

RESEARCH NOTE

No, Councils don't approve 98% of permits for new housing

New findings show that metropolitan Melbourne councils approve on average less than three-quarters of permits for new dwellings.

Executive summary

- **"Missing Middle" projects (6 to 50 dwellings) have the lowest approval rates** at just above 60% of dwellings being approved by Council.
- **On average, 70% of new dwelling permits are approved** across metropolitan Melbourne.
 - **Highest rate:** Brimbank at 90%
 - **Lowest rate:** Banyule at 39%
- **Just over 30% of dwelling permits rejected by councils eventually get approved at VCAT**
- **More than two-thirds of the permits rejected by four councils—Glen Eira, Bayside, Stonnington, and Melbourne—are later approved at VCAT**
- **Planning approval rates and timelines have not improved since 2015**

Introduction

In September 2023, The Age published the article "[*The 120,000 homes that are ready to be built – but work hasn't started*](#)". The article makes several claims based on analysis from the Municipal Association of Victoria, chief of which being that 98% of housing permits are granted by Councils. This followed on from the claims of a June 2023 article [*Housing crisis: Is talk of NIMBYs and council red tape a red herring?*](#)

If we take the question posed by the last headline in good faith, then we can now provide a good faith answer in return: no, it is not a red herring. In this case, policy consensus is consensus for a reason: councils and their planning processes do indeed play a key role in delaying the delivery of new housing.

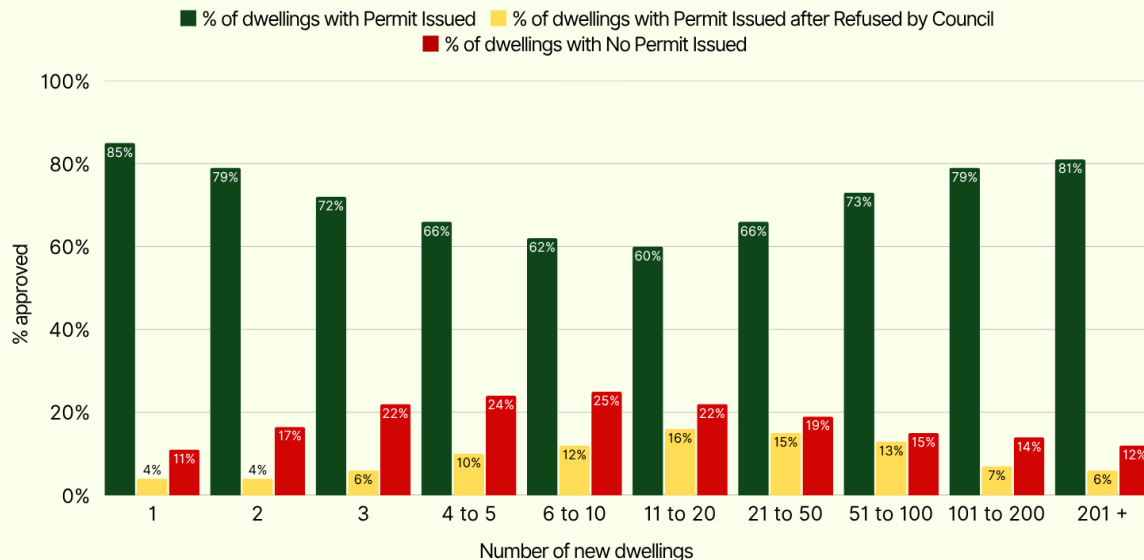
New findings from YIMBY Melbourne, based on raw Planning Permit data, show that metropolitan Melbourne councils approve on average less than three-quarters of permits for new dwellings.

"Missing Middle" sized developments receive the lowest approval rates

Permit rates are highest for projects with very few new dwellings or more than 50 dwellings. However, for Missing Middle–scale developments, with between 6 and 50 dwellings, approval rates are the lowest.

Our analysis suggests that our current planning system is likely a large contributing factor to why Melbourne's middle is missing in the first place. Our system is geared toward approving tall towers or endless sprawl—and very little in between.

