

Liveable Victoria's response to the Productivity Commission Interim Report on Housing

LIVEABLE VICTORIA

Liveable Victoria is a non-partisan alliance of 60 Supporter groups who endorse the [Liveable Victoria Charter](#). Supporter groups are active in Melbourne and in Victoria's regional cities and rural areas.

Liveable Victoria was established in 2025 in response to deep and widespread community concern about the deregulation of the Victoria Planning Scheme.

LIVEABLE VICTORIA'S ADVICE

Liveable Victoria believes the deregulation pursued in Victoria has seriously damaged the future ability of our planning scheme to protect people's real and enduring needs for amenity and liveability, heritage and contact with nature.

Victoria's deregulation project has particularly advanced on falsehoods unsupported by contrary evidence about the efficacy of Victoria's local government in planning for population growth and providing timely approvals for development proposals.

Victoria's planning system was not perfect. It had possibly become less perfect under the pressures of population growth and changing economic conditions. Some developers have confronted lengthy delays in securing approval for some projects. But those projects had one common characteristic – they didn't comply with the planning scheme! They conflicted with decades of planning scheme evolution that set rules to give certainty to developers while protecting amenity, environment and equity.

Thoughtful leadership for a democratic evolution of the planning scheme would have been useful. But the Victorian government's response to community resistance to 'inappropriate development' was to dismiss the resistance as simply vexatious or Not-In-My-Back-Yard, anti-housing, selfishness.

Deregulation in Victoria has eroded democracy. The depth and duration of public consultations for deregulating the Planning Scheme were not near commensurate with their implications. Now, residents have been stripped of their rights to be notified, to object and to seek independent review of development proposals. Almost all planning decisions of significance are now made by the Minister.

These deregulation 'reforms' have made it almost impossible for the public to influence proper evaluation and repair of the new scheme's inevitable problems and perverse outcomes.

Worse, Liveable Victoria believes the reforms' hand-over of decision-making power to Victoria's Planning Ministers has increased the risk of corrupt relations between future Ministers and development capital.

And for all of this, Liveable Victoria believes that any solutions planning deregulation might bring to housing affordability will be minor in comparison to the damage they will do. Victoria's newly deregulated planning scheme is far more likely to transform good,

livable neighbourhoods into shoddy apartment zones; socially, aesthetically and environmentally broken.

The problem with the Productivity Commission's Housing Supply Regulation Inquiry is that its Terms of Reference try to simplify the housing supply problem by quarantining housing regulation from all the other interrelated pressures and influences on it.

To its credit, the Interim Report recognises that regulation has legitimate roles in protecting public interests. But having listed these legitimate roles the Interim Report goes on to quote various development capital interests in ways that seem too unquestioning. In nearly every case, where the Inquiry was told the story of an expensive delay to a project, we suggest that regulation wasn't actually the problem – it was the developers failure to gather enough information at the project feasibility stage or institutional failure to anticipate a constraint on particular locations.

Accordingly, we support the Interim Report's recommendation that, "governments should enhance strategic planning processes to consider infrastructure requirements and trade-offs associated with development early, rather than during the approval process".

But we contend this strategic planning needs to integrate all the relevant, natural resource, economic, social and historical information needed to locate the right kind and volume of housing where it is most likely to succeed as housing for sustainable, liveable communities. Part of achieving this in Victoria is to restore and strengthen the role of local government as the primary provider of integrated planning.

(Please don't describe regulation as 'red tape' or 'green tape'. These terms are nearly always used to denigrate regulation as mindless bureaucracy designed to threaten the viability of honorable business. Regulation is important.)

RESPONSES TO INFORMATION REQUESTS

QUESTION: *Do design-focused regulations (e.g. tree canopy requirements, apartment layout and storage) directly impact commercially feasible capacity?*

REPONSE: Tree canopy cover is essential for liveability. Ask any developer. Every attractive, desirable suburb in Australia is leafy and green. Regulations to protect or provide tree canopy cover are essential. If a development is made unviable by the need to protect or provide street and setback tree cover, then it's the wrong design for that site. Regulation for tree cover should be directed to achieve municipal scale 'Urban Forest Strategy' targets.

QUESTION: *What impact would reducing the coverage of heritage overlays have on housing supply?*

RESPONSE: Communities need to protect buildings, artifacts and landscapes inherited from the past. They help each generation accumulate collective memory and shared

understanding. They are foundations for social and national identity and evidence of sustainable development. And heritage lost is lost forever.

Deregulation is not the solution to restrictive heritage overlays. Deregulation just breeds uncertainty. If a community deems a locality or site to be valuable, regulation to protect it creates certainty for everyone. It's simple - you can't develop a new building that's inconsistent with the site's heritage value. Take the development to an unrestricted site.

This isn't a very useful question because the answer is different in every situation. It will prompt replies from developers who expect profit from development in particular locations that involve the destruction of buildings, artifacts or landscapes protected by heritage overlays. Their response will really be about the restrictive nature of heritage overlays on conducting a profitable business. Housing supply will be incidental.

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