28 October 2021

Mr Andrew Cooney
Director Corporate Performance
Greater Bendigo City Council
PO Box 733
Bendigo VIC 3552

By email: a.cooney@Bendigo.vic.gov.au

Dear Mr Cooney

UDIA Victoria Submission Update: City of Greater Bendigo Revenue and Rating Plan 2021-2025

I refer to the above matter and Greater Bendigo City Council's decision to adopt the strategy at its meeting on 24 June 2021. The strategy includes that the increased vacant land rate would apply from FY2022/23. We provide the following additional feedback to supplement our submission dated 18 May 2021.

We are concerned there is no clear definition of vacant land or how that definition will be applies 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.

Additionally, it is not clear when a 'vacant' lot becomes 'non-vacant'. For example, where greenfield land has a residential subdivision plan approved, subdivision works are completed, and titles are issued does it become non-vacant? Or is the threshold when a dwelling is subsequently constructed on the site?

There may also be an issue where a multi-dwelling development is approved and works carried out to provide foundations for dwellings, yet the site lies dormant for a range of reasons.

Neither of these examples would be developed any quicker by the application of a vacant land rate and in fact could be constrained by the application of the vacant land rate.

Our members hold significant concerns regarding the application of the vacant land rate over the life of the delivery of any development that requires sequenced infrastructure to enable the staged development of land.

 Crucially, this includes master planned estates in addition to other residential, commercial, and industrial developments. To suggest that land that is unable to be serviced any earlier and should have penalty rates applied is incorrect and unfair. The application of the vacant land rate does not take account of market conditions and finance requirements.

Further, a site may appear to be vacant for a range of reasons beyond a landowner's control as a result

of both the regulatory regime that is in place as well as the delivery of services. Additionally, the cost of delivering much needed residential housing or other development is significant and will ultimately provide a range of benefits for residents of Bendigo as a whole. The proposed differential rate will clearly impose an additional tax impost on property without providing any benefit such as facilitating the delivery of projects to implement strategic plans.

Given the complexity of the development process through the planning, design, construction, and delivery phases it cannot be clearly established by the blunt rating definitions when or if vacant land is being withheld from market opportunity without also considering the constraints or process applying to each parcel. The definition of vacant land is inadequate in this regard, and that the cost of the rate will be passed onto future residents and reduce the affordability of land and housing.

Given these concerns we recommend that consideration be given to refining the definition of vacant land to accommodate some of the practical development issues outlined above. We also recommend that the implementation of the rate be discussed with representatives of UDIA Victoria and the development industry to minimise the adverse impacts or unintended consequences of applying the vacant land rate.

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 to arrange a suitable time to do so.

Yours sincerely

Matthew Kandelaars
Chief Executive Officer
Urban Development Institute of Australia, Victoria