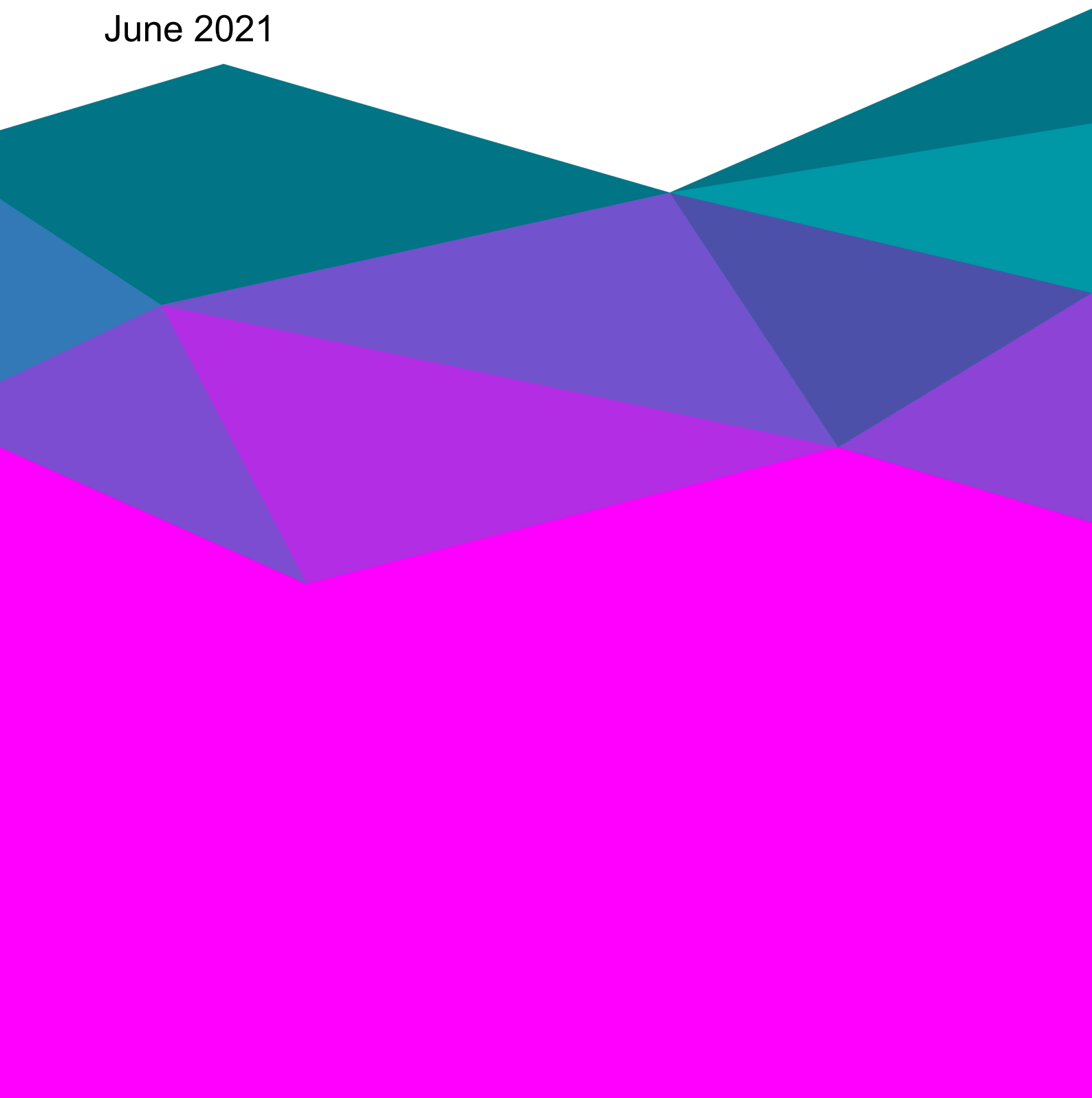


Introduction of Local VicSmart provisions



Strategic Assessment Report

June 2021





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Executive Summary

This report provides a strategic assessment of the inclusion of local VicSmart provisions into the Port Phillip Planning Scheme (PPPS), in accordance with the requirements of *Ministerial Direction No.11 Strategic Assessment of Amendments*.

