

Mr David Ettershank MLA,
Select Committee on Victoria Planning
Provisions amendments VC257, VC267 and
VC274
Parliament House
Spring Street
East Melbourne VIC 3002

RE: Inquiry into Victoria Planning Provisions
amendments VC257, VC267 and VC274

Dear Mr David Ettershank,

Thank you for accepting YIMBY Melbourne's submission to this Inquiry. We are a member-based organisation representing more than 400 lifetime members across our state, as we advocate in favour of housing abundance that Victorians desperately need.

We submit to this inquiry our strong support for the Victoria Planning Provisions amendments VC257, VC267 and VC274. Throughout this submission, we address each of the Inquiry's terms, drawing from a strong Australian and international evidence base.

If there is a single takeaway from our submission it should be this: that these reforms are not radical. Rather, they represent common- and best-practice in planning from around the country and the world, and work predominantly to correct the devastating consequences of previous planning interventions.

These reforms represent regulatory progress, and will overwhelmingly benefit younger, poorer Victorians—particularly renters, as well as those who seek opportunity in our state's most productive and job-rich areas.

While the reforms further each objective of the Planning and Environment Act, perhaps most importantly they further objective (1)(g): "to balance the present and future interests of all Victorians".

Indeed, the future interests of all Victorians are embedded in the outcomes of this Inquiry. We hope to play some positive role in the final outcome.

Yours sincerely,

A handwritten signature in black ink, appearing to read "JOB", with a stylized flourish above the letters.

Jonathan O'Brien
Lead Organiser, YIMBY Melbourne
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Executive summary

1 | The VPP amendments appropriately balance the objectives of planning in Victoria

- Assessing the reforms against each of the 21 objectives of the Planning and Environment Act 1987 demonstrates that the reforms further each relevant goal for the benefit of all Victorians
- Reforms further all 21 objectives in the Act, especially (1)(fa) and (1)(g): affordable housing and intergenerational fairness
- All policy requires making tradeoffs; the evasion of tradeoffs by legacy planning systems has led to poor outcomes and a worsening housing shortage
- Reforms offer a necessary prioritisation of housing needs over other conflicting objectives

2 | The VPP amendments overwhelmingly correct the unintended outcomes of previous regulatory interventions

- Planning restrictions create scarcity, encourage speculation, and raise housing costs
- The cost of scarcity of zoned capacity is very high; while the cost of the abundant alternative is very low
- Mandatory controls increase certainty for all stakeholders and reduce housing costs
- Activity Centre Program is a form of best-practice transit-oriented development that corrects prior regulatory errors

3 | The consultation on the VPP amendments was adequate

- The amendments reflect best-practice reforms seen across Australia and internationally
- Third-party appeal exemptions are not novel and are widely used:
 - In Victoria: VicSmart, Homes Victoria, Commercial 1 Zone, etc.
 - In other jurisdictions: NSW, QLD, SA, ACT, WA
- Deemed-to-comply rules improve efficiency—supported by empirical studies from LA and elsewhere

4 | The Clause 55 exemptions from third-party review under VC267 are well-justified

- Evidence is overwhelming that discretionary processes with third-party appeals raise housing costs, slow construction, and increase public costs
- The Victorian system has a low permit approval rate (~70%) for new dwellings—worse for dense “Missing Middle” housing
- Many councils have high overturn rates at VCAT, indicating poor decision making quality
- Conditional approvals and restrictive planning policies suppress permit applications and distort the real picture
- Slow approvals cost Victorians \$400–600 million per year
- Faster approvals could increase housing supply by up to 25%

5 | Specific changes we would seek to the amendments

- The land area threshold for lot amalgamation within the Housing Choice and Transit Zone is too high
- The threshold for the lot amalgamation bonus should be lowered from 1000m² to no more than 800m²
- This change would enable 18% more opportunities for amalgamation

6 | The previous VPP was not meeting the housing needs of the state and local communities; these reforms are a positive step forward

- These amendments constitute a strong step toward meeting the housing needs of the state and local communities
- Current planning system imposes a “zoning cost” of more than \$200,000 per apartment in several LGAs
- Activity Centre Program targets high “zoning cost” areas, indicating that it is well-targeted to meet housing demand and remedy housing capacity constraints
- Low building rates are correlated with declining child populations—the ACP can reverse this
- More housing in affluent areas offers an opportunity to reduce economic segregation

1 | The VPP amendments appropriately balance the objectives of planning in Victoria

Summary

- Assessing the reforms against each of the 21 objectives of the Planning and Environment Act 1987 demonstrates that the reforms further each relevant goal for the benefit of all Victorians
- Reforms further all 21 objectives in the Act, especially (1)(fa) and (1)(g): affordable housing and intergenerational fairness
- All policy requires making tradeoffs; the evasion of tradeoffs by legacy planning systems has led to poor outcomes and a worsening housing shortage
- Reforms offer a necessary prioritisation of housing needs over other conflicting objectives

By enabling more homes and faster processes, the VPP reforms meet key objectives codified in the Planning and Environment Act 1987

In Appendix 1 of this submission, we outline each of the 21 objectives outlined in Section 4 of the Planning and Environment Act (PEA), and demonstrate the ways in which the reforms support the furtherance of these goals.

The full itemisation should not imply that every single PEA objective is addressed equally by these reforms. In fact, we can be explicit: amendments VC257, VC267, and VC274 specifically prioritise objectives (1)(fa) and (1)(g): the provision of affordable housing in Victoria, and balancing the present and future interests of all Victorians.

This prioritisation is well justified by material reality. Housing is currently extremely unaffordable in Victoria, which is systematically disadvantageous to future Victorians when compared with current incumbents, who are the main beneficiaries of housing scarcity and ever-increasing prices.

All regulations make tradeoffs—but legacy planning has continually failed to do this effectively

These reforms prioritise housing. To wind back the reforms would be to deprioritise the delivery of housing during a housing shortage.

Of course, any given policy priority requires making tradeoffs between policy objectives. This is regular practice in the development of any intervention, though is not commonplace within the traditional practice of planning in Victoria.

One large overarching problem within the Victorian planning system is that it fails to provide a hierarchy of concerns. All objectives of the planning system are considered equally valid, and are often explicitly encouraged not to be traded off with each other.

For example, the Department of Transport and Planning guide to using the Detached Home Code lists three policy objectives ("respects neighbourhood character", "protects amenity", "is sustainable") and explicitly states that you "can't 'trade off' between objectives".¹

This is a clear case study in how legacy planning fails to confront the problem of regulatory intervention in a clear-eyed way. No matter what, when using the Detached Home Code, tradeoffs will have to be made. The perfectly sustainable building is likely very different from the building that perfectly "protects amenity", and the structure that is ultimately built will exist between these two platonic hypotheticals.

Despite the material reality of tradeoffs, other submitters to this Inquiry have in the past made similar gestures toward a hypothetical form of planning regulation that does not require tradeoffs. In his textbook *The Victorian Planning System: Practice, Problems, and Prospects*, Dr Stephen Rowley also derides the use of tradeoffs within regulatory practice (emphasis ours):

Without the ability to mandate [affordable housing] contributions, some councils have explored other forms of incentive, such as allowing additional height and yield for developments that include contributions of affordable housing stock. However, such approaches threaten the achievement and legitimacy of planning provisions by trading planning objectives against each other. **If a building within an area subject to an eight-storey height control can be approved at 10 storeys if it includes affordable housing, then this surely undermines the original objective of the eight-storey height control. And if it does not, then what was the original justification for limiting buildings to only eight storeys?** A height control should not exist merely to artificially create a bargaining chip to achieve another planning objective. **Such horse-trading—seen also with incentives to improve the environmental performance of buildings—is a symptom of a failure to impose proper regulatory requirements.**²

Rowley's perfect regulations are, of course, entirely theoretical. They do not exist as a matter of any public record, and certainly have not been evidenced at this inquiry. This, of course, is the point: no regulation is perfect, and the quality of any given regulation should be determined by measuring the outcomes it produces.

We have measured the outcomes of the current regulatory status quo. These measurements take the form of high housing costs, low vacancy rates, and a state that systematically locks younger and poorer people out from its most amenity-rich and opportunity-abundant areas.

¹ [One dwelling on a lot: Explains Clause 54 and how it is applied](#), Department of Transport and Planning, 7 April 2025

² Rowley (2023), [The Victorian Planning System: Practice, Problems and Prospects](#)

By all measures, the outcomes of the current regulatory status quo are not producing the housing outcomes Victorians need. But the reforms this Inquiry considers offer an opportunity to correct course, and to embrace a positive evolution of planning policy making, with a recognition that all regulation requires close consideration; measurement; and, importantly, the ultimate making of tradeoffs.

We explore this further in the following section of this submission.

2 | The VPP amendments overwhelmingly correct the unintended outcomes of previous regulatory interventions

Summary

- Planning restrictions create scarcity, encourage speculation, and raise housing costs
- The cost of scarcity of zoned capacity is very high; while the cost of the abundant alternative is very low
- Mandatory controls increase certainty for all stakeholders and reduce housing costs
- Activity Centre Program is a form of best-practice transit-oriented development that corrects prior regulatory errors

Planning restrictions create scarcity and encourage speculation, while driving up housing costs

The first thing to make clear is that no one opposes upzoning and planning reform because they think these things won't work. Rather, they oppose these things because they know they *will* work.

This is important: even many of the reforms' staunchest critics make the in-principle concession that they will be effective. These ongoing reforms will build more homes and enable more Victorians to live in the places where they want to live, among the families, communities, jobs, and infrastructure that they value most.

The real argument, then, is not over whether these reforms will work, but whether they are worth undertaking. We believe they are.

As such, we will not waste ink here litigating the effectiveness of upzoning and its impacts on housing affordability. This has been established beyond reasonable doubt within the broad international urban economics and housing literature, and so we instead refer the Inquiry to these various works.³

In this section of our submission, we will discuss unintended outcomes attributable to the planning status quo, and demonstrate that the reforms constitute, above all else, a correction of past and current failures of planning policy in the state of Victoria.

