BASS COAST

Bass Coast

Housing Strategy 2024

Acknowledgement of Country

Bass Coast Shire Council acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pays respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore. Bass Coast Shire Council celebrates the opportunity to embrace and empower the Aboriginal and/or Torres Strait Island Communities in their diversity. Bass Coast Shire Council will create opportunities for future recognition and respectful partnerships that will honour the Traditional Owners and Custodians, and Aboriginal and/or Torres Strait Islander Peoples.

Diversity and Inclusion

Bass Coast Shire Council is committed to providing communications and engagement that is welcoming, safe, accessible and inclusive for our community including First Nations, Culturally and Linguistically Diverse (CALD), Lesbian, Gay Bisexual, Transgender, Queer, Intersex and Asexual (LGBTQIA+) peoples, people with disability and of all ages.

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Part 1 - Introduction

Bass Coast is a peri-urban shire experience a period of rapid growth. It is home to 41,798 people (2022) which is expected to increase to 47,408 by 2036. A plan is required to ensure that housing is built in appropriate locations and that the projected demand can be met. This strategy is a 15-year plan to manage where housing is located across the 26 distinct settlements of Bass Coast.

To meet Bass Coast's housing demand (between 7890 and 9840 dwellings by 2036) a shift towards infill development in established urban areas is required as zoned greenfield land is becoming exhausted. State Government's draft Statement of Planning Policy and Victorian Housing Statement reinforces this shift with the introduction of tighten town boundaries that limits the release of new greenfield areas.

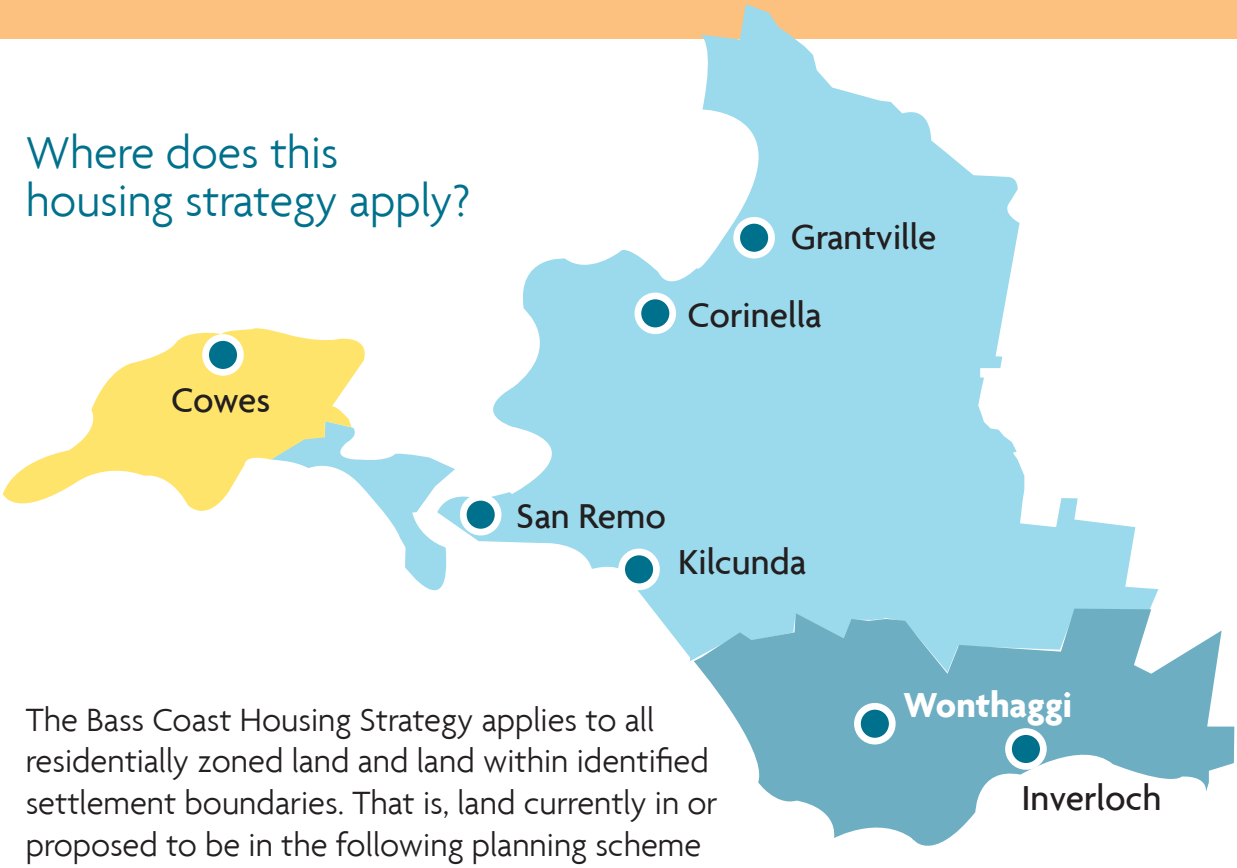
To manage the policy shift, this strategy forms part of an integrated suite of documents including the Bass Coast Neighbourhood Character Study, Bass Coast Increasing Canopy Cover in Residential Areas, and the Bass Coast Residential Development Framework.

This strategy has been prepared to be consistent with the Bass Coast Statement of Planning Policy and the Victorian Housing Statement.

What is a Housing Strategy?

Bass Coast's Housing Strategy outlines a framework for managing housing growth over the next 15 years, ensuring sufficient land and diversity for future community needs. The strategy is consistent with local and state policies, addresses community feedback, and clarifies Council's role in housing. Specifically, it will guide the level of housing change that can be expected across each settlement and inform the appropriate location and application of residential zones.

Where does this housing strategy apply?



The Bass Coast Housing Strategy applies to all residentially zoned land and land within identified settlement boundaries. That is, land currently in or proposed to be in the following planning scheme zones: the General Residential Zone, the Residential Growth Zone, the Township Zone, the Mixed Use Zone and the Low Density Residential Zone as well as non-residentially zoned land within settlement boundaries such as the Cowes Activity Centre and farming zoned land.

The strategy has adopted the settlement hierarchy from the Bass Coast Statement of Planning policy which groups the 26 settlements of Bass Coast as follows over the page:

Settlement	Designation	Description
Wonthaggi	Regional centre	A settlement of 10,000 or more people with a large, diverse population, employment, and housing base. In a regional centre, there is provision of all essential services and higher-order goods, and education at all levels and access to large hospital and diverse medical facilities is available. A regional centre has strong relationships with surrounding settlements of all types.
Cowes and Silverleaves	District town	A settlement with a substantial and diverse population of 2,000–10,000. A district town usually has a dominant town centre and most essential services are available including a post office, schools, emergency services, medical/hospital facilities, retail services and accommodation options. There is some reliance on the regional centre for employment and higher-order services. A district town has strong relationships with smaller, nearby settlements and provides them with some higher-order services. District towns on the coast are popular visitor destinations. All are connected to reticulated water, electricity and a sewage system.
Inverloch		
San Remo/ Newhaven		
Grantville	Town	A settlement with population levels of 1,000–2,000, the number varying with general service provision and the diversity of the housing stock. Various services are available including a post office, supermarket, schools, a police station and some basic medical facilities. There is some reliance on larger, nearby settlements for employment and higher-order services. Towns on the coast are popular visitor, retirement and lifestyle destinations. All are connected to reticulated water and electricity, and most have sewer connections.

Settlement	Designation	Description
Cape Paterson	Village	A settlement with population levels of 500–1,000, the number fluctuating seasonally. Basic services are available including a general store and basic retail facilities, and most have postal services. A village has strong employment relationships with larger, nearby settlements and relies on them for services. Villages on the coast have moderate-to-high levels of holiday home ownership. Most are connected to reticulated water, and some have sewer connections.
Cape Woolamai		
Corinella		
Coronet Bay		
Dalyston		
Kilcunda		
Rhyll		
Bass	Hamlet	A settlement with low and seasonal population levels of 200–500, the number fluctuating seasonally. There are limited services and connections to a sewage system. Hamlets on the coast have high levels of holiday home ownership and some small-scale visitor accommodation.
Harmers Haven		
Jam Jerrup		
Pioneer Bay and The Gurdies		
Smiths Beach		
Sunderland Bay		
Sunset Strip		
Surf Beach		
Tenby Point		
Ventnor		
Wimbledon Heights		

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1. Review existing commonwealth, state & local policies & strategies
2. Develop housing strategy principles
3. Test principles with community
4. Use principles to develop objectives, strategies, guidelines & actions
5. Engage with community on draft strategy.
6. Finalise Strategy based on feedback
7. Implement into planning scheme

Council's Role in Planning for Housing

Council is the "Planning Authority" under the *Planning & Environment Act 1987* and is required to ensure there is sufficient supply of suitably zoned land to support a diversity of housing types to accommodate current and future residents. In housing policy, Council's primary role is to accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur. It must also ensure that housing proposals meet town planning, building and public health regulations and community expectations.

Local government also has an important role in advocacy particularly by working closely with the Commonwealth, State Government, and the private sector to influence changes in development patterns.

How was the Strategy Prepared?

This strategy provides the framework to guide the growth and change of residential areas within the Settlement boundaries.

Planning Practice Note 90 and 91 set out guidelines for undertaking housing strategies and for determining how residential zones should be applied. Specifically setting out the concept of change areas and how they should be applied. This is further discussed in Part 4 of this strategy.

The Bass Coast Housing Strategy adopts a principle-based approach, whereby any recommendation from this strategy on how land should be designated in terms of housing change must be linked back to these principles.

To develop principles for the Housing Strategy, a comprehensive review of state, regional and local policies and strategies that relate to housing in Bass Coast was undertaken. Following this review, three principles to guide decisions on where to direct housing change were developed and then tested and refined alongside the community through consultation. The fourth principle was developed following this consultation and in response to the Victorian Government's 2023 Housing Statement. These four principles are:

- Urban Infrastructure & Connectivity
- Environmental Hazards & Ecology
- Neighbourhood & Landscape Character
- Diversity and Affordability

Urban Infrastructure & Connectivity

Housing should be located close to services and infrastructure and have good connections to surrounding areas

Environmental Hazards and Ecology

Housing should avoid areas where there are environmental hazards or sensitive environments

Neighbourhood & Landscape Character

Housing should avoid detracting from the qualities of our towns and landscapes that make them special

Diversity & Affordability

A diverse range of housing should be provided, accomodating the existing and future demographics of the area

Each principle is underpinned by several objectives which provides strategic direction. Each of these objectives are in turn underpinned by strategies which describe actions Council should seek to achieve to meet the objective and principle.

This cascading structure of principles, objectives and strategies makes it clear why and how each resulting action was developed.

Principle	**Example Principle 2** Environmental Hazards and Ecology
Objective	**Example Objective 2.1** Minimise the consolidation of housing in areas vulnerable to identified environmental hazards
Strategy	**Example Strategy 2.1.4** Prevent urban consolidation in areas identified for land subsidence risk in the Bass Coast Planning Scheme

To clearly articulate where future housing growth can and cannot occur, areas of substantial, incremental and minimal housing change must be identified and incorporated into the Planning Scheme. This ensures adequate provision of housing to meet the projected population, in areas that can accommodate housing change as well as provide certainty and transparency to both the community and developers.

This must be done alongside changes to zones to reflect this policy, as well as directions on neighbourhood character.

Policy Context

The planning for and delivery of housing is influenced by a number of Commonwealth, State and local policies and programs, with each level of government having different roles and responsibilities ranging from setting a policy framework from which the housing market operates to direct interventions in the market that are targeted at improving outcomes for specific groups of people. This strategy is focused on areas that Council can influence such as land use zoning, housing diversity, local planning policy and development controls.

A table of reviewed documents is included on the opposite page:

Document Name	Level of Government
National Housing and Homelessness Agreement, 2018	Commonwealth
Planning and Environment Act 1987	State
Plan Melbourne, 2017-2050	State
Victorian Coastal Strategy, 2002	State
Coastal Spaces Recommendations Report, 2006	State
Gippsland Regional Growth Plan, 2014	State/Regional
Homes for Victorians, 2017	State
Marine and Coastal Policy, 2020	State
Marine and Coastal Strategy 2022	State
Draft Statement of Planning Policy, 2022	State
Victorian Housing Statement 2023	State
Phillip Island and San Remo Design Framework, 2003	Local
San Remo, Newhaven and Cape Woolamai Structure Plan, 2010	Local
Cowes, Silverleaves, Ventnor and Wimbledon Heights Structure Plan, 2010	Local
Bass Coast Strategic Coastal Planning Framework, 2011	Local
Inverloch Design Framework, 2011	Local
Cowes Activity Centre Plan, 2015	Local
Active Bass Coast 2018 – 2028	Local
Wonthaggi Structure Plan 2018	Local
Dalyston Structure Plan, 2018	Local
Bass Coast Climate Change Action Plan 2020 – 2030	Local
Council Plan 2021-25	Local
Access Equity and Inclusion in Bass Coast Plan 2021-2025	Local
Bass Coast Healthy Communities Plan 2021 – 2025	Local
Wonthaggi Activity Centre Plan 2021	Local
Smiths Beach Town Plan 2022	Local
Social and Affordable Housing Strategy 2023	Local

Key Document Summary

The following documents are considered "key documents" and are central to the preparation of the Bass Coast Housing Strategy. A summary of the documents and their relevant directions are included below:

Plan Melbourne 2017-2050

Plan Melbourne is Victoria's state planning strategy. Outcome 7 identifies Bass Coast Shire as a peri-urban municipality and sets out a number of directions that should be considered. The policy context for this direction notes that a number of towns in peri-urban areas (including Wonthaggi) have capacity for more housing and employment-generating development without impacting on the economic and environmental roles that surrounding non-urban areas serve.

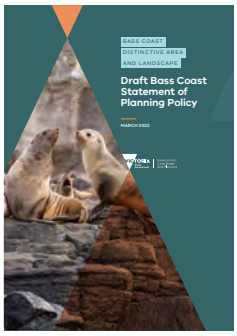
Gippsland Regional Growth Plan 2014

The Gippsland Regional Growth Plan puts in a place an integrated planning framework for the six local government areas in Gippsland (Bass Coast Shire, Baw Baw Shire, East Gippsland Shire, Latrobe City, South Gippsland Shire and Wellington Shire) to appropriately direct and manage sustainable growth across the region, whilst recognising Gippsland's assets of regional significance.

The Plan recognises the following for Bass Coast:

- Wonthaggi is a regional centre that can promote growth.*
- Cowes is a town that can support growth.
- Inverloch is a town that can support growth.
- Cape Paterson is a small town that can support growth*
- San Remo is a small town that can support growth

Draft Statement of Planning Policy 2022



The Draft Statement of Planning Policy is a framework to guide the future use and development of land within the declared area.

To manage pressures for the outward expansion of residential land, the draft Statement of Planning Policy proposes protected settlement boundaries for 26 residential settlements within the Shire. These are generally consistent with existing boundaries in the Bass Coast Planning Scheme, with the exception of San Remo, Newhaven, Grantville, Cowes and Sunset Strip.

The draft Statement of Planning Policy goes on to suggest that growth will need to be accommodated within these boundaries through the development of vacant lots and infill development.

Victorian Housing Statement 2023

Victoria's Housing Statement – The Decade Ahead 2024-2034 launched on 20 September 2023, focusing on five key areas to tackle housing supply and affordability in Victoria, and aims to deliver 80,000 new homes each year across the state.

The five key areas are:

- Good decisions, made faster – reforming Victoria's planning system to boost housing supply, clear backlogs and improve certainty
- Cheaper housing, closer to where you work – building more homes closer to transport, roads and infrastructure and on government land as well as apply a levy on short stay accommodation
- Protecting renters rights – closing loopholes and giving renters more certainty
- More social housing – building up to 769 homes through federal government program on top of 12 000 Big Housing Build homes and 4000 from other programs
- A long term housing plan – a new planning strategy to guide the growth of Victoria

Bass Coast Council Plan 2021-25

Bass Coast's Council Plan reflects the community's long-term vision for the Shire and shows how the Council will work towards that vision during its term by developing a set of strategic objectives, strategies and performance indicators to support their delivery.