It is proposed to include twelve local VicSmart provisions into the PPPS through the Schedule to Clause 59 VicSmart Applications and Requirements. The use of local VicSmart provisions was a recommendation of the Port Phillip Planning Scheme Audit Report 2018 (the 2018 Audit).

The proposed local VicSmart provisions are for minor applications triggered under the Commercial zones, Heritage Overlay, Design and Development Overlay, Clause 52.05 Signs and Clause 52.27 Licensed Premises. All but one of these application types are currently processed through Council's Fast Track service. The exception is the proposed Licensed Premises provision under Clause 52.27, which applies to limited circumstances where there would be no unreasonable off-site amenity impacts.

The inclusion of local VicSmart Provisions will be a proper use of the Victorian Planning Provisions. It will result in an estimated average of up to 60 additional applications a year being processed through the VicSmart pathway. This will guarantee a streamlined process, with faster decision making, lower application fees, clearer expectations for applicants and more efficient use of Council resources.



1. VicSmart provisions

Amendment VC114 (September 2014) first introduced VicSmart application types into the Victorian Planning Provisions (VPPs) as a streamlined assessment process for straightforward planning permit applications. VicSmart provisions provide for a ten day permit timeframe, specific (limited) information requirements, exemption from notice and third party review (meaning no advertising or objector appeal rights) and narrowed decision guidelines.

Amendment VC135 (March 2017) extended the VicSmart process to include additional classes of applications. This included more extensive buildings and works in the industrial and commercial areas, small scale types of buildings and works in selected overlays, subdivision, advertising signs and car parking.

Amendment VC137 (July 2017) introduced additional classes of application into the VicSmart provisions for residential zones. It also allowed Councils to include local classes of VicSmart applications. Specifically, the schedule allows Councils to establish a set of local criteria for applications under specific zones, overlays and particular provisions. Port Phillip's VicSmart schedules are not currently used.

The Victorian Government's Smart Planning program has, through Amendment VC148 (July 2018), broadened the application of VicSmart by better integrating it into the VPPs through structural changes and evolving its operation to support more codified assessment pathways.

The Victorian government publishes a range of resources for both prospective applicants and councils, including a 'Model officer report template' and 'Suggested business practices for Councils' guideline.¹ However no guidance has been published in relation to introducing local VicSmart provisions. To date at least one council² has introduced local VicSmart provisions.

2. Port Phillip Planning Scheme Audit Report

The Port Phillip Planning Scheme Audit Report 2018 (the 2018 Audit) discusses VicSmart at section 12.4.4. It identifies a number of opportunities associated with local VicSmart provisions and includes the following recommendation:

Recommendation 86:

Explore the potential for Council to prescribe local classes of VicSmart applications to streamline simple planning applications.

The 2018 Audit identified that a review would be required to consider the benefits of utilising this new tool. It identified that applications currently dealt with through Council's Fast Track Service would be suitable for

¹ Refer to the Victorian government website <https://www.planning.vic.gov.au/permits-and-applications/vicsmart>, accessed 8/4/21

² City of Greater Geelong through amendment C396 which was processed as a procedural amendment and was not exhibited or subject to an independent panel's consideration.



inclusion. Further, that there was opportunity to introduce a greater range of more routine permit applications that would benefit from being included in VicSmart³.

The benefits of including local VicSmart provisions include a reduced regulatory and administrative burden, including alleviating the pressure on the planning resources of Council. It also includes potential positive economic benefits from reducing the cost and timeframes associated with the planning permit process for more routine planning applications, benefitting the Port Phillip community.

3. City of Port Phillip Fast Track Service

3.1 Background to Fast Track service

The City of Port Phillip currently offers a Fast Track service, which streamlines the processing of minor planning permit applications. The service has been offered since at least 2011. Council employs a Fast Track Planner dedicated to assessing and determining those applications (and VicSmart applications).

