes) 2015
- Modernising WA's Planning System: Green Paper (Independent planning review)
- Ministerial Action Plan on Planning Reform

The WA Government has also demonstrated an appetite to actively compel local governments to reflect state-level housing density targets in planning schemes, for example, with the Minister's recent intervention in the City of Nedlands.

Challenges Ahead

While the fundamentals of the WA system are generally strong, effective outcomes are compromised when the system is applied at a sub-optimum level. The challenges left to be resolved to increase the supply of housing in Western Australia are outlined below.

- There are cultural and process issues that can result in an **inefficient application of the planning framework**. For example, some decision makers take a prescriptive view on the implementation of 'due regard' documents such as structure plans while excessive requests for supporting information are sometimes made. There can also be a conservative application of the framework with base-standards/processes becoming default (i.e. requirements for optional approvals, length of advertising, application of discretion etc.).
- While 'circuit-breakers' are built into the planning system, there are **no penalties for authorities** who assess applications (structure plans, local development plans and local development plans) in a sub-optimum manner (not meeting assessment timeframes for example). Because of potential time and cost impacts, proponents will often elect to 'stick it out' with the determining authority instead of pursuing a circuit breaker route (Western Australian Planning Commission intervention or State Administrative Tribunal review, for example).
- Implementation in WA is impeded by the **sometimes-acrimonious approach to planning and planners**, often from vocal community groups. Decision makers and Council officers appear in media reports and officers have been the subject of personal focus. This environment does not foster performance-based, non-conservative planning by assessors and decision makers. In 2018, the Planning Institute of WA intervened to defend a Council officer considered to be under unreasonable community focus.
- Design review has the potential to better align the application of the planning system with its intent, however the weight placed on **Design Review Panel advice by decision makers and the process for review are still subject to testing** and should not pose an additional barrier for developers.

- Performance-based planning aims to achieve higher quality and responsive design outcomes. But **unless implementation culture keeps pace, performance-based planning will be inhibited**, and the system will not function as intended. An inhibited planning process has unnecessary costs associated with excessive information requirements, assessment delays, and a lack of certainty as proponents seek performance-based outcomes while assessors seek 'deemed-to-comply' solutions. It emphasises the need for supportive networks and partnerships (including training) across WA planning to raise awareness and expertise across industry (assessors and proponents).
- While **Development Assessment Panels** have (and will continue) to provide an effective means to achieve balanced development approval outcomes in a discretionary and increasingly performance-based environment, there is ongoing pressure from community groups and in the media on these panels with a perception that they over-reach in their application of discretion contrary to community aspirations. This perception is not borne out in reality, with the majority of Development Assessment Panel decisions reflecting responsible authority (such as local government) recommendations.

	Key Legislation	What Works Well?	What are the Problems?
Strategic Direction	<p><i>Planning and Development Act 2015</i> Directions 2031/Sub-Regional Frameworks <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> Perth and Peel at 3.5million Local Planning Strategies</p>	<ul style="list-style-type: none"> Guidance on the location and likely timing of land release areas A basis to coordinate enabling infrastructure between agencies 	<ul style="list-style-type: none"> Changes in government and priorities can impact on major, planned infrastructure – location and timing. No avenue for Proponents to seek compensation where projects are delayed without due cause. EG. Civic heart being delayed by JDAP for 90 days because they wanted more time to read their documents. This could add up to \$50-70k in holding costs to a project of that size. Structure plans and schemes that are nonspecific, being over ruled by Councils or JDAPs with arbitrary specifics. i.e. Discretionary heights (Mustera Scheme)– what's 'fair', or South Perth having no height cap, yet nothing is allowed to be higher than the proposed Civic heart. State Government's overarching strategic plans need to be enforceable at a local government level.
Plan Making	<p><i>Planning and Development Act 2005</i></p> <ul style="list-style-type: none"> State Planning Policies Region Schemes and Planning Schemes Local Planning Schemes Improvement Schemes <p><i>Planning and Development (Local Planning Schemes) Regulations 2015</i></p> <ul style="list-style-type: none"> Local Planning Policies Structure plans Local Development Plans 	<ul style="list-style-type: none"> A clear and transparent framework/process with an intent that provides for effective, performance-based planning outcomes through the application of discretion 	<ul style="list-style-type: none"> Many structure plans and local development plans are out-of-date, include too much detail, and are applied too prescriptively by decision makers Structure Plans do not address built form, which creates the need for an additional layer of planning control Lack of understanding of how local planning requirements impact on affordability Some Councils are highly reluctant to reflect State density targets with their planning schemes No quick circuit breaker in case of dispute on information requirements or timeframes not being met Insufficient links between local government planning frameworks and State housing targets
Development Approvals	<p><i>Planning and Development Act 2015 and Planning and Development (Development Assessment Panels) Regulations 2011</i></p> <ul style="list-style-type: none"> Establishes JDAPs and the process for application <p><i>Planning and Development (Local Planning Schemes) Regulations 2015</i></p> <ul style="list-style-type: none"> Need for and process of development approval 	<ul style="list-style-type: none"> Development Assessment Panels provide an effective means to approve major proposals They provide for a full consideration of discretion and within a certain time frame Equally effective/sound decisions: contentious proposals and quick decisions on simple proposals 	<ul style="list-style-type: none"> Numerous policies across various local governments impacts on consistency Conservative approach to the application of discretion by some Councils Limited community understanding of context for the development application creates conflict between proponents and the wider community. JDAPs increasingly going against council RAR reports and recommendations and done so inconsistently. JDAPs increasingly requiring proponents of large scale buildings to seek State Architect Review Panel advice in addition to the existing DRP process, even when a DRP has approved the scheme.
Contributions	<p><i>State Planning Policy 3.6 – Development Contributions for Infrastructure</i> Principles and characteristics of a DCP <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> Guidance on how to incorporate contributions plans into planning schemes</p>	<ul style="list-style-type: none"> Attempt to simplify and standardise the approach to development contributions. 	<ul style="list-style-type: none"> Policy changes over the years led to the inclusion of additional infrastructure items over and above that necessary to facilitate development. Fails to identify growth trends based on service catchment areas. Fragmented nature of Perth local government authorities results in an inconsistent application of developer contributions. The State Government has recommended a cap on these as a guide, however, these should be regulated.

Quick Win 1

Clarify role and appropriate level of detail for structure plans

What's the issue?