The plan includes 6 strategic objectives to guide the activities of the Council over the term. Objective 5 relates to Sustainable Development and the Bass Coast Housing Strategy is key to accomplishing many of the strategies under this objective.

Bass Coast Affordable Housing Strategy 2023

Council adopted the Bass Coast Affordable Housing Strategy in September 2023. The strategy highlights that in December 2022, 1186 people were on the Victorian Housing Register wait list seeking social housing in the area. It also highlights the relationship between a low vacancy rate in the private sector as well as the proliferation of short-stay accommodation and the greater pressure being placed on the affordable housing sector. Implementation is occuring in concert with the Bass Coast Housing Strategy and the findings have influenced the Diversity and Affordability Principle.

Bass Coast Planning Scheme

The Bass Coast Planning Scheme is the principal document in guiding and determining housing policy. Whilst a major aim of the Bass Coast Housing Strategy will be to recommend updates to the scheme, the existing state and local planning policy framework still provide direction on how housing policy should be prepared.

In the "Settlement" section of the scheme, emphasis is placed on providing a sufficient supply of land for all uses, including residential raising the importance of well planned regional communities having regard to regional growth plans. Protecting environmental values in coastal settlements and the importance of protecting distinctive areas and landscapes is also identified.

...continued on the next page.

The Municipal Planning Strategy (forming part of the scheme) identifies the increasing unaffordability of housing in Bass Coast and goes on to highlight the need for housing diversity as well as urban consolidation in areas with the necessary infrastructure.

Later in the "Housing" section of the scheme, the need to provide a diversity of housing that responds to community needs is further expressed. It sets out to do that by seeking to facilitate higher densities in appropriate places, ensuring that the planning system supports the appropriate quantity, quality and type of housing (including aged care) and ensuring housing is integrated with infrastructure services.

The Planning Scheme also provides specific directions on environmental risks and values, landscape character, built environment, heritage and Infrastructure.

Summary

A review of the policy framework that exists for housing in Victoria highlights a number of consistent themes that should be considered when finding locations for new housing in Bass Coast, and forms the basis of the principles further discussed in Part 3 of this Strategy:

- It is important to provide housing choice in locations close to jobs, public transport and services.
- It is important to create healthy neighbourhoods that are walkable, universally accessible and have access to public open space.
- Locations for new housing should consider minimal impact on native vegetation, areas of environmental or landscape significance and sensitivity.
- Locations for new housing should avoid areas with susceptibility to flooding (both river and coastal inundation), landslip, erosion, coastal acid sulfate soils, salinity, wildfire or geotechnical risk.
- Existing and preferred neighbourhood character is important in considering locations for housing growth
- Housing needs should be considered over at least a 15 year horizon, and opportunities for future growth should be identified.
- Greater residential densities should be provided close to activity centres.
- Use the Victorian Government population projections and land supply estimates when planning for population growth and managing housing change

The key documents that influence housing in Bass Coast are summarised in appendix 1.

Part 2 - Planning for housing growth in Bass Coast

Bass Coast Population and Households

Understanding who lives in Bass Coast, how they live and how this will change over time is an essential element of the Housing Strategy as housing markets are directly influenced by demographic and economic characteristics and trends.

This section of the report summarises the existing and key changes expected in the resident and household profile of Bass Coast.

Age Profile

At the 2011 census, 2016 census and 2021 Census the median age in Bass Coast were 46, 50 and 51, respectively. This is substantially higher than Victoria (37 years) and Regional Victoria (43 years) demonstrating the aged population of the shire. The substantial proportion of older residents is likely to remain into the future and alternative housing types need to be considered to allow these residents to age in place.

At the same time, there is a generally younger population in Wonthaggi, Cape Woolamai, Newhaven, Rhyll, Sunset Strip, Smiths Beach, Sunderland Bay, and Surf Beach.

Household Structure

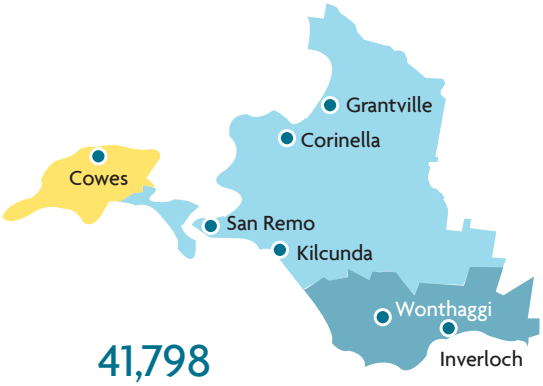
Understanding the household structure within the shire and the forecast change helps identify what types of housing may be required to meet current and future resident needs.

The average household size in Bass Coast in 2021 was 2.19 people, reflecting a high proportion of single and adult couple households, which make up 30% and 31% of household types respectively.

Into the future, demographic projections indicate that 45% of the additional households in Bass Coast between 2021 and 2036 are expected to be lone person households, with a further 36% projected to be couples. This means that 81% of the additional households over the next 15 years are projected to have either 1 or 2 residents.

A key issue with smaller households being forecast to grow faster than larger households is the demand this may place on housing diversity in a generally homogenous housing stock.

Bass Coast at a Glance



41,798

In June 2022, the Estimated Resident Population of Bass Coast Shire was 41,798

(This is expected to grow to ***47,408*** *by 2036)*

8,600

Between 2011 and 2021, the Shire's population increased by 8,600 residents (averaging 2.2% per annum). Over the last 5 years the population has increased 3% per annum.

The population is primarily distributed across the Shire's 26 settlements, the population characteristics differ from town to town, with Cowes, Wonthaggi and Inverloch having the largest share of population.

9,315

Additional residents

1.7%	per annum	Projected to average growth rate 2021-2036
3.0%	per annum	Average growth rate 2016-2021
2.1%	per annum	Average growth rate 2011-2016

* *Cowes, Wonthaggi and Inverloch have the largest share of population*

Age Profile

Median age:

2011: **46** | 2016: **50** | 2021: **51**

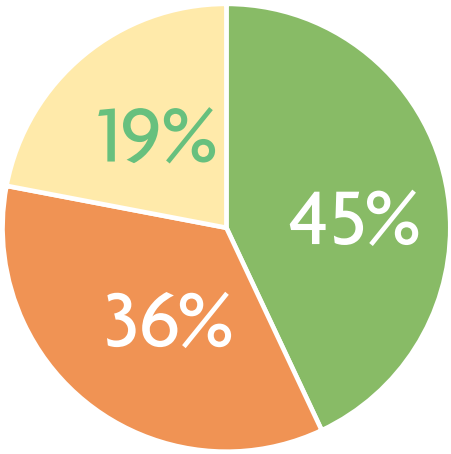
37 Victoria's median age

43 Regional Victoria's median age

Generally younger than average population

in Wonthaggi, Cape Woolamai, Newhaven, Rhyll, South Coast Estates

Household size projections for additional households by 2036



- Lone person households
- Couples
- More than two people

The Housing Stock of Bass Coast

In 2021 there were approximately 28,975 dwellings in Bass Coast. The majority of those on the Mainland were located in the Wonthaggi and Cape Paterson district (20%) and the majority of those on Phillip Island were located in Cowes, Ventnor, Silverleaves and Wimbledon Heights district (27%).

The form of the housing stock in Bass Coast is predominately homogenous, with 91% of dwellings classified as separate houses. Other housing types like townhouses, units and apartments make up a very small proportion of total housing stock (8%).

The market for medium density housing in Bass Coast is expected to increase over time, with this housing type projected to serve a range of market segments including downsizers, investors and holiday rentals. The strong price growth of separate dwellings that has been witnessed over the last ten years (at an average rate 8.94% per annum) is expected to also increase the feasibility of medium density development over the horizon of the Housing Strategy.

Total No. of Dwellings (2021)	**Approx 28,975**
Total Dwellings - Mainland	16,386 (57%)
Total Dwellings – Phillip Island	12,588 (43%)
Housing Typology	Separate Houses: **91%** Medium Density (semi-detached, row, terrace, townhouses and villa units, plus flats and apartments in blocks of 1 or 2 storeys, and flats attached to houses): **8%** Other (caravans, cabins, houseboats or improvised homes [tents]: **1%**
Average Household Size 2021	**2.19**

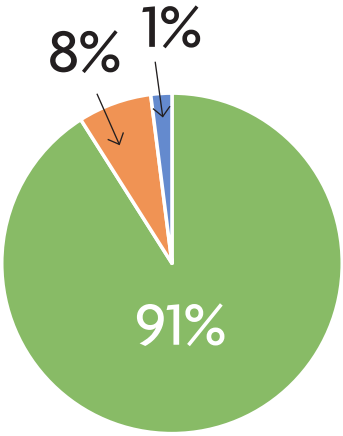
Occupation of these dwellings consists of Permanent Residences (owner occupiers and permanent rentals), Visitor Housing (Holiday Homes and Holiday rentals) and natural vacancy (this accounts for 10 percent of the housing stock). The following occupancy estimates are provided by the assessment:

Occupancy Type	Shire-wide	Mainland	Phillip Island
Permanent Residences	**63%**	72%	46%
Visitor Housing	**27%**	18%	44%
Natural Vacancy	**10%**	10%	10%

Of the total housing stock, 63 percent is occupied by permanent residencies which consists of 16,600 dwellings that are owner occupied and 3400 dwellings used as permanent rentals.

Visitor Housing or unoccupied homes accounts for 37 percent of the housing stock.

Housing Stock at a Glance



Housing Types

- Dwellings classified as separate houses
- Dwellings are apartments, semi-detached, townhouses and flats
- Dwellings are other (caravans, cabins, houseboats, tents etc)

8.94% pa

Price growth of separate dwelling has increased

The strong price growth of separate dwellings that has been witnessed over the last ten years (at an average rate 8.94% per annum) is expected to also increase the feasibility of medium density development over the horizon of the Housing Strategy.

Occupancy - *Shire-wide*

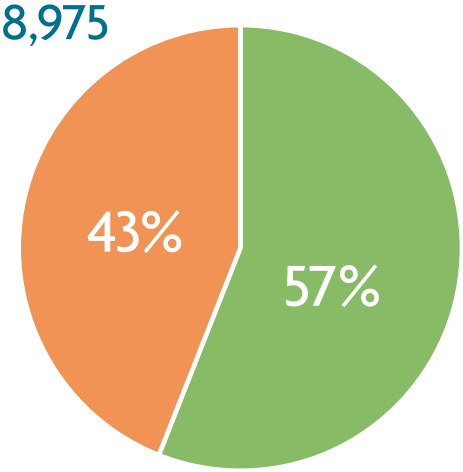
63%
Used as permanent residences as owner-occupied (16,000) or permanent rental (3,400)

27% visitor's housing comprising holiday home

10% Housing that is "naturally vacant"

Total dwellings (2021)

28,975



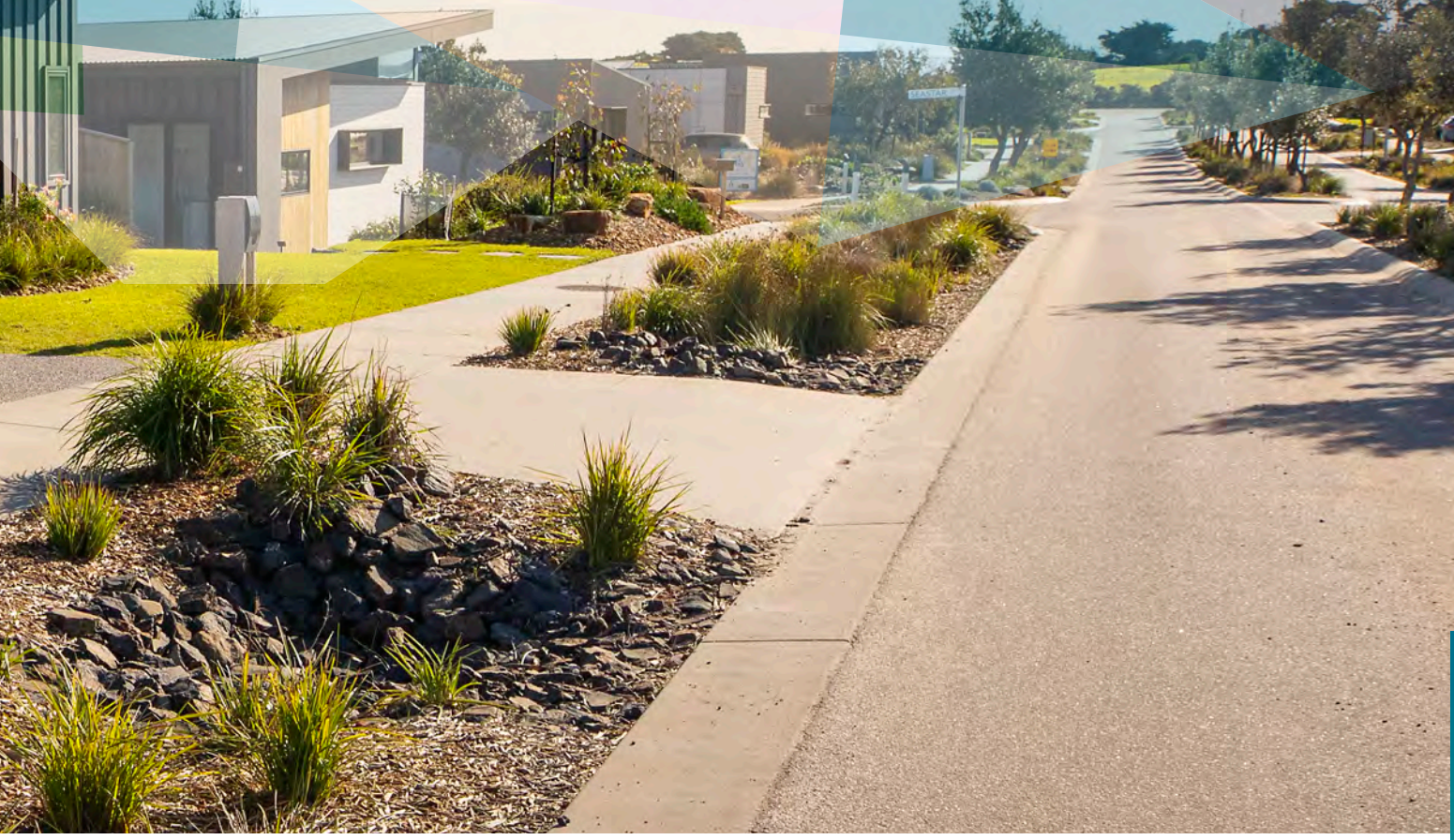
16,386 Total on Mainland

12,588 Total on Phillip Island

Our Capacity at a Glance

Our capacity

Dwellings	Supply Type
7890-9840	Projected housing demand 2021-2036
526-653	Projected Annual Housing Demand
8973	Zoned Residential Land Capacity (Broad hectare and Single Vacant Lots)
6741	Zoned Broad hectare Residential Capacity (GRZ, CDZ, LDRZ, TZ, UGZ and RLZ)
1951	Hypothetical capacity of unzoned land within settlement boundaries
10,924	Hypothetical Zoned and Unzoned Residential Land Capacity *(excluding infill)*
10,300	Hypothetical Current Infill Capacity



Town by town capacity

	Cowes	Phillip Island Balance	Wonthaggi	Inverloch	San Remo	Waterline	Mainland Balance	Total
Zoned Residential Land Capacity in lots	916	366	4,763	795	522	859	740	**8,973**
Years of supply (zoned) - End 2023	4.8-6.4	4.2-5.7	40+	8.5-11.6	9.1-11.8	10.2-13.1	9.1-2.2	**13.7-17.0**

It is important to note the following:

- the adequacy of our current greenfield and single vacant lot land supply has been calculated using assumptions based on recent subdivision patterns and on review of vacant lots capable of supporting a separate dwelling, and does not consider whether this land is currently available to market; and
- infill development potential has been calculated on a theoretical maximum extent of development possible under current zoning provisions and does not consider whether this land is suitable for directing increased housing development through future rezoning.

What does the community value?

Community consultation undertaken between 17 August and 18 September 2022 has informed the draft Bass Coast Housing Strategy and the Bass Coast Neighbourhood Character Study.

The common themes heard at consultation are as follows:

Prioritise the Environment

What we heard: environmental values and landscape character should be prioritised over new housing and built form.

This is reflected in the strategies by elevating these concerns to their own principles.