The Fast Track service is able to be used for minor applications that are able to be assessed quickly, without public notice and external referrals, and where no further information is required. This is at the discretion of Council planners. However, the types of applications which typically meet the Fast Track parameters has been formalised over time, with Council's website listing the types of applications that are eligible as follows⁴:

Minor buildings and works

- Rear alterations to a significant or contributory graded dwelling, not visible from the street other than a lane or public park
- New windows or doors visible from the street in the same specifications as existing, such as materials, colours, finishes, dimensions, with no change to window or door openings
- Removal of fixtures such as security bars and roller shutters from windows
- Alterations to roofs. If visible from the street, the roof must be in the same material and appearance as existing
- Re-rendering the dwelling façade, appropriate to the heritage significance of the building
- Paving and other related minor landscaping works
- Demolition of a chimney not visible from the street in heritage areas, unless described as significant in an individual Citation in the Port Phillip Heritage Review.

Advertising signage

- Display an internally illuminated sign within 30m of a residential zone, provided the signage is not greater than 1.5m² and complies with the requirements listed in Clause 22.08 of the Planning Scheme
- Display non-illuminated advertising signage that exceeds 10m², provided the signage complies with the requirements listed in Clause 22.08

³ Upon review it was determined that there was only one category beyond the existing Fast Track application types that was found to be suitable for inclusion.

⁴ <https://www.portphillip.vic.gov.au/planning-and-building/get-a-planning-permit/locate-a-planning-permit-application/fast-track>, accessed 25/2/21

- Demolition or removal of business identification signage in heritage areas, unless described as significant in an individual Citation in the Port Phillip Heritage Review.

To ensure an application is suitable to be processed as a Fast Track application, it is necessary for a Council planner, usually the Fast Track Planner, to pre-assess the application. Once a planner has confirmed the suitability, an application can be lodged. Council requires that a special application form be used, and charges an additional processing fee of \$135.50⁵ on top of the standard class application fee. Council's commitment is that it will then process the application within 10 business days.

For these application types, internal referral advice is most commonly required from Council's Heritage Advisor. To enable this to occur within 10 days, a regular weekly catch-up is scheduled with Fast Track planners and the Heritage Advisor where verbal advice is provided. Prompt written referral advice may be subsequently provided, typically where issues have been identified.

3.2 Number of Fast Track and VicSmart applications received

Table 1 below outlines the number of Fast Track and VicSmart applications received since Council's systems commenced recording Fast Track applications in 2011 and VicSmart applications were introduced in 2014.

Table 1: Fast Track and VicSmart applications received

Year	Fast Track applications received	VicSmart applications received	Combined number of Fast Track and VicSmart applications received
2011	45	-	45
2012	193	-	193
2013	175	-	175
2014	168	53	221
2015	149	195	344
2016	54	222	276
2017	96	219	315
2018	76	235	311
2019	89	177	266
2020	64	214	278

As Table 1 demonstrates, the number of Fast Track applications received by the City of Port Phillip reduced upon the introduction of VicSmart in 2014. However, there has still been a demand for up to 96 Fast Track

⁵ This figure is correct as at May 2021, but is adjusted every financial year.



applications a year, i.e. minor applications that are not captured by VicSmart. Overall, since the introduction of VicSmart in 2014, there have been an average of 78 Fast Track applications lodged each year.

It is estimated that the inclusion of local VicSmart Provisions will result in an estimated average of up to 60 additional applications a year being processed through the VicSmart pathway (instead of Fast Track). This is lower than the average 78 annual Fast Track applications. The new liquor licence category will introduce new applications that are not currently captured through the Fast Track service. However, there are current Fast Track applications that comprise various permit triggers, and not all of those triggers have been able to be captured as local VicSmart categories (typically because the decision about whether they require public notice turns on the specific details of the proposal and the site context). Accordingly, in the event that local VicSmart Provisions are introduced into the planning scheme, it is likely Council will continue to offer the Fast Track service at least initially.

