Our Reference:
Enquiries to: Megan O'Donnell

30 September 2026

Housing Supply Regulation
Productivity Commission
GPO Box 1428
Canberra ACT 2601

Dear Administrative Officer

Housing supply regulation – call for submissions

Thank you for the opportunity to make a submission to the Productivity Commission's (the Commission's) review of housing supply regulation and its draft report *Housing supply regulation* (the Report) provided on July 27, 2026.

The City of Greater Bendigo (the City) provided a submission to the Commission's review, which focused on:

- Mechanisms to bring well-located sites in State and Commonwealth (Crown) ownership to market sooner
- Clear and implementable guidance on natural hazards. In particular, the City invited the Commission to consider (1) if hazard management and response agencies are adequately resourced to support planning authorities, and (2) the policy tension between encouraging higher-cost homes that are more defendable from bushfire and the evidence that 'leave early' approaches offer the best chances of survival.

The City commends the Commission on recognising Local Government is crucial to good housing outcomes and is generally supportive of the four principles and the reform directions aimed at simplifying the planning process and reducing regulatory cost to both Local Government and land developers.

The City's Managed Growth Strategy is consistent with a 'build mindset' and will apply planning controls that allow a greater range and density of residential development across urban Bendigo, consistent with **reform direction 2.1**. The City is also implementing the removal of car parking requirements for city centre residential properties.

The City is strongly supportive of the Commission's call for greater integration of infrastructure planning, as Local Government does not have the resources to fill infrastructure gaps but is often required to respond to shortfalls in infrastructure through community services and emergency management activities.

Consistent with the City's earlier submission, the City is supportive of the Commission's identification of inherent conflicts between tree retention and bushfire hazard mitigation requirements, and is supportive of the Commission using the language of trade-offs in the context of planning for the safety and suitability of housing.

However, the resulting **reform directions 3.1 – 3.4** may not be sufficient within the regional Victorian context because the Victorian Planning Scheme gives overt primacy to the protection of human life from bushfire over all other considerations. This including primacy over other forms of protection of life (for example, against the impact of urban heat and heatwaves, Australia's highest mortality hazard). Even where technical information could be effectively sequenced or funded at a precinct level, there is still a limitation on the ability to understand the trade-offs

The capacity of Local Government to prepare, administer and review developer contributions, particularly for small shires administering limited areas with few staff, is very restricted.

The City is supportive of **reform directions 4.1 and 4.2**, particularly the suggestion of an accountability framework with clear responsibilities for each level of government and other parties. Local Government often leads on identifying future infrastructure requirements through strategic work but commonly does not receive support from the state agencies responsible for delivery. For example, where Local Government identifies the need for a new primary school in a growth area but the Department of Education advises against including this requirement in a structure plan or the protection of an appropriate site.

The City supports **reform directions 4.3 and 4.4**, particularly the need for transparent, centralised reporting of funds collected at the development, Local Government and state levels. This should be delivered by the states and be detailed enough to allow this to be the primary tool used by Local Government to manage developer contributions, to allow consistency and reduce costs to Local Government.

The proposed role of the Australian Government in supporting housing-enabling infrastructure and contributing short-fall funding would directly assist the delivery of new housing into the market.

The City suggests the Report also note the impact of historical mining contamination, as this is a common occurrence in regional Victoria and elsewhere, which can restrict

both the outright suitability and return-on-investment of land for housing (in addition to contamination from industrial uses, which is included in the Report).

The Commission has made a range of requests for additional information, some of which are addressed below.

Regarding the use of **Artificial Intelligence** (AI), the City has launched a myLot platform to allow residents to more easily access planning information. This is hosted externally with data input, privacy requirements and other conditions managed by myLot. The City has also anecdotally observed a steady increase in the number of permit and planning applications that appear to be AI generated (either partly or wholly) and these tend to be excessively long and more difficult to review.

Regarding **inclusionary zoning,** the City has not implemented inclusionary zoning to date and is also mindful of creating additional barriers to development. Through the City's Affordable Housing Action Plan, the City has identified accessible housing as a key missing component in Greater Bendigo's available housing stock. Inclusionary zoning towards the inclusion of accessible housing should be considered within the Report and, moreover, the Report gives little focus to facilitating the accessible housing that will be crucial for an ageing population.

In terms of principal **causes of delays** for receiving approvals to support new housing, in the City's experience these mainly relate to the inherent complexity of the sites that are now coming to market for housing development.

As available land in Greater Bendigo has become more constrained, many proposed housing sites are affected by a combination of:

- bushfire risk (much of Greater Bendigo sits within a Bushfire Prone Area, with Bushfire Management Overlays also widespread);
- flooding risk (Greater Bendigo's urban area is intersected by creeks, so Land Subject to Inundation Overlays are common) and the need for stormwater management to meet 2100 climate scenario standards;
- land contamination from historical gold mining or historical industrial use;
- incompatible land uses through the interface to industry, agriculture and, in the context of bushfire risk, forest; and
- community opposition to urban densification.

All these issues require extensive investigation, response and consultation within the planning scheme, as they add considerably to project costs and duration.

In terms of the **Australian Government's role** in creating more housing, the Report correctly identifies that local infrastructure is chronically underfunded. Due to the

limited ability for the Australian Government to fund local infrastructure directly (i.e. through funding provided to Local Government), infrastructure funds risk being directed to non-critical projects, leaving work of greater community importance unfunded.

The City would welcome better communication between the Australian Government and Local Government to ensure that funding is efficiently directed, and the use of more flexible approaches to infrastructure funding include no-interest loans to Local Government in order that infrastructure construction be able to precede developer contributions and greater direct transfer of funds from the Australian Government to Local Government to be enabled legislatively.

In summary, the City supports the intention of the Commission to streamline planning approaches and give greater certainty to the housing market. Where these changes can be implemented, they should be supported by extensive communication with Local Government and sufficient notice for Local Government to make necessary administrative changes and allow staff training.

I thank the Commissioners for their work in advancing housing availability for all Australians.

Yours sincerely,

Andrew Cooney
Chief Executive Officer
City of Greater Bendigo