³ Donovan (2025), '[Less Crowded Houses. NZ's housing policy success and implications for Australia](#)', Centre of Independent Studies;
Donovan and Maltman (2025), '[Dispelling myths: Reviewing the evidence on zoning reforms in Auckland](#)', Land Use Policy, Volume 151;
Daley, Coates, and Wiltshire (2018), '[Housing affordability: re-imagining the Australian dream](#)', Grattan Institute;
Kendall and Tulip, '[The Effect of Zoning on Housing Prices](#)', Reserve Bank of Australia, Research Discussion Paper, March 2018

The planning system status quo creates scarcity—the precondition for land banking

Value is often determined by scarcity. A simple real-world example of this is gold, the value of which is tied intrinsically to how little of it exists. If overnight we discovered more than twice the gold we had yesterday, then the price per ounce would naturally decrease, and much of its speculative value would be lost.

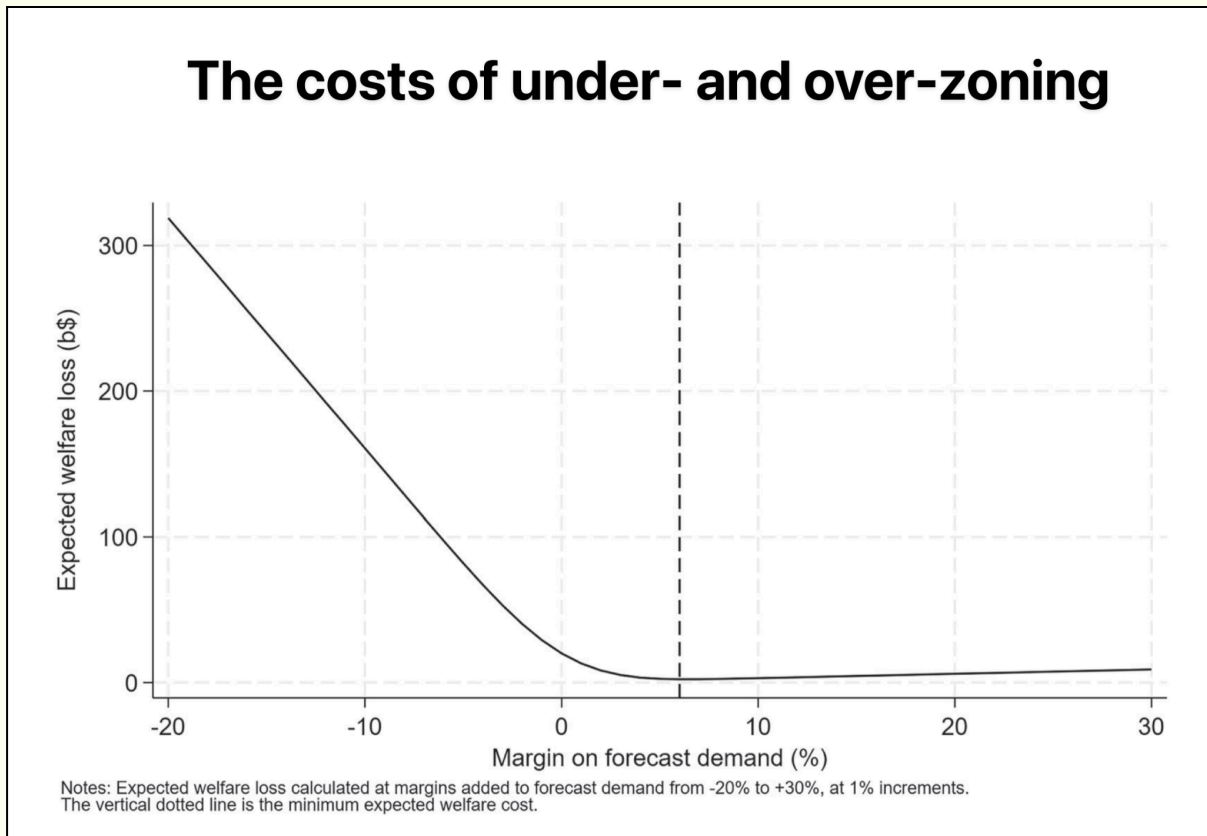
This intrinsic connection between scarcity and speculation is true also in the case of land banking. Land banking occurs under the current planning system specifically because of planning restrictions. Were there no restrictions on density across Victoria, there would be no land banking—because there would be no scarcity of land on which to develop, and little speculative value for any given lot. Put simply: there would be nothing to bank.

So density controls, then, are an exercise in policy making tradeoffs, and too few development options leads to both a shortfall in housing and an increase in land speculation. But what about 'too many' development options?

The costs of scarcity are high; the costs of abundance are low

The idea that the recent reforms create 'too much' zoned capacity has been an objection made by a vocal minority within the context of the Inquiry. However, this suggestion has little standing in the evidence.

Recent research from New Zealand compared the costs to society of both under- and over-zoning, as demonstrated on the chart below.



The social cost of under-zoning is very high, and the social cost of over-zoning is very low.

The reality is that the costs of under-zoning are extremely high, and are borne predominantly by the poorest people in a society through higher housing costs.⁴

Where so-called over-zoning occurs, costs are mostly borne by developers, who will need to pay for infrastructure in any areas where it does not exist. Costs to governments will mainly be incurred through a requirement for planning departments to create more dynamic policy responses to emergent development patterns within their jurisdictions.

It is worth noting that this latter cost is extremely small, as reflected in the chart above. This is because development and construction has a long lead-time, and planning departments have more space than many other public policy teams to measure needs and adjust policy settings in response to change.

For instance, the time between the approval and completed construction of a new medium density apartment building may be two years or more. This is ample time to factor in the requirements of forty or so new households on local infrastructure, especially since this will in established areas be only a marginal increase on the total population—especially so under the context of the alternative greenfield approach, which has a well documented higher costs regarding infrastructure.⁵

⁴ Counsell (2025), '[Zoning for housing supply: modelling the asymmetric welfare costs of errors in demand forecasts](#)', (New Zealand Economic Papers, 1–21)

⁵ '[Infrastructure costs and urban form](#)', Sense Partners, 7 May 2024;

These reforms, by increasing zoned capacity significantly, account appropriately for the lead times embedded in planning and development, and factor in the ability of governments to deliver dynamic policy responses, while pricing infrastructure accordingly.

Mandatory and deemed-to-comply controls create greater certainty and reduce speculation

By introducing mandatory height limits and clear deemed-to-comply controls, these reforms offer a significant improvement on the status quo by removing a key source of speculation within the planning system.

These reforms do away with the discretionary “preferred height limits” that have permeated the Victorian planning system, and created great uncertainty for councils, developers, and community alike.

Case Study: Nightingale Housing & Merri-bek Council

It is this highly discretionary system that created situations where developments are rejected on arbitrary grounds, such as when Nightingale had a development application rejected in Merri-bek in April 2023.⁶

The not-for-profit developer had proposed to build a 7-storey building on a lot with a 5-storey “preferred” height limit, on the basis that a total of six other nearby buildings were either approved or had already been built to 8 storeys or higher. When the councillors put conditions on the project to build only to 6 storeys, the entire project—including a significant non-market housing component—was jeopardised, and the decision had to be overturned in VCAT.

Mandatory height limits remove the potential for cases like this to occur as a byproduct of the system. They also reduce opportunities and potential for land speculation because each stakeholder—council, landowners, developers, and the broader community—has a shared understanding of what height of building is possible to build. In this way, these reforms are a significant improvement upon the uncertain planning environment that the status quo fosters.

The Activity Centre Program is best-practice planning—and a correction of past errors

The Activity Centre Program reflects a popular form of modern planning: transit-oriented development. This is considered one of the best approaches to

Hemingway and Oleksiuk, [‘Worried about Infrastructure Costs? Then End the Apartment Ban’](#), Sightline Institute, 15 January 2025;

[‘Building more homes where infrastructure costs less’](#), NSW Productivity Commission, August 2023;

[‘Infrastructure provision in different development settings’](#), Infrastructure Victoria, 2023

⁶ Gordon, [‘Nightingale Housing boss concerned NIMBYism in inner-Melbourne adding to rental concerns, as Merri-bek Council knocks back development’](#), ABC News, April 28, 2023

contemporary planning policy, especially in the face of a restrictive status quo, such as that found in Melbourne and across the world.

But it is worth noting that transit-oriented development is also a corrective measure for past mistakes. As former principal urban planner at the World Bank, Alain Bertaud, writes in his seminal 2018 work on contemporary approaches to urban planning *Order Without Design*:

Planners use transit-oriented development (TOD) aimed at increasing FAR around transit stations. If FAR had not been regulated around the stations in the first place, they would have long ago reached the level corresponding to demand in these areas. However, TOD could benefit from coordinated urban design to provide better pedestrian access to public transport. TOD is a good example of the arbitrariness that characterizes modern land use planning: a new regulation to correct the effect of an older regulation to obtain the exact outcome that would have been achieved if the first regulation had not existed!⁷

Past errors, however, are outside this Inquiry's mandate. Within its mandate is whether planning amendments VC257, VC267 and VC274 are an improvement on the status quo.

The answer is this: they are.

⁷ Bertaud (2018), [Order without Design: How Markets Shape Cities](#)

3 | The consultation on the VPP amendments was adequate

Summary

- The amendments reflect best-practice reforms seen across Australia and internationally
- Third-party appeal exemptions are not novel and are widely used:
 - In Victoria: VicSmart, Homes Victoria, Commercial 1 Zone, etc.
 - In other jurisdictions: NSW, QLD, SA, ACT, WA
- Deemed-to-comply rules improve efficiency—supported by empirical studies from LA and elsewhere

The Townhouse and Low-rise Code reflect best-practice urban planning policy, and critiques are unfounded in evidence

There is no evidence within amendments VC257, VC267 and VC274, nor within any of the criticisms put forth in submissions, that the amendments fall meaningfully short of good regulatory planning policy.