"Missing Middle" sized developments receive the lowest approval rates



Approval rates vary significantly across councils

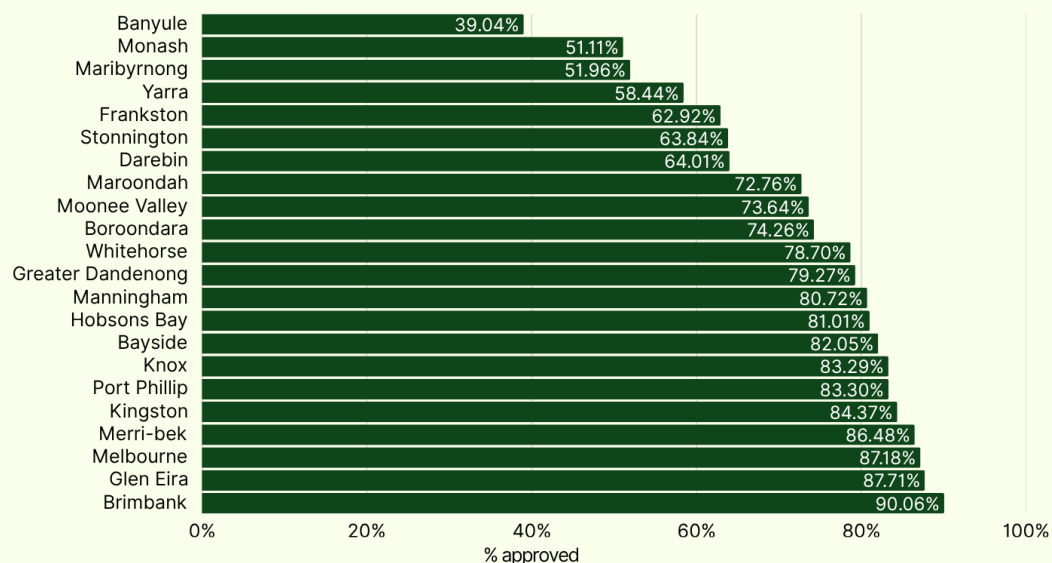
From [Housing crisis: Is talk of NIMBYs and council red tape a red herring?](#):

"Merri-bek, which has been attacked by the burgeoning YIMBY movement for knocking back an apartment block by boutique developer Nightingale, approved 88 per cent of the 6644 planning applications received over the past five financial years to 2022, resulting in more than 15,000 new dwellings."

Our analysis aligns with The Age's here. Our numbers indicate that Merri-bek approves just under 87% of all applications for new dwellings.

However, this misses the context that this is **the fourth-highest approval rate in metropolitan Melbourne**.

% of multi-dwelling permits approved by Council



Highest approvals: Brimbank

We see here that Brimbank has the highest permit approval rate in metropolitan Melbourne, which highlights how Brimbank—better than any other Council—appears to currently permit housing supply to meet the demand in the area.

This casts further doubt on the State Government's very high housing target for an LGA that YIMBY Melbourne's [demand-based Housing Targets modelling](#) demonstrated is already more than pulling its weight on housing.

