

# Industry Submission –

## City of Greater Bendigo Housing Strategy Implementation Plan

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### SUMMARY

#### Key Issues

- The current framework will not accommodate a population of 200,000 people. A changed approach that involves Council, industry and community is required
- The Housing Strategy and Implementation Plan might disrupt the current stability and level of supply currently shouldered by the greenfields market
- ‘Key development sites appropriate for immediate development’ needs to be further refined
- The Draft DDO does not provide the level of detail it could; instead, it responds at the level a policy statement might. Not using the potential that a DDO has as a design guideline
- There is underutilised land with access to services and amenity, but subject to problematic overlays/character provisions that are in the ‘too hard basket’

#### Recommendations

- Industry involvement has proved to be successful and improves strategy delivery
- Housing Strategy Implementation should provide clear objectives, targets and mechanisms for measuring outcomes and success in meeting those targets
- Implementation Plan should provide a range of deliverable outcomes within a framework of existing market forces
- Any character policies need to be linked to the Housing Strategy and should support infill development and Compact Bendigo Strategy
- There is a need for broader education regarding the impetus behind amendments to character policies and overlays
- Possible refinement would be for the list to distinguish between planning control constraints and environmental restraints
- A ‘one size fits all’ approach is not considered appropriate for the key development sites

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## ABOUT US

### Urban Development Institute of Australia (Victoria)

The Urban Development Institute of Australia (Institute) is the peak industry body for the urban development sector. In Victoria, we provide over 320 member companies with the benefits of policy and advocacy, industry intelligence, networking and business building.

Our members include developers, consultants, financial institutions, suppliers, government authorities and utilities. Together we drive industry discussion and debate and inform all levels of government to achieve successful planning, infrastructure, affordability and environmental outcomes.

## SUBMISSION

We note that the City of Greater Bendigo is one of a number of progressive municipal councils who are currently members of the UDIA.

The Residential Strategy 2014, and resulting Amendment C215, along with Council's adoption of the Housing Strategy, all demonstrate commitment to long range planning for population growth in Greater Bendigo. Residential and Housing Strategies have significant economic and social impacts on the local economy. We commend Council for this commitment, and recognise the hard work and challenges involved in the endeavour.

the UDIA considers that the current market is heavily reliant on greenfields supply, with around 10 years of "land supply" to be fully delivered over 20 plus years. This means that the establishment of a greater inner urban market needs to be planned and deliverable in the short term if it is to carry the medium term load of predominant supply in the absence of further greenfields land rezoning to add to land supply. The Implementation Plan therefore needs to be carefully monitored to ensure targets and aspirations are being achieved.

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It is acknowledged that housing development of any kind takes over 5 years to go from strategic planning to delivery on the ground. Therefore it is the UDIA's position that the Implementation of the Housing Strategy will still need to carefully balance infill and greenfield land supply.

### KEY ISSUES

**1. The current framework will not accommodate a population of 200,000 people. A changed approach that involves Council, industry and community is required**

If the implementation of the Housing Strategy is to achieve efficient provision of housing for a population up to 200,000, a changed approach to regional urban framework will be required. Across all levels of the supply chain - Council, industry and community – there will be a need to redefine goals and to support that change and collaborate in sharing an evolving and creative vision. Community education is required to achieve this.

**2. The Housing Strategy and Implementation Plan might disrupt the current stability and level of supply currently shouldered by the greenfields market**

The Housing Strategy and Implementation Plan seek to disrupt this model, to some extent, and it is important to bear in mind that any significant change in this delivery cycle is aspirational, and should be a medium-long term incremental goal. Whilst recognising changing demographics and an increased requirement for product diversity, the key to implementing the Housing Strategy is to balance existing expectations with future possibility, in order to ensure consistent and timely delivery on the ground.

**3. 'Key development sites appropriate for immediate development' needs to be further refined**

In our view, the listed 'key development sites appropriate for immediate development' should be further refined. Some, not all, of the key sites that can be immediately developed are also constrained by environmental issues, rather than by scheme controls.

4. **The Draft DDO does not provide the level of detail it could; instead, it responds at the level a policy statement might. Not using the potential that a DDO has as a design guideline**

The draft DDO is somewhat generic and does not provide any further detail/guidance than a policy statement might. We understand the DDO is proposed to provide certainty, however the current form does not take full advantage of the potential use of the DDO as a planning control to achieve specific goals.

5. **There is underutilised land with access to services and amenity, but subject to problematic overlays/character provisions that are in the ‘too hard basket’**

It seems, overall, that underutilised land, with access to services and amenity, but subject to problematic overlays/character provisions and/or DP requirements has just been put in the too hard basket, rather than recommending that those restrictions be removed in order to meet supply.

### Recommendations

1. **Industry involvement has proved to be successful and improves strategy delivery**

Industry involvement in the strategic planning process has been demonstrated to improve strategy delivery, particularly in the requirements to meet changing market and consumer demands whilst balancing them with the expectations of existing local population.

2. **Housing Strategy Implementation should provide clear objectives, targets and mechanisms for measuring outcomes and success in meeting those targets**

To maintain industry confidence in this regional market, the Housing Strategy implementation should provide clear objectives, targets and mechanisms for measuring outcomes and success in meeting those targets.

