

Housing Supply Regulation Inquiry

Submission on behalf of Boroondara City Council

15 June 2026

Acknowledgement of Traditional Owners

The City of Boroondara acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners and original custodians of this land, and we pay our respects to their Elders past and present.

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Introduction

The City of Boroondara welcomes and appreciates the opportunity to make this submission to the Productivity Commission's Housing Supply Regulation Inquiry. Council's submission highlights that from a Victorian perspective, the current housing crisis is a result of a range of contributing factors, with the planning system being only a small part of addressing housing supply and affordability.

Overview

1. Council consistently processes and issues positive planning permit application decisions for the majority of applications which are submitted. Ultimately, Council's are limited to issuing decisions based on the number of applications received. This means that Council cannot increase the number of dwellings approved and therefore in the pipeline for development without developers and others seeking approval through the lodgement of applications.
2. Council processes a minority of the Building Permit applications within the municipality with most being issued by Private Building Surveyors.
3. In recent years, the Victorian Government has introduced significant reforms to the Victorian planning system, in an effort to increase housing supply. Time is needed to see whether these reforms increase housing supply in the State but to date there is little evidence that the changes will significantly increase supply or affordability.
4. The Housing Trend Tracker is a tool which Boroondara Council has developed to provide accurate data for multi-dwelling planning permit applications, including dwelling counts, bedroom breakdowns, storeys, typology and date of construction.

Urban Planning Department Productivity

Planning Permit Applications

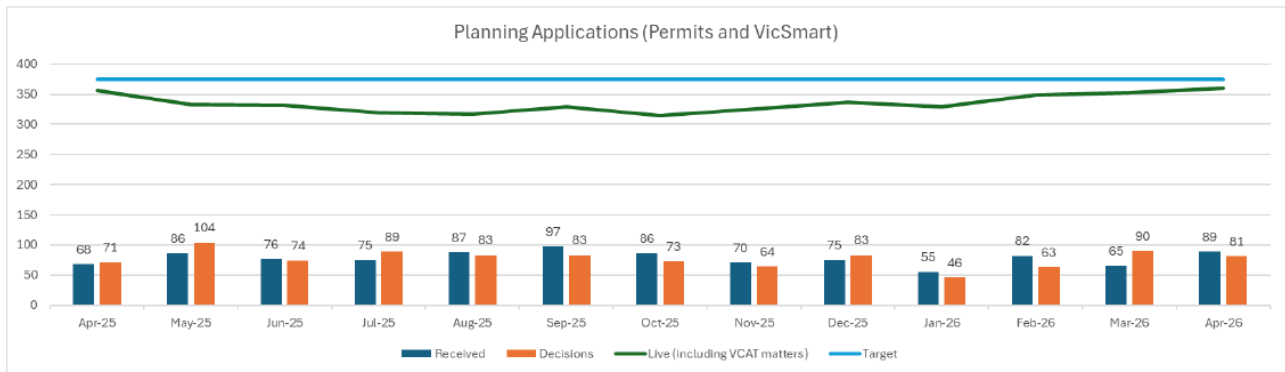


Figure 1: Planning Permit Applications

Source: Council Data

The data reported in Figure 1 includes planning permit applications received and decided including multi-dwelling developments, mixed use developments, subdivisions, and other matters. It also includes fast track assessment processes for straightforward matters such as tree permits and minor dwelling extensions in heritage areas which are known as “Vicsmart”.

The live backlog of applications (green line) is plotted against a target (blue line) for live applications which is currently set at 375 at any one time. Council aims to keep the number of outstanding planning applications to be determined below the target of a maximum of 375 applications at any one time to ensure that workloads are at a manageable level. The number of live applications has been consistently below the target number of applications for the past twelve months.

Figure 1 further highlights that Council is consistently issuing decisions on planning permit applications comparative to the number of planning permit applications received. In other words, productivity is being maintained with the number of permits issued not breaching the threshold target. Ultimately, Council cannot issue a greater number of decisions, than applications received.

Victorian Government's Planning Reforms

In September 2023, the Victorian Government released its Housing Statement in response to an escalating housing crisis. While issues of housing affordability and supply have been emerging for many years, the statement marked a clear shift in urgency and prompted a suite of planning reforms aimed at accelerating housing delivery across Victoria. These reforms have particular relevance for municipalities such as the City of Boroondara, which is experiencing sustained population growth.