Wonthaggi as the Regional Centre

What we heard: Wonthaggi is the most appropriate place to focus housing growth given its location, access to services and existing infrastructure.

Other locations were inappropriate. These locations included

- Cape Paterson,
- Sunset Strip,
- Smiths Beach,
- Sunderland Bay,
- Surf Beach,
- Inverloch,
- Harmers Haven, and
- Phillip Island more generally.

Wonthaggi's status as the regional centre of Bass Coast is recognised in the objectives and strategies under the Urban Infrastructure and Connectivity principle.

Services and Infrastructure

During consultation, the Urban Infrastructure and Connectivity principle was called "Strategic Context and Services". While it was concerned with infrastructure and services, it also had a main focus on existing policy direction.

What we heard:

the need to locate new housing close to services and infrastructure was not strongly enough expressed.

Existing infrastructure is already at capacity and new housing would only exacerbate these concerns.

Available infrastructure is a key consideration under the Urban Infrastructure and Connectivity principle. This principle has been renamed, elevated and expanded in relation to this feedback.

Township Boundaries

Whilst outside the scope of the housing strategy work, many provided feedback on the location of township boundaries, including that they should not be further extended or in some cases they should be retracted. The ongoing Distinctive Areas and Landscapes work seeks to apply protected settlement boundaries to towns in Bass Coast. The focus of the Housing Strategy is the efficient and appropriate use of land for housing already within settlement boundaries. The existing settlement boundaries in the planning scheme have been adopted for the preparation of this strategy pending the outcomes of the Distinctive Areas and Landscape program.

Key Challenges for Housing in Bass Coast

Meeting the demand for housing in Bass Coast is not without challenges. The challenges are also not distributed evenly, with some areas of Bass Coast facing more significant barriers to meeting demand for housing. This is especially the case in smaller villages and hamlets where challenges in infrastructure, landscape character and environmental risks overlap. Even some urban areas normally ideal for additional housing have challenges that must be surmounted to achieve the aims set out for this strategy to address. As noted previously in this section, key drivers for the housing market are shifting and as our population ages and household sizes shrink, our current housing stock will become increasingly inappropriate without action.

Limited active and public transport opportunities

Bass Coast, has a relatively low population spread across a large geographical area. The distribution, spread over more than a dozen settlements, translates to a car-dependent lifestyle for residents. Limited inter-town public transport services further isolate smaller communities, meaning they are unable to provide all daily services necessary to achieve a "20 minute neighbourhood". While some towns have intra-town public transport services they are generally at a low frequency.

Council is prioritising pedestrians and active transport options, aiming to overcome the current limitations that restrict residents' ability to move safely within settlements, and between settlements to access services needed on a day-to-day basis.

Affordability of Housing

Affordability has emerged as a critical issue for all levels of government. Bass Coast currently has the highest median house price of any Peri-urban municipality led by strong price growth in housing and rent. This has similarly led to affordability issues for both owner-occupiers and renters.

Compounding this rise in rental prices is the competition for use of existing dwellings as either secondary dwellings (such as holiday homes) or as short-term rentals. It is estimated that around 34% of housing stock shire-wide is used in this way, with a higher rate (approximately 50%) on Phillip Island. Further demonstrating the pressure on long-term renters, the assessment found minimal change in the total number of active rental bonds while rent continues to rise at a level of around 7% per annum.

In addition, rental stress in Bass Coast Shire has increased significantly between 2011 and 2016, with 38% of rental households experiencing stress in 2016 compared to 26% in 2011. Bass Coast's increase in rental stress of almost 12% was much higher than that of Regional Victoria (3.6%) or Victoria as a whole (2.7%)

Under current Victorian and Commonwealth legislation, it is expected that holiday homes and short term rentals will continue to form a major part of the Bass Coast housing market given the region's distance from Melbourne and the coastal landscape environments.

Tax concessions and short-term holiday rental market are outside the control of councils, but housing affordability and rental availability can be influenced by increasing infill capacity through the planning scheme.

Bass Coast recently introduced a local law requiring short-term rental accommodation to be registered and an annual fee paid. This local law exists to manage the amenity impacts of short-term rentals and not to dis-incentivise their use.

The Victorian State Government's Housing Statement goes some way to address the impact of short stay accommodation in dwellings and high vacancy rates which includes:

- A 7.5% short stay levy on users of short stay accommodation such as houses leased for short term holiday accommodation. This change also specifically disallows further charges from local governments.
- A 1-3% vacancy tax for any properties that are vacant for at least 6 months of the year. This will be expanded to include Bass Coast in future years. Some exemptions will exist for holiday homes.

This challenge is addressed through identification of housing supply and within the actions under the Diversity and Affordability principle.

Key Worker Housing

Overall Bass Coast has a labour force participation of 49%, which falls short of the regional Victoria average of 56%.

Of this labour force, approximately 83% work local to Bass Coast with 17% employed outside the shire. The majority of this outside employment is located in South Gippsland Shire as well as the outer South East suburbs of Melbourne.

In 2021, there were just over 12 000 local jobs in Bass Coast. This number has remained fairly stable since 2016 despite continuing population growth. Reasons for this could include the ageing and retiring population, migration skewing towards

older demographics and those commuting to jobs outside Bass Coast and/or a lack of local employment opportunities.

The Bass Coast economy is primarily driven by the tourism and agriculture industries and supported by population-driven sectors such as construction, health care and education.

The Phillip Island and San Remo Visitor Economy Strategy (2016) identified Phillip Island and San Remo as the second most dependent community on tourism in Australia, second only to Central Australia. Tourism is a sometimes-volatile industry that experiences peaks and troughs of activity that must be carefully managed by businesses. Every year, Bass Coast attracts over 2 million visitors and generates more than $660 million in visitor expenditure.

However, as land and housing costs increase, some of these key workers, especially in the healthcare, hospitality, tourism and agriculture industries will continue to struggle to find affordable housing compared to retired demographics who are generally asset-rich and are less affected by these price increases. It will be important over the life of the strategy to encourage diverse housing types to accommodate these working-age demographics as well as through social housing programs where required.

Settlement Boundaries and Finite Greenfield Supply

Market demand for single detached dwellings still remains high, with many choosing to move to Bass Coast for housing of this type at an affordable price. Traditionally this has been accommodated through the expansion of settlements at the periphery of the town.

To manage this growth, Bass Coast has a long history of imposing settlement boundaries on towns to ensure this happens in a controlled and measured way where services can be made available. Documents such as the Bass Coast Strategic Coastal Framework Plan and town-specific structure plans have set these boundaries in the past. Following the declaration of Bass Coast as a Distinctive Area and Landscape in 2019, the boundaries are likely to also be legislated at the State Government level, removing the ability for them to be changed directly by future councils.

Existing zoned land in Bass Coast won't be enough to meet future demand for detached single dwellings and a shift to infill development and an increase to density within existing neighbourhoods must be prioritised.

A Shift to Infill Redevelopment

As noted above, some shift to infill redevelopment will be required to meet the needs of future residents. Some single-family dwellings will need to be redeveloped with a higher volume of smaller dwellings such as townhouses, units or apartments.

It is important to identify that in general, infill development is constrained by a number of economic constraints including:

- Landowners may not be interested in redevelopment of their property
- If land values are too low, redevelopment may not be financially viable
- The consolidation of multiple sites is sometimes necessary to meet built form requirements and is difficult to achieve if they are in mixed ownership
- Construction costs are comparable to Melbourne (Rawlinsons 2021) and so development may only be viable in coastal townships where demand is highest

Under the current policy framework, the established areas of Bass Coast towns could theoretically accommodate a further

10,300 infill dwellings. The locations with the greatest capacity for this type of development are Cowes (3177 dwellings), Wonthaggi (1186), Grantville (1115), Inverloch (1191) and San Remo (1148). Most other towns have low to moderate capacity for infill development accounting for the remaining 2483 hypothetical lots. These towns have less urban areas with access to services that would be suitable for higher density.

Up to 13% of infill capacity is within the four main activity centres of Cowes, Inverloch, San Remo and Wonthaggi. The greatest capacity for infill is in the Cowes activity centre where planning controls enable higher built form and therefore higher densities. These areas must be prioritised and development facilitated in these areas to minimise unnecessary sprawl. Additional support for higher densities of infill should be sought in the other district towns and the regional centre of Wonthaggi through the introduction of appropriate planning controls.

In addition, this housing strategy must identify if more areas can be prioritised for this kind of infill development to overcome the above challenges. This will further mitigate the demand for detached housing on the fringes of towns.

A Diverse Housing Stock to Meet Community Needs

Different household types have different housing needs. There is relatively little variation in dwelling types occupied across the existing dwelling stock within Bass Coast.

Across the shire, a distinct demographic challenge of a steadily aging population has emerged. The largest age groups are "empty nesters and retirees" (60-69), "seniors" (70-84), and "parents/homebuilders" (35-49), with the median age in Bass Coast being higher than both the state and regional averages. While very recently there has been a surge in migration of younger people to areas such as Wonthaggi, a persistent substantial proportion of older residents is likely to remain. This requires housing that will not only cater to their needs but also allow them to age comfortably within the community, ensuring inclusivity for all age groups.

The current paradigm of detached single dwellings with 3+ bedrooms and a large yard requiring maintenance doesn't match the demographics anticipated over the life of the strategy. With only 8% of existing housing stock being classified as "medium density", a greater diversity will need to be cultivated.

Through the Housing Strategy, provision is made for the development of smaller, easier-to-maintain housing as well as specialist retirement housing in central areas with access to services within a walkable distance.

It is also important to continue to recognise the continued demand for fully detached dwellings either at conventional densities through greenfield land releases or at low-density and rural living typologies.

Environmental Impacts of Housing

In determining the location of new housing, it is important to consider the impact housing can have on sensitive environments and conversely, the impact that an environment can have on the appropriateness of housing. It is necessary to consider the potential impacts of sea level rise, storm surges, erosion, bushfire and land subsidence on both existing and future housing and ensure housing is not directed to inappropriate places in an attempt to maximise other important considerations.

The draft Statement of Planning Policy (strategies 2a.1 and 2b.1) requires new development to retreat from areas with significant biodiversity, bushfire risk, flooding and erosion risk. To manage this the Bass Coast Housing Strategy seeks to minimise any further housing development in these areas by designating them as minimal change areas and exploring options to designate them for replacement dwellings only while township adaption strategies, like the Cape to Cape Resilience Strategy are completed.

Action 25 of the Bass Coast Climate Change Action Plan which includes for the preparation of township adaption plans to seek to address some of these risks using the mechanisms available such as the Marine and Coastal Act and the Climate Change Act. This action is reiterated in the Bass Coast Housing Strategy

New housing also has a role in mitigating further effects of climate change. Bass Coast declared a climate emergency in 2019 and begun work on a Climate Change Action Plan. Under action 24 of this plan, Council will update local planning policies and practices to reflect climate change impact. This includes the preparation and implementation of an ESD policy targeting zero carbon and climate resilience for built form as priorities.

Impacts on Neighbourhood and Landscape Character

When considering the demand and necessary supply of housing, it is important to consider that houses can contribute or detract from both neighbourhood and landscape character. The interface of housing with neighbourhood character is clear and forms the basis for undertaking the Bass Coast Neighbourhood Character Study concurrent with this project. It is important to recognise that the supply of new housing, if not adequately managed, can impact upon the valued characteristics of neighbourhoods and landscapes.

Inadequate Urban Infrastructure

Many towns, villages and neighbourhoods of Bass Coast include insufficient roads, drainage, formal outfall, wastewater disposal and other urban infrastructure to manage impacts from additional housing and in many cases existing housing. Additionally, many urban areas of Bass Coast have insufficient pedestrian and cyclist infrastructure to enable a diverse range of housing in the immediate term.

Whilst developers are often required to upgrade infrastructure when redevelopment occurs, this can result in piecemeal infrastructure where roads and footpaths are developed one property at a time. Bass Coast Shire also has a Urban Roads and Drainage Improvement Policy that seeks to use special charge schemes to upgrade infrastructure on a town-by-town basis.

Areas with capacity for growth except as a result of insufficient infrastructure should be targeted for priority upgrades. Where this is not possible or practical, these areas should be avoided for housing growth.

Vegetation in Residential Areas

Vegetation is a defining feature of residential areas, it also valuable in urban areas for cooling the air, filtering pollutants, improving mental and physical health, reducing the need for air conditioning, providing biodiversity and increasing property values.

While urban areas feature the majority of the Shire's remaining native vegetation, it is steadily declining due to new houses, and property maintenance. Compounding the loss of vegetation is the developer led 'moonscaping' which refers to developers clearing all vegetation prior to making development applications. This activity depletes the existing vegetation and erodes character.

Replacement vegetation is hard to achieve as developments often include high site coverage or non-permeable hard landscaping, such as concrete paving, which reduces capacity for site to host vegetation with a high chance of success due to loss of soil capacity. The threat of significant vegetation clearing is made higher by planning permit exemptions within planning controls applying to a large portion of the Shire, which can allow as-of-right removal of vegetation for bushfire management and maintenance.

Opportunities exist to improve the planning scheme to improve outcomes for sites with vegetation which have the capacity to accommodate infill development. By improving the planning tools we can allow canopy and established vegetation to be retained and create opportunities for revegetation.

Part 3 - Housing Vision and Principles

Housing for Bass Coast in 2036

Bass Coast Shire will be home to almost 50 000 people in 2036, an increase of close to 20 000 people. These new residents will live in appropriately sized housing within connected and vibrant communities with access to all their daily needs without the need for a car. Bass Coast residents will continue to coexist with the natural environment, mitigating environmental hazards and enhancing biodiversity where possible. The landscapes and neighbourhoods filled with unique character and stories remain Bass Coast's greatest assets and are celebrated by residents and visitors alike. Our community is also diverse, where people from all walks of life and backgrounds feel safe and valued in the community.

Developing the Principles

Bass Coast has a projected housing demand of approximately 7890-9840 new houses. If existing controls are maintained and settlement boundaries match those in the draft statement of planning policy, 10,924 new separate dwellings could be developed. This figure includes rezoning land within settlement boundaries to create capacity for 1951 new dwellings which includes significant growth areas in Wonthaggi South and Cape Paterson North. Alternatively, this demand could be largely met with the current extent of zoned land with increased support for infill development in Bass Coast's four largest towns. This latter option better represents aspirations set out in state and local policies including the Council Plan 2021 and Plan Melbourne.

A balanced approach is needed when planning how and where Bass Coast's future residents will live, whether by infill or greenfield development, and this strategy will balance consideration of four housing principles that describe the priorities of our community and the policies and legislation that exists at the Commonwealth, State and Local level.

The four principles comprise:

- Urban Infrastructure and Connectivity – Aligning growth with infrastructure
- Environmental Hazards and Ecology – Building resilient communities in harmony with the environment
- Neighbourhood and Landscape Character – Celebrating the places we love
- Diversity and Affordability – Accommodating existing and future residents

Each principle contains several objectives. These objectives then include strategies to achieve the objective. The strategies are used as guidelines to build our housing framework plan (if they relate to directing housing change) or actions (if they relate to managing supply or demand through advocacy or further strategic work).

Principle 1: Urban Infrastructure and Connectivity

The settlements of Bass Coast Shire have been developed over a long period of time, many originally as holiday areas, and not all have access to the services, infrastructure and urban structure of a modern urban area. In the interest of developing resilient, inclusive and equitable communities, housing growth should be directed to areas where all people are able to access the services and infrastructure they need to thrive.

The purpose of the Urban Infrastructure and Connectivity principle is to channel housing growth to areas capable to providing infrastructure, services for future residents and create walkable, vibrant neighbourhoods.