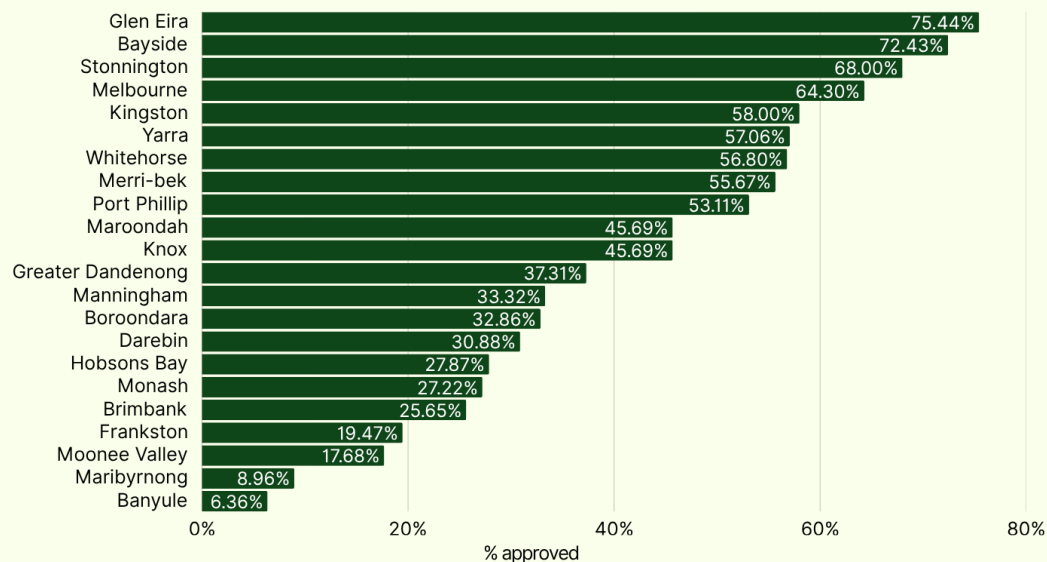
Lowest approvals: Banyule

On the other hand, Banyule, which YIMBY Melbourne identified as a key area that could be doing more, can be seen to be approving a smaller proportion of permits than any other metropolitan council by more than 10 percentage points.

VCAT approval rates

Of the permits rejected by councils, many are ultimately approved by Victoria's tribunal body, the Victorian Civil and Administrative Tribunal (VCAT). Note that this dataset does not indicate the percentage of permits fought at VCAT—only the percentage of permits first rejected by council and later approved by VCAT.

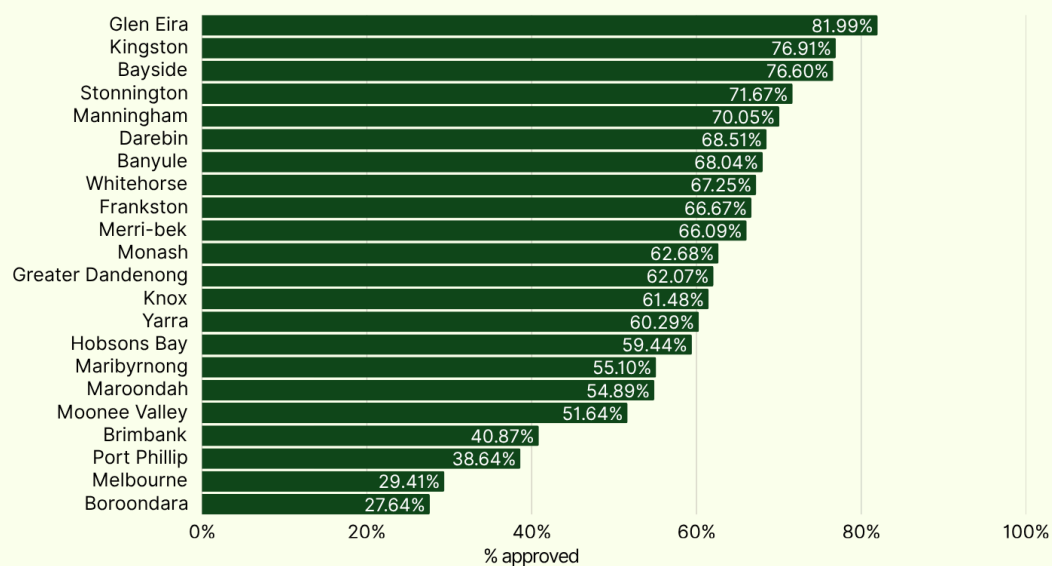
% Council-rejected Permits approved by VCAT



This data can also be framed as "councils who lose the most at VCAT".