The Statement set out a series of reform proposals. One of the key focus areas was on making faster planning decisions to unlock housing supply with a target to build 800,000 new homes in Victoria over the next decade. The statement claims that it “*all comes back to supply....because it's only when there are enough homes to go around that more people will be able to afford them.*”

To deliver the homes needed the statement set its sights on the planning system, and particularly the perceived blockages in the planning system. It states:

“Right now, the system just isn't working like it should – and decisions aren't getting made fast enough. At a council level, there's a backlog of around 1,400 planning permit applications for multi-unit housing that have been sitting with councils for more than six months waiting for a decision. Some 550 of those applications have been sitting with councils for more than a year. Instead of decisions being made by councils, more and more planning disputes are taking longer and longer and ultimately ending up at unelected VCAT to resolve. That clogs up the system even more – and results in more delays for the people who genuinely need to use it. All of that means we're going backwards. Over the last year, the number of dwellings approved across the state fell by 26.1 per cent. Victorians deserve a planning system that works with them – not against them. It should be quick, efficient, and easy to navigate. It should be a clear, transparent and accountable system – because Victorians deserve to know who is planning our city and state. And we've got a plan to do just that.”

Page 9 Victorian State Government Housing Statement 2023

The statement continues to claim that by making decisions faster around 13,200 additional homes will be brought to market that would otherwise be delayed in the first instance. It claims that from there, faster decisions will clearly deliver more homes. However, the Housing Statement was not released as a discussion paper, and no specific consultation was undertaken with Local Government to ask whether planning was actually blocking supply and to learn what changes were needed to increase supply and affordability of housing. There was no attempt to collect the data at a local level.

The statement is light on detail and does not provide clear direction for many of the actions. Subsequent changes to the planning system have made significant change without the evidence to demonstrate that the changes would deliver the expected outcome.

The reforms are predicated on inaccurate assumptions and assertions relating to the capacity of local councils to make informed and timely decisions on planning matters. In this respect, the wider constraints on housing supply in Victoria, which sit outside the planning system, have been overlooked. These non-planning constraints will continue to slow the speed of housing delivery to a significant degree, regardless of the planning reforms.

The Municipal Association of Victoria released data on the planning system in Victoria relating to housing delivery around the time of the Housing Statement. Whilst it is accepted that this data was quite limited and based on estimates from Councils, at the time it indicated that:

- There were 120,000 houses, townhouses, and apartments in Victoria that had been given planning approval but hadn't commenced construction.
- Previous planning approval streamlining efforts had taken applications out of the planning system and that only 3% of applications that are lodged get refused.
- More than 80% of permit applications for multiple dwellings required councils to ask the applicant for more information that wasn't initially provided. Incomplete applications add an average of three months to assessment timeframes.
- On average it takes over 500 days from a council seeking Ministerial approval to progress a change to their planning scheme, to the Minister approving and enacting the changes in the planning scheme.
- Over 98% of residential planning permits are decided under delegation by planning officers.

The subsequent planning reforms introduced by the State Government included

- Plan for Victoria including the final housing targets for each Council
- New planning controls for activity centres enable additional built form within and surrounding activity centres
- New Townhouse, Low-Rise and Mid-Rise residential development codes
- Planning Amendment (Better Decisions Made faster) Act 2026 (effectively a substantial overhaul of the Planning and Environment Act 1987)
- Development Facilitation Program - State Government approval pathway to bypass Councils

The Victorian State Government had formed the view that the planning system is a handbrake on the delivery of housing, which prevents (or substantially slows down) the delivery of new and

affordable housing and therefore changes which streamline planning approval will unlock new housing. Further, it appears that they are of the view that Councils that are responsible for administering the system and issuing permits and they must not be issuing enough permits because housing supply has slowed.

However, there is very little evidence to substantiate this assertion.

Context

Development Patterns

The Australian Bureau of Statistics Building Approvals data can be used to provide an indication of residential development in Australia (see Figure 2 and Figure 3). Once a building permit has been issued, projects are usually acted upon.

Development across Australia varies annually, with construction increasing until prior to the Covid-19 pandemic, with a slowdown during the pandemic, and again after a post-pandemic recovery in 2023. Construction levels have been improving since.