3.3 Discussion

The creation of the Fast Track service prior to the introduction of VicSmart in 2017 demonstrates the City of Port Phillip's customer service focus. Council had recognised that particular types of planning applications required a less intensive assessment process due to their minor nature.

A key constraint of the Fast Track service is the degree of uncertainty that exists about whether an application can be processed as Fast Track or not. A preliminary enquiry must be made by any prospective applicant to Council to pass this hurdle. Typically it is the Fast Track Planner who does a pre-assessment of the application and reviews all the documentation to determine whether it is eligible, often in consultation with a senior planner or coordinator.

Key things that determine the eligibility are:

- The application is of a minor nature that requires a simple (and therefore quick) assessment
- No public notice is required, either because the application is exempt from notice and review requirements, or more likely, because it would not cause any 'material detriment' and thereby satisfy the 'test' at s 52(1)(a) of the *Planning and Environment Act 1987*
- No external referrals are required
- No further information is required.

This is ultimately at the discretion of Council planners and frequently requires confirmation from a coordinator as to whether public notice would be required.

The preliminary review can also lead to back and forth discussions/ emails with the applicant about further information that would be required before it could be processed through the Fast Track service.

However the benefits of having a Fast Track service with a commitment for a decision to be made within 10 business days for minor applications is notable. Compare this to the median processing days to Responsible Authority determination for all applications at CoPP, of 88 in 2019/20⁶, and it can be seen that the Fast Track service delivers substantial customer services benefits.

3.4 Comparison of Fast Track and VicSmart processes

⁶ *Planning Permit Activity Reports in Victoria 2019/20* for Port Phillip City Council, published by DELWP.

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Table 2 below compares the Fast Track and VicSmart processes. The shaded boxes indicate where there is a difference between the two.

Table 2: Comparison of Fast Track and VicSmart processes

	VicSmart	Fast Track
Timeframe for decision	10 days – statutory	10 days – advised/ commitment
Application requirements	Prescribed	Aside from mandatory application requirements that apply to any application (i.e. application form, title documents), at the discretion of Council planners
Third party notice and appeal rights	None	Yes (n.b. an objection can still be lodged where an application is not advertised)
Applicant appeal rights	Yes, under ss 77 or 80 of the <i>Planning and Environment Act 1987</i>	Yes, under ss 77 or 80 of the <i>Planning and Environment Act 1987</i>
Fees	Development cost up to \$10,000 - \$199.90 Development cost more than \$10,000 - \$429.50 Subdivide or consolidate land - \$199.90 Other - \$199.90	Standard class application fee (dependent upon the type of project and cost of works) + Fast Track processing fee of \$135.50
Decision guidelines	Prescribed, narrow	All relevant, broad
External referrals	No additional external referrals required	No additional external referrals required
Internal referrals	Can be required	Can be required
Council discretion to process an application within that stream	Any VicSmart category of application must be processed as such	Council officer discretion to accept the application into the Fast Track service
Responsible Authority under Act	CEO (typically delegated to Council officers)	Council (typically delegated to Council officers)

As can be seen from Table 2, there are a number of similarities between the two processes. However, the VicSmart process still provides benefits in terms of prescribed ten day decision timeframe, prescribed and narrowed application requirements, narrow decision guidelines, typically lower fees and guaranteed exemptions from third party notice and review rights.

In addition, by formalising the current Fast Track application types into the VicSmart provisions, much of the uncertainty and time required to determine whether an application is eligible or not will be removed. This will provide greater certainty for applicants and enable Council to provide more consistent and clear pre-application advice, as well as save officer time.