Some decision makers take a prescriptive view on the implementation of 'due regard' documents such as structure plans, which compromises effective outcomes within the planning system. For example, although structure plans are intended to act as a solely guide, not statutory documents, they are often implemented in an overly prescriptive way.

Developers are required to submit structure plan amendments prior to development applications, which delays the approvals process excessively. Major development sites are often where Councils take an overly prescriptive approach, which slows down projects that have the potential to deliver the highest number of dwellings.

How do we fix it?

Minister to drive attitudinal change among Councils and the Commission to ensure that the Act and Regulations are implemented as intended, for example to avoid structure plans being used in an overly prescriptive way. Issue of Ministerial statement on the intended use of the Act/Regulations including guidance on the implementation of structure plans.

The statement will emphasise that the use of structure plans and local development plans is not necessary in some applications if applicants can demonstrate the case for not having a structure plan, and would allow those applicants to proceed straight to lodgement and avoid the extended timeline/process of Structure Plan, Local Development Plan, then Development Application.

What are the benefits?

A consistent and clear role for structure plans will deliver a more efficient approval pathway with fewer unnecessary processes and faster timeframes.



Quantity

More appropriate use of structure plans and local development plans could deliver an additional 1,407 dwellings per year if local governments do not need to amend local development plans and structure plans.



Timeliness

It would shorten the application and assessment timeframe by around 26 weeks for applications that are currently unnecessarily subject to a structure plan amendment or local development plan.



Affordability

It would result in savings of \$6,435 per household, and \$14.5 million house price savings across the market per year.



Big Economic Impacts



Jobs

↑ 2,547

direct and indirect ongoing jobs per year



GVA

↑ \$429.5 million

gross value added per annum to the Western Australia economy

Quick Win 2

Expand role of Development Assessment Panels (DAP) on determinations

What's the issue?

Development Assessment Panels (DAPs) are a key component of planning reform in WA that enhances planning expertise in decision making by improving the balance between technical and strategic advice and local knowledge.

Non-DAP projects still can get tied up in inefficient local politics and processes which delays the delivery of housing.

How do we fix it?

Threshold values on developments to be reduced in the Planning Regulations to allow for expansion of DAP determinations, and thus reducing number of Council determinations and associated risk of political influence elements and ultimate uncertainty. Consider expansion of DAP role to provide determination of some structure plans/ structure plan modifications, subdivisions, simple Scheme amendments and local development plans. Another solution is to introduce a reduced threshold on developments in the planning regulations to allow for the expansion of DAP determinations.

What are the benefits?

Clear, consistent technical guidelines managed by the NT government will provide confidence and certainty around project rollout and better clarity around costs and revenue. It will also help to streamline the time-consuming agency referrals process and allow for performance based assessment of proposed schemes.

The economic benefits of technical guidelines are not able to be quantified using existing data sources, but are expected across the following categories:



Affordability

It would result in savings of \$1,967 per household, and \$1.9 million house price savings across the market per year.



Quantity

Determination of one additional project by the DAP each week could result in the delivery of an additional 951 dwellings per year.



Timeliness

This win would shorten the process by approximately 8 weeks per dwelling for projects that could now take the DAP approval pathway.



Big Economic Impacts



Jobs

↑ **1,722**

ongoing jobs per year



GVA

↑ **\$290.3 million**

gross value added per annum to the Western Australia economy

Quick Win 3

Effectively implement design review guide for Western Australia

What's the issue?

The *Design Review Guide*, launched by the Office of the Government Architect in February 2019, provides guidance for local governments to set up and operate design review processes. Effective implementation of this guide will be essential for the successful establishment and use of design review panels by councils across Western Australia.

How do we fix it?

Department of Planning, Lands, and Heritage must effectively implement the Design Review Guide by ensuring councils understand the concept and spirit of the guide and the value of independently evaluated design quality of built environment proposals. These clear guidelines, if effectively applied and implemented, will keep the design review process functioning as intended and keep political or other actors from interfering in a process focused on performance based outcomes.



NEW SOUTH WALES APARTMENT DESIGN GUIDELINES

The NSW Apartment Design Guidelines (ADG) include a chapter specifically outlining how councils can best establish successful design review panels. It attempts to clarify the function and purpose of design review panels, guides panel membership selection criteria and process, outlines roles and responsibilities for council coordinating officers and even outlines specific meeting procedures appropriate for a design review panel. There is concern that the NSW ADGs have been too rigidly applied, which has limited innovation and led to poor outcomes when design cannot be tailored to suit the needs of the residents or community.

What are the benefits?

Greater certainty for applicants as all parties will follow a design protocol process, which will reduce risk of issues arising between Councils and applicants.



Timeliness

Clear guidelines will help Councils establish and operate effective design review processes, reducing the number of protracted, costly approvals processes caused by lack of design review process or poorly run design review processes. We anticipate time savings of 17 weeks per dwelling.



Quantity

Better design review processes will reduce project risk and free up council resources, anticipated to increase the number of dwellings delivered per year by 526.



Affordability

This action would result in savings of \$5,145 per household, and \$17.9 million house price savings across the market per year. To note, this assumes that there is no rise in house prices caused by the higher construction costs associated with new apartments complying with the new requirements of the design review guide.



Liveability

Design review panels that effectively leverage industry expertise and remove politics can result in better built form and open space outcomes, improved health outcomes for residents, and reduction in energy and water consumption. These outcomes are anticipated to deliver annual liveability benefits of approximately \$58 million¹.



Big Economic Impacts



Jobs

↑ 1,021

direct and indirect ongoing jobs per year



GVA

↑ \$172 million

gross value added per annum to the Western Australia economy

1. SGS Economics and Planning, 2018

Quick Win 4

Broaden scope of private building certifiers

What's the issue?

Currently, the WA system only allows for partial private certification of building permit applications meaning councils are required to double handle a certified application and then issue the permit for an additional fee.

The council fee is an unnecessary additional cost of compliance at a time when the state government should be incentivising the property industry to grow the economy. This is also creating extended timeframes for projects.

How do we fix it?

Expand role of private building certifiers to limit builders being referred to the local government planning departments on projects that already have a planning approval or are compliant/exempt.

The change would bring WA into line with other states, such as NSW and Victoria, and significantly streamline the application process.

What are the benefits?

Overall, a broader scope for private building certifiers will streamline the building permit process and reduce unnecessary costs that are passed on to homebuyers.



Quantity

More projects getting privately certified will reduce project cost and is anticipated to facilitate delivery of an additional 910 dwellings per year.



