

4 March 2022

Bridget Maplestone  
Strategic Planning  
City of Greater Bendigo

By email: [strategic.planning.@bendigo.vic.gov.au](mailto:strategic.planning.@bendigo.vic.gov.au)

Dear Ms Maplestone

### City of Greater Bendigo's Managed Growth Strategy: Draft Issue and Opportunities Paper

The Urban Development Institute of Australia, Victoria (UDIA Victoria) welcomes the opportunity to provide a submission in response to the release of the Issues and Opportunities Paper (the Paper) which will inform the Managed Growth Strategy.

UDIA Victoria is the peak body representing the urban development industry. UDIA Victoria is a non-profit advocacy, research and educational organisation supported by a membership of land use and property development organisations, across the private sector and Victoria's public service. We are committed to working with both industry and Government to deliver housing, infrastructure, and liveable communities for all Victorians.

Outlined below is a summary of issues and concerns raised by regional development industry as a whole. We request that the matters outlined below be considered in the future strategy to facilitate growth in a managed and coordinated process.

### Absence of a likely or preferred growth framework

The Issues and Opportunities Paper does not provide a baseline growth framework against which people can assess their own concerns or provide views relative to various options. What is the short, medium and long-term population growth of Bendigo? What does the city aspire to in terms of growth? Is Bendigo to ultimately be a 200,000-person city, or a 600,000-person city? Some parameters around size over time would assist submitters' consideration around potential infrastructure and housing needs over time. A suggested approach would be to provide area and population size comparison with some other inland cities around the world that may provide inspiration or comfort with the idea of growth being an attractive future.

Urban growth should also be assessed in the context of preferred urban development spatial models where transport and services infrastructure can be fully utilised and optimised, and where and in what situations allow for increased density through close proximity to such existing and planned future activity centre nodes.

The current description of Bendigo as a 'city within the forest' in fact imposes by its realities a restricted urban growth boundary that perhaps needs rethinking to arrive at an alternative urban growth boundary.

Greater Bendigo is currently a radial city with a central core and forested edges. There may be better

opportunities for future linear urban shapes along the arterial roads which allow for more transport friendly walkable urban activity centres. A clear Melbourne-rail linked corridor that could further be developed and enhanced with new planning and development focus that links say from Kangaroo Flat, Golden Square, White Hills, Epsom, Huntly and potentially opportunity to continue the link south to Castlemaine, for example.

As indicated above, a linear model of urban development might in fact preserve the overall objective of continuing Bendigo as the “city in the forest environment” by allowing for appropriate linear development outside of the new growth areas. This would maximise rail and road transport links that will engrave future higher density outcomes such as those proposed by the future suburban rail link in metropolitan Melbourne.

There should be a discussion regarding any future urban growth strategy and urban shape modelling to carefully assess and appraise the need in the long-term planning for transport Ring roads in and around the Bendigo urban area. In comparison, Ballarat, as well as Geelong, have planned a future urban shape and form that recognises the importance of external car and truck traffic being rerouted. In the case of the Ballarat urban area, there is a clear and significant improvement in urban environment and amenity outcomes for central and middle suburb areas of Ballarat. Bendigo should have the same traffic planning visioning in any future urban growth strategy.

### Limitations of landowner-led site nomination

Nominations of suitable land are sought from landowners. In our view, the assessment of land against the criteria should be done by independent professionals for the whole of the subject area. Leaving it to individual landowners to nominate is likely to result in some landowners being disappointed when their land is not included, and the exclusion of suitable land where landowners have not made a submission.

The planning of the future growth of Bendigo requires a bespoke evaluation criteria that can differentiate and determine locations that ultimately are a better location for future development even if locations that may have less environmental constraints but in reality will be very poor locations for future new residents.

The future planning of urban development should be one of enhancing liveability for future neighbourhoods that will be their location reduce travel time, reinforce demand for existing community facilities and be well located to economically viable servicing. As part of this, a sub-regional (Greater Bendigo) review of the costs of land development must be considered across Bendigo. The provision of phased or staged new development and infrastructure/servicing should be much more emphasised in a Managed Growth Strategy. It is submitted that the focus must be on ensuring affordable housing opportunities are facilitated in Bendigo’s urban growth planning.

### Undeveloped land rates

Under the adopted Revenue and Rating Plan 2021-25, Council proposes to levy a higher rate for ‘vacant’ land in the City of Greater Bendigo. The proposed increase to the vacant land rate will have a direct impact on the end cost of delivering new housing to market while also adversely impacting on the delivery of private market affordable housing.

There is no clear definition of vacant land or how that definition will be applied to land with the following characteristics:

- at different stages of development;
- at different phases of development approval;
- that is subject to different planning provisions and/or approval processes; and
- that may be constrained by site or environmental conditions such as vegetation, flooding, contamination, service availability or topography.