There will always be disagreements about the precisely optimal configuration of tradeoffs—but as established earlier, this optimal configuration does not actually exist. Certainly, there are tradeoffs that YIMBY Melbourne would make differently were we the administrators of these reforms, but on balance we recognise that these amendments reflect a measured consideration of planning policy impacts.

We recognise this on the basis that the reforms are reflective of national and global reforms that have been undertaken, studied, and assessed to work well. We lay out this evidence within the following subsections.

Importantly, we also demonstrate the lack of evidence that the quality of these reforms would have been improved by additional consultation. That amendments VC257, VC267 and VC274 reflect recognised examples of reform from across Australia and the world should indicate to the Inquiry that these reforms are robust in substance, and that further consultation would not have delivered a marked increase in quality.

Exemptions from third-party appeals are commonplace in Victoria's planning system

Exemptions from third-party appeals are a common feature in the Victorian Planning System. Broad exemptions are a feature of programs including:

- VicSmart,
- the Development Facilitation Program,
- the development of social housing under Clause 53.20, and
- Commercial 1 Zone developments.

The idea that the exemptions granted by these reforms are unique is simply contrary to the actual detail of the planning system as it exists.

Deemed-to-comply controls without third-party appeal is an emerging norm across Australia

Some have submitted to the inquiry that the Townhouse Code's deemed-to-comply controls and their associated removal of third party appeals are a radical departure from planning norms. However, when looking across state borders, it's clear that the Townhouse Code is drawing from best practice as employed across the myriad planning systems across Australia.

South Australia uses 'deemed to satisfy' controls

Under South Australia's planning system, a streamlined 'deemed to satisfy' pathway under the code assessment is available for developments that meet measurable requirements. The pathway will have no public notification requirements or third party appeal rights.

The ACT uses 'Code Track' to do deemed-to-comply assessment

Under ACT's 'Code Track', depending on the zone, permits are assessed on an objective quantified standard and are exempt from third party appeal.

Queensland exempts code-assessable developments from review

Under Queensland's planning system, third party appeals are limited to 'impact-assessable' developments and are exempted for 'code-assessable' developments, like those that follow under the Townhouse and Low-rise Code.⁸

⁸ [Opposing a Development Application](#), Caxton Legal Centre, 8 February 2023

5.8 Categories of development and assessment—Operational work

The following table identifies the categories of development and assessment for operational work.

Table 5.8.1—Operational work

Zone	Categories of development and assessment	Assessment benchmarks
Any zone	Assessable development—Code assessment	
	If filling or excavation , where resulting in a retaining wall greater than 1m or an increase in depth or height of the ground level or finished design level by 1 vertical metre or more	Filling and excavation code Operational work code
	If filling or excavation for an artificial stormwater channel	Filling and excavation code Operational work code The applicable zone code
	If other operational work preceding a ROL or MCU which is assessable development	Operational work code Prescribed secondary code
	If prescribed tidal work	Prescribed tidal work code Prescribed secondary code The applicable zone code
	Assessable development—Impact assessment	
	If extracting gravel, rock, sand or soil from the place where it occurs naturally	The planning scheme including: Extractive industry code
	Accepted development	
	Any other operational work not listed in this table.	
	<small>Editor's note—The above categories of development and assessment apply unless otherwise prescribed in the Regulation. Editor's note—The default category of assessment is accepted unless otherwise prescribed in the Regulation.</small>	

Example of code assessment in Brisbane's City Plan

New South Wales uses 'complying development codes' to exempt terrace housing from third party appeal

Under New South Wales, terrace housing can be built under this 'complying development codes' which fast-tracks the development and construction approval and exempts it from third party appeal. This has been recently expanded to a wide range of areas under NSW's new Low and Mid Rise rules.⁹

Western Australia eschews third party appeals all together

Third party appeals aren't even a feature in many planning systems across the world, including some in Australia such as Western Australia. There is no evidence to suggest that WA is a worse place to live because of the lack of third party appeals.

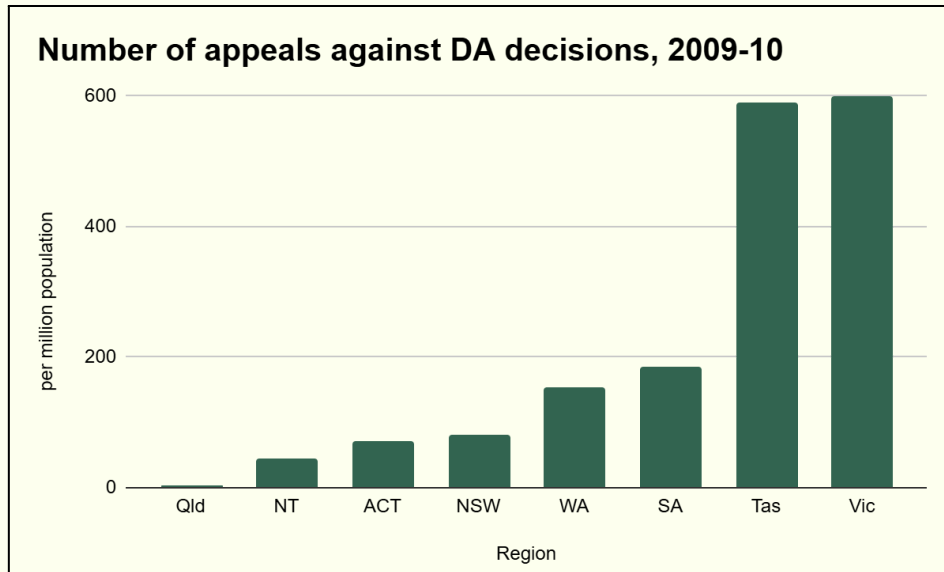
The National Construction Code uses 'deemed-to-satisfy' assessments

Even the National Construction Code operates with 'deemed-to-satisfy' assessment pathways, further highlighting how widespread these types of controls are in the urban development space.

This overwhelming evidence demonstrates that both codification and third party appeal exemptions are far from radical: rather, these reforms are a correction of a highly discretionary system, in favour of a system that provides greater certainty for all stakeholders.

That such systems have been deployed across Victoria and Australia should ease any concerns the Inquiry may have that the reforms constitute any meaningful overreach, or deviance from prevailing planning norms.

⁹ [Exempt and complying development policy](#), NSW Government



Victoria's highly broad third party appeal rights are abnormal in a national context¹⁰

Research shows that 'deemed-to-comply' planning processes increase system efficiency and deliver more homes

Research from the Transit-Oriented Communities (TOC) program in Los Angeles provides a case study of the impact codification has on the development of multi-family housing.¹¹ In this case study, code-assessed developments were processed 28% faster and with less timeline variance than their discretionary equivalents.

This is consistent with Gabriel and Kung (2025) which found that code-assessed developments had faster approval times by an average of 192 days.¹²

As far as we are aware there is no research that has found code-assessable frameworks to have a negative impact on permitting timeframes and efficiency—despite the claims by some submitters to the Inquiry.

The regulatory planning sector has a poor track record of predicting reform outcomes

Legacy planners decried Victoria's 2013 Commercial reforms—which have since been an overwhelming success

In response to the work of both the Australian Competition and Consumer Commission, and the Productivity Commission, in 2013 the Victorian Government

¹⁰ [Planning, zoning and development assessments](#), Productivity Commission, 16 May 2011

¹¹ Manville et. al, '[Does Discretion Delay Development? The Impact of Approval Pathways on Multifamily Housing's Time to Permit](#)', Journal of the American Planning Association, 89(3), 336-347

¹² Gabriel, and Kung (2025), '[Development Approval Times and New Housing Supply: Evidence from Los Angeles](#)'

embarked on reforming commercial zones to allow more supermarkets and retail stores to be built, reducing the barriers for new retail and grocery competition.

The reforms consolidated five business zones into just two, while broadening the extent of allowable and 'as-of-right' uses within them. This enabled supermarkets of up to 1800 sqm and connected shops of up to 500 sqm to be built in all areas zoned Commercial Zone 1 (C1Z). This was done, in part, to help combat the growing dominance of Coles and Woolworths as the only players in the supermarket sector.¹³

At the time of the changes, the Planning Institute of Australia predicted dire outcomes, including that:

- By-right permitting and out of centre development of supermarkets and retail would diminish the vibrancy of activity centre
- By-right ground floor offices in activity centres would dilute retail activity
- And that the blurring of lines between commercial and residential land would reduce the amount of employment land¹⁴

Yet in 2020 when the Productivity Commission conducted a review into reforms, their findings were overwhelmingly glowing. In fact, they found that these fears never really materialised into reality and that "it is difficult to find clear evidence that out-of-centre developments have had adverse impacts that warrant regulatory restriction".¹⁵ Many of the submissions to the Commission found that the co-location of residential and commercial uses contributed to the vitality and viability of C1Z areas.

As a clear example of the reform's success, High Street in Northcote, Thornbury, and Preston—zoned almost entirely Commercial Zone 1 for its entire length—has been named Time Out's "coolest street in the world" in the years since the reforms.¹⁶

On the basis of the evidence presented in this section of our submission, we caution the Inquiry against taking the opinions as gospel, particularly in the absence of clear and substantive evidence to the contrary of the consensus laid out within these pages.