Timeliness

This win is expected to reduce the approval timeframe by 3 weeks.



Affordability

Eliminating the problematic duplicate fee structure will create savings of \$1,261 per dwelling if passed onto homebuyers, an overall savings across the housing market of \$18.6 million.



Big Economic Impacts



Jobs



1,647

ongoing jobs per year



GVA



\$277.7 million

gross value added per annum to the Western Australia economy







South Australia

Planning
Quick Wins

The Planning Context



Source: Australian Bureau of Statistics; REMPLAN Economy

The South Australian planning and approvals system is not to blame for the slow rate of housing delivery, rather, a lack of demand for housing as a result of marginal population and economic growth. A well implemented economic development strategy may assist in supporting investor confidence and population growth to drive residential development.

Progress in South Australia

In 2014, the SA government identified the need for a new planning system. In the last five years, the SA government has made significant progress in reforming the *Development Act, 1993* and *Development Regulations, 2008* to be replaced by the *Planning, Development and Infrastructure Act, 2016* and the *Planning, Development and Infrastructure (General) Regulations 2017* by the year 2020.

The reforms include:

- streamlining the suite of strategic planning documents and introduction of State Planning Policies and Regional Plans
- the introduction of joint planning arrangements to enable Councils to pool resources
- the introduction of a community engagement charter to outline the principles of good engagement that must be adhered to when developing or amending planning instruments
- the introduction of a Planning and Design Code to streamline assessment processes through state-wide application of planning rules
- the introduction of an ePlanning system for electronic lodgements
- an Accredited Professionals Scheme to ensure that development applications are assessed by a suitably qualified and experienced professional
- the introduction of Infrastructure Schemes to assist in delivery of new infrastructure

- the introduction of Environmental and Food Production Areas (EFPAs) to protect agricultural and food production areas outside of Metropolitan Adelaide from urban encroachment.

The reforms are underway with Phase One of the rollout for Outback Areas complete. Phase Two regarding Rural Areas is set for completion in July 2020 and Phase Three Urban Areas due for completion in September 2020. The Draft Planning and Design Code for Phase Three (Urban Areas) is on public exhibition until 28 February 2020.

The recent delay in implementation of Phase Three (from July 1 to September) is a response to anti-development fears currently being peddled at the Local Government level. In order to ensure that the planning system supports and encourages growth, it is imperative that the reforms are supported by the government and industry alike and rolled out in a timely manner.

Any further delays to the Planning and Design Code's implementation is anti-competitive, a disincentive for growth and harms the South Australian property sector.

Challenges Ahead

Despite significant progress over the last five years in reforming planning regulations, a number of challenges remain which are outlined below.

- The predominant form of housing has historically been detached dwellings on large allotments. There is a need for growth in more flexible housing options for one or two-person households as these represent the fastest growing household type (AHURI, 2016). Currently 62 percent of households have fewer than three residents, but 72 percent of dwellings have three or more bedrooms. The attitudinal and policy change required to shift towards **smaller dwelling types** to better align with the states demographic make-up represents a long-term challenge.
- The delivery of housing is defined by 30-year projections (not targets). These projections are for Greater Adelaide only, with no guidelines on exact location. Defining locations and implementing a framework which more clearly defines housing targets is a likely challenge.
- SA has average net interstate migration of -4,438 people per year (ABS, 2016, Net Interstate Migration 2007-08 to 2016-17), coupled with a decline in the number of people in full-time employment since 2011 (ABS, 2016, South Australia, People – Employment). Unlocking land through rezoning, to attract innovative industries together with cheaper rents (relative to the eastern states), represents an opportunity to attract investment. **Creating economic growth through attracting investment and professionals and tradespeople is perhaps the largest challenge for SA.**
- Greater regulation surrounding the **accreditation and education of planning professionals and that required of persons eligible to sit on Assessment Panels** will give rise to informed assessment outcomes.

	Key Legislation	What Works Well?	What are the Problems?
Strategic Direction	<p>State Planning Policies.</p> <p>Regional Plans.</p> <p>30-year Plan for Greater Adelaide, 2010 – this was updated 2017. Note: Target 6 – ‘Greater housing choice’</p>	<ul style="list-style-type: none"> Recent changes to state legislation set a framework for plan making to reflect the strategic vision, which assists in providing projections for housing. SPP 6 relates to ‘housing supply and diversity’. The Regional plans articulate where new growth can occur and the policy measures to protect land (e.g. protection of food production land). 	<ul style="list-style-type: none"> There are no defined targets for the delivery of housing, only housing ‘projections’ are provided. The links between delivery of new infrastructure and housing growth, in terms of funding, timing and responsibility are not clear.
Plan Making	<p><i>Planning, Development and Infrastructure Act, 2016</i> establishes:</p> <ol style="list-style-type: none"> 1) State Planning Policies 2) Regional Plans 3) Council Development Plan(s*) including concept plans for certain areas or precincts. <p>*Development Plans are being replaced by the Planning and Design Code.</p>	<ul style="list-style-type: none"> State Planning Policies are to be the sole document to guide the preparation or amendment of planning instruments. Regional plans provide the long-term vision for regions or areas about the integration of land use, transport, infrastructure and public realm, intended to drive regional investment across Councils. Inclusionary planning targets for affordable housing through mandating a 15% affordable housing target in specified new residential areas as detailed in the Development Plans. 	<ul style="list-style-type: none"> Uncertainties about how the new planning system will function. Rezoning process is slow and expensive. A lack of incentives to deliver housing in key areas i.e. height bonuses or floor space incentives for retirement living etc. Unclear links between greenfield development and the delivery of infrastructure.
Development Approvals	<ul style="list-style-type: none"> • <i>Planning, Development and Infrastructure Act, 2016.</i> 1) Council Development Plans. 2) Residential Housing Code 	<ul style="list-style-type: none"> • e-lodgement opportunities being implemented. • Assessment process is relatively streamlined. • State Significant Development or major projects are delegated to the State Government authority and are case managed. • The Residential Housing Code allows for compliant housing development in certain areas to be fast-tracked. 	<ul style="list-style-type: none"> • Minimal scope for what is considered a Category 1 development application. • Statutory assessment timeframes for assessment are not strictly enforced.
Contributions	<p>Local Government Act 1999 – provides means for rateable charges to be applied to fund infrastructure.</p> <p>The Development Act 1993 – provides contributions for open space and car parking</p> <p>Note: Development Act 1993 is being phased out by PDI Act, 2016).</p>	<ul style="list-style-type: none"> • Relative to other states, the mandated developer contributions are less expensive. 	<ul style="list-style-type: none"> • Uncertainty regarding Developer Contributions under new changing legislation. • Lack of a clear, consistent and enforceable state-wide Developer Contributions Scheme. • Uncertainty regarding the timing for delivery of infrastructure when funded by applicant but delivered by authority. • Current system relies on Council’s negotiating their own infrastructure funding agreements with various land owners and developers to address infrastructure challenges.