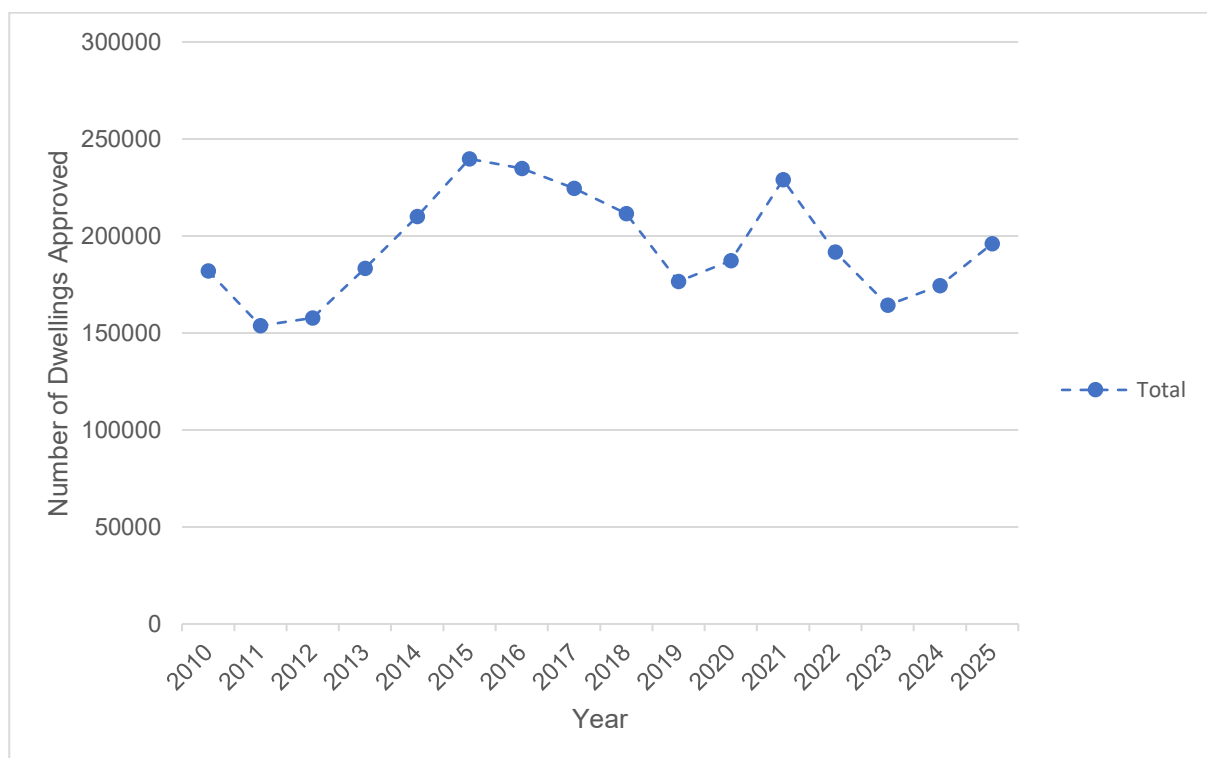


Figure 2: Australia Building Approvals

Source: ABS, Building Approval Data

Construction levels in Victoria and Melbourne, as shown in Figure 3, have generally followed the national trend.