Key Documents:

- Bass Coast Shire Council Plan 2021
- Plan Melbourne 2016
- Gippsland Regional Growth Plan
- Access Equity and Inclusion in Bass Coast Plan 2021
- Active Bass Coast 2018
- Various structure plans

Key Challenges:

- Limited active and public transport opportunities (p29)
- Inadequate Urban Infrastructure (p35)
- A shift to infill redevelopment (p32)

Objective 1.1: Ensure our towns and villages are best placed to accommodate expected growth	
Strategy 1.1.1	Review township strategies and activity centre plans to ensure urban consolidation is facilitated in the activity centres of Wonthaggi, Cowes, San Remo/Newhaven, Inverloch and Grantville
Strategy 1.1.2	Ensure areas designated for substantial change are prioritised for infrastructure upgrades that have the effect of supporting housing growth, including - Footpaths - Permanent road seals - Shared zone roads - Formal kerb and channel - Underground stormwater drainage - Undergrounding of electricity infrastructure
Strategy 1.1.3	Prioritise the rezoning of remaining land within settlement boundaries to relieve pressure on affordability, including in: - Ventnor - Bass - Cowes - Corinella - Newhaven - Grantville - Wonthaggi South - San Remo

Strategy 1.1.4	Investigate opportunities to fast-track the development of strategic infill sites through planning scheme mechanisms
Strategy 1.1.5	Investigate the use of developer contribution plans to deliver the provision of infrastructure for areas experiencing housing change
Strategy 1.1.6	Manage potential land use conflicts by ensuring appropriate provision of land for industrial uses and other uses with potential to conflict with the use of land for housing

Objective 1.2: Create compact urban cores where most daily services are within a 20 minute return walk, cycle or local public transport trip of homes	
Strategy 1.2.1	Direct urban consolidation to within 5 minutes walking distance of the main activity centres of Wonthaggi, Inverloch, Cowes and San Remo including the activity centres themselves
Strategy 1.2.2	Direct urban consolidation to areas within either 10 minutes walking distance of a township level public open space (as defined by Active Bass Coast 2018) or within 5 minutes walking distance of a local level public open space (as defined by Active Bass Coast 2018), including publicly accessible coastal reserves
Strategy 1.2.3	Direct urban consolidation to areas within 5 minutes walking distance of a public transport stop providing at least daily service

Objective 1.3: Prevent urban consolidation in areas without sufficient infrastructure services	
Strategy 1.3.1	Urban consolidation should be directed away from villages and hamlets without any commercial services accessible on foot or by public transport. This includes: - Adams Estate - Archies Creek - Bass - Harmers Haven - Jam Jerrup - Pioneer Bay - Rennison Road, Newhaven - The Gurdies - Smiths Beach - Sunderland Bay - Sunset Strip - Surf Beach - Tenby Point - Ventnor - Wattle Bank - Wimbledon Heights - Woolamai - Any areas outside settlement boundaries or not listed in the settlement hierarchy

Strategy 1.3.2	Direct urban consolidation away from areas currently without provision of reticulated sewerage
Strategy 1.3.3	Direct urban consolidation away from areas currently without provision of reticulated water
Strategy 1.3.4	Urban Consolidation in Villages should be restricted to land immediately within or immediately adjacent to Commercial 1 or Mixed Use Zones to encourage an urban core. All other land in villages should be avoided for housing growth, this includes: - Cape Paterson - Cape Woolamai - Corinella - Coronet Bay - Dalyston - Kilcunda - Rhyll
Strategy 1.3.5	Avoid housing growth on land outside 10 minutes walking distance of the activity centre in the higher-order settlements of Cowes, Wonthaggi, San Remo and Inverloch

Actions

1. Undertake a project to review township strategies, framework plans and activity centre plans to ensure urban consolidation is appropriately facilitated in activity centres, strategic redevelopment sites are identified, and appropriate planning controls are implemented. (1.1.1)
2. Prioritise the upgrade of urban infrastructure in areas identified for substantial housing growth (1.1.2)
3. Ensure sufficient budget and resources are set aside to facilitate rezonings within settlement boundaries and where appropriate, undertake these rezonings internally without the landowner. (1.1.3)
4. Undertake an investigation into removing barriers to development on strategic infill opportunities in substantial change areas (1.1.4)
5. Undertake an investigation into the use of Development Contribution Plans in growth areas and areas of urban renewal (1.1.5)
6. Undertake the Bass Coast Industrial Land Use Strategy (1.1.6)

Principle 2: Environmental Hazards and Ecology

Communities in Bass Coast live close to the natural environment. This poses risks both for the communities from the environment and vice-versa. When considering where housing change should be with the housing strategy, the interaction between human settlement and these natural systems cannot be separated. The environment of Bass Coast is highly valued by both visitors and residents and forms an intrinsic part of our culture and economy. For this reason, it needs to be considered as part of any decision-making framework for housing change.

The purpose of the Environmental Hazards & Ecology principle is to direct additional housing away from areas where the environment could pose a hazard to future residents as well as away from areas where additional housing will adversely affect sensitive marine and land-based eco-systems.

Key Documents:

- Victorian Coastal Strategy 2002
- Coastal Spaces Recommendations Report 2006
- Marine and Coastal Policy 2020
- Draft Statement of Planning Policy 2022
- Bass Coast Climate Change Action Plan 2020 – 2030

Key Challenges:

- Environmental Impacts of Housing (p34)
- Vegetation in Residential Areas (p35)

Objective 2.1: Minimise the consolidation of housing in areas vulnerable to identified environmental hazards	
Strategy 2.1.1	Avoid urban consolidation and intensification of use in areas covered by the Bushfire Management Overlay
Strategy 2.1.2	Minimise urban consolidation in areas that may be prone to bushfires
Strategy 2.1.3	Avoid urban consolidation in areas that will be permanently flooded under projected 2100 sea level rise and storm surges as well as those subject to flooding during 1% ARI storm events
Strategy 2.1.4	Prevent urban consolidation in areas identified for land subsidence risk in the Bass Coast Planning Scheme

Objective 2.2: Integrate the protection of sensitive ecosystems when directing housing change	
Strategy 2.1.1	Direct urban consolidation away from land adjacent to conservation areas such as land within the Public Conservation and Resource Zone
Strategy 2.1.2	Direct urban consolidation away from coastal reserves, except where it forms part of an activity centre described under strategy 1.2.1 where housing supply takes precedence

Objective 2.3: Enhance the long-term resilience of the region by ensuring that new housing growth is responsive to the impacts of climate change on built and natural environments	
Strategy 2.3.1	Ensure new housing is environmentally sustainable by implementing environmentally sustainable design in new housing development
Strategy 2.3.2	Identify all relevant environmental hazards to housing in the planning scheme
Strategy 2.3.3	Protect and enhance vegetation that serves an ecological or community need in urban areas
Strategy 2.3.4	Undertake a project to identify all environmental assets across the Shire to ensure residential development does not directly and indirectly impact significant environmental values
Strategy 2.3.5	Prevent the development of additional housing in areas with significant environmental risks and restrict these areas to replacement dwellings only

Actions

1. Implement environmentally sustainable design policy into the planning scheme in the short term (2.3.1)
2. Undertake a project to investigate and define environmental hazards that are not mapped in the planning scheme and incorporate them for future decision-making including coastal erosion and inundation, acid sulphate soils and environmentally significant flora and fauna (2.3.2)
3. Undertake a project to improve canopy cover in urban areas through the Bass Coast Planning Scheme (2.3.3)
4. Undertake a project to identify all environmental assets across the Shire to ensure residential development does not directly and indirectly impact significant environmental values (2.3.4).
5. Undertake a priority project to explore policy pathways to prevent the development of any additional housing in areas of significant environmental risk, including areas that will become inaccessible following inundation or erosion (2.3.5)

Principle 3: Neighbourhood Character and Landscape Character

When making decisions about the future of our towns and villages, it is important that the characteristics that make these places feel special and distinctive are not lost. This principle touches on the unique character in Bass Coast's towns and villages and the way they are experienced by residents and visitors, not Just how they are serviced or structured.

The purpose of the Neighbourhood & Landscape Character principle is to implement the recommendations of the Bass Coast Neighbourhood Character Study and the findings of the Bass Coast Landscape Character Study to balance housing change so that it does not have an unreasonable detrimental impact on any neighbourhood or landscape characteristics that make our townships special.

Key Documents:

- Bass Coast Neighbourhood Character Study 2023
- Draft Statement of Planning Policy 2022

Key Challenges:

- A Shift to Infill Redevelopment (p32)
- Impacts on Neighbourhood and Landscape Character (p34)
- Vegetation in Residential Areas (p35)

Objective 3.1: Ensure new development respects the identified future preferred character	
Strategy 3.1.1	Prevent housing that would adversely impact on the character of designated precincts of special neighbourhood character
Strategy 3.1.2	Ensure new housing is consistent with the identified preferred future character of its context

Objective 3.2: Ensure new housing does not impact valued landscape significance	
Strategy 3.2.1	Prevent urban consolidation in designated precincts of particular landscape significance where this is incompatible with the identified landscape values
Strategy 3.2.2	Sensitively treat the interface between urban areas and sensitive landscape character/green breaks by directing new green field development and urban consolidation away from these interface areas

Principle 4: Diversity and Affordability

Housing is a fundamental human need and provision and access to housing is a human right. Different demographics have different housing needs such as smaller housing for retirees and larger housing for families with multiple generations under the same roof. The diversity of the Bass Coast community must be reflected in the diversity of housing including accessible housing, housing for key workers and the opportunity for residents to change housing and live in the same area. Affordability is interrelated and is impacted by a range of factors including overall supply, tax incentives and development pressures. This principle addresses local challenges for housing that sit outside the setting of change areas and zones.

The purpose of the Diversity and Affordability principle is to explore opportunities to match the housing supply to identified housing need where this is not automatically achieved by the housing market. It is important in making decisions about the future of housing in Bass Coast to consider the impacts of these decisions on diversity and affordability.

Key Documents:

- National Housing and Homelessness Agreement 2018
- Victorian Housing Statement 2023
- Access Equity and Inclusion in Bass Coast Plan 2021-2025
- Bass Coast Social and Affordable Housing Strategy 2023

Key Challenges:

- Affordability (p29)
- Key Worker Housing (p30)
- A Diverse Housing Stock to Meet Community Needs (p30)

Objective 4.1: Cultivate housing diversity by ensuring a diversity of land supply	
Strategy 4.1.1	Recognise the legitimacy and potential value of greenfield, low density and rural living as part of the housing mix where the opportunity is present and in appropriate locations
Strategy 4.1.2	Investigate opportunities to incentivise the use of dwellings as long term rentals and dis-incentivise their use as short-term rentals
Strategy 4.1.3	Avoid the subdivision of large parcels with potential for significant residential development including for affordable housing

Objective 4.2: Improve local housing affordability to support key workers and local residents to remain in place after significant life changes	
Strategy 4.2.1	Ensure an adequate supply of affordable and public housing to meet community need
Strategy 4.2.2	Leverage council and state-owned land to deliver housing types not being delivered by the private market
Strategy 4.2.3	Support the construction of dwelling garden units ('granny flats') to increase housing supply that don't compromise aspirations in relation to infrastructure, environmental impact, neighbourhood and landscape character

Actions

1. Investigate the land supply and demand of low-density, rural living and other housing in preparation for the 10-year review of the Statement of Planning Policy, with a particular focus on land outside Wonthaggi. (4.1.1)
2. Investigate existing mechanisms and advocate for additional mechanisms to encourage the use of dwellings for long-term rentals (4.1.2)
3. Update the Bass Coast Planning Scheme to discourage the subdivision of large parcels with potential for significant residential development, especially in substantial change areas (4.1.3)
4. Implement the Social and Affordable Housing Strategy as a priority including providing support to developers and planners to deliver housing through existing mechanisms (4.2.1)
5. Undertake a process to investigate the potential of council and state-owned land to be used for social and affordable housing including key worker housing. (4.2.2)
6. Investigate opportunities to support the construction of "secondary small dwellings" on lots in appropriate locations (4.2.3)

Part 4 - Housing Framework Plan

Planning Practice Note 90 (DELWP, 2019) provides guidance to planning authorities on how they should plan for housing growth and protect neighbourhood character to ensure a balanced approach to managing residential development.

It outlines the various policy levers in the Victorian planning system that can be used by council to manage housing change, including neighbourhood character. One of these levers is the undertaking of a local housing strategy to outline the strategies and implementation mechanisms to accommodate projected population and household needs.

Alongside a Neighbourhood Character Strategy, a Housing Strategy is a key input for the preparation of a residential development framework which translates the strategies and directions from these documents into planning scheme changes.

Planning Practice Note 90 is to be read in conjunction with Planning Practice Note 91 (DTP, 2023) which sets out the purpose and functions of the various residential zones. It sets out 5 key principles that underpin the application of residential zones:

- Housing and neighbourhood character plans need to be consistent and align with one another when specifying preferred future housing and neighbourhood character outcomes for an area.
- All residential zones support and allow increased housing, unless special neighbourhood character, heritage, environmental or landscape attributes, or other constraints and hazards exist.
- The Residential Growth Zone promotes housing intensification in locations close to jobs, services and facilities serviced by public transport including activity centres.
- The General Residential Zone is a three-storey zone with a maximum building height of 11 metres.
- The density or number of dwellings on a lot cannot be restricted in the Neighbourhood Residential Zone unless special neighbourhood character, heritage, environmental or landscape attributes, or other constraints and hazards exist.

Planning Practice Note 90 sets out three broad categories of housing change to guide the future growth and development of housing across a municipality:

- Substantial Change Areas – Planning for intensification
- Incremental Change Areas – Consolidating existing urban areas; and
- Minimal Change Areas – Inappropriate for further consolidation

It is important to recognise that not all areas within Bass Coasts settlement boundaries will be capable of

accommodating housing growth. Some areas may be at risk of land subsidence and inundation or have no access to sewerage. Some of these factors like sewerage may change in future and some other are fixed and unlikely to reduce such as inundation. Meanwhile some areas will be more appropriate for additional housing, such as those within walking distance to public transport, shops and open spaces. It is again recognised that some areas may be more capable of additional housing in the future. The construction of infrastructure like a supermarket can enable more community members to live sustainably within an area. Change is inevitable and we must respond to it.

Change areas help us provide certainty and transparency to the community about where Council seeks for housing growth to occur or otherwise avoid. They form a key part of the framework that ensures we are meeting our objectives for housing supply in a sustainable and clear way for the projected population.

Under this practice note, all urban areas should be considered incremental change areas by default and both substantial and minimal change areas must be justified by policy or evidence.

It is important to remember that housing change areas are relative to the area in which they apply, so what is considered appropriate in a substantial change area in inner Melbourne or a regional city like Bendigo may not represent a substantial change area in Bass Coast. It is therefore important as part of the Bass Coast Housing Strategy to define what these terms mean in the context of the municipality.

In addition to the three change areas described by Planning Practice Note 90, the Housing Framework Plan also includes three other types of areas:

- Investigation Areas
- Greenfield Areas, and
- Rural Areas

A summary of the three types of change areas for Bass Coast is provided below:

Minimal Change Areas

Summary: Minimal Change Areas have special characteristics that distinguish them from other parts of the shire or their surrounding area that make them unsuitable for further intensification. They represent the lowest degree of intended change normally available under Planning Practice Note 90.

The special characteristics could include environmental constraints, special neighbourhood character or a lack of sufficient services or connectivity to surrounding areas.

Bass Coast Vision: In Bass Coast, minimal change areas should include single detached dwellings and apply to areas with infrastructure, environmental or character constraints.

These areas can encompass both existing areas of Bass Coast without capacity for further change (including low-density residential areas) as well as greenfield development areas where services cannot be accessed without a car and development should be at conventional densities except where a change in change area can be justified.