Quick Win 1

Increase the scope of Category 1 (Cat 1) development process

What's the issue?

The classification of a Development Application as Category 1 has been lauded as an effective tool for accelerating timeframes associated with planning assessment, particularly around delivery of new dwellings.

To note, as part of the planning reforms, there are changes to the classification of development and notification thresholds to streamline assessment timeframes. The draft Planning and Design Code provides for less instances where notification is required i.e. single dwellings in residential zones, shops in neighbourhood zones.

How do we fix it?

There is not explicitly a requirement to 'fix' this aspect of the system, but rather learn from its success. Expand the number of Category 1 developments as listed in the Development Plan or Schedule 9 of the *Development Regulations 2008* to include more complex residential housing types (exact changes to be determined through future study). Category 1 developments do not require a public notice period, as such they enjoy a more streamlined assessment timeframe.

What are the benefits?

Increasing the scope of what types of development are considered Category 1 would offer relief for developers from public notice processes for simple, complying residential projects. The change would reduce overall in assessment time and improve the consistency of processes between different councils.

If 10% of developments that currently fall into Category 2 assessment processes could go through the Category 1 process, the following benefits are anticipated:



Quantity

Increasing the scope of Category 1 approvals is anticipated to deliver an additional 201 dwellings per year.



Timeliness

The approvals process could be cut down by approximately 6 weeks per dwelling.



Affordability

Cost savings from lower lodgement fee and time savings of holding costs will generate an anticipated savings of \$2,004 per impacted dwelling, overall savings to the market of \$1.2M.



Big Economic Impacts



Jobs



445

direct and indirect jobs anticipated per year



GVA



\$55.8 million

gross value added per annum to the South Australian economy

Quick Win 2

Renew off-the-plan stamp duty concessions to help support increased density in inner city infill areas

What's the issue?

There is a need for growth in more flexible housing options for one and two-person households as these represent the fastest growing household type in South Australia. Currently 62 percent of households have fewer than three residents, but 72 percent of dwellings have three or more bedrooms.

In the context of the EFPA's and the, anecdotally slow, delivery of infrastructure, densification of infill areas provides a solution to prevent urban sprawl while still delivering housing in high amenity areas with access to transport.

How do we fix it?

Renew the infill (off-the-plan) apartment stamp duty concessions (expired 1 July 2017). Buyer incentives like the stamp duty concession help support development of new home products and typologies that suit a broader range of household types and preferences.



CASE STUDY: DESIGN PERTH

The #designperth study, a collaboration between Greens Senator Scott Ludlam, the Property Council of Australia, CODA Architecture and Urban Design, and Curtin University Sustainability Policy Institute, shows the government saves \$94.5 million for every 1,000 infill lots developed compared with the costs of developing new greenfield sites.

Building on the 2013 Transforming Perth study, it analyses the cost to government and individual households of both kinds of development. The data showed that the cost to government to provide infrastructure including roads, water, communications, power, health, education and emergency services in greenfield sites was \$150,390 a lot, compared with \$55,830 in infill sites.

The analysis also shows that greenfield developments result in an additional \$6600 a year on average in costs for Perth households due to extra travel costs, and cost the broader economy \$1400 a lot per year in environmental, health and productivity costs.

What are the benefits?

Stamp duty concessions increase affordability for buyers and will help support construction of medium and high-density apartments within inner metropolitan infill areas in Greater Adelaide. Better affordability for buyers will help developers sell apartments more quickly and reduce overall project risk and timelines.



Affordability

Cost savings on off the plan apartments will save buyers approximately \$17,830 per dwelling, based on a median apartment price of \$430,000 for Adelaide City LGA in 2018.



Quantity

Stamp duty concessions can be expected to increase the number of apartment dwellings delivered annually by 206 in strategic infill locations.



Diversity

Support for apartment development will increase the number of smaller dwelling sizes available for smaller households or those with tighter affordability criteria.



Productivity

Increased population density around areas of high amenity in close proximity to services is expected to increase productivity for a potential uplift in gross state product of \$6.3M per annum.



Infrastructure Savings

Infrastructure savings due to increased infill development over the delivery of greenfield lots is anticipated to be \$73.7M per year.



Big Economic Impacts

This policy change will result in more jobs, a boost to economic growth, and increased productivity.

Quick Win 3

Amalgamate councils

What's the issue?

The amalgamation of councils in South Australia in the mid-1990s resulted in the number of councils being reduced from 118 to 68. The process, however, was voluntary and as a result there still remains wide variations in the size, functions and capacity of many councils. Today councils in the state serve local populations that range from 900 to 165,000. There are 26 councils in SA with populations of less than 5,000.

South Australia has the highest rates per capita in the country at \$774 in 2013-14, almost \$150 more than the Australian average and rates in SA are increasing at a faster rate than the rest because of council dependence on rate revenue as an average of 76% of revenue base of Australia.

Varying council development application processes and requirements adds cost to the development process and generates uncertainty of planning and development outcomes.

How do we fix it?

Reduce overall number of councils to generate efficiencies across local government operations and the planning assessment process. We proposed amalgamating the current 68 councils into small metropolitan councils into populations of around 100,000-150,000 and nine larger regional councils (reduction in number of councils of about 50%).

What are the benefits?

Amalgamated councils will create efficiency and consistency across planning jurisdictions, allowing planning departments to assess applications more quickly, reducing development timeframes and costs and contribution to greater delivery of housing supply.

A study was undertaken by the PCA South Australia and ACIL Allen in 2016 to model the economic impact of a reduction in the number of councils in South Australia. The assumptions from this study (an increase in council efficiency of 1.4%) were used to estimate impacts of council amalgamation on the property industry.



Quantity

Amalgamated councils can be expected to increase the number of apartment dwellings delivered annually by 166 (assuming sufficient market demand).