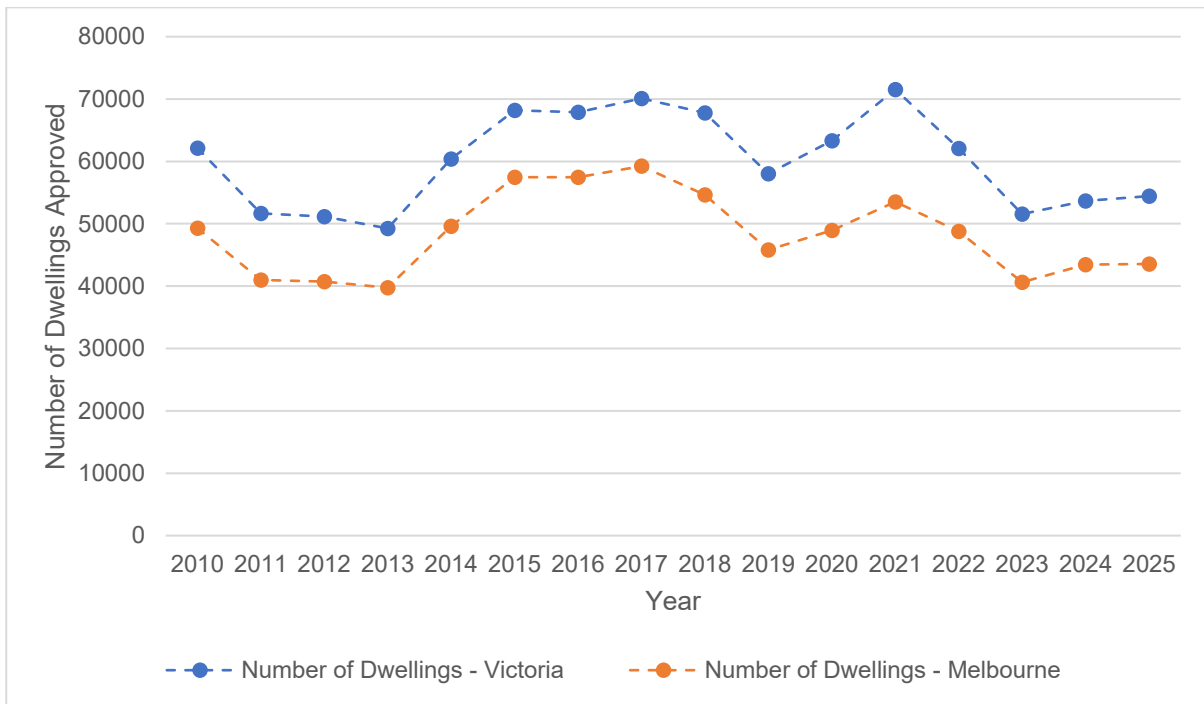


Figure 3: Melbourne Building Approvals

Source: ABS, Building Approval Data

Boroondara Population

To understand what’s happening in the Boroondara housing market in response to recent planning approvals, it is important to consider population and construction trends.

The population in Boroondara at the 2021 Census was 167,900 people (see Figure 4).

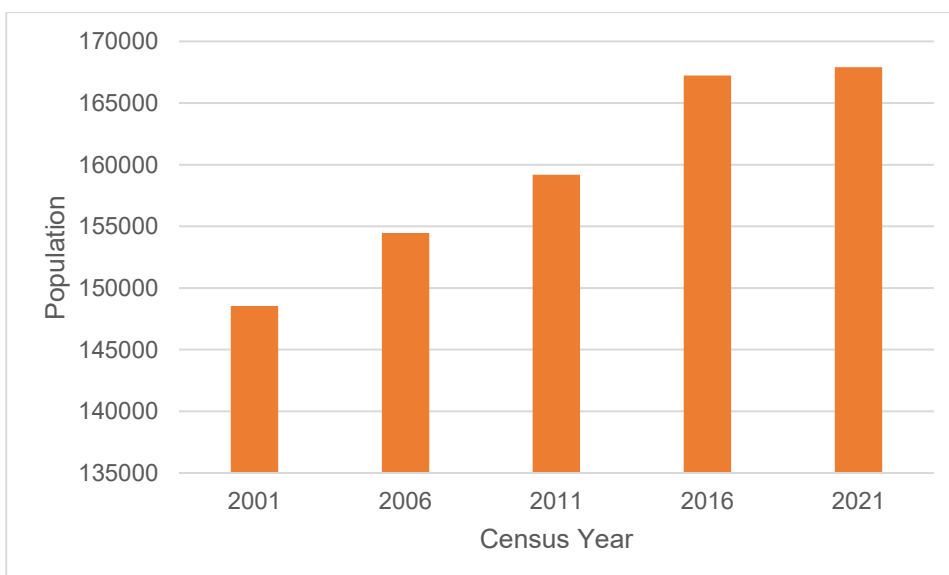


Figure 4: Population of Boroondara

Source: ABS Census Data

It is estimated that in 2026 the population has increased to 178,630, and by 2046 the population is forecast to grow to 202,084, which is a 13.13% increase (.id informed decisions population forecast July 2024). This forecast population increase is expected to occur under current planning regimes and has not factored in new planning reforms. In other words, existing planning controls has capacity to enable increased housing provision without any changes.