4. Proposed VicSmart Local Provisions

The following classes of local VicSmart provisions are proposed.⁷

4.1 Classes of VicSmart applications under zone provisions

No.	Name of zone or class of zone	Class of application	Permit requirement provision	Information requirements and Decision guidelines	FT?	Discussion
1	Clause 34.01 and 34.02 (Commercial Zones)	Externally alter a dwelling in a commercial zone	Clause 34.01-1, Clause 34.02-1	Clause 59.04	Yes	<p>Picks up minor applications such as external works where no increase in floor area or extent of built form.</p> <p>Minimal potential for material detriment⁸, aside from where alterations to habitable room windows or balustrades are proposed. However where structural changes are proposed, a building permit would be typically required and any change to a habitable room window or balustrade proximate to secluded private open space or habitable room window of another dwelling would still be assessed against overlooking requirements under the building regulations.</p>

⁷ 'FT?' refers to whether the application is currently processed through Council's Fast Track service.

⁸ 'Material detriment' is the test for whether public notification is required under s 52 of the *Planning and Environment Act 1987* (Vic).



4.2 Classes of VicSmart applications under overlay provisions

No.	Name of zone or class of zone	Class of application	Permit requirement provision	Information requirements and Decision guidelines	FT?	Discussion
2	Clause 43.01 (Heritage Overlay)	Demolition of a chimney not visible from a street (other than a lane) or public park, provided the heritage place is not identified as being Significant in the Port Phillip Heritage Review	Clause 43.01-1	New ones proposed: Schedule 1 to Clause 59.16	Yes	Does not apply to significant graded properties. No potential for material detriment to any person since pertains to demolition of a chimney only.
3	Clause 43.01 (Heritage Overlay)	Externally alter a building provided the alterations are located to the rear or side of the dwelling and are not visible from the street (other than a lane) or public park	Clause 43.01-1	New ones proposed: Schedule 1 to Clause 59.16	Yes	Picks up minor applications for external alterations where no increase in floor area and where not visible from key public realm. No potential for material detriment given no increase in floor area or extent of built form.
4	Clause 43.01 (Heritage Overlay)	Externally alter a roof, provided the alternations are not visible from a street (other than a lane) or public park	Clause 43.01-1	New ones proposed: Schedule 1 to Clause 59.16	Yes	No potential for material detriment given not visible from key public realm vistas.
5	Clause 43.01 (Heritage Overlay)	Externally alter a roof where the alternations are visible from a street (other than a lane) or public park and are undertaken to the same details, specifications and materials	Clause 43.01-1	New ones proposed: Schedule 1 to Clause 59.16	Yes	No potential for material detriment given specifications must be the same.
6	Clause 43.01 (Heritage Overlay)	Construct or carry out works normal to a dwelling	Clause 43.01-1	New ones proposed:	Yes	Works normal to a dwelling includes landscaping and other works such as



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No.	Name of zone or class of zone	Class of application	Permit requirement provision	Information requirements and Decision guidelines	FT?	Discussion
				Schedule 1 to Clause 59.16		those associated with a fence, decking, verandah or pergola. No potential for material detriment given minor nature of works.
7	Clause 43.01 (Heritage Overlay)	Removal of security features from windows	Clause 43.01-1	New ones proposed: Schedule 1 to Clause 59.16	Yes	No potential for material detriment from removal of security features. Should this affect potential overlooking from the window, overlooking impacts would be assessed at building permit stage structural changes are proposed. Should no structural changes be proposed, overlooking would not be considered. However overlooking cannot be considered as part of planning permit assessment where HO is the only trigger.
8	Clause 43.01 (Heritage Overlay)	Demolition or removal of a sign on a building, provided the heritage place is not identified as being Significant in the Port Phillip Heritage Review	Clause 43.01-1	New ones proposed: Schedule 1 to Clause 59.16	Yes	Does not apply where building has Significant grading. No potential for material detriment as pertains to removal of signs only.
9	Clause 43.02 Schedules 1-29 and 34-36 (Design and Development Overlay)	Construct or carry out works to a building provided the height and gross floor area of the building is not increased	Clause 43.02-2	Clause 59.05	Yes	A common application type, given prevalence of DDOs in the municipality and that they trigger a planning permit for many things. Common applications include renewal of balustrades at apartment complexes. No potential for material detriment given no increase to height and gross floor area allowed. Where alterations to habitable room windows or balustrades are proposed, should this affect potential overlooking, overlooking impacts would be assessed at building permit



No.	Name of zone or class of zone	Class of application	Permit requirement provision	Information requirements and Decision guidelines	FT?	Discussion
						<p>stage (where a building permit is required) and cannot be considered as part of planning permit assessment where DDO is the only trigger.</p> <p>Not proposed to apply to the following DDOs:</p> <ul style="list-style-type: none"> - DDO30 Fishermans Bend – Montague Precinct - DDO31 Melbourne Metro Rail Project – Infrastructure Protection Areas - DDO32 Fishermans Bend – Sandridge Precinct - DDO33 Fishermans Bend – Wirraway Precinct.