Affordability

Amalgamation of councils is expected to deliver significant cost savings for rate payers. The 2016 study asserts that "a reduction in councils in South Australia by around 50 per cent would deliver savings to councils and the community of nearly \$70 million per annum and result in a total benefit of around \$543 million in Net Present Value terms (adjusted to 2019 dollars)."



Big Economic Impacts

Construction of the additional dwellings resulting from the increased efficiencies across councils will generate



Jobs



367

direct and indirect ongoing jobs per year



GVA



\$27 million

gross value added per annum to the South Australian economy.

Quick Win 4

Simplify the rezoning process

What's the issue?

Rezoning in South Australia can follow one of three pathways:

1. **Council-led rezonings, which typically take about 12 months**
2. **Developer-led rezonings, which typically take about 12-24 months**
3. **Minister-led rezoning (for significant corridors or precincts), which can take anywhere from 12 to 36 months**

The two year developer led rezoning process involves a significant level of risk that leads some developers to not even attempt rezoning on sites that would otherwise be used to deliver additional housing stock. It is heavily reliant on Council's reception of the proposed rezoning and impacts the speed of delivery of innovative development outcomes.

How do we fix it?

Simplify the rezoning process to include enforced statutory timeframes and work toward a goal of developer led rezonings achieving a 12 month timeframe for arriving at a decision.

What are the benefits?

A simplified rezoning process would increase certainty for developers around rezoning outcomes and streamline the overall development process. It will assist in creating a system which aligns with the realisation of innovative development outcomes.



Quantity

A simplified rezoning process could deliver an additional 200 dwellings per year.



Timeliness

1 year process is reasonable for a decision on developer led rezonings, time savings of as much as a year.



Affordability

Anticipated savings of \$12,000 per dwelling on rezoned sites, an overall savings of \$16.3M across the housing market.



Big Economic Impacts



Jobs



381

ongoing jobs per year.



GVA



\$47.7 million

gross value added per annum.







Australian Capital Territory

Planning
Quick Wins

The Planning Context



Source: Australian Bureau of Statistics; REMPLAN Economy; ACT Treasury and Economic Development Directorate

The Australian Capital Territory (ACT) has a relatively straightforward planning and approvals system. A dual planning regime is established for the ACT, with the Australian Government and ACT Government both having separate planning responsibility.

The Australian Government (through the National Capital Authority) is responsible for ensuring Canberra and the Territory are planned and developed in accordance with their national significance. The National Capital Plan sets out broad planning principles and policies for Canberra and the Territory, and detailed conditions of planning, design and development for the 'Designated Areas', identified for their particular importance to the special character of the national capital. The National Capital Authority are responsible for assessing and approving applications to undertake works in 'Designated Areas', and for preparing development control plans, urban design guidelines, master plans and draft amendments to the National Capital Plan.

The ACT Government is responsible for day-to-day planning and development of Territory land, setting strategic planning policy, administering development and building approvals, leasing and deed management. The ACT Government is also responsible for releasing and developing greenfield land (through the Suburban Land Agency) and identifying and leading the urban renewal of key strategic sites (through the City Renewal Agency).

The ACT operates under a leasehold system of land tenure. Meaning a purchaser buys the right to use the land under a lease, typically for a term of 99 years.

Progress in Australian Capital Territory

Significant progress has been made by the ACT Government in recent years to identify and lead the urban renewal of underutilised and strategically located sites. Notably, in February 2015, the ACT Government signed an agreement with the Commonwealth Government to sell territory assets as part of the Asset Recycling Initiative. The program provides incentive payments (15% of sale price) to states and territories that sell assets and reinvest the sale proceeds to fund infrastructure. A significant number of assets in the City Renewal Precinct have been released for redevelopment, with the incentive payments used to fund stage one of the light rail network – now complete.

In 2018, the ACT Government released the updated ACT Planning Strategy with a renewed focus on supporting sustainable urban growth. The Strategy aims to deliver up to 70% of new housing within the existing urban footprint by concentrating development in areas located close to the city centre, town and ground centres and along key transit corridors.

The ACT Government's Indicative Land Release Program continues to be a means for the delivery of housing in line with strategic planning directions and priorities and reflective of evolving market conditions.

Challenges Ahead

The ability to meet future housing needs is limited by the availability of land and in particular new residential development locations or 'greenfield' areas. Many of the areas identified in the 2012 ACT Planning Strategy have now been developed or are forecast to be completed in the short to medium term (2018-2031).

The options for urban expansion are limited. To the east of the city, the airport and environmentally significant areas preclude residential development. To the south, bushland and mountainous areas limit opportunities for expansion. To the north, is the ACT / NSW border. The 2018 ACT Planning Strategy identifies an area to the west of the city (beyond the Weston Creek and Molonglo districts) as a possible location for future urban expansion, subject to detailed investigations.

While support for urban infill and higher density development in suitable locations is outlined by the Government, there are a large number of perverse policies in addition to community opposition which limit the ability to achieve the stated targets.

The ACT Government has a strong commitment to community engagement through all levels of planning from strategic policies to master plans and development applications. Community angst and involvement in the planning and approval process remains a significant challenge to achieving housing diversity and growth.

