

# Voluntary Planning Agreements: Useful Strategy for Developers

Voluntary Planning Agreements involve developers making agreed contributions to councils and other consent authorities, which can be applied to public purposes. The way in which contributions are made vary widely, as do the benefits received by developers in return. For example:

- The contributions made by developers can take various forms, including allocation of land, carrying out public works or making monetary contributions. The timing of these contributions can also be flexible.
- Councils and other consent authorities apply these contributions to a wide range of public purposes, including provision of transport and other infrastructure, provision of recreational and other community facilities, environmental measures, heritage protection and affordable housing. Considerable flexibility applies, e.g. these benefits need not be provided immediately or in direct connection with the land to be developed.
- Benefits to developers can range from concessions from planning requirements, e.g. increased floor space ratios or substitution for other contributions, such as section 94 contributions.

Despite VPAs having been an available option now for more than 10 years, they still attract some controversy. Most see VPAs as a useful tool for councils, developers and those advising them, providing scope for developer contributions to be made in a flexible and practical way, facilitating both development and public benefit from developer contributions. Others have concerns that some councils may be using VPAs to increase revenues, by requiring contributions for changes which should have been made using normal planning processes. That debate is largely moot, as VPAs seem to be here to stay, having been used for numerous developments of greatly varying size and complexity.

There are some issues when considering a VPA. In particular, VPAs are subject to legislative requirements and council policies. An effective VPA needs to be properly drafted and contain provisions consistent with legal requirements and Council's expectations.

Developers faced with planning restrictions, such as maximum floor space ratios, undermining the practicality or cost effectiveness of a development, should consider whether a VPA may be the solution. We have experience in relation to these issues and would be pleased to assist.

**Prepared by Bannermans Lawyers**

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