

**Submission
No 169**

INQUIRY INTO THE PROTECTIONS WITHIN THE VICTORIAN PLANNING FRAMEWORK

Organisation: Planning Institute Australia (Vic)

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The Secretary
Legislative Council Environment and Planning Committee
Parliament House Melbourne

Dear Secretary

RE: INQUIRY INTO PROTECTIONS WITHIN THE VICTORIA PLANNING FRAMEWORK

The Planning Institute Australia (PIA) Victoria is the body representing planning and the planning profession and welcomes the opportunity to contribute to the reform of the Victorian planning framework.

Through education, communication and professional development, PIA is the pivotal organisation serving and guiding thousands of planning professionals in their role of creating better communities. In Victoria, PIA represents around 1100 members and more than 5000 nationally through our advocacy, publications, and professional development programs such as PLANET and Registered Planner accreditation that aims to equip the profession with the necessary skills to be competent planners.

As a member-based organisation representing planning and the planning profession, PIA's mission is to champion the role of planning in shaping the state's future. PIA's position is that "good planning creates value". Planning can improve returns on infrastructure investment and boost the economic, environmental, and social performance of growing cities and towns.

Marcus Spiller MPIA (Fellow), Principal & Partner SGS Economics, estimated the cumulative net benefit of a plan for Melbourne at over \$25 billion. In Sydney, CIE estimated the savings from different urban structures for Sydney at between \$2K and \$10K every time a new house is built under the metropolitan plan.

The potential net benefit of a well-conceived city strategy is so great that any planner or economist must take them seriously. (<https://sourceable.net/why-planners-and-economists-should-take-city-strategy-seriously/>)

Both at national and state level, PIA is committed to achieving planning objectives that improve liveability for people through high-quality, transparent and efficient planning practices and systems.

The Core Elements of a Good Planning System identified at a national level by PIA provide a platform from which to identify reforms:

- Opportunities for the community and key stakeholders to actively contribute to the planning process in a manner that is effective, inclusive, respectful of community values and genuine;
- Strong leadership from both the industry and elected members that values and respects the need and benefits of effective planning;
- A planning profession and workplace culture that delivers and embraces the value of planning;
- Legislation and governance structures that facilitate integration of national, state, regional and local policies in a clear hierarchy, including spatial plans at both regional and local scales;
- Evidence-based strategic planning at all levels of government, and a demonstrated commitment to implement plans aligned with infrastructure funding and delivery;
- Planning instruments that are performance-based, responsive, equitable, legible and provide certainty around planned outcomes and milestones;
- Advice and support from a range of disciplines such as urban design, engineering, transport planning, social planning, ecology, and/or a range of others, that inform and add value to the planning efforts; and
- Planning rules and approval conditions that deliver positive environmental and social outcomes.

PIA continues to advocate for planning reforms to improve the transparency and operation of the planning system in Victoria. This submission builds on PIA's previous work however it specifically responds to the following:

1. High cost of housing
2. Environmental sustainability and vegetation protection
3. Delivering certainty and fairness in planning decisions
4. Protecting heritage
5. Residential zone
6. Other matters including climate change and resourcing

Background

The *Planning and Environment Act 1987* (the Act) provides the statutory framework to manage the use and development of land in Victoria. The Act interacts with other legislation including, but not limited to:

- *Aboriginal Heritage Act 2006*
- *Heritage Act 2017*
- *Flora and Fauna Guarantee Act 1988*

- *Transport Integration Act 2010*
- *Environment Effects Act 1978*
- *Environment Protection and Biodiversity Conservation Act 1999 (Cth)*

There continues to be concern over whether Victoria's planning system addresses the key objective of the Act, which is to ensure sound, strategic planning and coordinated action at State, regional and municipal levels.

PIA agrees with the following conclusions of the Auditor-General's 2017 review of the planning system:

- Vague and competing State planning policy objectives and strategies, with limited guidance for their implementation, which reduce the clarity of the planning system's direction in meeting State planning objectives;
- A lack of specific guidance to address key planning challenges, such as social and affordable housing, climate change and environmentally sustainable development;
- An overly complex system of planning controls in local planning schemes—councils add and amend policies and controls to try to provide clarity and certainty to their schemes in the absence of clear guidance at a State level;
- DELWP and councils' performance measurement frameworks being unable measure whether the objectives of the Act or State planning policies are being achieved; and
- Lengthy delays in the processing of planning proposals, leading to set time frames not being met and unnecessary costs for applicants.

The Auditor-General noted these systemic weaknesses exist because of the poor uptake and implementation of previous review recommendations. It is acknowledged that since the release of the 2017 Review there have been some improvements to the planning system, but there are significant opportunities for further reform.