4.3 Classes of VicSmart applications under particular provisions

No.	Name of zone or class of zone	Class of application	Permit requirement provision	Information requirements and Decision guidelines	FT?	Discussion
10	Clause 52.05 (Signs)	Construct or put up for display an internally illuminated sign within 30 metres of a residential zone provided the display area does not exceed 1.5 sqm	Clause 52.05-2	Clause 59.09	Yes	No potential for material detriment given small size of sign.
11	Clause 52.05 (Signs)	Construct or put up for display a sign (other than a floodlit, internally illuminated or electronic sign) with a display area that exceeds 10 sqm	Clause 52.05-2	Clause 59.09	Yes	Rarely potential for material detriment given the signs cannot be illuminated or electronic and can be no more than 10 sqm in area. Additionally, signs rarely receive objections which reflects community interest, expectations and comfort with Council's assessment of signs.

No.	Name of zone or class of zone	Class of application	Permit requirement provision	Information requirements and Decision guidelines	FT?	Discussion
12	Clause 52.27 (Licensed premises)	Use of land to sell or consume liquor if all of the following are met: 1. The use of land is associated with the use of land for a restaurant, convenience restaurant or take away food premises 2. Liquor will only be sold and consumed between 7 am and 11 pm 3. The land is in a Commercial 1 or 2 Zone and not within 30 metres of a residential zone 4. The area where liquor will be sold and consumed is indoors	Clause 52.27	New ones proposed: Schedule 2 to Clause 59.16	No	This will apply to a convenience restaurant, restaurant or take away food premises that wishes to obtain a liquor licence between 7 am and 11 pm and is at least 30 m away from the nearest residential zone. The liquor must be sold and consumed indoors. These applications would not have unreasonable off-site amenity impacts. These applications, particularly for restaurants, are common within the municipality and typically do not receive objections. There would be a benefit to new food and drink businesses who wish to open and often require a planning permit only under Clause 52.27. This provision would mean that they could obtain the planning permit promptly and so avoid delays in opening. Once operating, they may wish to apply for an amended permit to include an outdoor area and/ or later liquor consumption and sale hours.

4.4 Discussion of proposed categories

As can be seen from the tables above, all but one of the 12 proposed categories are currently processed through the Fast Track service. These 11 categories are of a minor nature that historically have been demonstrated to not require public notice or a complex assessment, and are routinely dealt with by Council within 10 days without issue or controversy.

From the discussion it can be seen that most of these application types do not cause material detriment. In the limited cases where they may cause some material detriment, it is often in relation to potential overlooking which will either still be assessed (i.e. under the Decision guidelines of the commercial zone) or will otherwise be correctly considered at the building permit stage.

It is also important to remember that while no material detriment may be caused, this is not the same as an assessment against the Decision guidelines. Just because an application is VicSmart does not mean it automatically gets approved. For example, a proposed non-illuminated 8 sqm business identification sign in



a residential zone on a typical residential street may not cause material detriment to any particular person. However it may have an adverse impact on the character of the streetscape if there is no other existing signage, and therefore it may warrant refusal under the Decision guidelines of Clause 59.09-2.

In addition, internal referral advice will continue to be sought where relevant, particularly for Heritage Overlay applications.

The new local VicSmart application type proposed that is not currently processed through Council's Fast Track service is for some applications under the Licensed Premises provision where specific conditions are met. These conditions will ensure that only applications with no unreasonable off-site amenity impacts can be processed through this stream. Specifically, because they must be associated with restaurant, convenience restaurant or take away premises, at limited hours, indoors and located at least 30 metres from the nearest residential zone. Accordingly it is a suitable application type for VicSmart.