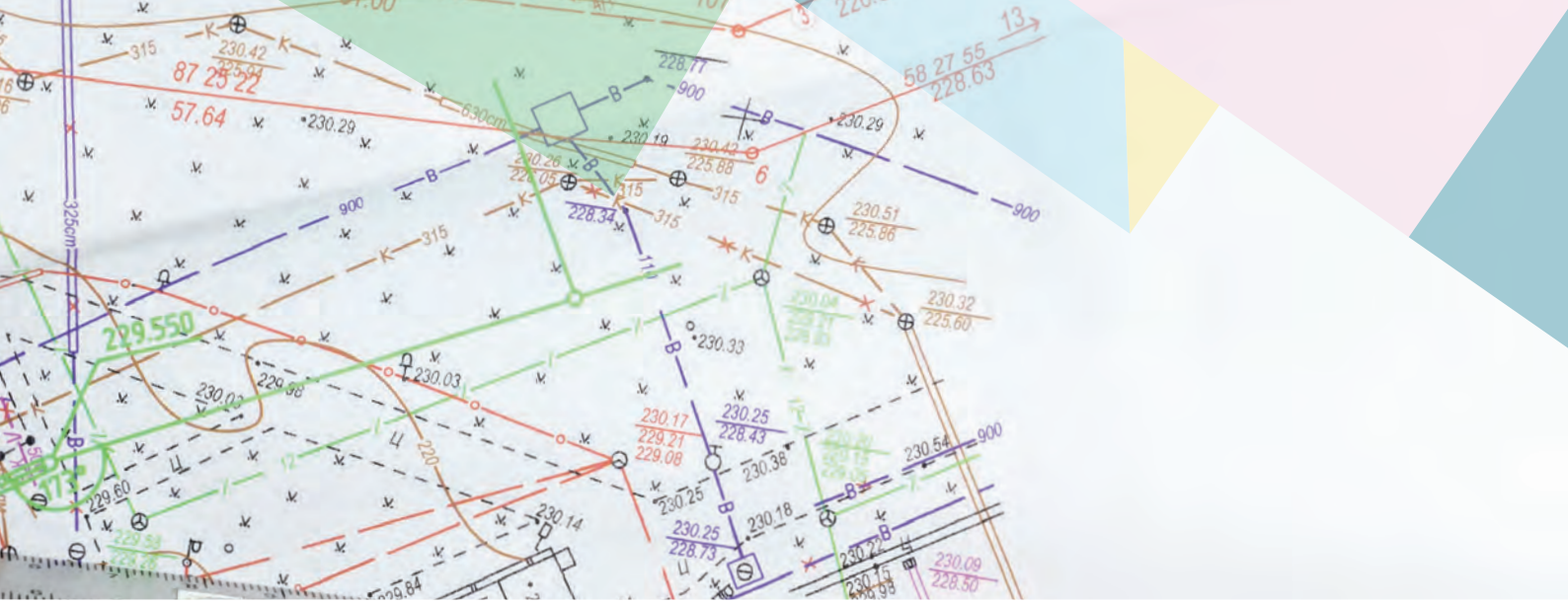
Subdivision and multi-dwelling developments should be discouraged except where the applicant can demonstrate that the development will not be impacted by the constraints and special characteristics applying to the land.

Most Appropriate Zones: Neighbourhood Residential Zone, Low Density Residential Zone

Most Appropriate Height Profile:
1-2 Storeys

Strategic Directions

- Allow for conventional density housing types consistent with traditional expectations of lower-order settlements
- Ensure that new housing does not increase or worsen environmental risks, car dependency or the number of residents living without sufficient water, wastewater or other urban infrastructure
- Conserve and enhance elements that contribute to environmental values, neighbourhood and landscape character of the area



Incremental Change Areas

Summary: Incremental change areas are areas where housing growth will occur organically within the context of existing or preferred neighbourhood character.

These areas often have capacity for housing growth and more diverse forms of housing but are not the "focus" of housing growth.

Bass Coast Vision: In Bass Coast, incremental change areas are areas where some level of change and housing intensification may be appropriate. Lots in incremental change areas may be smaller than historical expectations to allow for more compact living.

These areas are primarily located within higher-order settlements as well as part of the urban core of smaller towns. Some higher density housing such as low-rise flats or shop-top housing may be appropriate on a site-by-site basis.

Housing types will be predominantly detached or semi-detached housing with some multi-unit developments at scale with the surrounding neighbourhood.

Most Appropriate Zones: Neighbourhood Residential Zone or General Residential Zone

Most Appropriate Height Profile: 2-3 Storeys

Strategic Directions

- Encourage moderate housing growth and diversification in the form of townhouses, units, dual occupancies and detached houses in appropriate locations.
- Ensure that new housing positively contributes to the preferred neighbourhood character of Bass Coast townships
- Encourage a shift to smaller housing sizes and types to contribute to overall dwelling diversity, particularly one and two bedroom dwellings.

Substantial Change Areas

Summary: Substantial change areas are areas where housing intensification will occur resulting in a substantially different scale and density compared to other areas of the municipality.

These are the areas most close to jobs, services, facilities and public transport and least constrained by other factors, providing the best opportunity for walkable, vibrant neighbourhoods.

Bass Coast Vision: In Bass Coast, substantial change areas will be targeted for intensification of housing supply. These areas should transition to more housing density to provide sufficient supply to the

local housing market, improve affordability and allow diversity in housing types to accommodate aging and disabled residents as well as single adults and couples without children.

These areas will be located in Bass Coast's four highest-order settlements of Cowes, San Remo, Inverloch and Wonthaggi in proximity to their activity centres.

Housing types will include attached housing such as townhouses, unit developments and in well serviced areas such as activity centres, low and medium scale apartment buildings that respect the surrounding urban context.

Development of these areas for fully detached housing would likely be considered an underdevelopment. Subdivision of land for this purpose should be restricted.

Most Appropriate Zones: General Residential Zone, Mixed Use Zone, Commercial Zones or Residential Growth Zone

Most Appropriate Height Profile: 3+ Storeys

Strategic Directions

- Encourage the development of higher density housing types, particularly townhouses, units, apartments and shop-tops.
- Encourage smaller housing types, particularly one and two bedroom dwellings to accommodate emerging demographics.
- Encourage a variety of tenures, particularly social and key worker affordable housing, to meet the needs of a range of households.
- Fast-track the planning and provision of physical and social infrastructure where it is insufficient to meet the needs of higher levels of population.
- Encourage public realm improvements to enhance the appearance, function and safety of those areas

Other Areas

Investigation Areas

The Mixed Use Zone is a zone applied to several areas of Bass Coast to allow for a mix of residential and commercial uses within the same precinct. Since its application in many of these areas, the State Government altered the purpose and provisions of the Mixed Use Zone through Amendment VC100 in July 2013. The alterations included the addition of a new purpose to the preamble of the zone 'to provide for housing at higher densities'. For this reason, many areas that should not be the focus of higher density residential development are within a zone which allows for this use. Other areas may be appropriate for this type of development subject to further structure planning work. These areas have been designated "investigation areas" to be addressed at a later stage.

Greenfield Areas

Greenfield Areas refer to undeveloped areas of Bass Coast which are either zoned or designated to be zoned for urban residential development. In many of these areas, the required work to determine the level of housing density is in the early stages or sits in a separate document. For this reason, these areas have not been allocated a change area.

Rural Areas

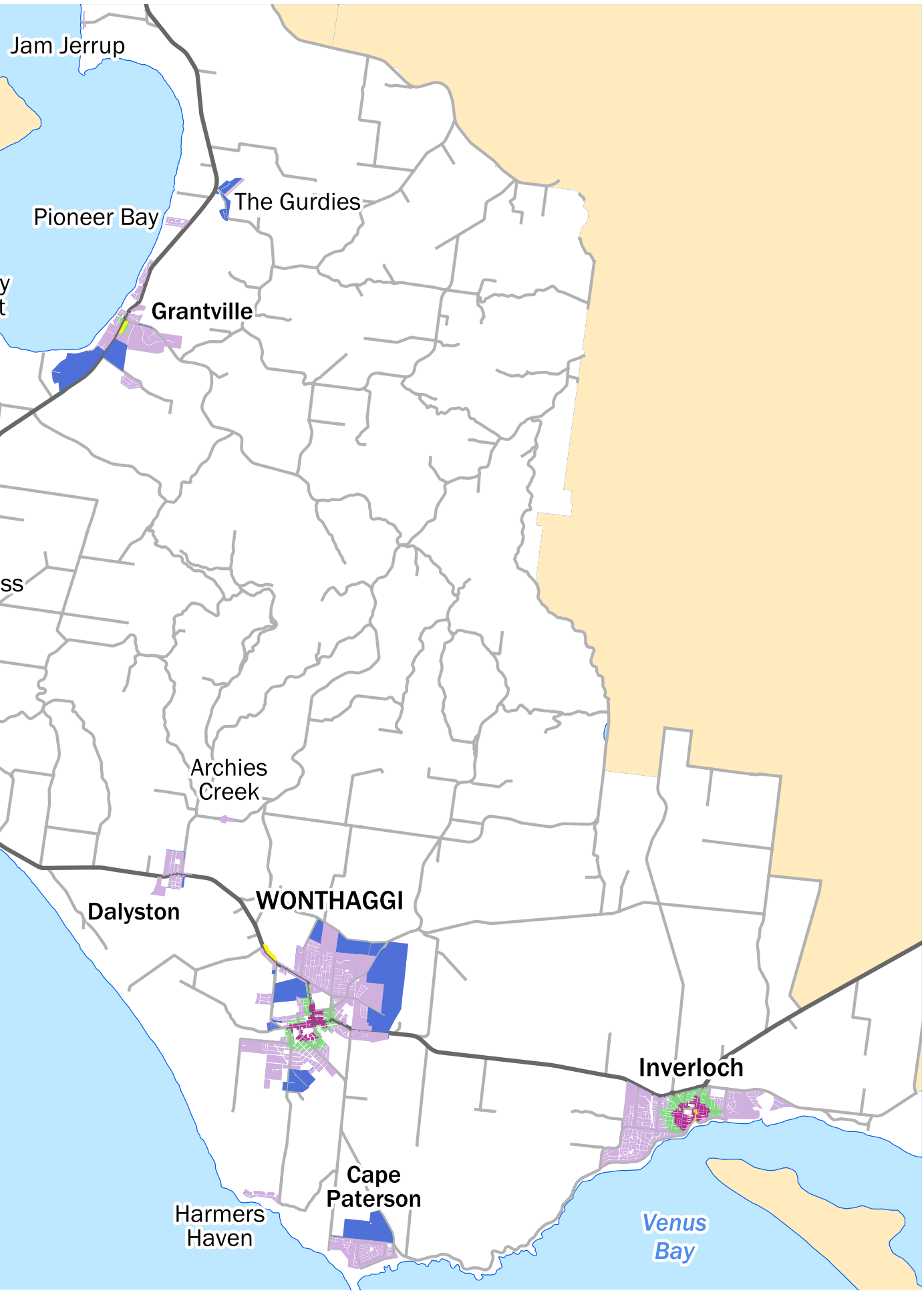
Rural Areas sit outside settlement boundaries and are neither zoned for urban residential development nor designated for future urban residential development. They are not allocated change areas as no housing change is anticipated.

Implementing the Housing Framework Plan

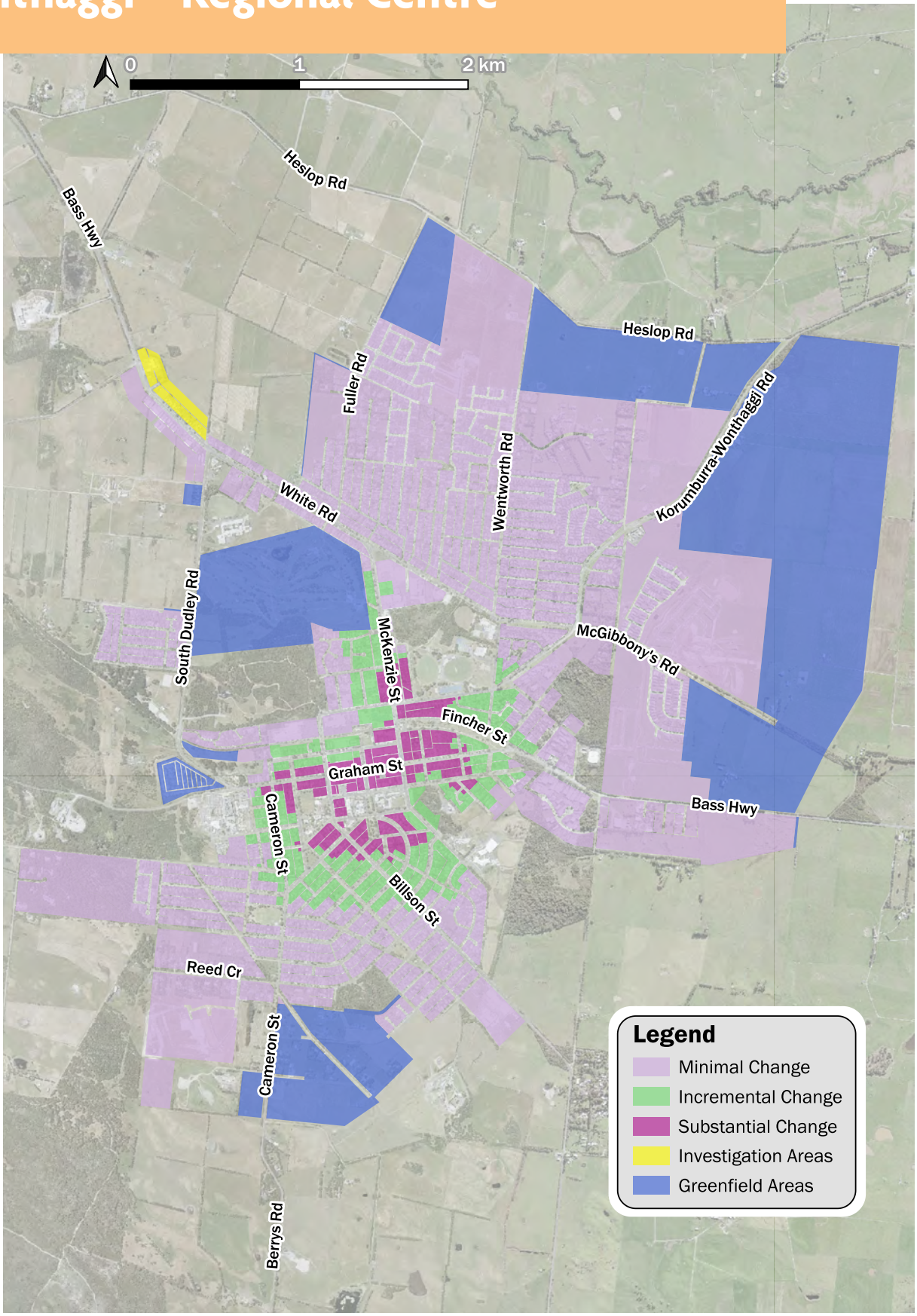
The suite of change areas established in this section must be applied in accordance with the objectives and strategies set out in Part 3 of this strategy. The following next steps are required to apply the above change area types to Bass Coast to implement the Bass Coast Housing Framework Plan:

1. Translate the strategies of objectives 1.2, 1.3, 2.1, 2.2 and 3.1 into guidelines and apply them to develop the draft Bass Coast Housing Framework Plan
2. Undertake a residential development framework to combine the Bass Coast Housing Framework Plan with the recommendations of the Neighbourhood Character Study and set out recommendations for changes to the Bass Coast Planning Scheme
3. Prepare an amendment to the Bass Coast Planning Scheme to translate the Residential Development Framework