1. High cost of Housing

Housing affordability is an issue at a State and National level which has been exacerbated by the pandemic. Planning has a critical role to play in ensuring adequate housing supply, however it is one of several factors that influence access to housing in the private market and is certainly not the only determinant in addressing housing affordability.

PIA agrees that access to housing that is affordable and meets diverse needs is vital to retain the liveability of our cities and towns.

The provision of appropriately zoned and serviced land, both in infill and greenfield, can contribute to increasing zoned supply in private owned and rental markets, however there are limitations for the delivery of affordable housing for those unable to afford

market rents. PIA is also supportive of 'Key Worker Housing' initiatives to support key employers in regional areas.

The planning system can support the provision and design of social and affordable housing. There is a deficiency of social housing in Victoria and the 'Big Housing Build' is increasing the supply of publicly funded housing. The planning system could also support increased supply, through planning mechanisms (including the wider use of inclusionary zoning), in infill and greenfield developments.

The high cost of housing is linked to demand factors including interest rates and the investment advantages of housing. Over the long-term demand is also driven by population growth and changing preferences associated with demand. At a national level, PIA is advocating for a National Settlement Strategy to ensure Australia's growth is managed in a sustainable manner, with respect to climate change, infrastructure requirements and community needs.

Population movement has resulted in an influx of new residents to many regional centres, and this has placed additional pressure on house prices, supply, and community infrastructure. This is a national trend as people are adopting more flexible working arrangements. The National Settlement Strategy, and its state response, would consider strategies required to support the rapidly changing cities outside of Melbourne.

2. Environmental sustainability and vegetation protection

PIA supports the implementation of Environmentally Sustainable Design (ESD) in the Victorian planning system. We believe that many of the objectives and strategies required to underpin the delivery of ESD in Victoria are already embedded in the PPF, providing a strong foundation.

PIA acknowledges that the 'sustainability' of development is frequently not given sufficient weight when balanced with other objectives of the planning system in Victoria.

In planning for a zero emissions future, future use and development of land must respond to climate change.

Precinct planning represents one of the key opportunities for change and PIA Victoria is therefore advocating for strong and urgent action in this space, including:

- Requiring a 'Climate Change Response Plan' as part of any precinct-based structure plan to formalise assessment of mitigation and adaption and responses.

- Looking to the Sustainable Subdivision Framework developed by CASBE to underpin updates to Precinct Structure Planning guidelines and Clause 56
- Updating Precinct Structure Planning Guidelines to include 'climate positive' precincts as an 'innovation' pathway and net zero precinct as the 'norm'.

PIA supports greater strategic work to identify strategically significant vegetation and key native vegetation offset areas. This work could be used to inform settlement planning decisions, particularly in peri-urban and regional areas where there are often competing demand for new housing, vegetation protection and mitigation of environmental hazards.

PIA welcomes additional vegetation protection mechanisms to provide the greening of urban areas.

3. Delivering certainty and fairness in planning decisions

Much of the external criticism of the planning system is based on the time, cost, and effort taken to secure approvals to facilitate building and construction.

In Victoria, the building and construction industry is the second largest sector in terms of economic output. It is often referred to as the 'lifeblood of our economy' and tied to the employment and livelihood of many Victorians. In this context the system is often seen as a source of 'red tape' with complex and time-consuming processes that in many cases are less effective than they should be. This led to the Planning and Building Process Approvals Review undertaken by Better Regulation Victoria.

PIA maintains that the planning system delivers value through achieving cities, towns and centres that have a better return on infrastructure and addresses market failures in how we allocate rights to land. We regard 'red tape' as being any planning processes that are superfluous to creating this strategic value. We continue to identify these processes.

More recently, criticism has focused on the transparency and integrity of planning and property development decision making with an ongoing investigation by the Independent Broad-based Anti-Corruption Commission (IBAC) under Operation Sandon. Operation Sandon was prompted by allegations of corrupt conduct involving councillors and property developers in the City of Casey. The scope of Operation Sandon was widened to look at the broader systemic issues impacting on the integrity of our planning process. Given that this investigation is ongoing, PIA Victoria is unable to respond to any conclusive findings at this stage.

PIA recognises the importance of community involvement in the planning process, and consultation regarding preferred planning outcomes. PIA considers there is an

opportunity to involve the community more meaningfully in the strategic planning stages. A core principle of good planning is that all proposals should be considered on their merits, and therefore we will not provide specific commentary on height controls and design guidelines in this submission.