4.5 Information Requirements and Decision Guidelines

It is proposed to introduce new Information requirements and Decision guidelines for applications under the Heritage Overlay and Licensed Premises provision, for the reasons discussed below.

Aside from these, the state VicSmart Information requirements and Decision guidelines are applicable to the other categories of local applications proposed.

4.5.1 Schedule 1 to Clause 59.16 – Applications under the Heritage Overlay

The state Information requirement and Decision guidelines will be repeated in the local schedule. The exception to this are the Information requirements and Decision guidelines relating to signage – which are being omitted from the local schedule - because the Local VicSmart provisions in the Heritage Overlay do not relate to new signs.

4.5.2 Schedule 2 to Clause 59.16 – Licensed premises in the Commercial 1 or 2 zones

The PPPS, under both the VicSmart provisions and Clause 52.27 Licensed premises, does not currently specify any information requirements for liquor license applications. The proposed Information requirements and Decision Guidelines will be set out in Schedule 2 to Clause 59.16.

Proposed information requirements

An application must be accompanied by the following information as appropriate:

- *A copy of title for the subject land and a copy of any registered restrictive covenant.*
- *A layout plan, drawn to scale and fully dimensioned showing:*
 - *The location of the existing building, car parking area, driveways and storage areas.*
 - *The internal layout of the building.*
 - *A red line showing the area proposed to be licenced.*
 - *The adjoining land uses.*
- *A written statement that describes:*
 - *The use of the land and the nature of the proposed license sought to sell or consume liquor, including the proposed liquor licence trading hours, number of staff employed, patrons and seats available to the public.*
 - *Any proposed entertainment.*
 - *Any proposed noise attenuation measures to protect sensitive interfaces. A copy*

of any current liquor licence and plans for the premises if applicable.

The inclusion of information requirements is justified in that it removes ambiguity from the VicSmart process and sets clear expectations as to the nature of the information required to enable Council to process the application.

Proposed decision guidelines

In assessing an application, the responsible authority must consider as appropriate:

- *The impact of the sale or consumption of liquor permitted by the liquor licence on the amenity of the surrounding area.*
- *The impact of the hours of operation on the amenity of the surrounding area.*
- *The impact of the number of patrons on the amenity of the surrounding area.*

The proposed Decision guidelines are consistent with those in the particular provision at Clause 52.27 except that the fourth guideline has been deleted:

The cumulative impact of any existing licensed premises and the proposed licensed premises on the amenity of the surrounding area.

Cumulative impacts are only relevant when the license being sought is proposing to serve alcohol later than 11pm⁹ and therefore this is not relevant to the proposed category of VicSmart applications.

5. Why is an Amendment required?

An amendment is required to introduce local VicSmart provisions into the planning scheme.

The amendment proposes to make proper use of the Victorian Planning Provisions by enabling applications to be processed through the formal VicSmart process rather than through Council's informal Fast Track service.

The Planning scheme is the appropriate means of achieving this outcome. It is not proposed to introduce, remove or duplicate any new planning permit triggers through this process. Rather, it is proposed to channel existing planning permit triggers for minor applications into the VicSmart application path.

A net community benefit would be achieved by:

- Simplifying the permit process for applicants who would like to undertake minor works thereby making it quicker, simpler and cheaper for property owners wanting to make minor changes to their homes, most commonly under the Heritage Overlay and Design and Development Overlay.
- Reducing red tape for small businesses who are required to undertake minor works or require a liquor licence for a food and drink premises.

With 16878 heritage properties at the end of 2019, CoPP has the second highest number of any municipality in the state after Yarra City Council¹⁰. This equates to 9% of heritage properties within Victoria. CoPP also has a very high number of properties located within Design and Development Overlays (DDOs), with 30 separate DDOs. Accordingly, CoPP therefore receives a very high number of applications triggered under just the Heritage Overlay or DDO, which would be higher than most other Victorian Council's.