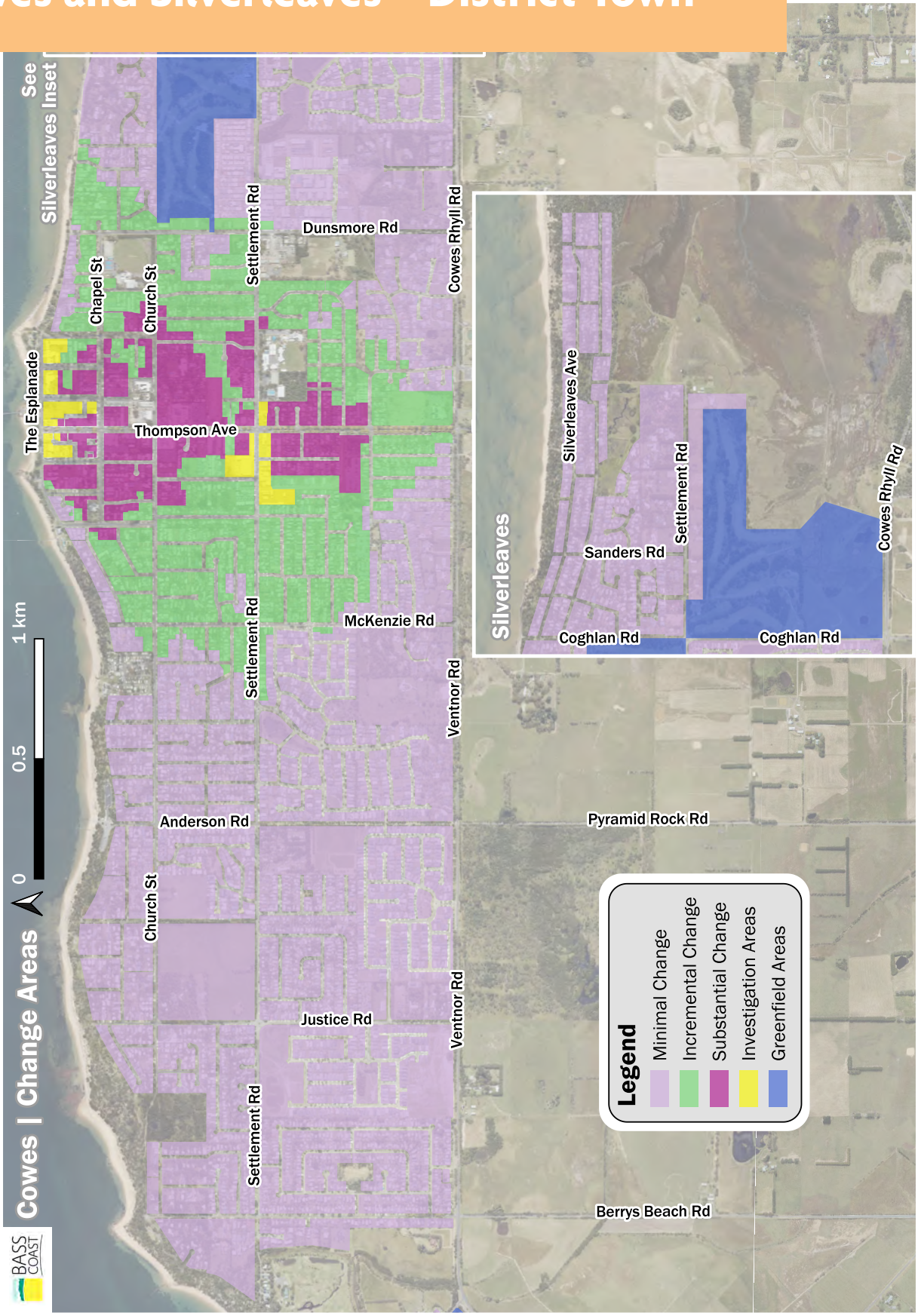
Housing Framework Plan – all of shire


Jam Jerrup
Pioneer Bay
The Gurdies
Grantville
Archies
Creek
Dalyston
WONTHAGGI
Inverloch
Cape
Paterson
Harmers
Haven
Venus
Bay