4. Protecting heritage

The planning system plays a role in the protection of cultural and post-contact heritage places, vegetation, and structures. The Act, Heritage Act and Aboriginal Heritage Act have greater opportunities for integration to protect heritage in Victoria.

PIA welcomes a greater recognition of indigenous planning in the Victoria planning system.

5. Residential zones

Residential zones should be applied in consultation with the local community and land owners and align to an adopted strategic vision for an area which is current and which responds to growth and change. PIA understands that some areas may change over time, however it is imperative that Council, State Government, and other stakeholders work closely with the community to provide clarity around the preferred planning outcomes for an area.

6. Other matters including climate change and resourcing

Climate Change

In February 2020, PIA's national body declared a "climate emergency". PIA is very concerned at the lack of clarity and direction on achieving required carbon emission reduction. PIA considers that planners are uniquely placed to bring together built environment, land management professionals and the community to deal with the complexities of planning in a changing climate.

PIA supports greater legislative recognition for climate change actions to reduce emissions. The benefits of strong, early action on climate change outweigh the costs of not acting and more action is required to reduce emissions as climate change impacts are worsening.

The Victorian *Climate Change Act 2017* (Climate Change Act) provides Victorians with a world-leading legislative foundation to manage climate change risks, maximise the opportunities that arise from decisive action, and drive Victoria's transition to a climate resilient community and economy with net zero emissions by 2050.

The Climate Change Act provides a strong legislative basis for whole of government action. We are however very concerned about the rate and scale of change and the ensuing misalignment with the scientific evidence outlined in the most recent IPCC Report. We are also concerned that the role that the planning profession can, and should, play is not being fully recognised or utilised in the planning system.

We know what needs to be done to both mitigate emissions and to improve the resilience of our communities to the impacts of climate change that are already being felt and which will only increase in severity. We know planning can influence most of these outcomes. These include areas such as:

- Reducing carbon emissions associated with development and use of land at the lot scale through to the precinct scale, as well as through broader infrastructure investment decisions.
- Establishing a framework for zero emission outcomes, particularly in precincts.
- Reducing the rising emissions associated with transport through improved urban design and other policy requirements.
- Reducing emissions associated with, and more efficiently using, water and other resources.
- Increasing the amount of green infrastructure in urban areas and enhancing biodiversity.
- Improving our integrated water and land management practices.
- Increasing the resilience of communities to natural hazards, through scientifically informed strategic planning decisions

More critical to any response is that the tools, mechanisms, and practice available to planners in Victoria need to be improved. There is a clear need to better integrate climate change mitigation and adaptation into strategic planning, particularly around precinct planning, peri-urban planning, and regional areas. New strategies should adopt clear climate goals. PIA Victoria is concerned that new housing development, particularly in greenfield areas is failing to consider the climatic conditions of the future and is embedding lifestyles which are not conducive to a net zero emission future.

PIA Victoria believes there is also a need for significant investment in education and training of our profession and of decision-makers more broadly within the built environment sector and we will continue to work with, and develop new, partnerships and alliances to deliver this. In particular, PIA Victoria highlights the critical need to appropriately resource our rural and regional councils.

While PIA Victoria is supportive of a flexible planning system to encourage innovation and supports the broad aspiration to retain a discretionary system, a discretionary system means that planners need to be empowered by clear direction from the State government that responding to climate change is fundamental to delivering the objectives of planning in Victoria.

Resourcing

PIA Victoria believes there is a need for significant investment in education and training of our profession and of decision-makers more broadly within the built environment sector and we will continue to work with and develop new partnerships and alliances to deliver this. In particular, PIA Victoria highlights the critical need to appropriately resource our rural and regional councils with qualified planners.

PIA is also supportive of additional resourcing to educate the broader community about the Victorian planning system. As more people are contributing to planning processes, greater community education will build community confidence and help stakeholders understand and participate more fully in the planning process.

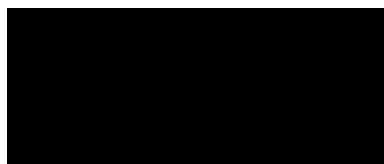
Concluding remarks

PIA is strongly supportive of improvements to the Victorian planning system which reinforce the positive outcomes of strategic planning while improving the user experience of the system.

Our members will be greatly assisted in their professional practice by improvements to current objectives, standards, and benchmarks.

We would be pleased to elaborate further on any matter raised in this submission and as the professional association for planners would appreciate an opportunity to support our submission verbally. We look forward to further updates on the project team's progress with this important work.

Yours sincerely



Gabby McMillan MPIA
President Victoria
The Planning Institute Australia