

19 May 2021

The Hon. Ben Carroll  
Minister for Roads and Road Safety  
Level 20, 1 Spring Street, Melbourne  
VIC 3000

By email: [ben.carroll@parliament.vic.gov.au](mailto:ben.carroll@parliament.vic.gov.au)

Dear Minister

### **Department of Transport and Road Delivery Bottlenecks**

The Urban Development Industry of Australia, Victoria Division (**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.

Working collaboratively with our members, we seek to provide evidence-based policy and advocacy services to drive industry discussion and debate, and to inform all levels of government to achieve successful planning, infrastructure, affordability and environmental outcomes.

It is with this spirit of collaboration that we wish to draw to your attention to significant and ongoing concerns from our members in dealings with VicRoads and Rural Roads Victoria (collectively, **DoT**) relating to greenfield and infill development projects in Greater Melbourne and regional Victoria.

Our members continue to experience frustrations with DoT taking an unreasonably long time to assess and respond to their applications. It is not uncommon for DoT applications to take up to three times longer than the statutory assessment period to receive determinations.

One of the key problems the development sector faces beyond general frustration with response times is that developers and consulting traffic engineers often receive conflicting advice and requirements from multiple authorities (i.e. DoT and councils).

Despite numerous letters and meetings with DoT's local leadership, higher bureaucrats, local councils and the Department of Environment, Land, Water and Planning (**DELWP**) over the last three years, many of our members continue to experience excessively long delays in application assessment which holds up project commencements and the delivery of new housing. These delays have direct impacts on the Victorian economy resulting from delays to the commencement of projects and housing which create direct and indirect jobs, and delays to stamp duty receipts, rates and other taxation revenue.

The case studies outlined below demonstrate the same issues with slow assessment of applications across a range of locations, indicating the issue is endemic to the organisation, not simply localised to specific regions or individuals.

The case studies are de-identified to respect privacy concerns of involved parties, but each of the UDIA Victoria members providing the case studies is happy to participate in a private meeting to discuss the particulars in a confidential environment.

While each case study is unique, there are common features they all share which are summarised as follows:

1. DoT response times to consider and respond to applications are unacceptably long and almost always beyond the statutory response period of 28 days.
2. There is a poor customer service culture across DoT, underpinned with an adversarial mindset towards the applicant.
3. DoT's "plan checking fees" are unacceptably high (usually higher than the cost of a traffic engineer to undertake the full design) yet deliver a poor level of service.
4. DoT and local councils often provide conflicting advice and design requirements. There is typically no communication or coordination between councils and DoT, and separate approvals pathways need to be navigated for each project.
5. Further, DoT appears to be reluctant to work in collaboration with other authorities (particularly councils) which adds considerable time and costs to project delivery.
6. There is often a revolving door of reviewing staff at DoT, which results in further time delays as the replacement officer needs to commence assessment from the beginning, or matters raised by one officer and dealt with by earlier rounds of feedback are reviewed entirely differently (and often subjectively) by another.
7. DoT delays and unresponsiveness contribute to slowing new housing and employment space supply, depresses the creation of new jobs and reduces economic activity.

### Case Study 1 – Residential Development Project (450 residential lots), Shire of Hume

**Location:** Mickleham Rd, Mickleham, Shire of Hume

#### Project Timeline & Summary Comments:

- Application lodged with Hume Council: **August, 2019**
- Application referred to VicRoads: **September, 2019** – 28 day statutory referral period triggered for VicRoads to comment on application.
- Meeting held with VicRoads in **December, 2019** to discuss application and absence of referral comments. VicRoads promised referral comments to be provided within 2 weeks of meeting.
- Constant follow up of VicRoads by developer applicant and Hume Council to obtain referral comments: **January, 2020 – September, 2020**
- 30 September, 2020 – referral comments received from VicRoads (**over a year after application referred**).
- **Summary Comments (Project Director):** *"The above delayed the issue of the subdivision permit by many months."*

This has resulted in a delay to land release and has also pushed out the approval timeframes now forecast for intersection designs (which required VicRoads approval) and forecast title dates.