¹³ [Report of the ACCC inquiry into the competitiveness of retail prices for standard groceries](#), July 2008

¹⁴ [Victoria's Commercial Land Use Zoning: Productivity Reform Case Study](#), Productivity Commission, July 2020

¹⁵ [Victoria's Commercial Land Use Zoning: Productivity Reform Case Study](#), Productivity Commission, July 2020

¹⁶ Glynn, '[High Street in Melbourne's north is officially the coolest street in the world](#)', Time Out, 13 March 2024

4 | The Clause 55 exemptions from third-party review under VC267 are well-justified

Summary

- Evidence is overwhelming that discretionary processes with third-party appeals raise housing costs, slow construction, and increase public costs
- The Victorian system has a low permit approval rate (~70%) for new dwellings—worse for dense “Missing Middle” housing
- Many councils have high overturn rates at VCAT, indicating poor decision making quality
- Conditional approvals and restrictive planning policies suppress permit applications and distort the real picture
- Slow approvals cost Victorians \$400–600 million per year
- Faster approvals could increase housing supply by up to 25%

Measurable failures of the Victorian planning system justify exemption from third-party review

The previous section of this submission established that deemed-to-comply, codified, and simplified planning systems are used around Australia and the world to positive effect. In the abstract, therefore, the reforms represent robust and well-tested changes to the Victorian planning system that, according to the broad evidential consensus, should yield the positive housing outcomes that our state needs.

This section builds on the previous, laying out Victoria-specific evidence that demonstrates clear local justification for the Clause 55 exemptions.

Councils approve only 7 out of 10 new dwelling applications

For the past few years there has been the repeated claim that 98% of housing permits are granted by Councils.¹⁷ But the evidence does not bear this out.

In 2024 we conducted an analysis of raw Planning Permit data to test the claim above. We found that metropolitan Melbourne councils approve on average less than three quarters of permits for new dwellings—a markedly lower approval rate than claimed by the local government sector.¹⁸

¹⁷ Millar, Gordon and Dexter, '[The 120,000 homes that are ready to be built – but work hasn't started](#)', The Age, September 20, 2023;

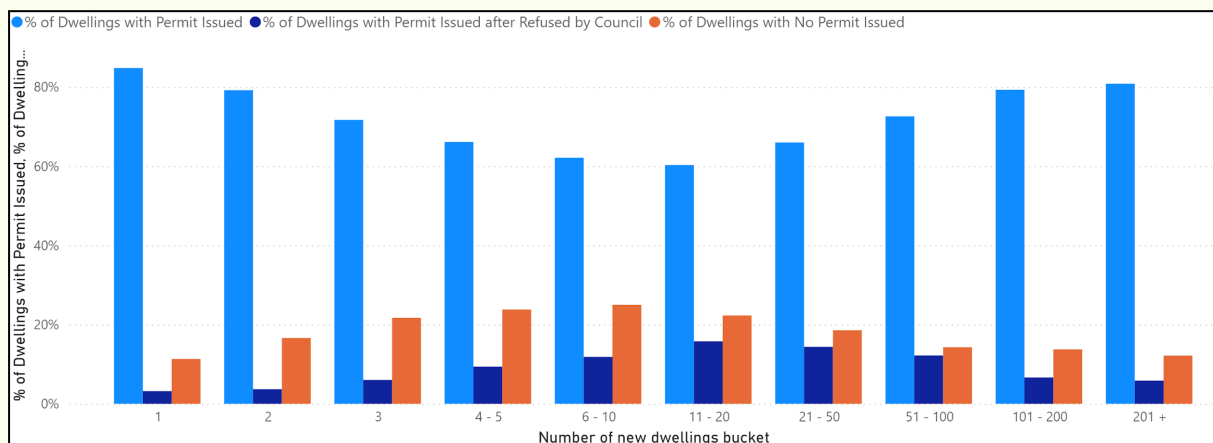
Dexter and Millar, '[Housing crisis: Is talk of NIMBYs and council red tape a red herring?](#)' The Age, June 24, 2023

¹⁸ [Planning permit activity reporting](#), Department of Transport and Planning

Key Findings (from permit data 2015–22)

- Planning approval rates are lowest for "Missing Middle" projects with 6–50 dwellings
- The average new dwelling permit approval rate is 70% across metropolitan Melbourne
- Highest approval rate: Brimbank at 90%; lowest approval rate: Banyule at 39%
- Just over 30% of dwelling permits rejected by councils eventually get approved at VCAT
- More than two-thirds of the permits rejected by four councils—Glen Eira, Bayside, Stonnington, and Melbourne—are later approved at VCAT
- Planning approval rates and timelines have not improved since 2015

"Missing Middle" sized developments receive lowest approval rates



Permit rates are highest for projects with very few new dwellings, or more than 50 dwellings. But for Missing Middle–scale developments, with between 6 and 50 dwellings, approval rates are lowest.

Our analysis suggests that our current planning system is likely a large contributing factor to why Melbourne's middle is missing in the first place. Our system is geared toward approving tall towers or endless sprawl—and very little in between.

Approval rates vary significantly across councils

In 2023, The Age published:

Merri-bek, which has been attacked by the burgeoning YIMBY movement for knocking back an apartment block by boutique developer Nightingale, approved 88 per cent of the 6644 planning applications received over the past five financial years to 2022, resulting in more than 15,000 new dwellings.¹⁹

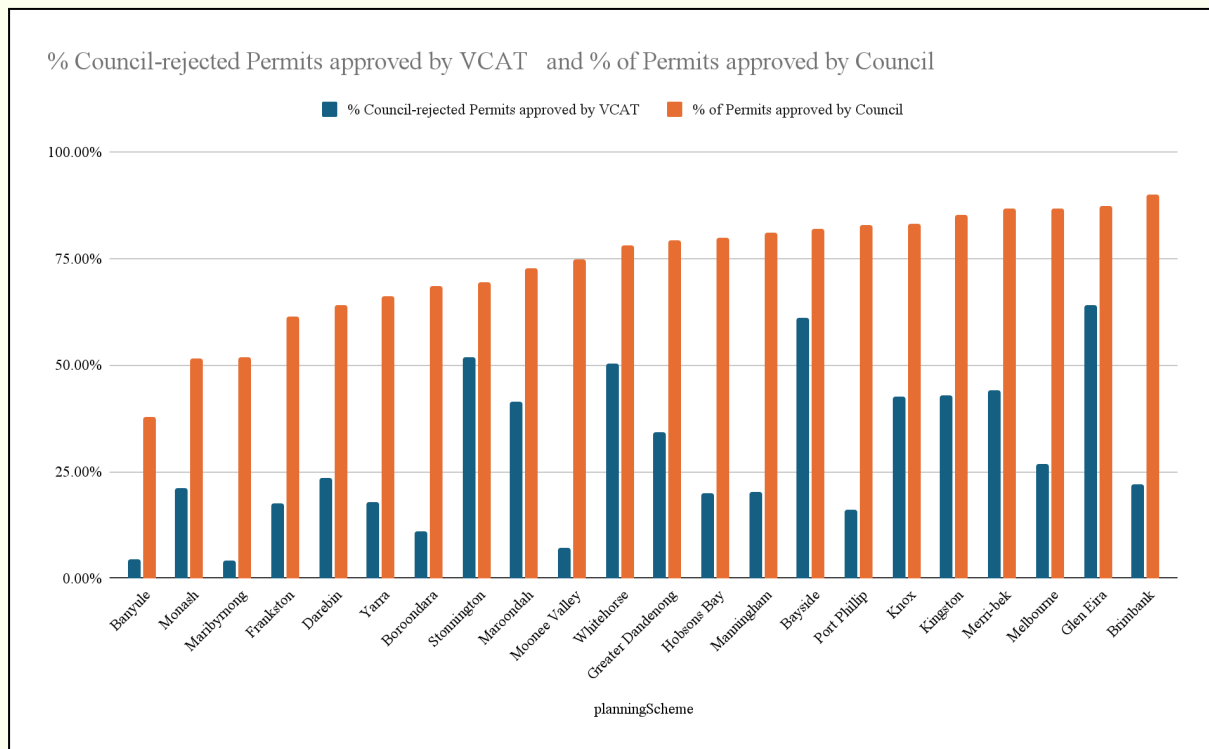
Our analysis aligns with The Age's here. Our numbers indicate that Merri-bek approves just 86% of all applications for new dwellings.

¹⁹ Dexter and Millar, ['Housing crisis: Is talk of NIMBYs and council red tape a red herring?'](#) The Age, June 24, 2023

However, this misses the context that this is the fourth-highest approval rate in metropolitan Melbourne.

LGA	% of multi-dwelling permits approved by Council
Banyule	39%
Monash	51%
Maribyrnong	52%
Yarra	58%
Frankston	63%
Stonnington	64%
Darebin	64%
Maroondah	73%
Moonee Valley	74%
Boroondara	74%
Whitehorse	79%
Greater Dandenong	79%
Manningham	81%
Hobsons Bay	81%
Bayside	82%
Knox	83%
Port Phillip	83%
Kingston	84%
Merri-bek	86%
Melbourne	87%
Glen Eira	88%
Brimbank	90%

Noisy numbers indicate that the devil is in the details



Some Councils, like Brimbank, approve many permits, and have very few rejections overturned at VCAT. On the surface, this suggests that these rejections were "correct"—that is, that rejected permits were generally noncompliant.

Glen Eira, on the other hand, has the second-highest approval rate, but also has the highest rate of rejected permits overturned at VCAT. Applying the same logic here as we did to Brimbank, this indicates that most rejections were "incorrect"—that is, that rejected permits were, in fact, generally compliant. We do note that Glen Eira has previously accused VCAT of making "dodgy" determinations—however, it is also worth noting that a lack of adequate strategic planning by Glen Eira is likely to blame for the high number of VCAT overrulings.²⁰

Due to the low resolution of the permit approval data, we are unable to confirm whether this is correct. The noisiness of the data indicates a reason to support the reforms: that clear, non-discretionary, deemed-to-comply rules will create greater certainty for all stakeholders across Melbourne than the status quo alternative.

²⁰ Sommerville, '[Glen Eira Council compiles list of alleged dodgy decisions by VCAT](#)', Herald Sun, December 2, 2015

Survivorship bias and the homes never submitted for approval in the first place

Permit data, as it is recorded in Victoria, will generally make Councils look more pro-housing than they actually are in practice.

