



16 September 2020

Hon Shaun Leane MP
Minister for Local Government
Level 16, 8 Nicholson Street
EAST MELBOURNE VIC 3002

By email: shaun.lean@parliament.vic.gov.au

Dear Minister Leane

Extension of approved planning and development permits and approvals to support jobs, investment certainty and limit red tape

The Property Council of Australia (Property Council) and the Urban Development Institute of Australia (UDIA Victoria) are working together to represent the interests of our members and the broader building, construction, development and property industry.

The building, construction, development and property industry is a fundamental plank of the Victorian economy and employs more than three hundred thousand Victorians. The industry contributes to over 45 per cent of the state's taxation revenue.

As at the date of writing, the building, construction and development industry is under Stage 4 restrictions and is 'Heavily Restricted'. Subject to triggers being achieved, the industry will move to 'Restricted' status as at 28 September 2020.

The ongoing and extended nature of the restrictions, whilst necessary for the management of the COVID-19 pandemic, have had a deep and lasting impact on the building, construction and development industry.

The restrictions have had significant and tangible impacts on the building, construction and development industry as follows:

- Severely limited the ability of property and development businesses to be able to transact and interact with their customers due to the fact that display homes, sales suites and land sales offices are closed, and open-for-inspections are banned;
- Significant delays have been experienced to the progress of development projects across the state due to decreased workforce ratios, and activity levels. This has pushed commencement, progress and completion timeframes out exponentially as the industry has worked to meet Government requirements of a reduced workforce; and
- Major cost implications have been absorbed by the industry as a result of the restrictions, and the flow on impact of this will extend for some months.



To address the impact of delays on building, construction and development projects both under construction and soon to be commenced, the Property Council and UDIA Victoria jointly ask the Government to consider granting an extension, of two years, to all current unexpired development permits issued by both State Government and local councils.

This proposal will allow for:

- Building, construction and development projects to continue without additional delays and risks to the viability of the existing workforce due to lost time having to reapply for existing permits that may expire in coming weeks and months;
- The recouping of lost time and costs resulting from the COVID-19 restrictions on workforce and industry activity; and
- Developers to invest available funds in projects now, while also ensuring the security of a pipeline of projects without concern that project permits might expire before funding can be secured.

We consider that it would be reasonable for projects fast-tracked under the Building Victoria's Recovery Taskforce to be exempt for the permit extension due to the criteria for these projects to be commenced within a defined timeframe as a condition of their permit.

Property Council and UDIA Victoria's members know that securing a pipeline of development activity is essential to ensuring that Victorian projects are shovel ready when market conditions stabilise and allow projects to proceed.

We also make the case that the individual assessment of permit extensions on a case by case basis by the Victorian Government and local councils, will be time-consuming and serve only to delaying the recovery process which can otherwise be realised through the existing pipeline of approved projects.

We would welcome the opportunity to meet with you to discuss this proposal further and have taken the opportunity to also write to the Minister for Planning with this request.

Please contact us directly on the details below to arrange a time to discuss this further.

Sincerely,

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(Victoria)

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