### Case Study 2 – Residential Development Project (560 residential lots), City of Greater Geelong

**Location:** Corner of Reserve Rd & Barwon Heads Rd, Charlemont, City of Greater Geelong

#### Project Timeline & Summary Comments:

- Functional Layout Plan (FLP) lodged with VicRoads: **March 2016**
- FLP initial comments from VicRoads: **October 2017** (after finally being granted a meeting to discuss the matter in September 2017)
- Detailed Design Submitted (without FLP Approval): **November 2017**
- FLP Approved: **December 2017**
- DD Approved: **May 2018**
- VicRoads Permission to commence works: **June 2018**
- **Summary Comments (Project Director):** *“The project’s permit had a trigger to have this intersection completed to its Stage 11, the intersection had a 12 month program and was completed a month prior to our stage 11.*

*VicRoads ignoring their own 2.5 year design process would not allow SOC on our stage 11 without the signals being turned on. This process is determined by Powercor and VicRoads timings which can take up to 3 months from construction to be completed.*

*The intersection without signals could function safely as a left in left out but this was completely ignored by VicRoads who held up over \$14m in revenue for a period of two months over circumstances which were no longer in our control.”*

### Case Study 3 – Large Format Commercial/Retail project, City of Wyndham

**Location:** Leakes Rd & Sunset View, Tarneit, City of Wyndham

#### Project Timeline & Summary Comments:

- Functional Layout Plan Lodged with VicRoads: **25 February 2020**
- FLP “plans comply” received from VicRoads: **25 March 2020**
- Updated FLP plans issued to VicRoads: **22 September 2020**
- Response received from VicRoads, 14 no. items: **19 October 2020**
- **Left in/out** consent for works document received from VicRoads: **6 October 2020**
- **Left in/out** consent for works document executed by RAM: **20 October 2020**
- Updated plans issued & comments addressing all 14 no. VicRoads items: **22 October 2020**
- Multiple chase-ups from consultant to VicRoads re: final sign off: **November-December 2020**

- Response to consultant email of 22/10/20 received from VicRoads (more queries): **29 December 2020**
- Updated plans issued & comments addressing all 5 no. VicRoads items: **7 January 2021**
- Response to consultant email of 7/1/21 received from VicRoads (speed limit query): **2 February 2021**
- **Left in/out** MOA received from VicRoads: **4 February 2021**
- Sunset Views FLP approval received: **10 February 2021**
- Sunset Views Consent for Works received: **10 February 2021**
- Sunset Views Consent for Works executed & returned: **12 February 2021**
- Sunset Views MOA: **yet to be received**
- **Summary comments (Project Director):** *“It has taken well over 12 months to achieve real engagement with VicRoads, with the biggest issue being none of the authorities talk to each other, each has to be dealt with individually and in turn. In some instances, the applicant would obtain approval from VicRoads and Melbourne Water and then Wyndham City Council would disagree and turn everything on its head.*

*None of the authorities would work together or participate in productive workshops which is frustrating and draws out the process. As with all developments building the product is the easy part, the infrastructure is the ongoing challenge and where the cost blowouts occur.”*

#### Case Study 4 – Residential Development Project, Surf Coast Shire

**Location:** Surf Coast Hwy & Coombes Rd Intersection, Torquay, Surf Coast Shire

##### Project Timeline & Summary Comments:

- Functional Layout Plan (FLP) & Traffic Signal Design (TSD) submitted to VicRoads (RRV): **27 February 2020**
- RRV 2<sup>nd</sup> Review received: **28 April 2020 (43 days)**
- Amend & resubmit FLP & TSD to RRV: **4 May 2020**
- RRV 3<sup>rd</sup> Review received: **18 May 2020 (10 days)**
- Additional Comments received by RRV: **12 June 2020 (18 days)**
- Amend & resubmit FLP & TSD to RRV: **19 June 2020**
- RRV 4<sup>th</sup> Review received: **20 July 2020 (21 days)**
- Amend & resubmit FLP & TSD to RRV: **4 August 2020**
- RRV 5<sup>th</sup> Review received: **20 August 2020 (12 days)**
- Amend & resubmit FLP & TSD to RRV: **25 August 2020**
- FLP & TSD in principle approval by RRV: **25 August 2020**
- RRV 6<sup>th</sup> Review received: **17 September 2020 (17 days)**

