

13 June 2018

Kathy Mitchell  
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Via email: [planning.panels@delwp.vic.gov.au](mailto:planning.panels@delwp.vic.gov.au)

Dear Ms Mitchell,

**UDIA Victoria Final Submission – Fishermans Bend Planning Review Panel: Draft Amendment GC81**

Thank you for the opportunity to respond to the submissions made at the Fishermans Bend Planning Review Panel Hearing regarding Draft Amendment GC81.

This submission will focus exclusively on the planning controls set out in proposed Part C of Draft Amendment GC81 as applied to one case study site in Fishermans Bend Urban Renewal Area (FBURA) to demonstrate the real life outcomes for future home buyers and residents of the area. The base case planning controls for the case study site are those gazetted under Planning Scheme Amendment GC50 (14 November 2016).

Part C of Draft Amendment GC 81 comprises amended planning controls which directly impact on the overall yield from the case study sites. The key planning controls influencing the outcomes include the following:

- Residential Floor Area Ratio (FAR);
- Built Form Controls, especially overall height limits;
- Requirements for new laneways, streets and open space; and
- The percentage of the residential yield to be provided as affordable/ social housing.

Whilst the UDIA (Victoria) supports the implementation of well considered planning controls for the FBURA, we believe the combined impact of the controls outlined above unnecessarily restrict development within this key urban renewal area and prevent the full potential of Fishermans Bend being realised. Our key concerns relating to these controls are set out below.

Firstly, the UDIA Victoria has significant concerns that the residential FAR figures have been determined on the basis they will deliver the stated population target of 80,000 as set out in the *Fishermans Bend Vision*. This approach ignores any assessment of the quality and liveability of the built form outcomes the FARs will produce which is contrary to the stated intention for the FBURA in the same document.

Further, the application of the FAU as it is currently proposed (that is, to deliver the 6% affordable housing) would result in an almost 50% increase to the stated population cap of 80,000 residents.

Instead we support design guidelines and FARs for the FBURA that are the result of desired built form outcomes rather than an arbitrary population cap. This approach results in a high quality, liveable environment for residents, workers and visitors and creates urban spaces that people choose to occupy.

Secondly, the overall height limits set out in the built form controls do not appear to be aligned with the overall FARs, of which the residential FAR is a significant component. The overall height limits should be determined on a site-specific basis in response to the physical constraints and opportunities and having regard to the strategic location of the land.

The impact of the proposed planning controls described in Part C of Draft Amendment GC81 are set out below. The methodology and results are described in Attachment A, and the affordable housing policy settings and assumptions are set out in Attachment B.

- The residential **Gross Floor Area (GFA) falls by 16%** from that achieved under the provisions of GC50 to that achieved under the provisions of Part C to GC81.
- The apartment yield falls by a commensurate percentage.
- The requirement for affordable/ social housing is consistent at 6% of the residential apartment yield under both sets of planning controls.
- The market price of 1, 2 and 3 bedroom apartments **increases by 19.06%**. This is the direct result of the interaction of the reduced residential GFA, the reduced apartment yield and the same requirement for affordable/ social housing.
- Using the definition of affordable housing set out in the *Planning and Environment Act 1987* that came into effect on 1 June 2018, and an estimate of an affordable mortgage that is commensurate with “very low”, “low” and “moderate” income households, the **increase in apartment prices of 19.06% excludes all of these groups from purchasing any of the apartments.**
- The previously stated increase to apartment prices will have an ongoing financial impact - beyond the initially higher loan amount - in terms of the interest payable over the life of the loan. An average loan of \$497,817 (95% of \$524,018 which is the maximum loan possible for a “moderate” income family) attracts interest of \$657,424 over 30 years. An increase of 19.06% to this loan **adds \$94,884 to the original amount** and generates an **additional \$125,305 in interest** over the life of the loan.

The case study indicates that these controls, especially the residential FAR, are likely to have the perverse outcome of making the market price of residential apartments in Fishermans Bend beyond the reach of even “moderate” income households (as defined by the *Planning and Environment Act 1987* and the Governor in Council Order).

We therefore recommend that the Review Panel carefully considers the interaction of these planning controls and the real life outcomes they are likely to produce when forming a view about the appropriateness of the proposed Part C of Draft Amendment GC81.

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Please contact Olivia O'Connor, Policy Advisor at [olivia@udivic.com.au](mailto:olivia@udivic.com.au) for further information.

Yours sincerely,

A handwritten signature in black ink that reads 'Danni Addison'. The signature is written in a cursive style and is underlined with a horizontal line.

**Danni Addison**  
**Chief Executive Officer**  
**Urban Development Institute of Australia, Victoria**