

Introduction

UDIA Victoria is a non-profit advocacy, research and educational organisation supported by a membership of land use and property development organisations, across the private sector and Victoria's public service. We are committed to working with both industry and Government to deliver housing, infrastructure and liveable communities for all Victorians.

This is an urgent and critical Action Plan for the Victorian Government and state and local government agencies and authorities to support the building, construction and development industry in response to the Coronavirus crisis in Victoria.

The health, wellbeing and safety of people in the industry is the primary concern of UDIA Victoria. We also care deeply about the ongoing employment of hundreds of thousands of Victorians who work in the building, construction and development industry as well as in related service industries including planning, legal, financial, environmental management, engineering and consulting.

We are urging the Victorian Government to consider its response and support of the industry in three phases and have outlined an Action Plan with key actions in the following phases:

- **Phase 1: Keep the industry operating as an Essential Service**
- **Phase 2: Confidence and industry stimulus in readiness for strong recovery**
- **Phase 3: Ramp up for recovery**

A large component of the work done by the building, construction and development industries cannot be done from home. However, large components can. Industry members are turning their attention to activities that can be undertaken at home and to pivot to activities that will boost their readiness in the ramp up and recovery phase. This will include focussing on project management work, town planning, detailed design or on-line training for example. During this time, it will be critical that government continue its operations and remain open for business.

Government must keep its doors open for business, digitally and remotely, to give the building, construction and development industry the necessary confidence and future pipeline of work they need to keep hundreds of thousands of Victorians employed through this crisis.

UDIA Victoria has created a COVID-19 Action Plan that we urge the Victorian Government to consider implementing to give confidence to the sector so they can maximise employment during each phase of this crisis and to position and support the industry to ramp up for recovery.



Ashley Williams, President

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Phase 1: Keep the industry operating as an Essential Service

The Victorian Government must take the following key actions:

1. **Maintain worksites as an Essential Service** to keep building, construction and development sites open and operational for as long as is safe to do so and recognise the deep capability within the industry and its workforce to implement health, safety and social distancing measures effectively. Additionally, the Victorian Government must acknowledge that all worksites are not the same. There are major practical differences between a commercial, multi-level construction site, and a land development site in Melbourne's greenfield areas and this should be considered in the event of any shutdown of work sites.

The building, construction and development sector delivers essential infrastructure, including new homes, roads, and community facilities. We consider this work should be continued to be defined as an Essential Service and be allowed to remain operational as long as activity adheres to government guidelines and health and safety regulations. As an industry, we have extensive experience in managing complex building sites to create a safe workplace.

Further, we are confident that onsite activities can be conducted in a safe manner that is consistent with State Government guidelines and advice to guide operators is being distributed by peak industry bodies including the Master Builders Association of Victoria and the Housing Industry Association.

At a minimum, building, construction and development sites should be allowed to operate in a manner similar to a 'care and maintenance' process on a mining site.

This approach would allow reduced activity on site to ensure:

- existing incomplete work is not damaged;
 - site security is maintained;
 - appropriate weatherproofing can be maintained; and
 - work on site can rapidly resume if it is halted for any reason.
2. **Issue clear directives that Government must remain open for business** across state government agencies, authorities and local government so that a pipeline of projects and development activity can be approved in advance of works recommencing. Local government, state government agencies, state government authorities, must all remain operating and keep their doors open if business is to survive this threat.
 3. **Lift the threshold for payroll tax relief to \$5 million.** The \$3 million threshold cut off for payroll tax relief is too low. It excludes thousands of businesses who employ many thousands of people in the building, construction and development industry.

Phase 2: Confidence and industry stimulus in readiness for strong recovery

It is imperative that Government provides confidence to the private sector to maintain their workforce by fast-tracking approvals and lowering the barriers to entry to encourage investment during any sustained period of reduced activity levels.

It will be imperative that the Victorian Government take deliberate action to:

- Keep government open for business
- Streamline and accelerate planning approvals
- Keep regulatory approvals flowing through State agencies and local government

The Victorian Government must take the following key actions:

4. **Invest in rapid planning approvals** as follows:
 - a. **Set aggressive approval targets** for fast tracking the approval of all Precinct Structure Plans for both housing and employment precincts and other urban renewal area planning frameworks to unlock housing supply and development activity. This should include the approval of all PSP's underway within three months and ongoing investment in the Victorian Planning Authority to deliver planning approvals in a timely manner.
 - b. The Planning Minister must **fast-track the approval** of individual sites that could be bought forward, leverage existing infrastructure and are consistent with existing Government strategy. Priority should be given to quality developments and those projects that can deliver scale and high job numbers.
 - c. Direct Councils and all State approval functions to **respond within statutory timelines** and ensure staffing and resourcing of approval agencies including DELWP, Victorian Planning Authority, State Revenue Office, Planning Panels Victoria, VCAT, Land Use Victoria, EPA, Earth Resources Regulator, other service authorities are maintained if not increased.
 - d. Immediately **expand of the approval powers and coordinating authority** of the Victorian Planning Authority.
 - e. **Remove planning system constraints** on development in the City of Melbourne under Amendment C270 controls.
 - f. **Defer any proposed changes** recommended by the Ministerial Advisory Committee for affordable housing and any proposed changes to the Better Apartment Design Guidelines for a period of two years.
 - g. Roll out a **rapid decision-making alternative to VCAT** to adjudicate on planning and development matters including post-approval matters that require mediation between government and private sector organisation.