There are three key distortions at play here:

1. Conditional approvals can kill projects.

A Council has the power to grant a permit with highly stringent conditions, such as the removal of entire floors of a building. While this will be recorded as an 'Approval' within the dataset, it may be, in effect, a denial of the project—because development is no longer feasible.

2. Single permit denials can block dozens of homes.

Raw permit approval rates do not tell the whole story, because not every permit delivers the same number of new homes. We have demonstrated here that medium density builds are more likely to be denied by Councils across Melbourne than low-density builds. Higher approval rates of minor works permits make it appear that Councils are more pro-housing than they actually are.

3. Where zoning is most restrictive, permits are never submitted in the first place.

This is perhaps the most important point: that Councils with highly restrictive planning regimes have essentially blocked most housing permits from being submitted at all. Measuring permits alone will not give an accurate picture of a given Council's attitude toward new housing, because it does not take into account the stringency of their zoning. We measured this stringency previously in our *Missing Middle Housing Targets* report, the results of which we will discuss in the final section of this report.²¹ For now, it is enough to understand that developers will not waste scarce time and money applying for permits that they know will not be approved.

By increasing both permissiveness and certainty within the planning system, both the Townhouse and Low-rise Code and the Housing Choice and Transport Zone are well-positioned to enable the delivery of better housing outcomes for all Victorians.

Victorian approvals are slow—and these slow permits cost the government money, and kill housing supply

One of the most recent reviews of the Victorian planning system, 2021's *Turning Best Practice Into Common Practice* indicated that the cost of planning delays within the

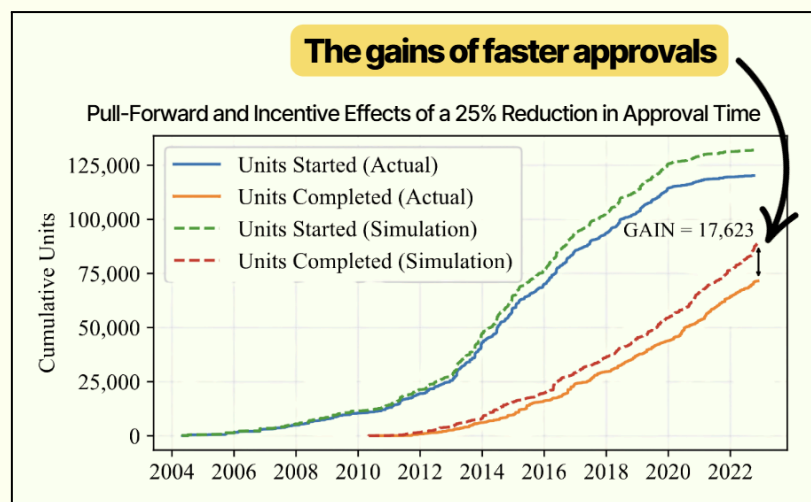
²¹ [Missing Middle Housing Targets](#), YIMBY Melbourne, 2024

state was in the realm of \$400–600 million per year.²² This is no small figure, and directly drives up the costs of housing across our state.

A previous AHURI investigation measured how approval delays impact investment decisions by modelling hypothetical development projects (land subdivisions, apartments, townhouses, etc.) using real-world cost and revenue data to measure how policy changes—e.g. longer approval wait times altered project viability.²³ They found that imposing an additional 6-month delay prior to construction significantly eroded project viability. Under this delay, the internal rate of return fell by about 17% for a typical apartment project and 27% for a townhouse project when approvals. In order to compensate for lower returns, the final sale prices had to rise by between 3.5 and 5.4 per cent—or around \$37,500 on a \$750,000 dwelling.

Delays shrink margins on projects, and reduce the viability of more marginal projects. In practical terms, these delays can cause developers to abandon or postpone projects, directly reducing housing output.

The impact of delays has been measured globally. In Los Angeles, Gabriel and Kung (2025) found that “reductions of 25% in duration and uncertainty of approval times would increase the rate of housing production by 13.5%, simply by pulling forward in time the completion of already started projects”.²⁴ More importantly, they also found that once they “[accounted] for the effect of incentivising new development [they] find that same 25% reduction in approval time could increase the rate of housing production by a full 24.6%.”



Graph from Gabriel and Kung (2025)

²² [Turning best practice into common practice](#), Victorian Government, 2021

²³ Rowley et al., ['Understanding how policy settings affect developer decisions'](#), AHURI, August 2022

²⁴ Gabriel and Kung, ['Development Approval Times and New Housing Supply: Evidence from Los Angeles'](#), 25 Feb 2025

These findings build upon innumerate other studies demonstrating the link between planning delays and reduced housing supply, with case studies ranging from Baltimore to Tel Aviv to America and Canada writ-large.²⁵

Time and time again in these case studies, the jurisdictions with the longest approval waits—often accompanied by more public hearings, veto points, and planning hurdles—also have the smallest housing stock increases.

Extended planning timelines cost the Victorian people time and money, to the tune of a half billion dollars a year. They also cost us housing—housing that we desperately need, built not after some extended delay, but built quickly, at pace, and for all those who just want a place to call home.

²⁵ Wrenn and Irwin, '[Time is money: An empirical examination of the effects of regulatory delay on residential subdivision development](#)', *Regional Science and Urban Economics*, Volume 51, 2015, Pages 25-36
Rubin and Felsenstein, '[Is planning delay really a constraint in the provision of housing? Some evidence from Israel](#)', *Papers in Regional Science*, Volume 98, Issue 5, 2019, Pages 2179-2201
Green et. al, '[The Impact of Land-Use Regulation on Housing Supply in Canada](#)', Fraser Institute, July 2016
['Is Your Town Building Enough Housing?'](#), Trulia Research, July 19, 2016

5 | Specific changes we would seek to the amendments

Summary

- The land area threshold for lot amalgamation within the Housing Choice and Transit Zone is too high
- The threshold for the lot amalgamation bonus should be lowered from 1000m² to no more than 800m²
- This change would enable 18% more opportunities for amalgamation

The amendments, in their unaltered form, are a major improvement on the status quo

YIMBY Melbourne is generally supportive of the amendments to the Victorian Planning Provisions, and has used this submission to demonstrate why support for these amendments is in line with good planning both in general and within the specific Victorian context.

We will use this section to outline one clear area of the reforms which we have analysed and found the policy decision by the Department of Planning and Transport to be lacking: the arbitrary thresholds set for lot amalgamation within the Housing Choice and Transport Zone (HCTZ).

The total area threshold for lot amalgamation within the Housing Choice and Transport Zone should be reduced from 1000m² to no more than 800m²

The HCTZ contains within it a lot amalgamation bonus, which grants greater permitted density to large lots. This is intended to incentivise the defragmentation of land, which may have been parcelled up historically through subdivision.

The HCTZ's lot amalgamation bonus mechanism is a compromise between good housing policy—which would allow greater density on any lot size—and prevailing norms within the planning profession. The tool iterates specifically on a pilot program conducted by Maroondah Council.²⁶ Incentives to amalgamate land parcels have been previously demonstrated to spur market coordination, and have been demonstrated several times to be an effective tool in Australian planning policy.²⁷

²⁶ [Amendment C134maro - Ringwood Greyfield Precinct and Amendment C136maro - Croydon South Greyfield Precinct](#)

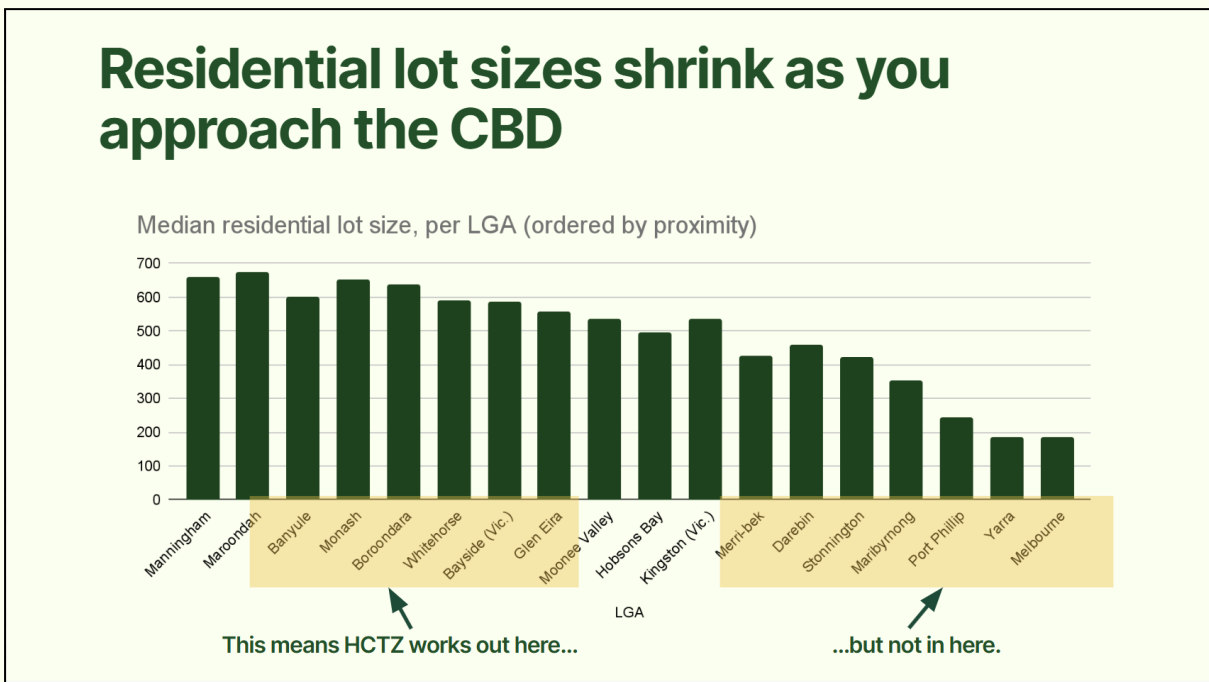
²⁷ Harvey, 'New planning laws to help ease housing crisis in NSW are seeing home owners cash in', ABC News, 8 April 2025