⁹ *Planning Practice Note 61: Licensed Premises: Assessing Cumulative Impact*, DELWP, June 2015

¹⁰ *The State of Heritage Review: Local Heritage*, Heritage Council of Victoria, December 2020



6. Does the Amendment implement the objectives of planning and address any environmental, social and economic effects?

The objectives of Planning in Victoria, set out at s 4(1) of the *Planning and Environment Act 1987* include:

- (a) to provide for the fair, orderly, economic and sustainable use, and development of land;...
- (d) to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value;...
- (f) to facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d) and (e);...

The amendment will implement the objectives of planning in Victoria. The amendment proposes to introduce 12 new categories of local VicSmart permit applications, which should result in an average of up to 60 additional applications being funnelled into the VicSmart pathway from the Fast Track process. The faster, simpler and more consistent processing of these applications will have economic benefits through the reduction of regulatory and administrative burden for both applicants and the Responsible Authority. The amendment does not seek to increase the number of permit applications under the Victorian planning system.

Assessment of a VicSmart application will continue to be based on the merits of the application with reference to specific decision guidelines that are tailored to the scale and nature of the application and its impact. This will continue to involve internal referral advice where necessary. This ensures that any relevant environmental, social and economic factors continue to be considered. It is expected that the decision outcome of VicSmart applications would be the same if they were assessed under the existing system albeit prepared, lodged and processed more quickly.

The amendment will therefore have positive economic benefits from the reduced regulatory and administrative burden. The broader environmental, social and economic effects of the planning permits facilitated by VicSmart will remain largely unaltered.

7. What impact will the new planning provisions have on the administrative costs of the responsible authority?

Replacing the existing Fast Track service by extending the VicSmart provisions will reduce the regulatory and administrative burden on Council by streamlining the permit assessment processes and providing certainty about the information required and decision-making, leading to a more efficient use of council resources.

The introduction of the local VicSmart provisions to replace the existing Fast Track process will have the following implications on the administrative costs by:

- Achieving an estimated time saving of around one hour per application, which is estimated from:
 - Improved certainty determining the application type
 - Improved certainty regarding no public notification
 - Shorter delegation reports

- Faster report approval times
- Provision of consistent and clear pre-application advice
- Improved clarity of content on the Council website by changing the qualitative class of application to be quantitative, aiding the ease of interpretation.
- Creating a loss in revenue from removal of the Council charged Fast Track processing fee of \$135.50 and additional loss in revenue because VicSmart fees are typically lower than other application classes. Based on the estimated average of around 60 applications being diverted from the Fast Track stream, this would result in an annual loss of fees of \$8,190. This would be in addition to the loss of fees because of the lower base application fees that VicSmart applications have. Overall, this could be a total loss of fees of around \$20,000 annually.

Overall, the reduction in revenue from fees is likely to be offset by the estimated hour of officer time saved per application, which equates to \$45-60 of operating costs. Savings in officer time are likely to result in improved efficiencies in the processing of all planning permit applications, rather than reduce City Development staffing requirements.

8. Conclusion

The inclusion of local VicSmart Provisions to capture applications currently processed through Council's Fast Track service will be a proper use of the Victorian Planning Provisions. It will result in an estimated average of up to 60 additional applications a year being processed through the VicSmart pathway. This will guarantee a streamlined process, with faster decision making, clearer expectations for applicants and more efficient use of Council resources.

The new local VicSmart application type proposed that is not currently processed through Council's Fast Track service is for some applications under the Licensed Premises provision where certain qualifiers are met. These qualifiers will serve to ensure that only applications with minimal material detriment can be processed through this stream. i.e. because they must be associated with a food and drink premises at limited hours and located at least 30 metres from the nearest residential zone. Accordingly it is a suitable application type for VicSmart.

The inclusion of these local VicSmart provisions into the Port Phillip Planning Scheme (PPPS) is strategically justified having regard to the requirements of *Ministerial Direction No.11 Strategic Assessment of Amendments*.