Boroondara Housing Data - Housing Trend Tracker

Planning permit and associated completions data in Boroondara has been compiled and analysed for the period from August 2019 through to April 2026, using a newly developed housing data tool known as the ***Housing Trend Tracker***. The tracker is the outcome of an extensive research project which identified that while planning permit approvals were well documented, there was no consistent or reliable way to determine whether approved developments were actually built. The Housing Trend Tracker records data for multi-dwelling planning permit applications, including dwelling counts, bedroom breakdowns, storeys, typology and date of construction.

Development in Boroondara

Number of Dwellings Approved vs Constructed

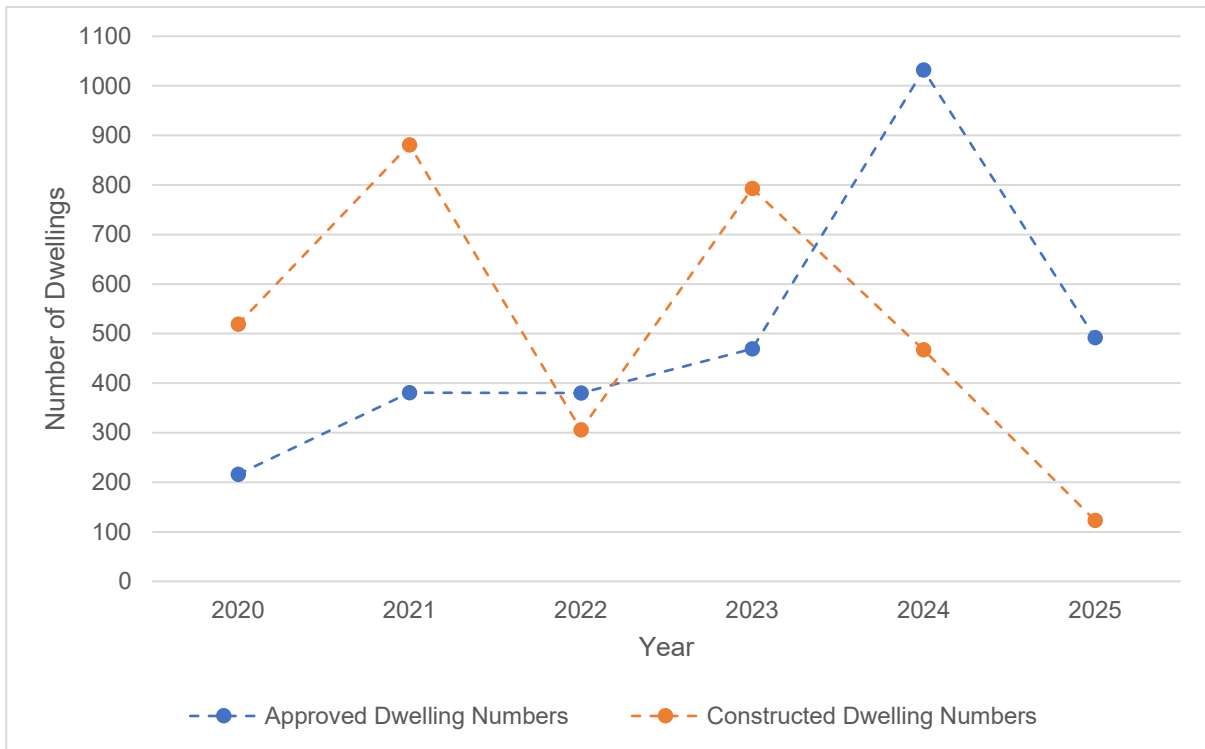


Figure 5: Number of Dwellings Approved vs Constructed

Source: Housing Trend Tracker: Boroondara Planning Permit and Building Occupancy data

Number of Approved Dwellings

The Housing Trend Tracker has tracked data on planning permit approvals for multi-dwelling developments since August 2019 (planning permit applications for multi-dwelling developments submitted with a Responsible Authority since August 2019). 3172* dwellings have been approved in this time period, which is an annual average of approximately 488* dwellings (see Figure 6).