Who are the biggest losers? Glen Eira, Bayside and Stonnington—more than three-quarters of the permits they reject end up approved at VCAT. Below breaks down the VCAT fights themselves:

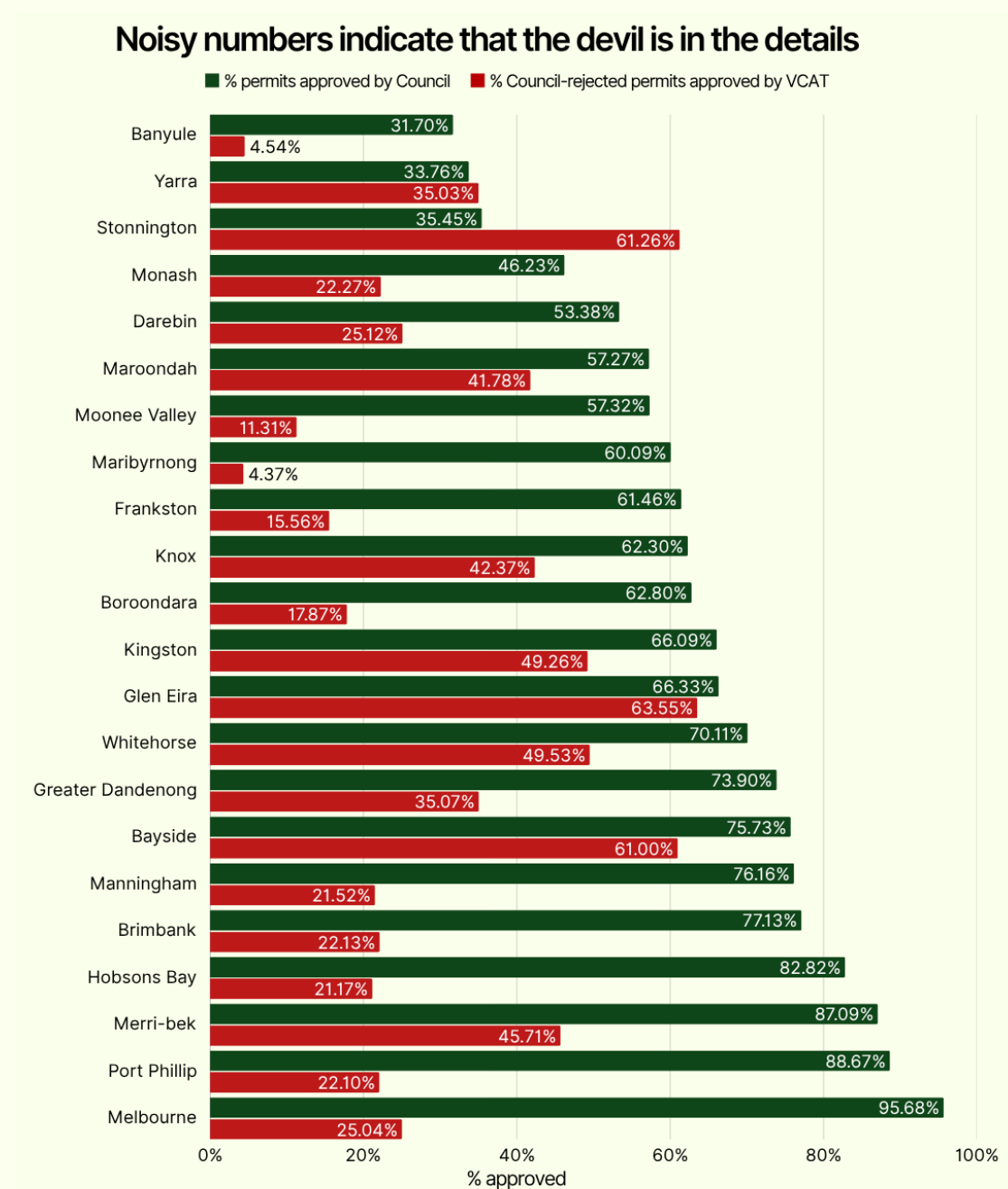
% of VCAT fights where VCAT approves



Noisy numbers indicate that the devil is in the details

YIMBY Melbourne has long been critical of the current planning system's decentralised nature, with disparate council planning schemes making city-wide housing delivery difficult.

Some council planning schemes are more permissive than others, and all have their own distinct caveats for permitting development. The fact that a developer cannot build under the same rules across all of metropolitan Melbourne is a large barrier to housing delivery.