	Key Legislation	What Works Well?	What are the Problems?
Strategic Direction	Commonwealth: <i>National Capital Plan</i> Territory: <i>ACT Planning Strategy 2018</i>	<ul style="list-style-type: none"> The National Capital Plan sets out broad planning principles and policies for the Territory, and detailed conditions of planning, design and development for the 'Designated Areas', identified for their particular importance to the special character of the national capital. The ACT Planning Strategy sets out long term planning policy and goals to promote the orderly and sustainable development of the ACT, consistent with the social, environmental and economic aspirations of the people of the ACT. 	<ul style="list-style-type: none"> Conflict between the National Capital Authority and ACT Government priorities / expectations for particular areas resulting in developer uncertainty and underutilisation of key sites. Commonwealth priority is to protect the unique purpose, setting, character and symbolism of the National Capital. Whereas, the Territory is required to address urban challenges such as population growth, affordable housing, infrastructure, etc. Territory policies in conflict with Commonwealth policies, particularly in areas identified for urban infill, significantly impacts on development outcome.
Plan Making	Territory: <i>Territory Plan</i>	<ul style="list-style-type: none"> The National Capital Plan prevails over the Territory Plan, but the two plans are intended to be complementary. Territory Plan sets out land uses that are either permissible (requiring a development application to be assessed in the code, merit or impact track) or prohibited in the zone. Development codes provide 'rules' and 'criteria'. Rules provide quantitative, or definitive, controls. By contrast, criteria are chiefly qualitative in nature. In some instances, rules are mandatory. Non-compliance with a mandatory rule will result in the refusal of the development application. Where there is a departure from a rule the onus is on the applicant to demonstrate that the relevant criterion is satisfied. 	<ul style="list-style-type: none"> Limited scope for flexibility in design and assessment due to high number of mandatory rules in the development codes. Developer led Territory Plan variations (re-zoning) are time and resource intensive with very little certainty of support.
Development Approvals	Commonwealth: <i>Australian Capital Territory (Planning and Land Management) Act 1988</i> Territory: <i>Planning and Development Act 2007</i>	<ul style="list-style-type: none"> <i>Planning and Development Act 2007</i> provides track-based system for assessing developments. Development is either exempt, code, merit or impact. Statutory timeframes set for code track (20 working days) and merit and impact tracks (30 working days if no representations are received or 45 working days when representations are received). Ability to appeal a decision in the ACT Civil and Administrative Tribunal (ACAT). Currently single dwelling housing that meets specific requirements considered exempt development or code track. E-development portal used for online lodgement of development applications and building approvals. 	<ul style="list-style-type: none"> Limited amount of development that falls within exempt or code track assessment. High volume of applications means statutory timeframes are rarely met. The statutory timeframe does not start until "completeness checks" are confirmed which results in pseudo development assessment and increased times for assessment. Entity referrals can cause significant delays in assessment process. Statutory timeframe of 15 works days rarely adhered to. Ability for third parties to appeal a decision in the ACAT for a very low fee and timeframes for resolution very slow.
Contributions	Lease Variation Charge	<ul style="list-style-type: none"> Used as a means to capture "value uplift" stemming from a change in land use, development rights or obligations under an existing lease. The revenue received from the Lease Variation Charge can differ significantly from year to year depending on the number of major projects requiring a lease variation. The 2018-19 Budget includes an estimate of Lease Variation Charge revenue of \$21.5 million. 	<ul style="list-style-type: none"> The Lease Variation process is highly complex and there is significant unpredictability around timeframes and ultimate costs. Large amount of variability in valuation between private and government valuers, resulting in many projects not proceeding. The current Lease Variation Charge framework could hinder residential redevelopment activity because of the financial impact on development costs, particularly for medium to high density residential projects. Length of time and cost of ACAT appeals. Budget is not general revenue and not necessarily invested directly into areas undergoing renewal. Simple changes are dealt with same process (e.g additional uses, amending easement etc), irrespective of whether permissible in zone and or result of changing engineering practices.

Quick Win 1

Allow for private certification for initial technical check of development application process

What's the issue?

Major influx of development within the ACT has overloaded the planning authority, creating lengthy delays in the development application process.

Prior to lodging a DA, the ACT Environment, Planning and Sustainable Development Directorate (EPSDD) requires an initial check that the applicant has provided all the documents and information required to assess the application.

While this part of the process is valuable in reducing back and forth between applicant and assessor, it is currently a bottleneck in the assessment process, holding up applications from progressing through to assessment. The check itself usually only takes less than a day and the EPSDD advises that the check will be complete within 10 working days. However, the process is currently taking up to 8 weeks on some projects due to insufficient EPSDD resources or overly detailed requests of information. Even simple projects that should zoom through the process can get stuck "in line" behind more complex projects.

How do we fix it?

Private certification of the initial technical check by certified local planners could free up capacity within the planning authority to focus on the more complex stages of the DA process. Local planners will typically perform a similar check of documents as part of their own process at the start of an application. A system should be established to give certified local planners the option to take on these checks with an allocated timeframe of 2 days.

What are the benefits?

Increased resources to perform the initial check of documents will free up planning authority resources, which will ultimately lead to more dwelling approvals. Private certification will also reduce the timeframe for this technical check, reducing holding costs for developers.



Quantity

Additional available resources within the planning authority could enable delivery of an additional 191 dwellings per year.



Timeliness

Private certification for the initial technical check of information is expected to save 26 days per dwelling.



Affordability

Reduced holding costs resulting from the streamlined DA process will yield a savings of \$852 per dwelling, total savings to the housing market of \$6.1 million per year.



Big Economic Impacts



Jobs



304

direct and indirect ongoing jobs per year



GVA



\$46.3 million

gross value added per annum to the ACT economy

Quick Win 2

Rationalise the referral process

What's the issue?

The referrals process in the ACT operates in a manner that is contrary to strategic planning goals for delivery of housing.

While there are established and tested statutory timeframes (15 working days), referral agencies rarely adhere to these timeframes and there are no consequences when referral agencies miss deadlines (some agencies regularly take twice as long as the established timeframe to deliver their reports). The referral process is currently taking on average four to six weeks, with extended timeframes for complex applications. The agency delays can stall projects and prevent decision making within the court as well as adding significant holding costs for developers.

Applicants have the option to go to agencies before DA lodgement to get comments and fast track the application. However, in most cases the assessor requests referral to the agency anyway, further extending the application process.

How do we fix it?

Increase the statutory timeframe for agency feedback on DA referrals from three weeks to a more realistic timeframe of four weeks. Enforcing this more realistic timeframe will speed up the average DA approval and appeals process.

The planning authority must administer the statutory timeframe and hold agencies accountable to it by introducing a requirement for agencies to report on their performance in meeting statutory timeframes each year. This will improve the transparency of the referral process and pinpoint the source of referral delays.

What are the benefits?

Transparency within the referral system will create accountability among agencies through better performance tracking and lead to better overall outcomes. Faster development timeframes driven by a rationalised referrals process will help create certainty for developers in the approvals process and deliver housing more quickly.



Quantity

Reduced referral timeframes have the potential to deliver an additional 18 dwellings per year.



Timeliness

If the ACT planning system can enforce a four-week referral timeframe, the approval process will be shortened by 2 weeks per dwelling.



Affordability

Based on time savings and reduced holding costs for developers, savings of approximately \$525 per dwelling are expected, overall savings to the housing market of \$3.8 million per year.



Big Economic Impacts



Jobs

↑ 28

direct and indirect ongoing jobs per year



GVA

↑ \$4.3 million

gross value added per annum to the ACT economy

Quick Win 3

More exempt or code track developments

What's the issue?

Development applications are required for too many insignificant building changes and tend to clog up the system and capacity of planners for working on more meaningful projects with much larger impacts.