Liu, S. et al. (2025) "'It's Like Winning the Lottery But Without Buying a Lottery Ticket': Housing Market Impacts of Compact City Planning, Upzoning, and Collective Sales', Urban Policy and Research, pp. 1–19

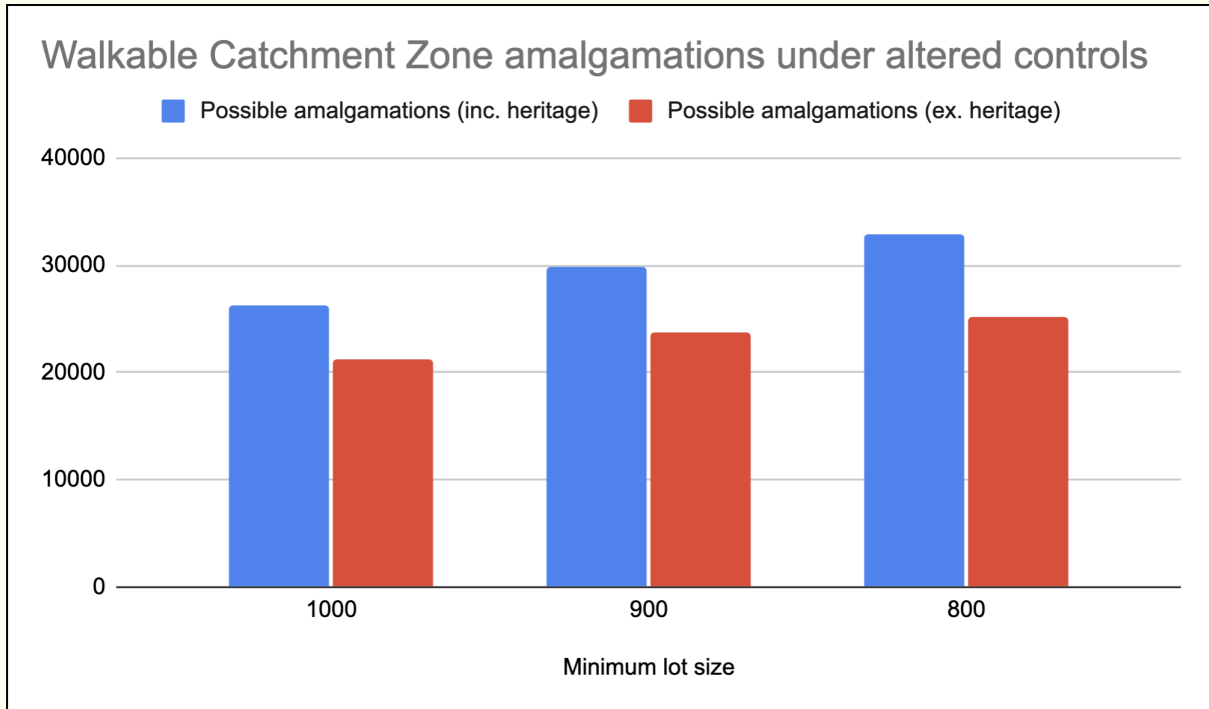
Analysis, however, indicates that DTP has created unnecessary barriers to amalgamation that may limit the effectiveness of the incentive.

Unlike the New South Wales reforms, which sets only a minimum amalgamated street frontage (21 metres) for the amalgamation bonus, to achieve the bonus in the Victorian context one needs to achieve a minimum street frontage (20 metres) and a minimum total amalgamated lot size (1000 m²).

The inclusion of both frontage and lot size is likely to be a binding constraint on how much amalgamation may happen relative to our NSW counterparts. This is because many individual lots, especially in the inner-city, are smaller than 500 m², meaning that amalgamating two lots will not meet the threshold, even if 20 metres of frontage is achieved.



This is a somewhat odd barrier to construct. Most (perceived) externalities of new development have less to do with the depth of a given lot, and much more to do with the width. If lots can be amalgamated to an appropriate total width, is the depth important? That New South Wales is not mandating a depth indicates that there may not be a good reason to regulate the total amalgamated area.



Our analysis of all land around activity centre train stations indicated that reducing the amalgamation bonus threshold from 1000 m² to 800 m² would produce 18% more potential non-heritage amalgamation pairs, a significant boost in the number of opportunities to incentivise better land use across our city.

Meanwhile, analysis indicates that reducing the frontage requirements would not benefit the program. This suggests that the 20m street frontage requirement does not need to be amended to meaningfully increase the housing capacity the zone provides.

The HCTZ already accounts for externalities through the use of setbacks, height limits, overshadowing controls, and other tools of planning regulation. Given the presence of these controls, the minimum lot area requirement is redundant, unnecessary, and only acts to limit lot consolidation opportunities in the inner-city.

The HCTZ should extend amalgamation bonus eligibility to all lots with 20 metres frontage, not just those that meet the arbitrary 1000 square metre threshold.

6 | The previous VPP was not meeting the housing needs of the state and local communities; these reforms are a positive step forward

Summary

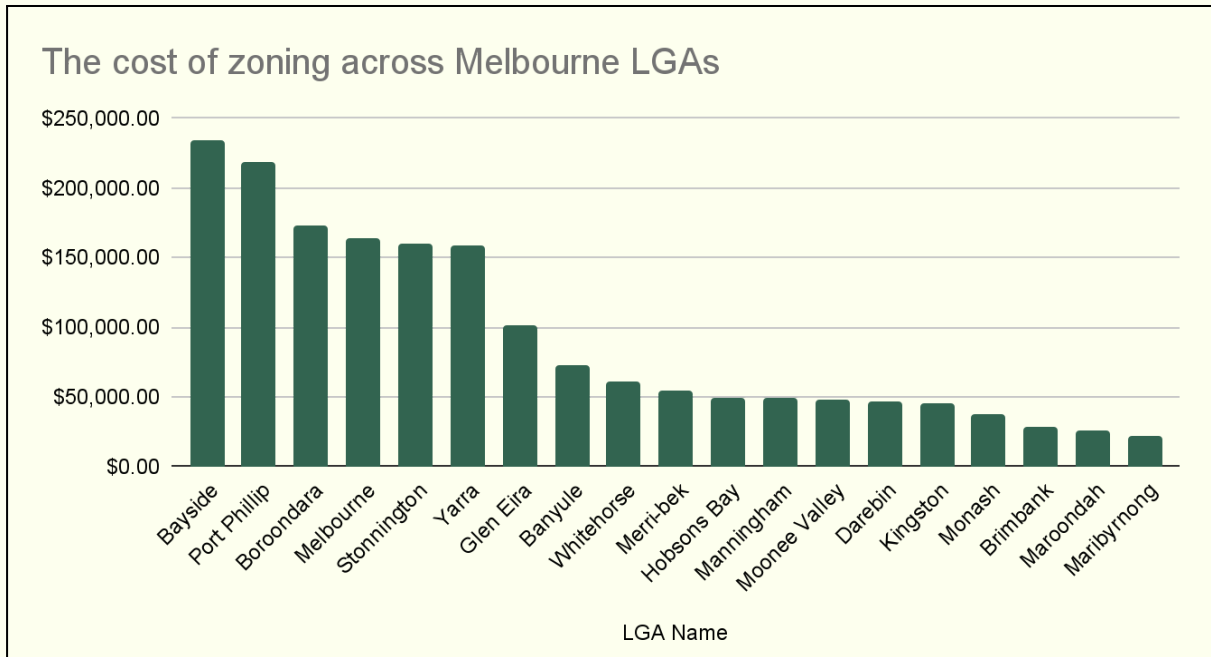
- These amendments constitute a strong step toward meeting the housing needs of the state and local communities
- Current planning system imposes a “zoning cost” of more than \$200,000 per apartment in several LGAs
- Activity Centre Program targets high “zoning cost” areas, indicating that it is well-targeted to meet housing demand and remedy housing capacity constraints
- Low building rates are correlated with declining child populations—the ACP can reverse this
- More housing in affluent areas offers an opportunity to reduce economic segregation

The cost of zoning exceeds \$200,000 per apartment in LGAs with the most restrictive planning rules

In our 2024 report, *Missing Middle Housing Targets*, we undertook demand-driven econometric modelling to measure the impact of planning on the prices of new apartments across our city. This work builds upon and produces results in alignment with previous work undertaken by the Reserve Bank of Australia.²⁸

By measuring status quo housing project feasibility against hypothetical six-storey upzoning, we were able to identify the price distortions caused by restrictive zoning. This price distortion is called the 'cost of zoning', and is present to varying degrees across the 19 Melbourne LGAs where apartment projects were identified as feasible. A higher zoning cost is an indication of a more significant housing stock shortfall.

