

APPENDIX B to UDIA Victoria's COVID-19 Action Plan

Criteria to assess shovel-ready projects

The building, construction and development industry is a fundamental plank of the Victorian economy. It employs hundreds of thousands of Victorians and contributes to over 45% of the state's taxation revenue. At the time of writing, the industry remains open and operational and the Victorian Government has classified building and construction sites as an Essential Service.

However, without a new approach to planning and development approval, we are deeply concerned that investment confidence will be undermined, and the strong pipeline of shovel-ready projects we need to bring the Victorian economy out of this crisis, may evaporate, without urgent action by the state government.

Get New Projects into the Pipeline

It is critically important that shovel-ready projects are given urgent attention by local councils, the Department of Environment, Land, Water and Planning (DELWP) and the Victorian Planning Authority (VPA). These projects will be the lifeline of Victoria's economy if Government acts now to progress them through the planning and development approvals required to commence works.

We have provided DELWP and the VPA with a database of 170+ shovel-ready projects that were provided by our members in a short 48-hour period. However, as a fundamental rule, UDIA Victoria does not advocate for any projects, organisations or individuals in our role as the urban development industry's industry association. The data we have provided must be considered as an example only and is not exhaustive, and the information has not been verified and is not guaranteed by UDIA Victoria.

The strength of the industry's response to our call for project examples, demonstrates that the depth of the possible pipeline of building, construction and development that can be brought forward with deliberate government action. This pipeline of potential development activity is extremely positive for the Victorian economy and must not be wasted by inaction.

Fast-Track Decision Making

We have called on the Planning Minister to establish a **Development Facilitation Pathway** within DELWP through which these projects, and many others, can be triaged and addressed in a strategic manner, to access and activate a serious, shovel-ready development pipeline to support the Victorian economy.

We have also called on the Planning Minister to **expand the approval powers and coordinating authority 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.

In our Action Plan, we have called on Government to 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.

Keep Existing Projects Moving Ahead

We know there is a huge capacity within the urban development industry to continue to operate and to exceed expectations throughout the COVID-19 pandemic. The feedback and information we have

received from our members is that they need urgent government support both from the State Government and also local councils and referral authorities to keep projects moving forward and to ensure they are not stalled unnecessarily. This is particularly important when it comes to local government and state government referral authorities. It is of the utmost importance that government remains open for business and keeps operating through this crisis so that the urban development industry can continue to do its job effectively.

Proposed Criteria for Assessing Shovel-Ready Projects

1. Guiding Principles

The following guiding principles should be considered when assessing projects for fast-tracked assessment and approval:

Genuine Readiness – should be evidenced by secured funding streams, demonstrated capability to deliver the project.

Scale – should be able to be evidenced through economic value, number of dwellings, or other tangible measures.

Proximity – to existing or future planned infrastructure and community services should be evidenced.

Job creation – should be evidenced during planning, development and construction (as well as recognition for apprentice employment and others), and post-construction employment opportunities.

Social outcomes – should be achievable within the project which could include social and affordable housing, community infrastructure, transport infrastructure.

Local procurement and supply chain opportunities – should be achieved by the project.

2. Factors influencing immediate shovel-ready projects

<p>Development Applications (in order of priority)</p>	<ol style="list-style-type: none"> 1. DA approved – under construction but additional density pending State masterplan and complying development. 2. DA submitted and substantially assessed but held up by State agency concurrence or response to referrals only. 3. DA submitted and substantially assessed but held up by local government processes (lack of resources, poor time frames etc.) only. 4. DA approved but held up by the need for a State agency action that can trigger commencement (i.e. building or designing enabling infrastructure) only. 5. DA approved but held up by the need for a local government action that can trigger commencement (i.e. building or designing enabling infrastructure) only. 6. DA approved but held up by more than one of the above. 7. DA amendment required for a modified scheme where generally in accordance with the original approval or to respond to a change in use
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	<p>required as a result of COVID 19 impacts (as opposed to a new application).</p> <p>8. DA submissions prepared and ready for submission within next 2 – 3 months providing benefits in line with guiding principles.</p>
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3. Factors influencing development readiness that may enable shovel-ready projects within 12 months

Zoning	<ul style="list-style-type: none"> • Rezoned but no enabling infrastructure (e.g. sewer or water). • Rezoning Document Exhibited but no progress following exhibition due to the ‘Machinery of Government’. • Gateway proposals stalled due to uncertain context established by LSPS processes. • Pre-gateway but not a robust pathway for LEP review. • Designated Growth Area but limited progress, particularly in South West.
Infrastructure	<ul style="list-style-type: none"> • Serviced but needs augmentation. • Programmed Work but delays via procurement. • Work needing design/business case approval but prolonged by IPART and other regulatory processes. • Work needing design approval but fettered by unwarranted EPA restrictions. • Nil Plans, but opportunities for decentralised facilities by SWC or WICA. • Can lag development due to some or all of the above.
Ownership	<ul style="list-style-type: none"> • Development Ownership. Large master planned sites have the resources, expertise and ability to accelerate construction quickly • Consolidated, non-developer. Planning controls can incentivise action. However, certainty is required for contributions and infrastructure timing to enable accurate financial feasibility modelling. • Fragmented, non-developer. Difficult, should be low priority in the short term.
Development Approval	<ul style="list-style-type: none"> • DA Approved • DA Lodged • DA Prepared • Nil DA • Council commitment to accelerated rezoning