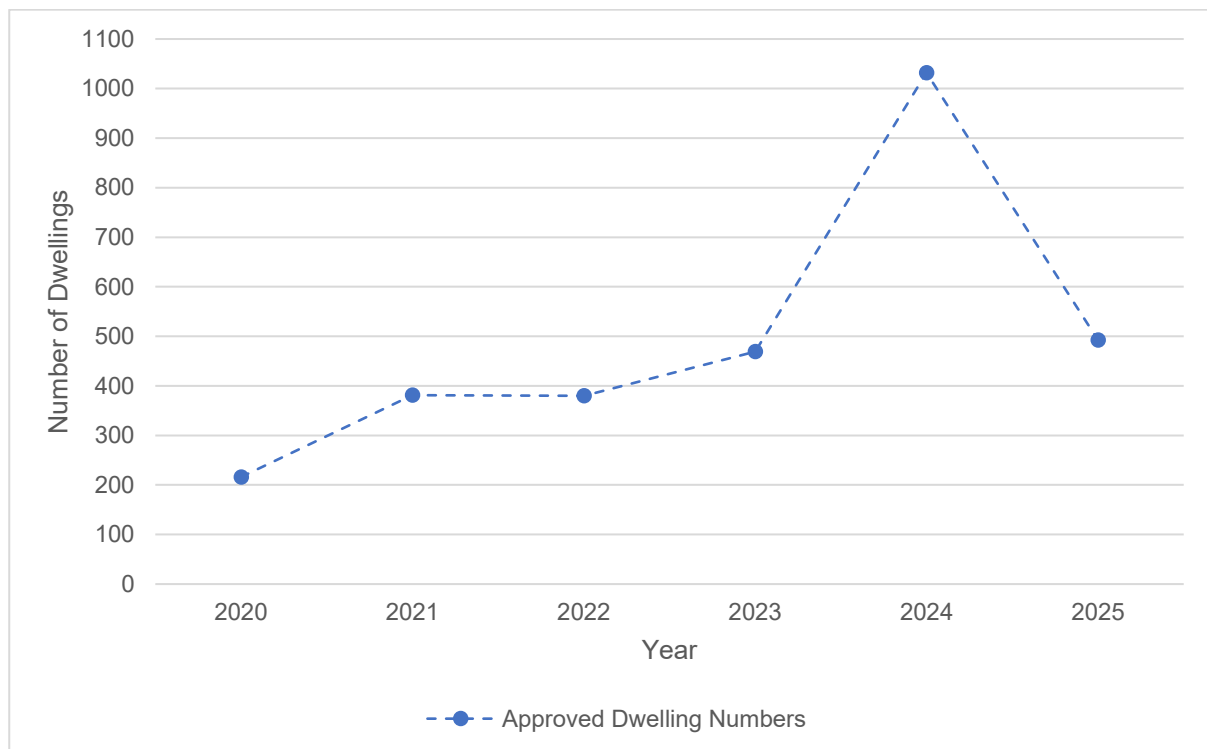


Figure 6: Number of Dwellings Approved

Source: Housing Trend Tracker: Boroondara Planning Permit and Building Occupancy data

Number of Constructed Dwellings

Since August 2019, 593 multi-dwelling developments have been constructed. These have provided 3,756* new constructed dwellings in multi-dwelling developments (Figure 7). This is an annual average of 578* dwellings across the past 6.5 years.