²⁸ Kendall and Tulip, '[The Effect of Zoning on Housing Prices](#)', Reserve Bank of Australia, Research Discussion Paper, March 2018

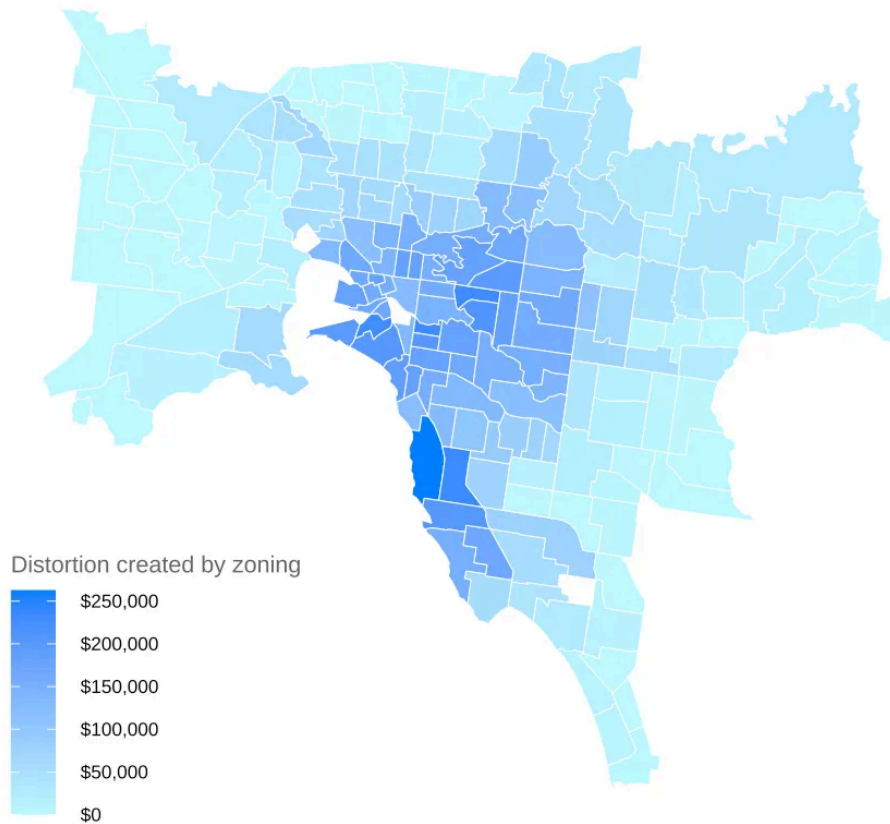


In many areas of the city, our econometric model identified “zoning” costs in excess of \$200,000 per apartment.

It is worth noting that this is not a cost of all planning regulations, and makes no comment on apartment design regulations or development fees—it is merely the cost imposed on regular Victorians as a result of artificially and arbitrarily scarce permissions to build homes in the places where people most want to live.

Zoning distorts housing choice in inner Melbourne

Super profits per apartment to be made building on existing homes



Note: Only includes land currently zoned for residential use

The Townhouse and Low-Rise Code, through its universal application, unlocks development across Melbourne and the state more broadly, enabling more responsive development patterns that empower people to vote with their feet and live in the communities from which they may previously have been locked out.

The Activity Centre Program is focused in areas with high zoning costs

LGA	Number of Activity Centres	Cost of zoning
Stonnington	12	\$160,550.50
Glen Eira	7	\$101,316.29
Boroondara	7	\$172,764.71
Greater Dandenong	4	n/a
Bayside	4	\$234,131.35
Maribyrnong	3	\$22,715.74
Whitehorse	3	\$61,281.84
Darebin	2	\$47,412.83
Merri-bek	2	\$55,119.12
Monash	2	\$37,237.34
Melbourne	1	\$164,454.36
Kingston	1	\$45,292.70
Yarra	1	\$158,592.86
Banyule	1	\$73,501.88

With the exception of Greater Dandenong, the LGAs with the most Activity Centres all have “zoning” costs exceeding \$100,000. This indicates that the Program is well-targeted, and is unlocking housing supply where it is most feasible, and where the shortfall in homes is greatest.

The Activity Centre Program is focused in areas with declining populations of children and young families

YIMBY Melbourne previously conducted analysis on the correlation between building approvals and the population of children across the Greater Melbourne area.²⁹ This research was first published in The Age in 2024.³⁰

Our analysis found a strong positive correlation between the number of building approvals and the change in the population of children in Local Government Areas. This correlation was demonstrated clearly in both growth suburbs and the City of Melbourne—the two area categories with the highest building approvals—which both significantly increased their population's proportion of children. Inner- and middle-ring suburbs, meanwhile, saw declines in proportion of children in their respective populations, correlated directly against their lower rates of building.

²⁹ Epa, '[Research note: the Activity Centre Program is redistributive](#)', YIMBY Melbourne, 22 April 2025

³⁰ Waters, '[Where are the kids? The Melbourne suburbs facing a child exodus](#)', The Age, 19 May 2024

The City of Melbourne (CoM) saw an increase of more than 1,300 children from 2016-21 and had the most significant relative increase in children from 2016-19, at 23%—more than anywhere else in the state—as it approved 15,596 buildings from 2016-19 and 21,340 from 2016-21. This substantial increase in children in CoM comes mainly from the suburbs of Melbourne (the CBD), Southbank, and Docklands. This demonstrates something we knew implicitly: that families do, in fact, live in apartments, despite what is commonly implied in mainstream discourse.³¹

On the other end of the scale, the City of Boroondara saw one of the most significant drops from 2016-21, declining by 1,875 children (more than 6%). Between 2016 and 2019, Boroondara lost 3% of all its children, the largest drop in the Greater Melbourne area (excluding semi-rural Nillumbik Shire Council). On a suburb level, the City of Stonnington saw its lowest decline of children in South Yarra—the council's highest density and most rapidly growing area.

Following the initial Activity Centre Program announcement last October, we found that 23 of the 25 first-announced activity centres were placed in areas where child populations declined between the 2016 and 2021 censuses.

After the next batch of activity centres was announced in February, we found that 21 of the 23 new activity centres—excluding the mega Melbourne and Yarra activity centre—were also located where child populations declined between the 2016 and 2021 censuses.

A total of 44 of 48 individual Activity Centre stations are in places where the population of children has been on the decline.

This suggests that the majority of the announced Activity Centres are well-targeted areas, where a lack of housing choice has reduced new families' abilities to establish their roots in these communities. Upzoning, and enabling more affordable housing choices, then, is a fundamentally pro-family policy, as the data demonstrates.

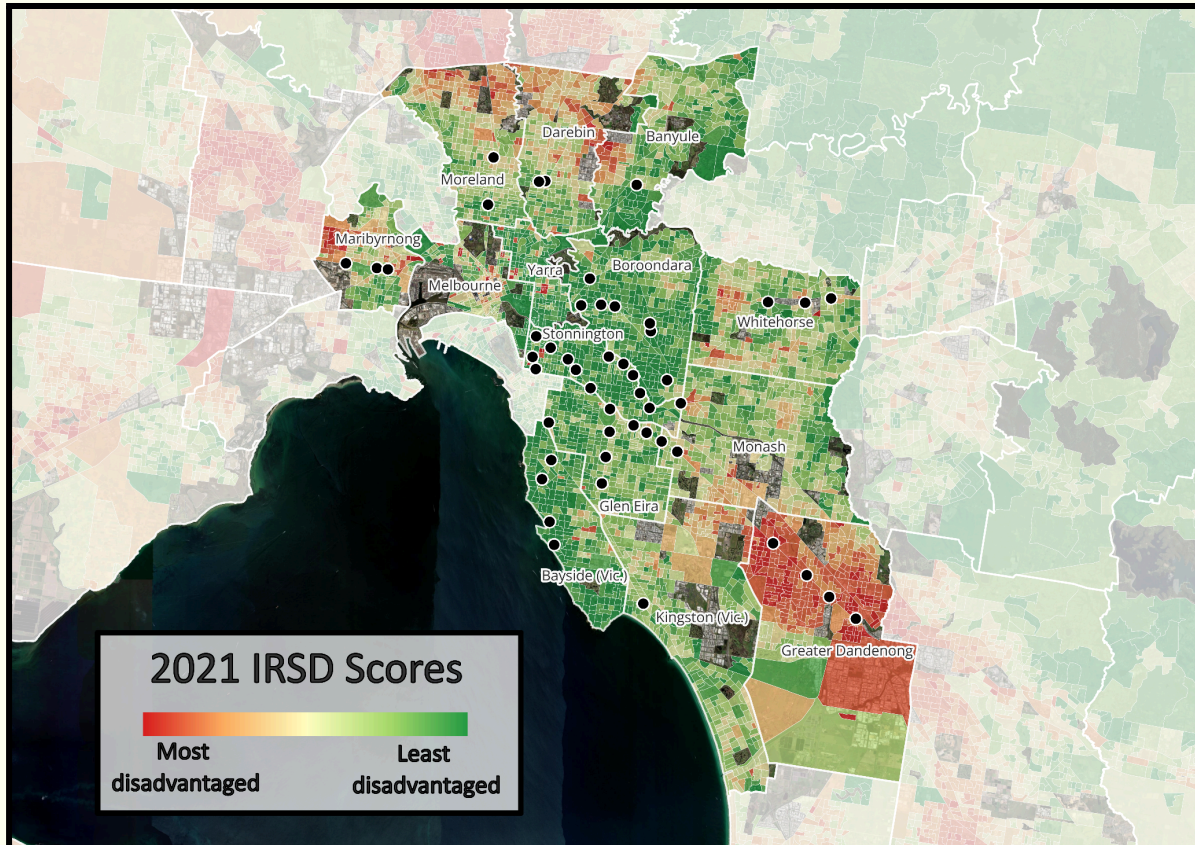
The Activity Centre Program is redistributive, and has the potential to reduce economic segregation in Melbourne

The initial reaction to the Activity Centre Program centred around the idea that the Victorian Government has targeted “affluent suburbs” for rezoning.³² But is this actually true?

We used the ABS Index of Relative Socioeconomic Disadvantage (IRSD) to test this, which measures relative disadvantage across multiple variables, such as income and qualification level. As seen in the graphic below, the broad majority of announced activity centres (black dots) are located in areas with very low levels of disadvantage.

³¹ Chang, [‘Australia is building a million new homes — but we may not want to live in them’](#), SBS News, 3 June 2024

³² Kolovos, [‘Victorian government to rezone affluent areas in bid to attract ‘locked out’ young people to 50 suburbs’](#), The Guardian, 20 October 2024



Out of the initial 25 activity centres, 22 are in areas of mostly very low disadvantage. Only Tottenham and Middle Footscray (City of Maribyrnong), Oakleigh (City of Monash), and Nunawading (City of Whitehorse) are in areas of low disadvantage.

While the second tranche of activity centres includes some lower socioeconomic areas like Greater Dandenong, the centres are still predominantly sited in areas with relatively little disadvantage.