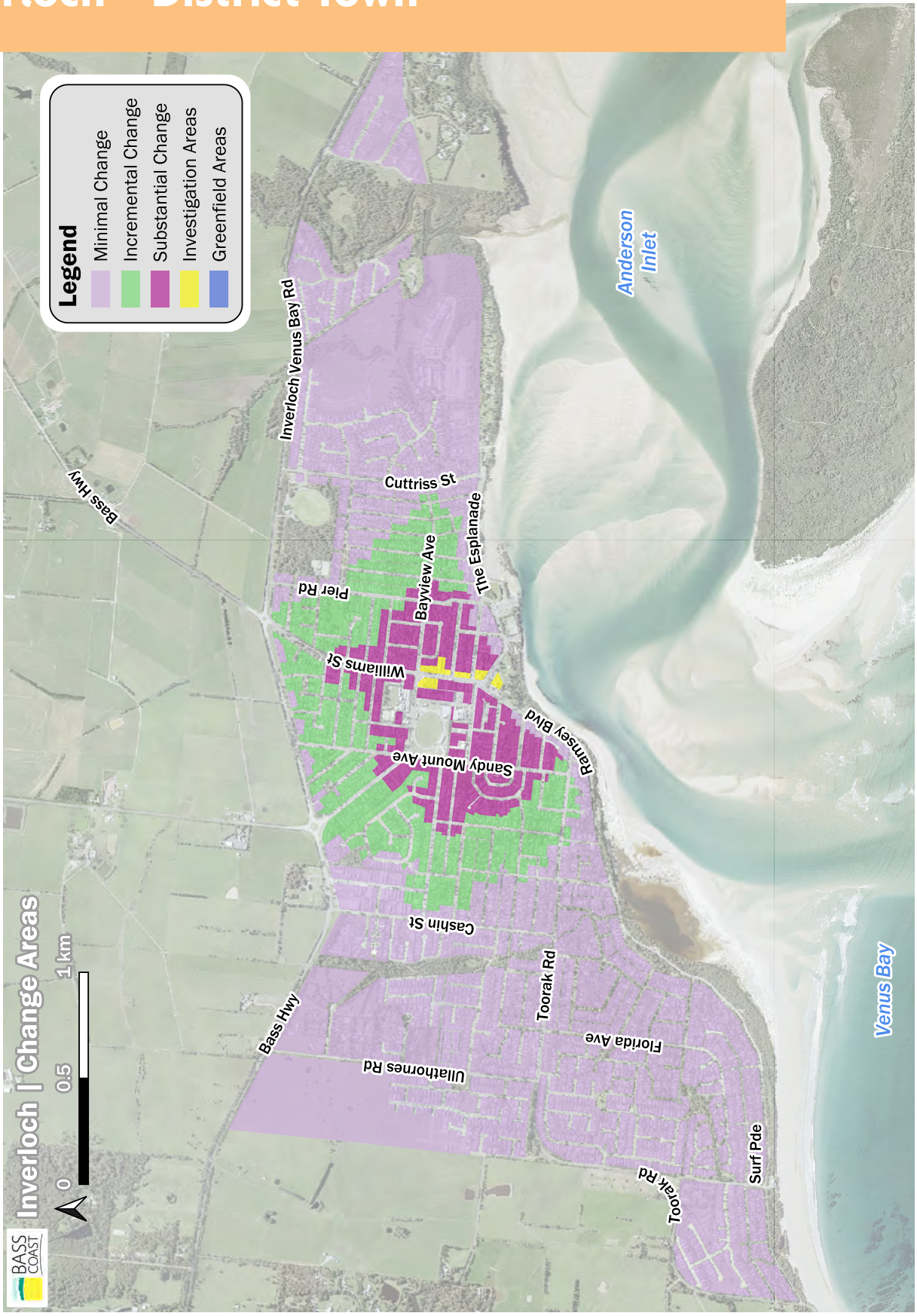
Wonthaggi – Regional Centre



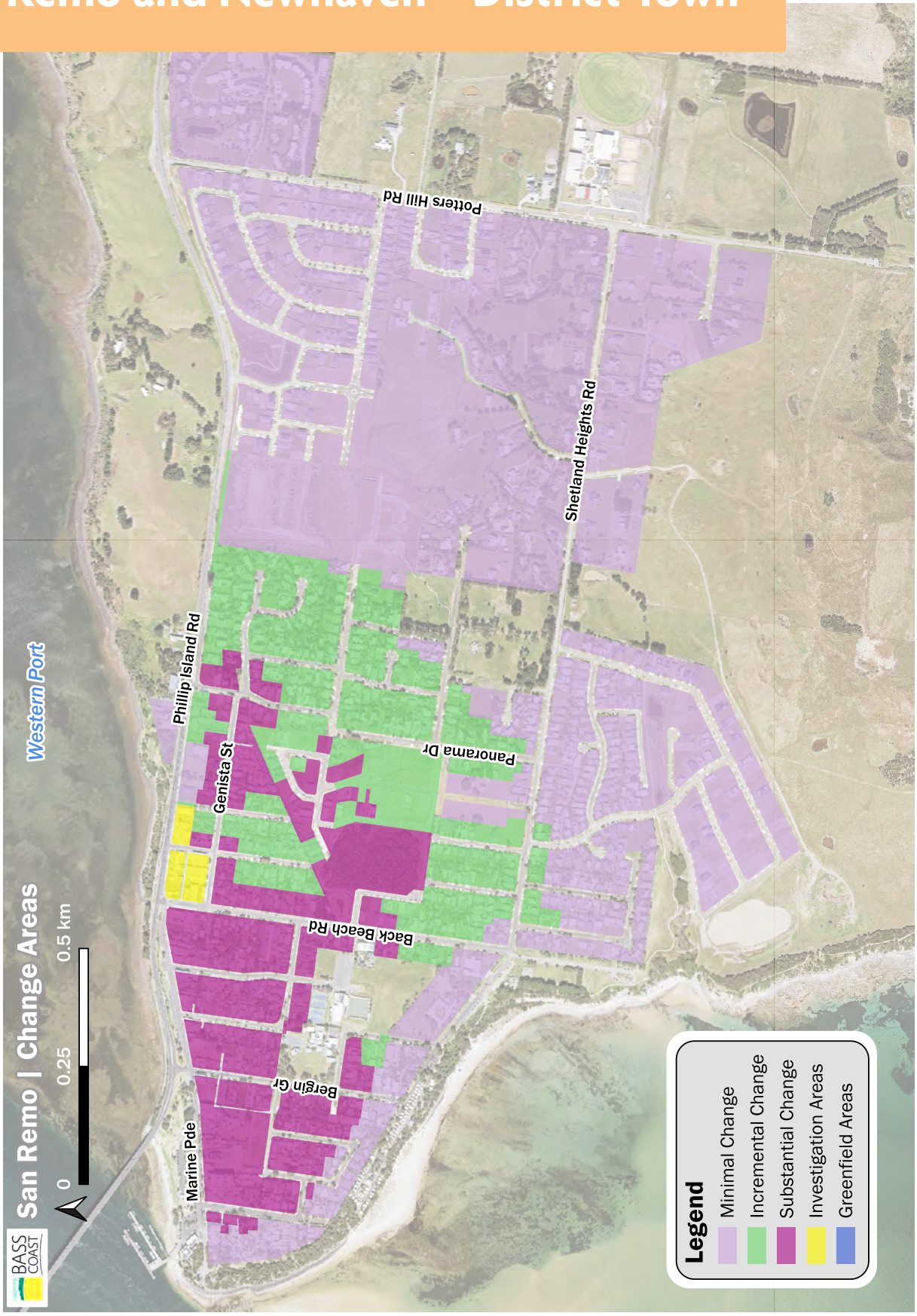
Cowes and Silverleaves – District Town



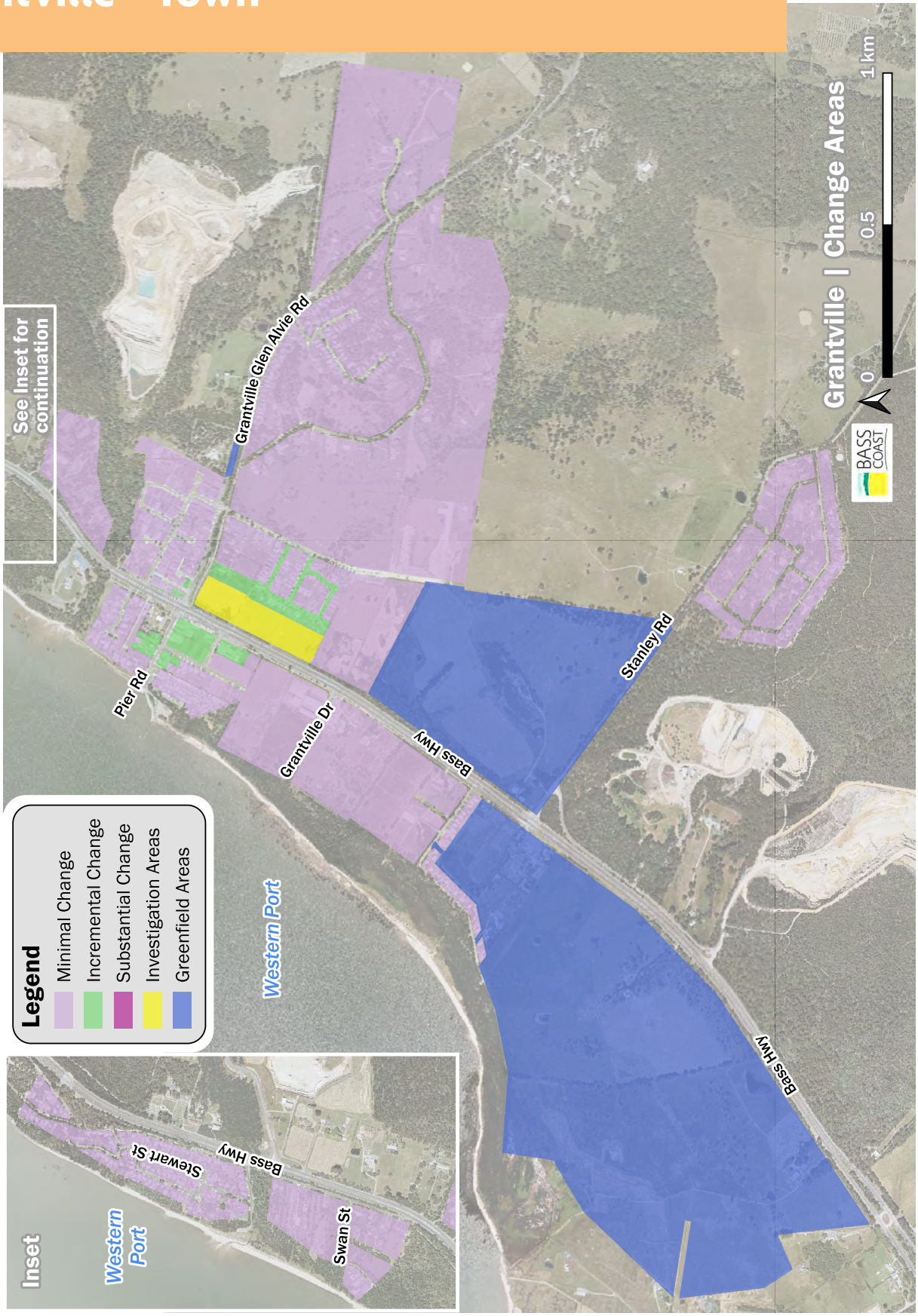
Inverloch – District Town



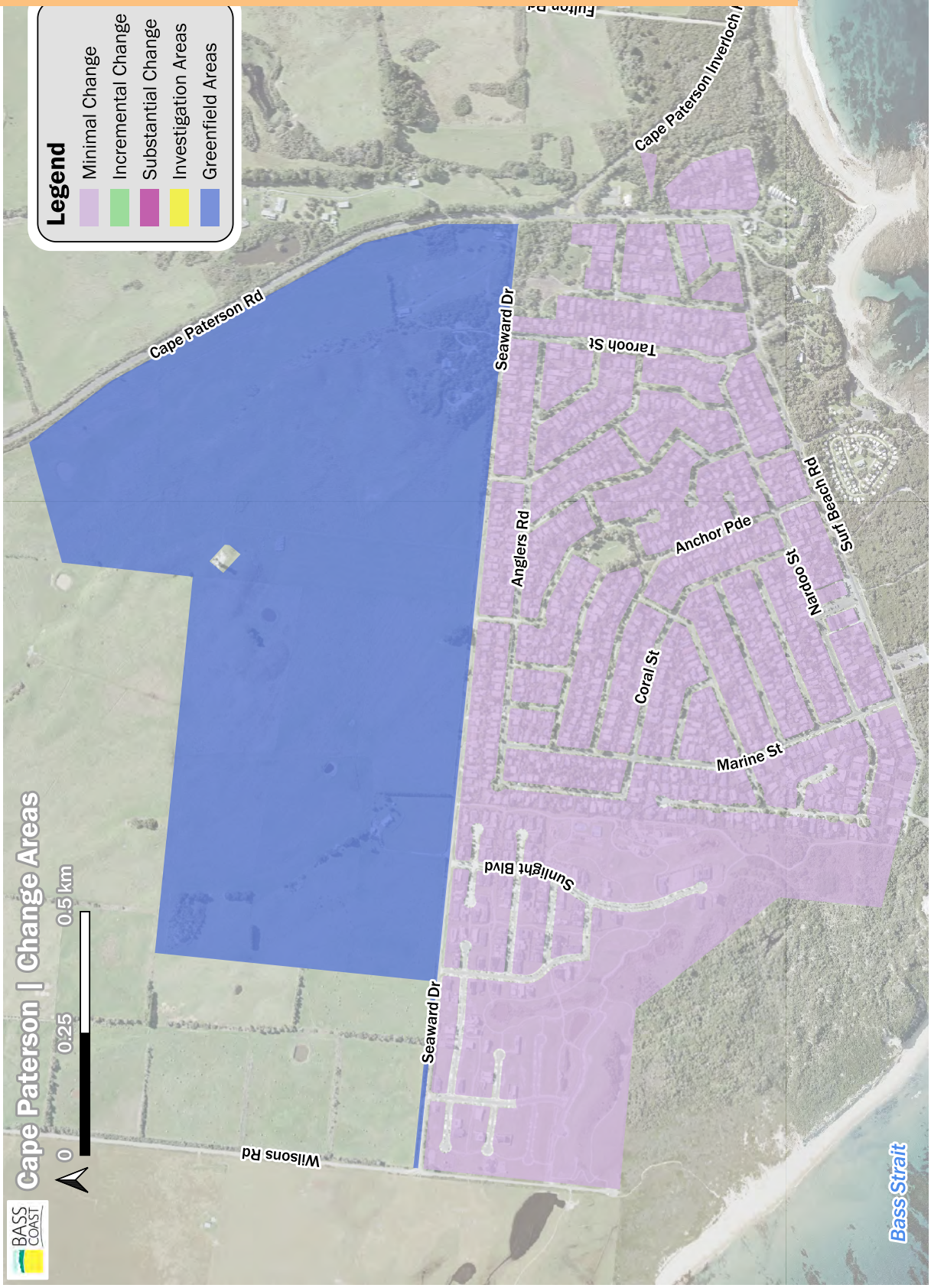
San Remo and Newhaven – District Town



Grantville - Town



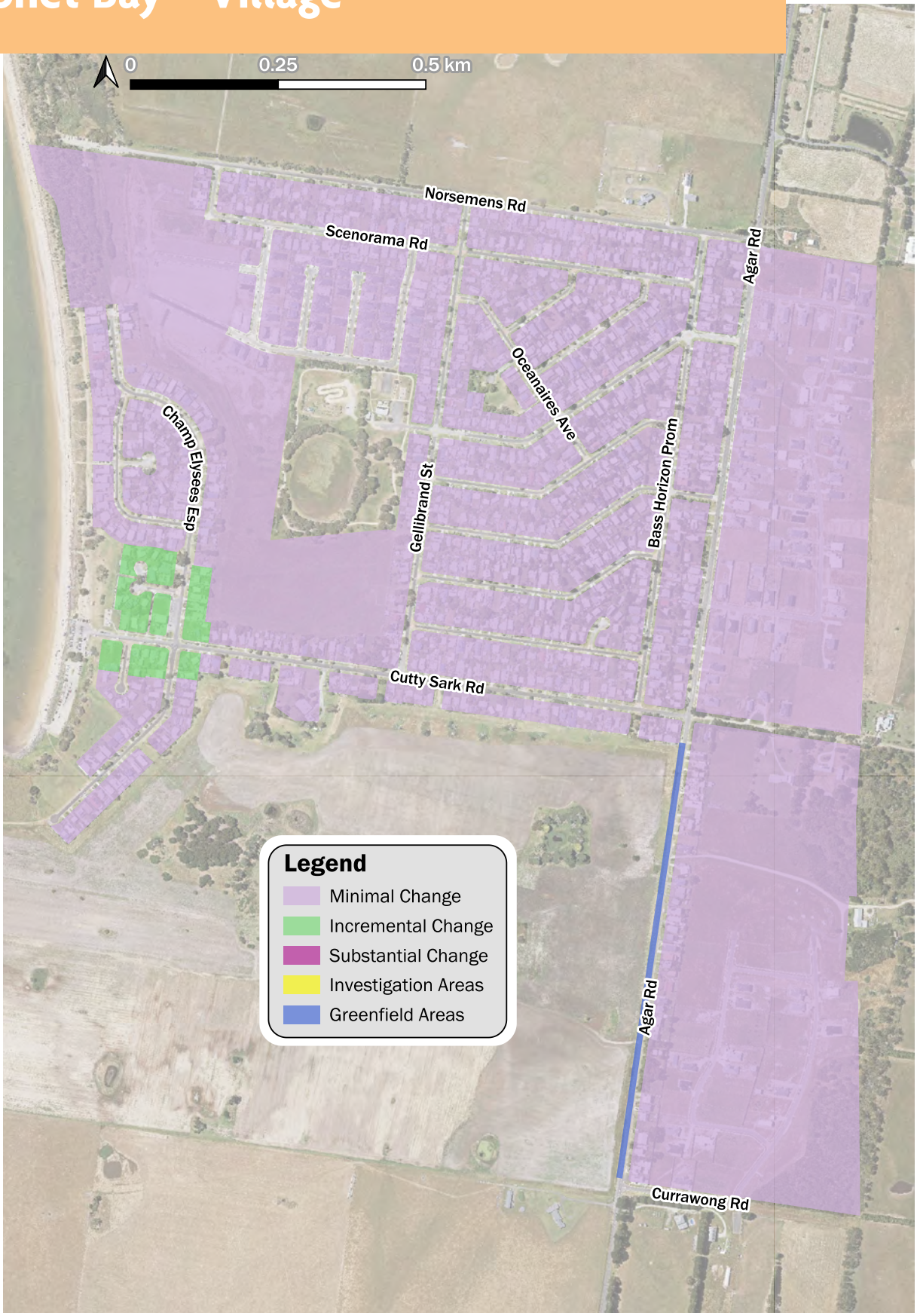
Cape Paterson – Village



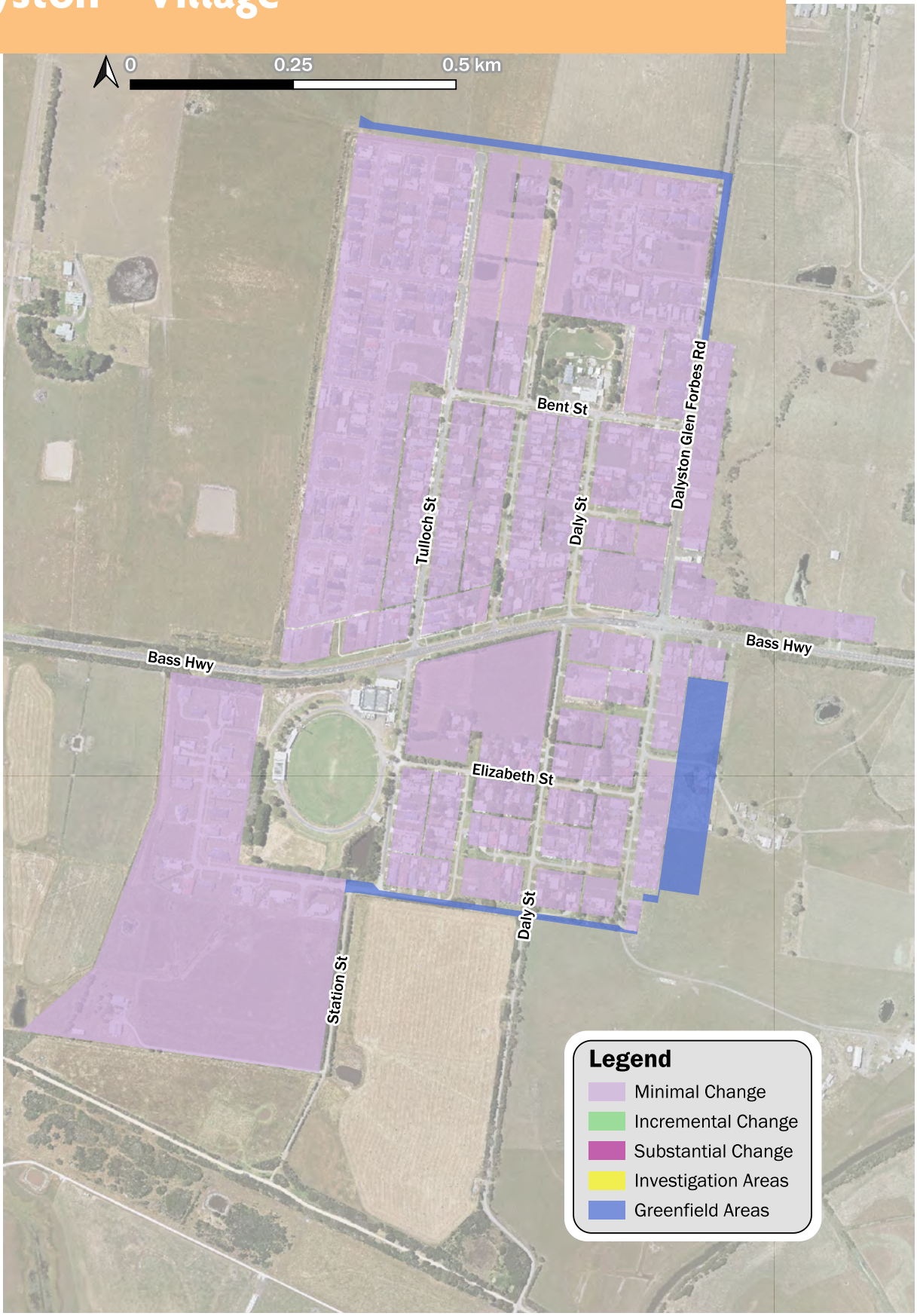
Cape Woolamai – Village

Corinella – Village

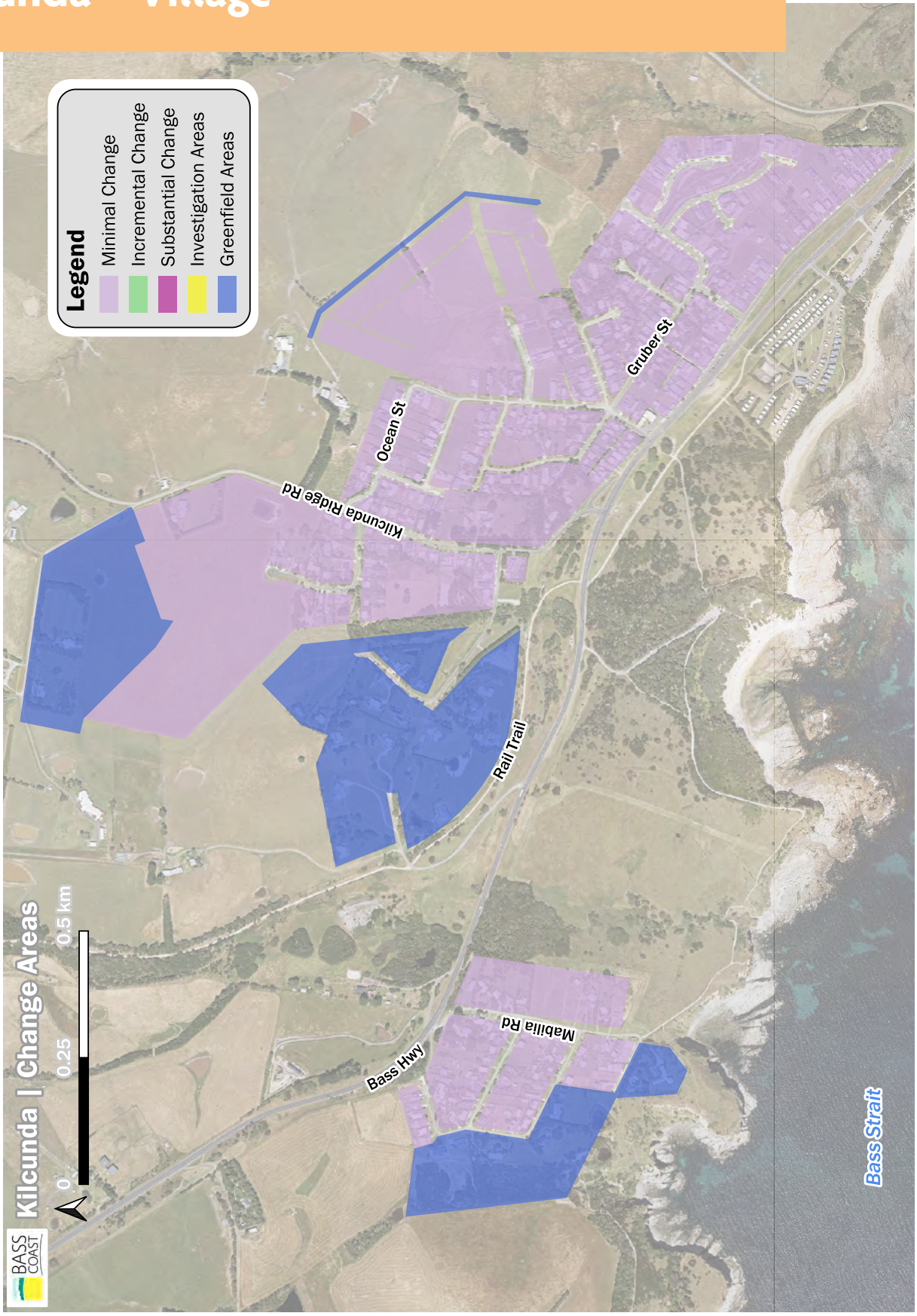
Coronet Bay – Village



Dalyston – Village