5. **Urgently change Government taxation and regulatory policy** that has proven to negatively impact the cost of housing and lower the barrier to entry for homebuyers and investors, by:
 - a. Removing foreign investor surcharges for stamp duty and land tax.
 - b. Reinstating off the plan stamp duty exemptions in its previous form that aren't limited to first home buyers.
 - c. Re-visiting current taxes and charges on development including infrastructure contributions, biodiversity charges, utilities charges and other planning costs.
 - d. Increasing the Homes Vic shared equity scheme to help more first home buyers into the housing market.

Phase 3: Recovery and ramp up

We encourage the Government to stimulate the housing and construction sector now in readiness for recovery by instituting the following longer-term structural measures:

Overhaul Government decision making

6. Implement a **new governance model for rapid, streamlined decision-making**:
 - a. Empower the Red Tape Commissioner under the direction of the Treasurer of Victoria, with a refined mandate to direct government agencies, local government and other authorities to make rapid approval decisions, to resolve disputes, and to push infrastructure and housing projects forward to keep Victorians employed.
 - b. Under the direction of the Treasurer, empower the Red Tape Commissioner to enforce a rapid decision-making model across two key areas:
 - Planning, Housing and Local Infrastructure Pipeline overseen by the CEO, Victorian Planning Authority.
 - State Infrastructure Projects Pipeline overseen by the Director-General, Major Transport Infrastructure Authority.
 - c. Urgently establish a senior group of authorised individuals led by the Red Tape Commissioner and CEO, Victorian Planning Authority and representative of all relevant departments, agencies and authorities tasked with fast tracking approval decisions to ensure building, construction and development projects are prioritised, fast tracked through state government processes and are not stalled.

This group should act as the clearing house for rapid state government agency and authority approvals and have approval pipeline targets and report to the Treasurer and Minister for Planning on progress and approvals numbers.
7. Establish a **clear and rapid process for restoring works** on building, construction and development sites that focusses the attention of relevant government agencies and authorities toward fast, efficient assessment and approvals required to recommence works.

Rollout Government stimulus for the housing and development industry

8. Implement **stimulus packages to attract investment in new development** by:
 - a. Introducing a New Home Builder's Grant for buyers of new dwellings irrespective of first home buyer status.
 - b. Increasing the First Home Buyer Grant.
 - c. Offering (retrospective and prospective) land tax concessions for landlords who discount rent for small and medium businesses for a two-year period.

Propel the building, construction and development industry forward as a key plank of the Victorian economy

1. **Bolster the ongoing role, powers and funding of the Victorian Planning Authority** to secure a solid pipeline of housing construction and community infrastructure development with a laser focus on delivering developable land to market in greenfield, infill and urban renewal development settings.
2. **Fund the VPA in the order of \$20 million per year**, establish a framework to more actively exercise call in powers under the Planning Act and give the VPA measurable, economically viable housing supply metrics to deliver and the authority to do so across government.
3. Signal **advanced warning** to the industry before opening to allow lead time for arrangements to be made to re-engage our industry in work. Then we can hit the ground running.
4. **Secure supply chain and logistics pathways** for the building, construction and development industry with a laser focus on getting materials, components and equipment to sites, using local content and materials as a preference.
5. Enable the Earth Resources Regulator to provide **rapid approvals** necessary for extractive operations and ensure this is prioritized amongst all its activities.
6. **Significantly reduce taxes and charges on development** including infrastructure contributions, biodiversity charges, utilities charges and other planning costs.
7. **Waive all government fees** including planning permit fees, regulatory and other approval fees for a two-year period.
8. Launch **catalyst infrastructure investment program** in suburban and urban renewal settings so that the building and construction industry can bring forward investment with confidence.
9. Use **targeted and immediate infrastructure investment** to unlock development activity.
10. Deliver key infrastructure projects in **Precinct Structure Plans** that can be accelerated using Growth Area Infrastructure Contribution funding, as well as catalyst infrastructure for urban renewal precincts such as the tram to Fishermans Bend.
11. Fastrack commencement of non-compliant cladding replacement projects via **Cladding Safe Victoria** (residential buildings),
12. **Fastrack and bring forward expenditure** to create building and construction industry jobs for Victorians. Bring forward planned expenditure such as work programs for the Victorian Schools Building Authority, Cladding Safety Victoria and other agencies targeted at improving



and enhancing public housing renewal projects, road maintenance programs, government buildings, schools, police stations, hospitals.

13. **Urge banks** to open access to secure funding for property purchases so property transactions can continue.
14. Fast track approval of all **Precinct Structure Plans** and other urban renewal area planning frameworks to unlock housing supply and development activity.
15. Urgently unlock up to \$600 million of economic growth by immediately implementing all recommendations from the **Red Tape Commissioner** and delivering more efficient approvals in the state's planning and building systems.
16. Bring forward a **major program of red tape reduction** and fast track state and local government approvals in the planning and development process as a matter of urgency. Task the Red Tape Commissioner with overseeing the delivery of these initiatives.

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