Currently, a residential development may only be exempt from requiring a DA if it is the sole dwelling on a property. In New South Wales there are a range of categories of work that are complying development, which would trigger a DA in the ACT under the current exemption criteria. This includes construction or demolition of a secondary dwelling, small retail and commercial developments, and street awnings and business signs.

How do we fix it?

Requirements for a DA submittal must be rationalised. An estimated 30% of all developments (both residential and non-residential) currently requiring a DA could be assessed as complying developments.

Residential projects smaller than three stories and 15 dwellings are already acknowledged as low risk projects in the lack of requirement for pre-consultation before DA lodgement. This same threshold should be adopted for complying development.



EXEMPT AND COMPLYING DEVELOPMENT ACROSS AUSTRALIA

Exempt and complying developments are those that do not require lodgement of a full DA as they meet a set of requirements or codes. There are significant cost savings involved for these developments compared to a DA for both the applicant and the assessor, which has the potential to be passed on as more affordable dwellings.

The Centre for International Economics in 2015 found that there was a potential \$15,000 saving for single dwellings approved under the complying development pathway in NSW, and a \$2,600 saving for residential extensions and alterations.

Different states and territories across the country have implemented this development pathway with varying coverage and success. While NSW and South Australia implement these pathways with good coverage of developments, there are clear opportunities to expand their scope to include more residential development.

Brisbane City Council's code assessment is the most successful example, providing clear codes for quickly assessing simple applications. Urbis tracked all applications going through the Brisbane City Council for a six-month period in 2018, finding around 78% of applications were code assessable.



NSW COMPLYING DEVELOPMENTS (2015-16)

33%
of all DAs

22 day
average
timeframe

BRISBANE CITY COUNCIL CODE ASSESSMENTS (2018)

78%
of all DAs

20 day
statutory
timeframe

SOUTH AUSTRALIA CATEGORY 1¹ ASSESSMENTS (2019)

93%
of all DAs

14 day
statutory
timeframe

1. South Australia Category 1 assessment covers development that is exempt from public notification, however a developer is still required to lodge a formal application for development approval.

What are the benefits?

A reduced overall number of DAs within the system will enable faster processing of meaningful development applications and the delivery of additional housing.



Affordability

Time savings and reduced holding costs would lead to savings of \$2,501 per household assessed as a complying development, \$1.3 million in house prices across the market.



Quantity

If 30% of developments currently requiring a DA were assessed through the complying development pathway, the remaining development applications would be assessed more efficiently, resulting in the delivery of an additional 200 dwellings per year.



Timeliness

Residential developments assessed as complying developments will save on average 10 weeks in assessment time compared to if it required a DA.



Big Economic Impacts



Jobs



319

direct and indirect ongoing jobs per year



GVA



\$48.6 million

gross value added per annum to the ACT economy

Quick Win 4

Improving efficiencies in planning policy and approval processes

What's the issue?

Delays in progressing planning approvals; and in particular, matters that require policy amendments prior to or concurrently with progression of a Development Application.

Many complex projects require consideration of a policy matter (Territory Plan Variation (TPV) or similar) to allow their progression. These projects are often well aligned with ACT government policy objectives, are innovative, and if able to be realised, positioned to bring strong benefits to the ACT community and economy.

There are a number of key road blocks in relation to these more complex assessments:

- The legislation provides timeframes for the completion of planning processes, however in implementation this rarely is achieved. Although the statutory timeframes for TPV suggests this may be facilitated within 12 months, experience has demonstrated that the TPVs can take in excess of 2 years to be progressed. This is often due to complexity as well as availability of key resources within the relevant Planning Section.
- Whilst there is an ability to run concurrent development applications with the policy amendment (as is practice across a number of jurisdictions), this rarely if at all occurs.
- Matters of land administration (Lease Variation and title matters) are progressed following DA approval, when these can also be partly progressed concurrent with DAs.
- Resourcing and facilitation of complex projects through EPSDD.

How do we fix it?

To continue the progression of projects, a key opportunity is to review the process regarding concurrent assessment of projects that require policy changes such as Territory Plan Variation and other Land Administration processes to facilitate a specific development proposal, concept and/or master plan proposition. Focus should shift to considering how these projects can be facilitated within the statutory framework on a priority basis to bring medium term stimulus to the ACT economy.

Many of these projects are subject to processes with statutory timeframes. Some processes can be undertaken concurrently or expedited without adversely impacting on the opportunity for consultation or sound governance. Such efficiencies would deliver approval outcomes in a potentially faster timeframe whilst still complying with all statutory requirements including opportunities for stakeholder engagement.

Further, a dedicated area within the Planning Authority could assist in identifying and assisting with key priority projects and facilitating the multiple channels of assessment.

The flow chart on the following page demonstrates the operation of approval processes for a hypothetical project involving land acquisition, rezoning and a development application for land that is subject to the Territory Plan under the Planning and Development Act 2007.

The chart compares both current assessment timeframes and potential reduced assessment timeframes if concurrent processes are applied. It indicates a potential reduction in approval timeframes of approximately **100 weeks** or more (2 to 2.5 years) with improved approval efficiencies and concurrent processes.

What are the benefits?

Approval efficiencies would translate to faster project commencements and feasibility; as well as the earlier realisation of development completion and its associated benefits including contribution to social, economic and employment objectives for the ACT. Benefits include:

- Improving assessment efficiencies would allow the progression of proposals for precinct development that require policy changes. Such projects can bring benefits to the Canberra community and urban economy in the medium and longer term.
- Concurrent DA assessment, policy changes, and post-approval activities would result in earlier construction commencement, a shorter time to project completion and sales settlements, and reduced holding costs for proponents.

- The direct economic stimulus of these projects would amount to a local capital investment of billions of dollars, both in direct investment in construction works, business expenditure and activity, as well as indirect economic benefits from increased rates base and job creation.
- Proponents are generally willing to make a commitment to progress such projects that are successful in the planning policy and assessment phases.

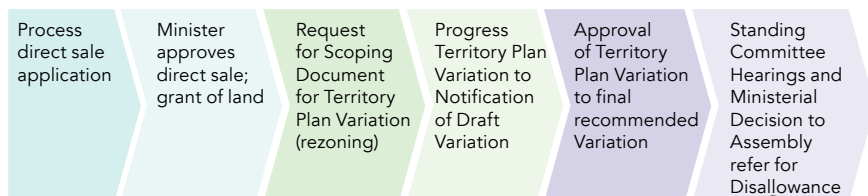
The scope, scale and nature of these projects would create a strong base for ongoing economic stimulus over a 5 – 10 year horizon following the planning and approvals phase, providing important economic stimulus and recovery once government support ends.