### **3. Implementation Plan should provide a range of deliverable outcomes within a framework of exiting market forces**

The Implementation Plan should ultimately provide for a range of deliverable outcomes, within a framework of existing market forces. At present Greenfields development delivers 60-70% of Bendigo's anticipated annual new housing supply of 900 lots per annum, and the certainty of supply and affordability along with it. The Housing Strategy and Implementation Plan seek to disrupt this model, to some extent, and it is important to bear in mind that any significant change in this delivery cycle is aspirational, and should be a medium-long term incremental goal.

Whilst recognising changing demographics and an increased requirement for product diversity, the key to implementing the Housing Strategy is to balance existing expectations with future possibility, in order to ensure consistent and timely delivery on the ground.

### **4. Any character policies need to be linked to the Housing Strategy and should support infill development and Compact Bendigo Strategy**

#### **LPPF Review**

The UDIA supports the Implementation Plan recommendation to review the Local Planning Policy Framework, and in particular to review character provisions have not been reviewed since 2004. We would make the further recommendation that any character policies need to be linked to the Housing Strategy and should support infill development and the Compact Bendigo policy. This consideration for how character policy should be in step with housing change area policies has been through VCAT decisions and planning panel reports (eg C46, Whitehorse Planning Scheme) and should be further explored with the proposed review of the Greater Bendigo LPPF.

### **5. There is a need for broader education regarding the impetus behind amendments to character policies and overlays**

The Implementation Plan acknowledges that amendments to character policies and overlays will meet with community opposition. In our view, this indicates quite clearly there is still a need for

broad education, and we note that changes to the planning scheme are but one means to alter perceptions. It should also be acknowledged that the planning process cannot resolve all issues. The Implementation Plan itself should make recommendations for inclusion of a range of education measures, including regular discussions about housing issues outside of individual planning permit applications.

### **6. Possible refinement would be for the list to distinguish between planning control constraints and environmental restraints**

One possible refinement would be for the list to distinguish between planning control constraints and environmental constraints.

Many of these sites are in multiple ownership – the Key sites list should also acknowledge this as a constraint, with land in single ownership being less constrained in that regard.

We consider that the implementation plan should push harder for removing constraints from infill sites, rather than relying on what is already available and appropriately zoned.

### **7. A ‘one size fits all’ approach is not considered appropriate for the key development sites**

It is noted that a one size fits all approach isn’t considered appropriate for the key development sites (page 7) and yet the Residential Growth Zone is ruled out (even though the MSS now includes this zone as the key implementation tool). In our view the RGZ should be given further consideration for key sites where appropriate.

## **Additional Considerations**

### **Development Facilitator**

The UDIA continues to support the introduction of a Development Facilitator role within Council. This role would bridge Strategic and Statutory Planning, as well as Infrastructure, Tourism and

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Development, to consider the broad opportunities and constraints of development across the city, most specifically in relation to key development sites.

The use of a residential development facilitator, particularly for larger proposals is supported by the UDIA to streamline the process and timeframes for delivery of projects on the ground.

This role will also be critical in ensuring that the strategic merits of the Implementation Plan can be articulated to the community in a more proactive engagement process. Keep

### **Monitor the Market Closely – Annual Audit**

The Housing Strategy included an annual “State of Housing” report that monitors the level, location and scale of residential development within Bendigo. The UDIA continues to support this initiative, which would enable Council to monitor and measure the success of the Implementation Plan. Keep

### **What Market Forces need to further align to allow delivery?**

Industry, private and NFP, need to move to more diverse and integrated land and building offerings to maintain product relevance and affordability as homogeneous 3 and 4 bedroom products may well be priced out of the lower markets over time. We need more flexible businesses over time that can achieve a higher level of volume in the constraints of inner urban development.

The risk matrix for inner urban development of any reasonable scale (above 10 dwellings) in Bendigo from a development perspective remains prohibitive due to;

- The lack of an established market for financial support;
- A lack of ability to provide price diversity and invariably serving the upper end of the market well above the median price;
- Cost constraints in delivering buildings higher than 4 levels;

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- The complexity of existing overlays constraining planning decision making;
- The requirement for zone reform to be implemented;
- Uncertainty and a lack of consistency with council decision making on an application by application basis which is inconsistent with the overall strategic intent of the Planning Scheme;
- High adversarial risk balanced over limited yield - A lack of community acceptance to the planning process;
- A lack of community education and consultation for the strategy. This remains the risk of the developer;
- A need to move development businesses from greenfields land to integrated product development;
- A lack of available sites of scale. The low hanging fruit is consumed.

UDIA is hopeful that the Implementation Plan will guide Council to carefully consider the balance between community understanding and planning strategies. Supporting the right proposals to lead the market by way of example is an absolute requirement to meet the diversity of housing requirements of the future. The use of new zones, and an overhaul of existing planning policy to better align new growth areas with old character definitions, will be important tools, and the UDIA supports Council's intent to review the LPPF accordingly.

If you have any queries, please do not hesitate to contact Olivia O'Connor, Policy Advisor, at [olivia@udiavic.com](mailto:olivia@udiavic.com) or on 03 9832 9600 for further information.

Yours sincerely,

A handwritten signature in black ink that reads 'Danni Addison'. The signature is fluid and cursive, with a long horizontal line extending from the end.

**Danni**  
Chief Executive Officer  
Urban Development Institute of Australia (Victoria)

**Addison**