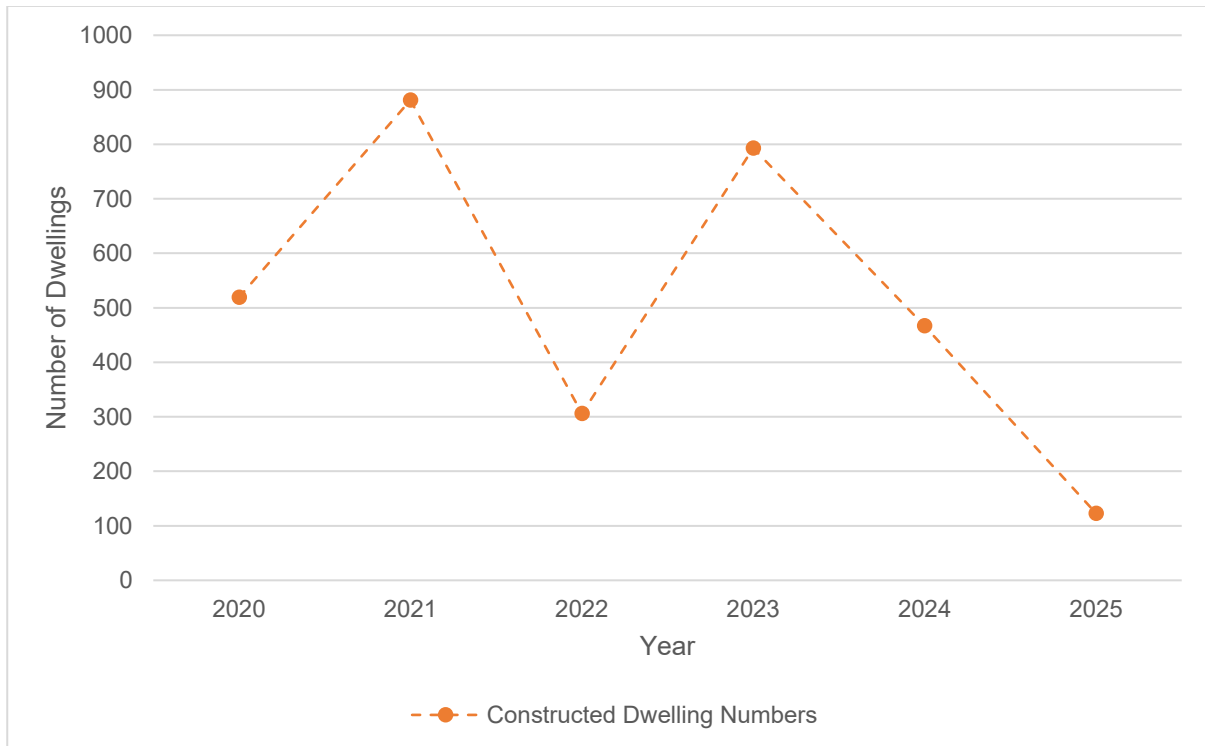


Figure 7: Number of Dwellings Constructed

Source: Housing Trend Tracker: Boroondara Planning Permit and Building Occupancy data

Comparison to Victorian Government’s Municipal Housing Target

The housing target requires 2,520* additional dwellings per year in Boroondara. The current shortfall per year, based on constructed dwellings through planning permits, across the past 6.5 years is 1,942* dwellings. This will result in an additional shortfall of 48,550* dwellings between 2026-2051.