Standard integrated planning assessment process for land acquisition, rezoning and a development application.

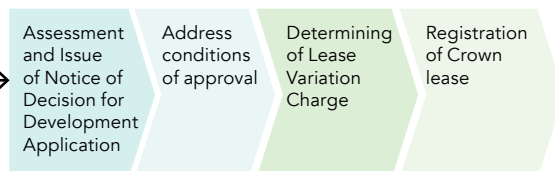
— 204-290 Weeks —————→



POLICY



STATUTORY APPROVAL PROCESSES



Integrated assessment process with concurrent activities.

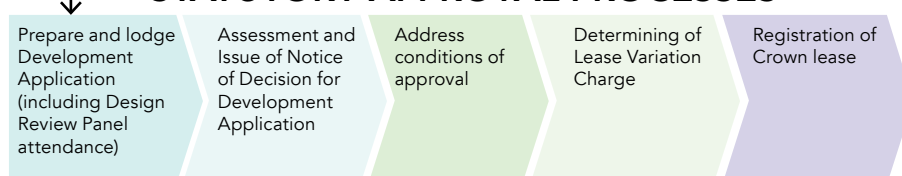
— 110-133 Weeks —————→



POLICY



STATUTORY APPROVAL PROCESSES



Quick Win 5

Performance of the National Capital Design Review Panel (NCDRP)

What's the issue?

The NCDRP has been in operation as a statutory requirement since October 2019. This process was initially supported widely by Industry due to potential for consideration of design merit outside the standard Territory Plan interpretation

Whilst there was some early indication of potential, the property industry is concerned that the process is already weighed down in process and red tape that is diluting its effectiveness and reducing its potential.

Noting that the process is to occur before DA submission and substantial design commencement, the timeframe from initial engagement to a panel hearing has blown out to over 5 months. Where multiple panel hearings are required the process can take in excess of 9 months to complete; with the process being required to be completed prior to being able to submit a development application.

The choice of whether a proposal is to be subject to Full Hearing, Desktop Assessment or Internal Document Review is unclear, and timeframes for completion are not well articulated.

Although the EPSDD generally administers the DRP process well, the panel hearings often appear to delineate from the expectation outlined in the Panel's Terms of Reference and do not deliver the benefits envisaged from this process as conceived in the legislation.

The cost to Industry is not insignificant. In addition to the timeframe and holdings costs, costs to prepare for a panel hearing often exceed over \$20,000 per session, and proponents do not feel that the process outcomes and advice given from the panel reflects a value for money proposition. Concerns are raised over the following:

- Level of transparency
- Lack of Impartiality of advice
- Lack of understanding of the site context, planning controls and other governing structures dictating the outcomes that can be achieved
- Lack of perceived ability to influence or inform decisions (that is changed an opinion that has been determined prior to the meeting).

The selection of Panel members initially and for individual panel sessions is not transparent and proponents are not advised of Panel members prior to the session, thus limiting the ability to engage with the Panel in a meaningful way. It also limits a proponents ability to raise concerns over potential conflicts of interest, perceived or otherwise, particularly given the potential for interactions between professionals in Canberra's small environment. The composition of the Panel does not always reflect a diverse, multidisciplinary group.

The Panel often does not appear to provide advice in relation to the design presented to evaluate the proposal; rather the Panel provides a personal interpretation as to how the site should be developed. The Panel's objective to provide clear, constructive advice on the proposal is often not achieved.

There further appears to be no improvement in DA assessment timeframes or processes in response to attending a DRP process, even where general endorsement or commendation of a proposal is received from the Panel. The additional cost and time taken in this process (including extended land holding costs) is expected to result in a more expeditious DA assessment process; reports reflect that this outcome is yet to be experienced by proponents.

How do we fix it?

- Greater transparency in the selection of panel members into the system and introduction to proponents in advance of Panel hearings.
- Curating panel members that reflect a diversity of views across different ages, demographics and professional disciplines.
- A clear fencing and understanding by the Panel of statutory, planning policy and controls and land title constraints that limit or guide planning outcomes on sites.
- Focus on design matters that can be reviewed rather than challenging fixed constraints or matters that are beyond the control of the proponent to influence.
- Acknowledgement by the Panel that the proposal presented relates to the specific site and project team; and a requirement that the Panel present their consideration and findings within the framework of such constraints.
- Where these matters are highlighted in Panel discussions, the Panel should be required to adopt these constraints as part of their consideration, findings and advice.
- Adequate opportunity to attend the appropriate Panel forum for all projects that require DRP engagement in a timely manner; given the expectation that proposals are presented to the Panel at concept stage and often a second time closer to DA submission, it is imperative that adequate resources are afforded to conduct hearings within a 4 week period from the initial request.
- A clear set of guidelines as to whether a proposal is best assessed at full hearing, desktop assessment or internal document review would be beneficial.
- Focusing the panel to respond to and provide advice specifically on the materials presented and providing clear and constructive advice specifically in relation to the proposal presented.
- Providing a clear understanding on the actual benefits that a proponent can derive and expect in DA assessment where the Panel provide supporting advice and/or endorsement to a scheme presented.
- Adequate resourcing of the ACT Government Architect.
- Greater alignment with the South Australian Design Review Panel (which has significantly reduced DA approval times in line with acceptance of recommendation to assessing authority. This provides the incentive.

What are the benefits?

- Higher quality design outcomes.
- Expedient development assessment where Panel support is received. Shorter assessment times provide economic stimulus and savings to proponents that are passed through to the community, future residents and the ACT economy as a whole.
- More certainty in development assessment around subjective matters relating to design as set out in the Territory Plan.
- Better engagement between the Panel and design professionals in a collaborative and constructive manner to promote the development proposal presented to the Panel.
- Buy-in, support and embracing of the Panel process by proponents, designers and the community.





This report is dated April 2020 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis is under no obligation in any circumstance to update this report for events occurring after the date of this report. Urbis prepared this report on the instructions, and for the benefit only, of the Property Council of Australia (Instructing Party) for the purpose of Economic Impacts of Practical Planning Actions in NSW (Purpose) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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Urbis has recorded any data sources used for this report within this report. These data have not been independently verified unless so noted within the report.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

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This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading and taking into account events that could reasonably be expected to be foreseen, subject to the limitations above.