Excluding semi-rural Nillumbik, Melbourne's five least disadvantaged LGAs have activity centres marked for upzoning. **In fact, the majority of declared activity centres are located within Victoria's top 50% least disadvantaged LGAs.**

Allowing more housing choices—especially cheaper options such as apartments and townhouses—in these areas would allow many of those currently “locked out” to call these LGAs home and, in the process, could help reduce economic segregation.

Conclusion

The evidence is overwhelming: Victoria's current planning system has systematically failed to meet the housing needs of our state, with disproportionate impacts on younger, poorer, and renting Victorians. The dream of homeownership has been crushed by the boots of a system rigged by an incumbent landowning gentry that has been empowered to further their own self-interests to the detriment of the broader needs of our state and her citizens.

The proposed amendments—VC257, VC267, and VC274—are not radical. They are a critical course correction grounded in national and international best practice.

These reforms do not constitute the totality of reform our state needs to deliver abundant housing for all Victorians. But they are a step in the right direction. With these reforms in place, the planning system is more equitable, more efficient, and more responsive to the needs of Victorians both present and future. The system on the whole will be better positioned to prioritise certainty over speculation, opportunity over exclusion, and progress over stagnation.

If the goal of planning is to enable the building of a fairer Victoria, where more people can live near jobs, services, and their own communities, then these amendments are not only justified—they are necessary.

Appendix 1: Amendments VC257, VC267 and VC274 further each of the Planning and Environment Act's objectives

Planning and Environment Act objective	How the reforms further the objective
<p><i>(1)(a) to provide for the fair, orderly, economic and sustainable use, and development of land;</i></p>	<p>Enabling greater levels of construction in established areas makes for a more sustainable and economically efficient pattern of land development across Victoria.</p> <p>Enabling younger and poorer Victorians greater access to areas with greater professional opportunity and social amenity is an important step toward ensuring a prosperous Victoria with communities that thrive for generations to come.</p>
<p><i>(1)(b) to provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity</i></p>	<p>Intensifying development in established areas, rather than expanding outwards at the edges, reduces the environmental impact of housing, and better protects our state's natural resources through the mitigation of endless sprawl. See also 2d, below.</p>
<p><i>(1)(c) to secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;</i></p>	<p>Denser areas are more amenity rich, and enable a greater diversity of Victorians to live, work, and play within their immediate local communities.</p> <p>The more efficient provision of infrastructure and amenity in established areas will enable the Victorian Government to deliver a greater number of services at a lower per-person cost, while also increasing the feasibility of continual service upgrades.</p> <p>The Townhouse and Mid-rise Code also makes improvements on the ESD requirements currently active within the planning scheme, ensuring that the homes delivered are of a higher quality for those who live within them.</p>
<p><i>(1)(d) to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value;</i></p>	<p>These reforms are specifically designed to not override existing heritage overlays and other controls. Through enabling more housing to be constructed outside of heritage areas, these reforms have the potential to reduce the pressure to develop heritage-listed properties, as development opportunities are made more abundant state-wide.</p>
<p><i>(1)(e) to protect public utilities and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community;</i></p>	<p>The Activity Centre and Precinct locations have been chosen specifically due to their strong access to existing transport and other infrastructure. This strategic planning promotes the efficient use of current public assets and facilitates the coordinated planning and delivery of new infrastructure where growth is anticipated.</p>

<p><i>(1)(f) to facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d) and (e);</i></p>	<p>VC267 streamlines the assessment process for common forms of residential development, reducing delays and costs for all parties. It aims to facilitate this development in accordance with: (a) orderly/economic use (clearer 'deemed-to-comply' rules); (c) pleasant/efficient living (updated standards for internal amenity); (b) environmental concerns (new ESD standards – solar, trees, ventilation, waste); and indirectly (e) (supporting infill). It directly facilitates development that meets a predefined set of standards intended to balance growth with amenity and sustainability.</p> <p>VC257 facilitates development by introducing tools designed for increased density (HCTZ) and streamlined assessment in key locations (BFO). It aims to do this in accordance with: (a) orderly/sustainable use (concentrating growth); (c) pleasant/efficient living (access to services); and (e) infrastructure coordination.</p>
<p><i>(1)(fa) to facilitate the provision of affordable housing in Victoria</i></p>	<p>Victoria is currently facing one of the worst housing shortages in living memory. Unfortunately, Victoria's restrictive planning system is one of the major factors to blame in this crisis, and has for decades failed more and more to deliver on its objective of providing more affordable housing across the state.</p> <p>The ongoing reforms work to achieve this goal specifically. By removing the significant and unnecessary barriers to building more homes where people want to live and are an evidence-based approach to relieving the strain on the limited housing supply allowed in the status quo.</p>
<p><i>(1)(g) to balance the present and future interests of all Victorians</i></p>	<p>The current planning system continually and systematically operates in a way that empowers incumbent landowners over and above renters and future Victorians.</p> <p>We need to ensure that our planning system enables a diversity of housing choices to be built where people want to live. The new housing reforms rebalance the system to afford greater consideration of the needs of Victorians locked out of homeownership and the places where they want to live.</p>
<p><i>(2)(a) to ensure sound, strategic planning and co-ordinated action at State, regional and municipal levels;</i></p>	<p>Through standardisation, these reforms increase the coordination of planning regulation across all levels of government. By decreasing overall planning system complexity, the capacity to make effective state-wide policy in the future will be improved.</p>
<p><i>(2)(b) to establish a system of planning schemes based on municipal districts to be the principal way of setting out objectives, policies and controls for the use, development and protection of land;</i></p>	<p>By streamlining low-impact residential development, these reforms free up local councils to undertake more important strategic planning work, including the design and management of transport and public land use. The increased capacity of local government to solve meaningful policy issues should not be underestimated as an impact of these reforms.</p>
<p><i>(2)(c) to enable land use and development planning and policy to be easily integrated with environmental, social, economic, conservation and resource</i></p>	<p>Greater levels of development in established areas reflects better integration with social, economic, conservation, and research-management policies, as laid out clearly in our responses to objectives (1)(a) through (f).</p>

<p>management policies at State, regional and municipal levels;</p>	
<p>(2)(d) to ensure that the effects on the environment are considered and provide for explicit consideration of social and economic effects when decisions are made about the use and development of land</p>	<p>Restrictive planning policies don't just limit choice—they increase homelessness. The evidence is clear: how much and how fast we build housing directly affects the lives of our most vulnerable.</p> <p>Research by Dawkins (2025) found that increasing the restrictiveness of local land use rules raises homelessness by 9–12%. His earlier work in 2022 showed that limiting housing supply drives up eviction rates, while boosting supply brings them down. This isn't abstract policy theory—it's real harm caused by a system that makes building homes too hard. These reforms go some way toward reducing this harm.</p>
<p>(2)(da) to provide for explicit consideration of the policies and obligations of the State relating to climate change, including but not limited to greenhouse gas emissions reduction targets and the need to increase resilience to climate change, when decisions are made about the use and development of land;</p>	<p>Detached houses are on average 1.8 to 2.7 times more greenhouse gas intensive per capita than attached houses, low-rise and high-rise multi-unit residential buildings.</p> <p>Greenfield households emit an additional 4.4 tonnes of carbon dioxide annually than their equivalent established area counterparts.</p> <p>Rather than continuing to expand Melbourne outward, increasing climate risk through endless sprawl, these reforms are a step toward refocusing on building more homes in resilient areas, thereby enabling current and future Melburnians to benefit from existing resilient infrastructure and amenity configurations.</p>
<p>(2)(e) to facilitate development which achieves the objectives of planning in Victoria and planning objectives set up in planning schemes;</p>	<p>VC257, VC267 and VC274 will all facilitate development by providing clearer rules and removing barriers to development. This is further outlined in response to objective (1)(f).</p>
<p>(2)(f) to provide for a single authority to issue permits for land use or development and related matters, and to co-ordinate the issue of permits with related approvals;</p>	<p>By removing remaining discretionary requirements and standards from clause 55, VC267 effectively meets this planning goal through the consolidation of decision making.</p>
<p>(2)(g) to encourage the achievement of planning objectives through positive actions by responsible authorities and planning authorities;</p>	<p>Reforming Clause 55 and creating Clause 57 (VC267) with clearer standards and a 'deemed to comply' pathway is a positive action to encourage development that meets specific benchmarks for amenity, character, and sustainability, while speeding up approvals.</p> <p>Additional new tools (HCTZ, BFO, PRZ) represent a proactive planning approach, working to guide and enable desired development outcomes in specific locations, rather than just regulating to prevent negative impacts.</p>
<p>(2)(h) to establish a clear procedure for amending planning schemes, with appropriate public participation in decision making;</p>	<p>The planning scheme amendment procedure remains clear and unimpeded by the reforms this Inquiry considers.</p>

<p><i>(2)(i) to ensure that those affected by proposals for the use, development or protection of land or changes in planning policy or requirements receive appropriate notice;</i></p>	<p>The planning reforms continue to provide notice to those in the vicinity of development, and the lead-times on development provide ample time for their response to local changes in land use.</p>
<p><i>(2)(j) to provide an accessible process for just and timely review of decisions without unnecessary formality;</i></p>	<p>VC267 makes all Clause 55 standards 'deemed to comply', leading to more just and timely review of decisions. The increase in certainty through clear provisions will reduce the unnecessary formality imposed by the status quo.</p>
<p><i>(2)(k) to provide for effective enforcement procedures to achieve compliance with planning schemes, permits and agreements;</i></p>	<p>All three of these amendments introduce more clear and objective standards, simplifying compliance and making enforcement of standards less time intensive for authorities and applicants alike.</p>
<p><i>(2)(l) to provide for compensation when land is set aside for public purposes and in other circumstances.</i></p>	<p>These amendments do not require the government to acquire any land; rather, they increase the ability of individuals to make choices about what they will do with land that is already privately owned.</p>