Construction Delivery Timeframes

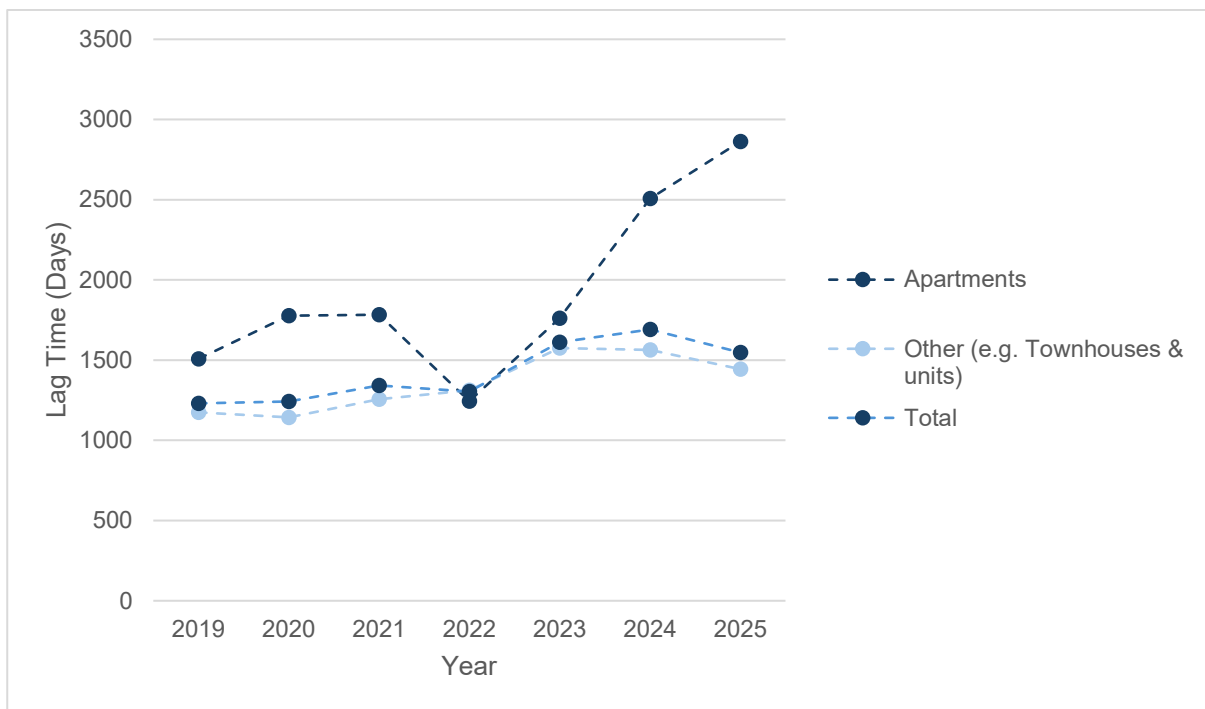


Figure 8: Average Construction Timeframes

Source: Housing Trend Tracker: Boroondara Planning Permit and Building Occupancy data

Once a planning permit has been issued, Council has very little influence on when a development is constructed. The lag between planning approvals and actual delivery continues to substantially increase, which suggests speeding up planning permit delivery in established municipalities like Boroondara may not influence the delivery timeframe for new multi dwelling developments.

Developer Survey

Council recently conducted a survey of property owners with planning permits for multi-dwelling developments, associated with applications submitted since August 2019. Council invited owners of 459 different properties within the municipality, who either have permits and haven't commenced construction, or have commenced construction but not completed. These property owners were invited to participate in an online survey, the purpose of which is to investigate what factors are affecting development from occurring.

50 responses were received, from 49 respondents. This is a response rate of 10.67%.

Summary of Results

Of the 50 responses received, 54% (27) haven't started construction. Of these 27, 56% (15) don't plan to build through this Planning Permit, with 44% (12) planning to start building.

All 12 of those who plan the start building, stated that the start date for building has been delayed. The top factors that these property owners reported as having delayed the construction commencement are:

- Planning, building and other approvals - 66.67% (8) report this being a major barrier (which appears to often relate to the 'secondary consents' that are often needed following initial planning approval)
- Taxes, developer contributions, fees and charges - 33.33% (4) report this being a major barrier
- Market conditions or buyer demand - 50.00% (6) report this being a major barrier

Most of these owners (66.67%) report that they would be very likely to start building within the next 12 months if all or most of these factors could be overcome.

Regarding the 15 property owners who haven't start construction and don't plan too, the primary factors reported on their decision to not start building are:

- Taxes, developer contributions, fees and charges - 73.33% (11) report this being a major barrier
- Planning, building and other approvals - 73.33% (11) report this being a major barrier
- Construction cost increases - 46.67% (7) report this being a major barrier

The 23 property owners whose developments are currently under construction, yet not complete, reported the top factors having affects their schedule:

- Planning, building and other approvals - 82.61% (19) report this being a major barrier (which again appears to often relate to the 'secondary consents' that are often needed following initial planning approval)
- Taxes, developer contributions, fees and charges - 52.17% (12) report this being a major barrier
- Construction cost increases - 34.78% (8) report this being a major barrier
- Holding costs - 34.78% (8) report this being a major barrier

Recommendations

1. Establish a system to track accurate and consistent data regarding Planning Permit approvals related to housing and associated completions in each Australian jurisdiction, and nation-wide.
2. Address the underlying issues impacting multi dwelling housing delivery, especially in established areas, including constructions costs, access to finance, underlying demand (affordability), taxes, fees and charges, and streamlining secondary consents and approvals once a planning permit is issued.

Conclusion

Thank you for the opportunity to provide our perspective on the current state of housing supply regulation in Victoria, and Australia more broadly. Council and its officers welcome any future opportunities to collaborate on such an important topic that will shape our cities and local areas.

For more information on this submission, please contact:

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