When a proper review is undertaken, it is clear that land is most usually undeveloped because of existing constraints or lack of servicing which renders development economically unviable. Undeveloped land rates have the potential to push landowners to do those reviews, but will not necessarily bring supply online. Rather, the proposed differential rate will clearly impose an additional tax impost on property without necessarily providing for growth opportunity for Greater Bendigo.

### Active land supply

We therefore submit that any Managed Growth Strategy should draw a clear distinction between potential long term suitable areas for residential/commercial land supply, and actual activated land that is suitably serviced with minimal constraints that may be developed and brought to market in the short/medium term. Active land supply should take into account the issues outlined below.

### Existing structural hindrance to supply

The planning and delivery of land for housing through the planning and approvals system is a complex, expensive and time-consuming process. It is controlled by State and Local Government regulation of significant proportions. The complexity and inefficiency of this process through Councils, involving an increasing range of other referral authorities and government agencies in the approval and delivery process, is a significant part of the reason why supply is constrained. Focus on enablement and delivery through this process would be a far more effective tool to deliver greater land supply to market at more affordable levels.

### Land Use Activity Agreements

The ongoing negotiation regarding the Land Use Activity Agreements (LUAA) creates uncertainty in the housing and development market. In the absence of resolution or reliable process for LUAA's, there is a high level of uncertainty around yield, affordability and viability for any development project.

In this context, we understand the existing LUAA between the Dja Dja Wurrung Clans Aboriginal Corporation (DDWCAC) and the State Government is currently being renegotiated. The current LUAA was signed in October 2013 and was entered into pursuant to the *Traditional Owner Settlement Act 2010*.

In summary:

- The LUAA applies to an area that includes Greater Bendigo.
- The LUAA provides Community Benefits (compensation) to the DDWCAC for the use or development of land as specified in the LUAA.
- The current formula for Community Benefits (compensation) for upgrading an existing road

to a fully constructed road is 25 per cent of the value of land in a Crown Reserve restricted for the purpose of a road.

- We understand the Department of Justice and Community Safety (DOJCS) is currently involved in discussions with the DDWCAC in relation to a proposed formula for Community Benefits (compensation) for the same activity that comprises 50 per cent economic loss plus 50 per cent cultural loss of the area of the same road but valued as residential land. This is sought based on the High Court's decision in the Timber Creek case in March 2019. We note, however, DJCS has refused to share the proposed formula currently under review
- We understand the formulae and land value methodology outlined above forms part of the First Principles Review, which requires Cabinet approval, which will flow into a revised LUAA
- After this amendment, new LUAs may be applied across Victoria, thereby capturing residential development in Melbourne's greenfield growth areas.
- Applying this to a real example in Bendigo, the cost for a 110 metre long section of road reservation (2,260 square metres) under the current compensation formula is \$4.40 per square metre which equates to \$10,000. The estimated cost for the same section of road under the proposed formula is \$300 per square metre, which equates to \$678,000. This represents an increase of circa 6,700 per cent.

We estimate this could cost residential developers, Local Government and State Government hundreds of millions of dollars each annually on the basis that they construct and/or manage roads.

Notwithstanding the potentially very significant impost on the Victorian public through the State and Local Government payments of community benefits (compensation), the cost to residential developers will be passed on to new home buyers thereby adversely impacting on housing affordability and undermining the gains from the State Government investment in planning systems reform.

### Development Plan Overlay

The Development Plan Overlay process at City of Greater Bendigo is another level of complexity adding to uncertainty for the market. The CoGB insists on public exhibition of DPs, when public exhibition is not a statutory requirement. Although the general public may appreciate the opportunity to comment on development, it leads to acrimonious and time/cost consuming delays when those objectors simply do not have third party rights under the *Planning and Environment Act*.

### Environmentally Sustainable Development, Neighbourhood Character, and Rescode

The inclusion of multiple policies seeking similar outcomes under the planning scheme continues to add to the cost and complexity of development. We do not dispute the need for environmentally sustainable development, but would suggest a coordinated approach to building and subdivision design should be achievable and would facilitate the development process to meet growing demand in a more timely and cost-effective manner.

In summary, beyond a review of land that meets certain criteria for developability, there are a number of structural and policy considerations that should also form part of the City of Greater Bendigo's Managed Growth Strategy, aimed at activating land that is currently economically

unviable for development consideration. We note that parcels of land were identified as high priority for development over the Residential Housing policy process, none of which has actually eventuated due to similar hindrances.

A Managed Growth Strategy that outlines the restrictions and roadblocks will better facilitate and free up supply both within the current UGZ and in the surrounding areas. In our view, the Managed Growth Strategy should include an overarching review of likely growth scenarios, their opportunities and constraints, and a summary of required infrastructure (parks, schools, water, transport) associated with housing growth.

### Contact

Should you wish to discuss any of the matters raised in this response, please contact Dr Caroline Speed, UDIA Victoria Policy and Research Director by emailing [caroline@udiavic.com.au](mailto:caroline@udiavic.com.au) to arrange a suitable time to do so.

Yours sincerely

Matthew Kandelaars



Chief Executive Officer  
Urban Development Institute of Australia, Victoria