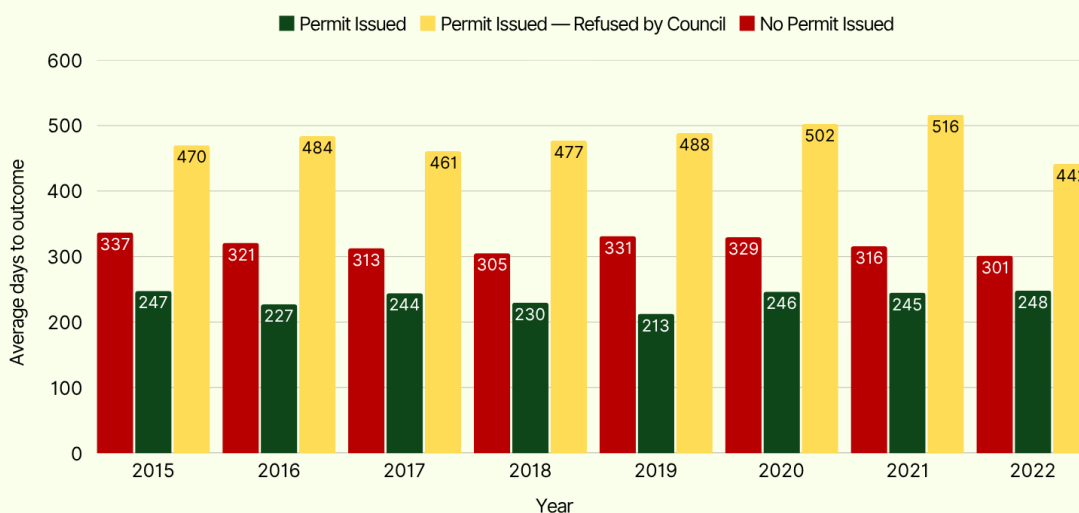
Some Councils, like Brimbank, approve many permits and have very few rejections overturned at VCAT. On the surface, this suggests that these rejections were "correct"—that is, that rejected permits were generally noncompliant.

Glen Eira, on the other hand, has the second-highest approval rate, but also has the highest rate of rejected permits overturned at VCAT. Applying the same logic here as we did to Brimbank, this indicates that most rejections were "incorrect"—that is, that rejected permits were, in fact, generally compliant. We do note that Glen Eira has [strongly accused](#) VCAT of making "dodgy" determinations—however, it is also worth noting that lack of adequate strategic planning by Glen Eira is likely to blame for the high number of VCAT overrulings.

Due to the low resolution of the permit approval data, we are unable to confirm whether this is correct. We take the noisiness to support our general call: for metropolitan-wide planning rules that grant greater certainty for all stakeholders across Melbourne.

Council timelines have remained the same since 2015, but VCAT timelines have extended slightly

Average days to VCAT outcome by Year



Generally speaking, Council timelines have remained relatively similar since 2015 (the beginning of the dataset). Average timelines for permits disputed at VCAT appear to have extended by around 10–15%.

This indicates that any reforms implemented since 2015—which have been limited—have had little impact on speeding up Council planning processes.

Conclusion

This analysis clearly refutes the claim that local councils approve 98% of housing permits. The reality is that, on average, metropolitan Melbourne councils approve fewer than three-in-four new homes, with approval rates for much-needed missing middle housing projects being lowest. This analysis confirms that council planning processes and decisions are not a policy “red herring”, but rather a significant bottleneck in housing delivery.

The vast disparities in approval rates—from as high as 90% in Brimbank to a low of 39% in Banyule—as well as the high rate at which council rejections are overturned at VCAT highlight a planning system that is inconsistent and unpredictable. The fact that planning approval timelines have not improved since 2015 further underscores the systemic inefficiency.

Inconsistency and inefficiency creates uncertainty for developers and hinders the delivery of much-needed housing across the city. To address this, a move towards consistent, metropolitan-wide planning rules is critical. Creating a more unified system would provide greater certainty for all stakeholders and help ensure that Melbourne can build the diverse and abundant housing it needs, for the sake of both its current and future residents.