- Amend & resubmit FLP & TSD to RRV: **27 November 2020**
- FLP & TSD Approval RRV: **27 November 2020 (0 days)**
- Detailed Design submitted to Surf Coast Shire (SCS) for review: **20 July 2020**
- SCS Review comments of Detailed Design received: **21 October 2020 (68 days)**
- Detailed Design submitted to RRV for Review: **21 August 2020**
- RRV Review of Detailed Design received: **25 September 2020 (25 days)**
- Revised Detailed Designs submitted to RRV & SCS: **20 November 2020**
- Detailed Design Review Comments received from SCS: **23 December 2020 (23 days)**
- Detailed Design Review / Approval by RRV: **Not Yet Received (100+ days)**
- **Summary Comments (Project Director):** *“The project’s detailed design plans were submitted to Council and RRV on 23 November 2020, with comments received from Council in 23 days, however written comments from RRV, have still not been received and it has now been over 100 days. Meanwhile the FLP and TSD approval process went through 6 reviews and took over 9 months.*

*It is worth noting that in this case, design applications with RRV for this particular intersection has been initially progressed as early as 2018, with that progress discarded due to interference by the Local Council. The timeline outlined above was for the “re-engagement” on this intersection based on the earlier work. At RRV this was treated as a brand-new project, effectively re-setting and ignoring the 18 months of earlier work.*

*For this development, completion of the intersection was a permit requirement before completion of the subdivision. The internal subdivision had progressed significantly ahead of the intersection approval given the inordinate delays. The proponent was forced to negotiate a significant (\$multi-million) bond for earlier release of titles. If the developer had not agreed to this demand, they would have been sitting on completed lots for over 24 months due to the delays, thereby delaying the construction of homes for over 100 families for this timeframe.”*

### UDIA Victoria Recommendations

The urban development industry is a critical driver of jobs and economic activity, both of which are vital to Victoria’s economic recovery in the shadow of the COVID-19 disruption. In 2019-20, residential construction expenditure generated \$25.5 billion in the Victorian economy.

**For every three dwellings built, 37 jobs are created along with \$2.9 million in economic benefits.<sup>1</sup>**

The delivery of new housing supply will play a key role in supporting Victoria’s economic recovery. Improvements to DoT’s engagement with the development industry is therefore crucially important to the State’s economic prosperity.

---

<sup>1</sup> Based on an assumed development cost per dwelling of \$333,000.

Within this context:

1. DoT must adhere to statutory timelines for assessment, minimise re-work and avoid multiple rounds of feedback. The development sector is greater certainty on timing and better accountability on decision-making.
2. There is merit in a holistic review of DoT's internal service protocols, processing timelines, delivery KPIs as they relate to engagement with the development sector

UDIA Victoria recommends the following actions:

1. DoT must lead the design process for designated roads and infrastructure, and coordinate feedback with local authorities to proponents.
2. Reduce the disproportionately high plan-checking fees for design applications.
3. Adhere to statutory timeframes, and Introduce a performance framework for responding to a referrals, reducing rounds of feedback, and timelines for granting final approvals.
4. Require ongoing reporting and monitoring against the performance framework.
5. Introduce incentives for good performers and disincentives for poor performers.
6. Introduce ongoing education, training, mentoring and supervision building capacity for better and faster decision-making.
7. Capacity building should also address a cultural and organisational shift to understand a core business of an authority includes acting as a referral authority in the planning permit process and ensure this role is discharged responsibly and efficiently.
8. Digitise the planning permit application process to ensure accountability and transparency of decision making.
9. Implement ways in which to measure performance by referral authorities and report publicly on performance.

We welcome the opportunity to meet with you to discuss in greater detail the matters raised in this letter. Please contact UDIA Victoria's Director of Policy and Research, Dr Caroline Speed at [caroline@udiavic.com.au](mailto:caroline@udiavic.com.au) to arrange a suitable meeting time.

Yours sincerely



**Matthew Kandelaars**

Chief Executive Officer  
Urban Development Institute of Australia, Victoria