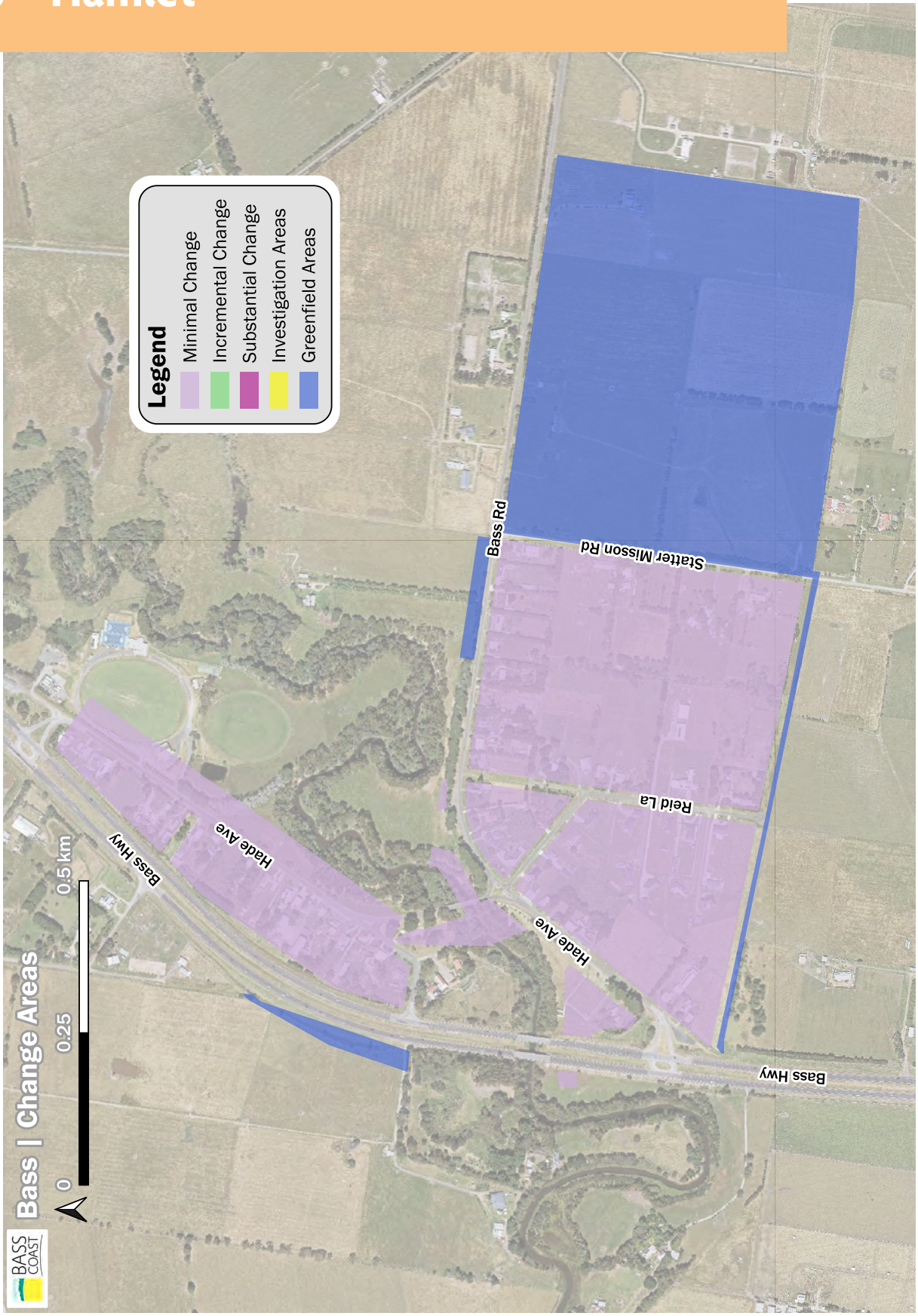


Kilcunda – Village

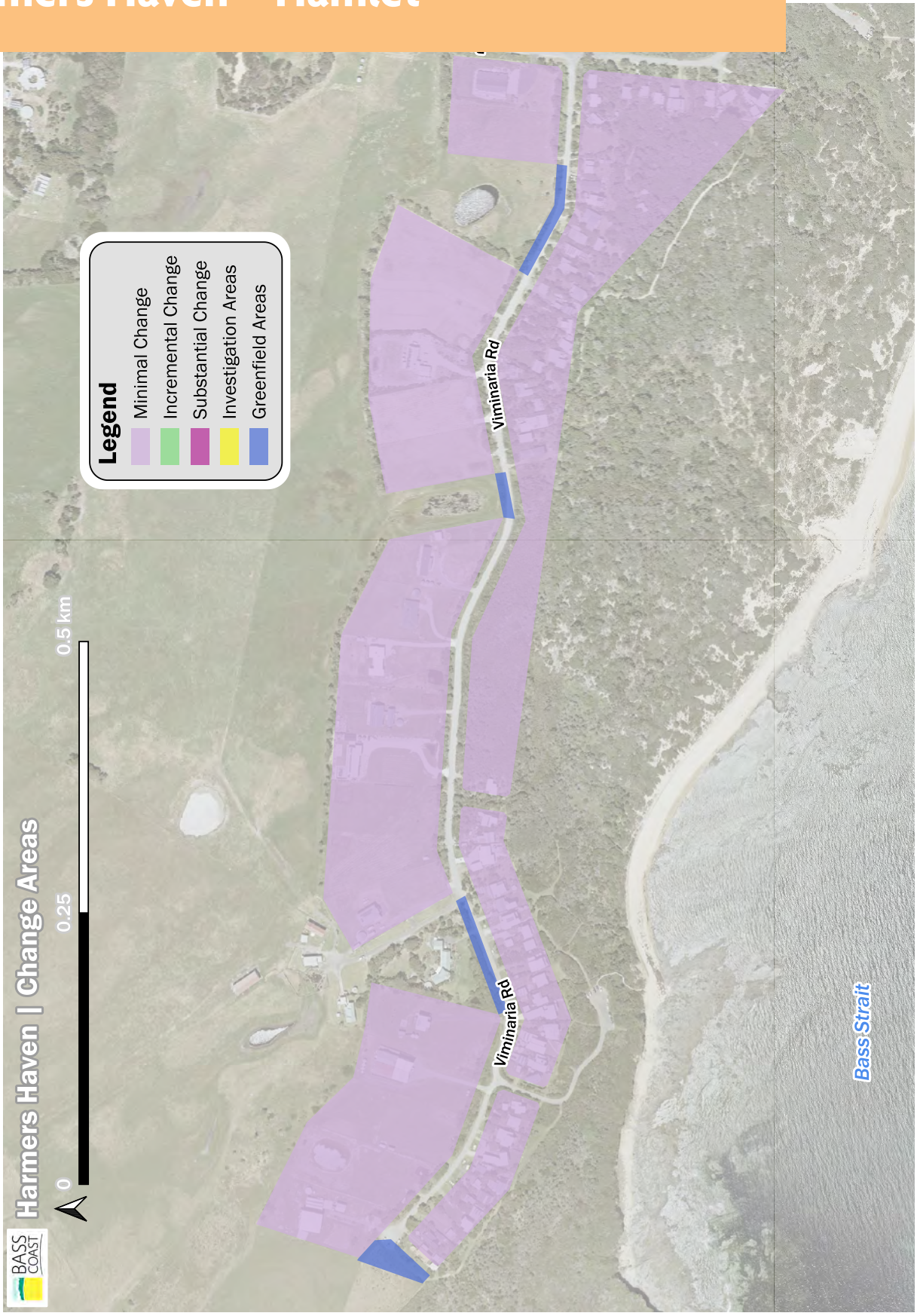


Rhyll – Village

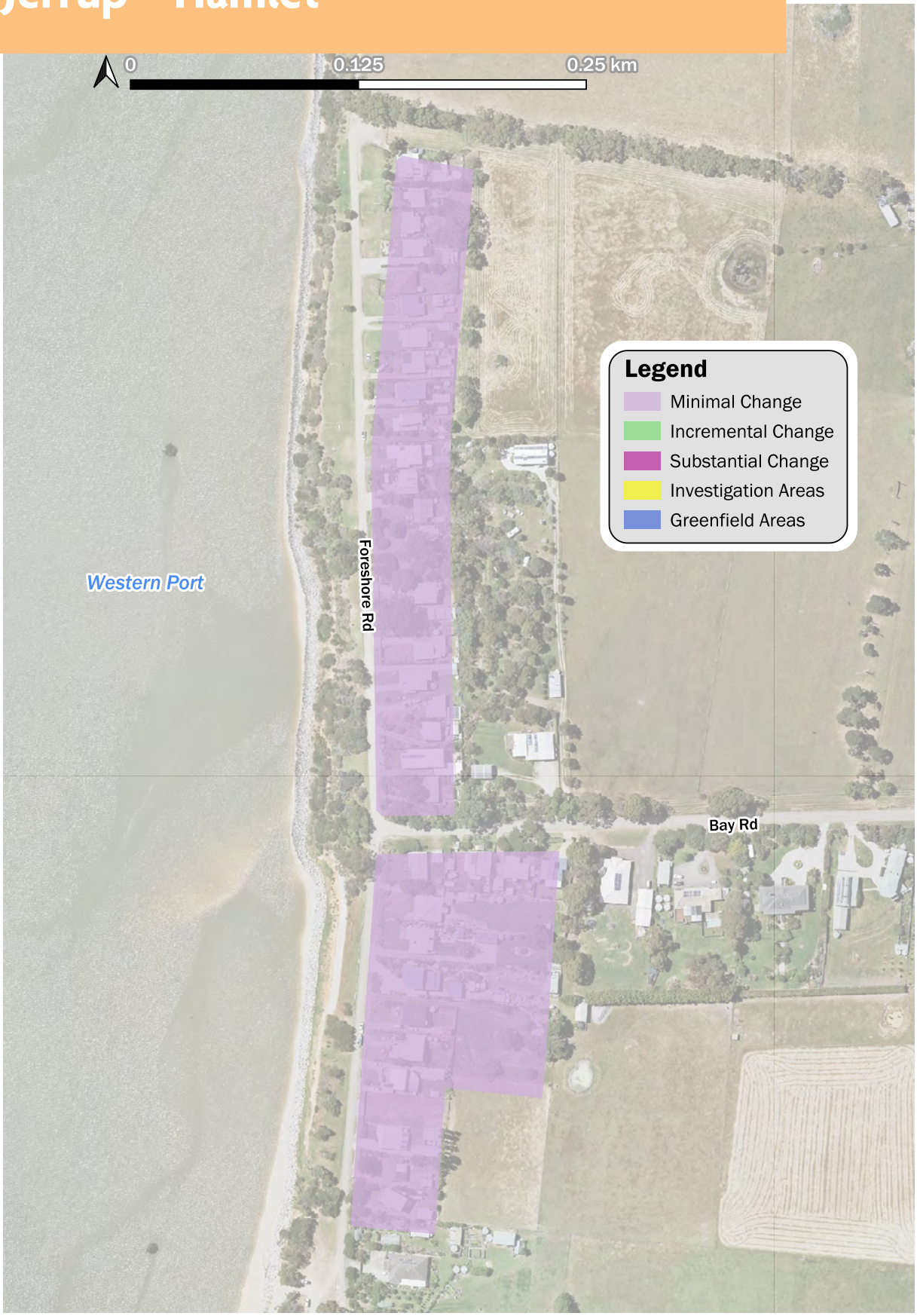
Bass – Hamlet


Bass | Change Areas
BASS COAST
0
0.25
0.5 km
Legend
Minimal Change
Incremental Change
Substantial Change
Investigation Areas
Greenfield Areas
Bass Hwy
Hade Ave
Hade Ave
Reid La
Bass Rd
Statter Misson Rd
Bass Hwy

Harmers Haven – Hamlet



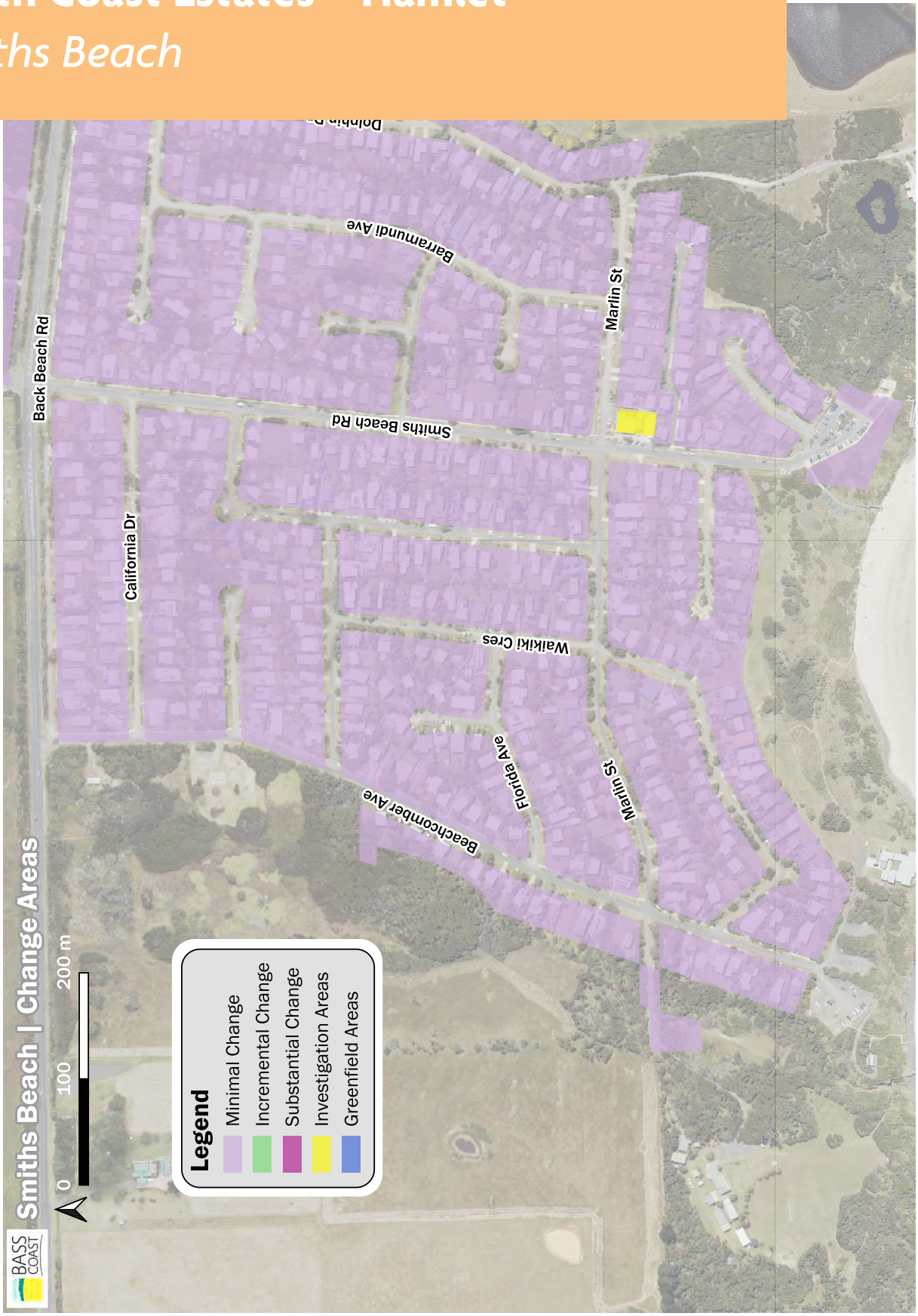
Jam Jerrup – Hamlet



Pioneer Bay and the Gurdies – Hamlet

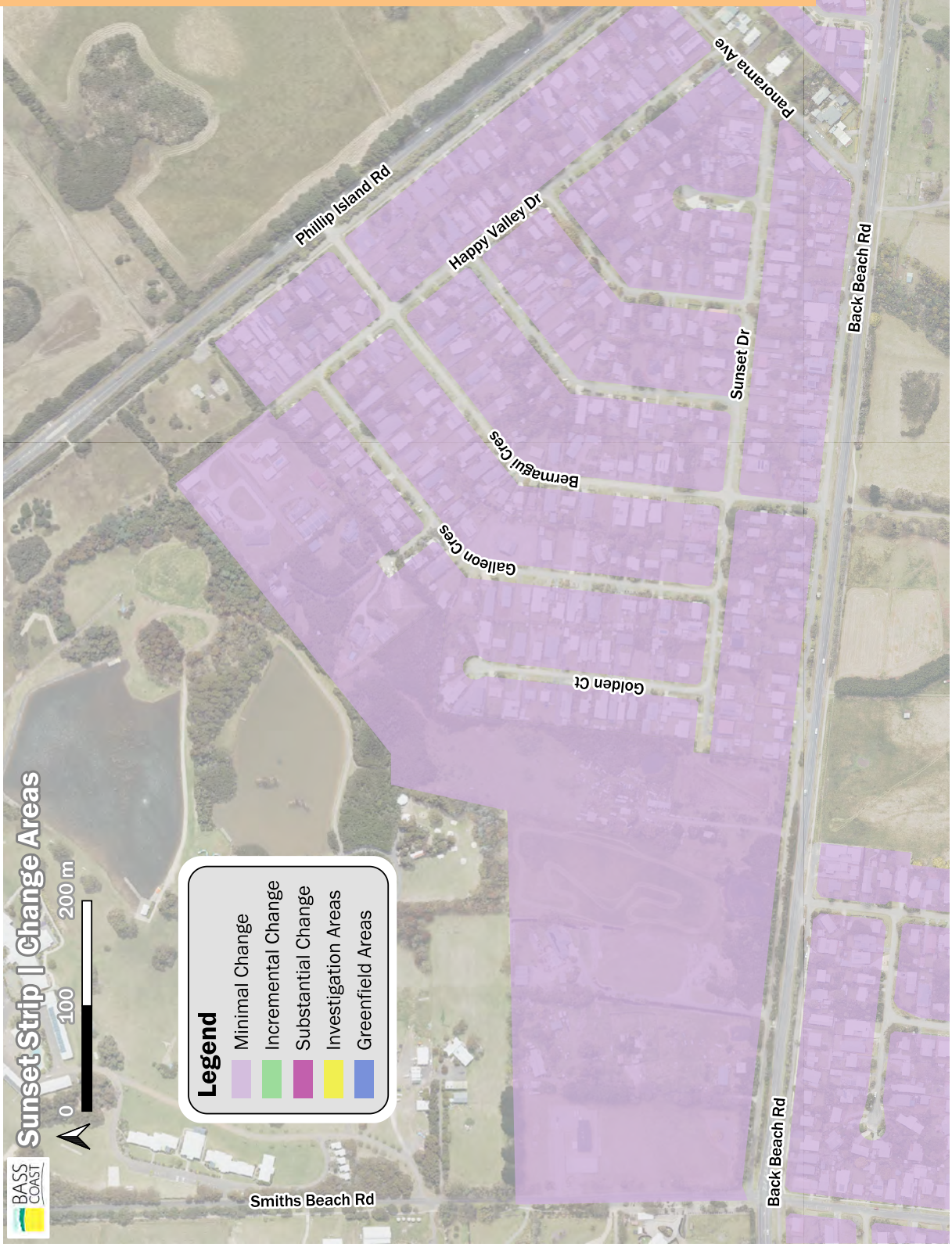
South Coast Estates – Hamlet

Smiths Beach



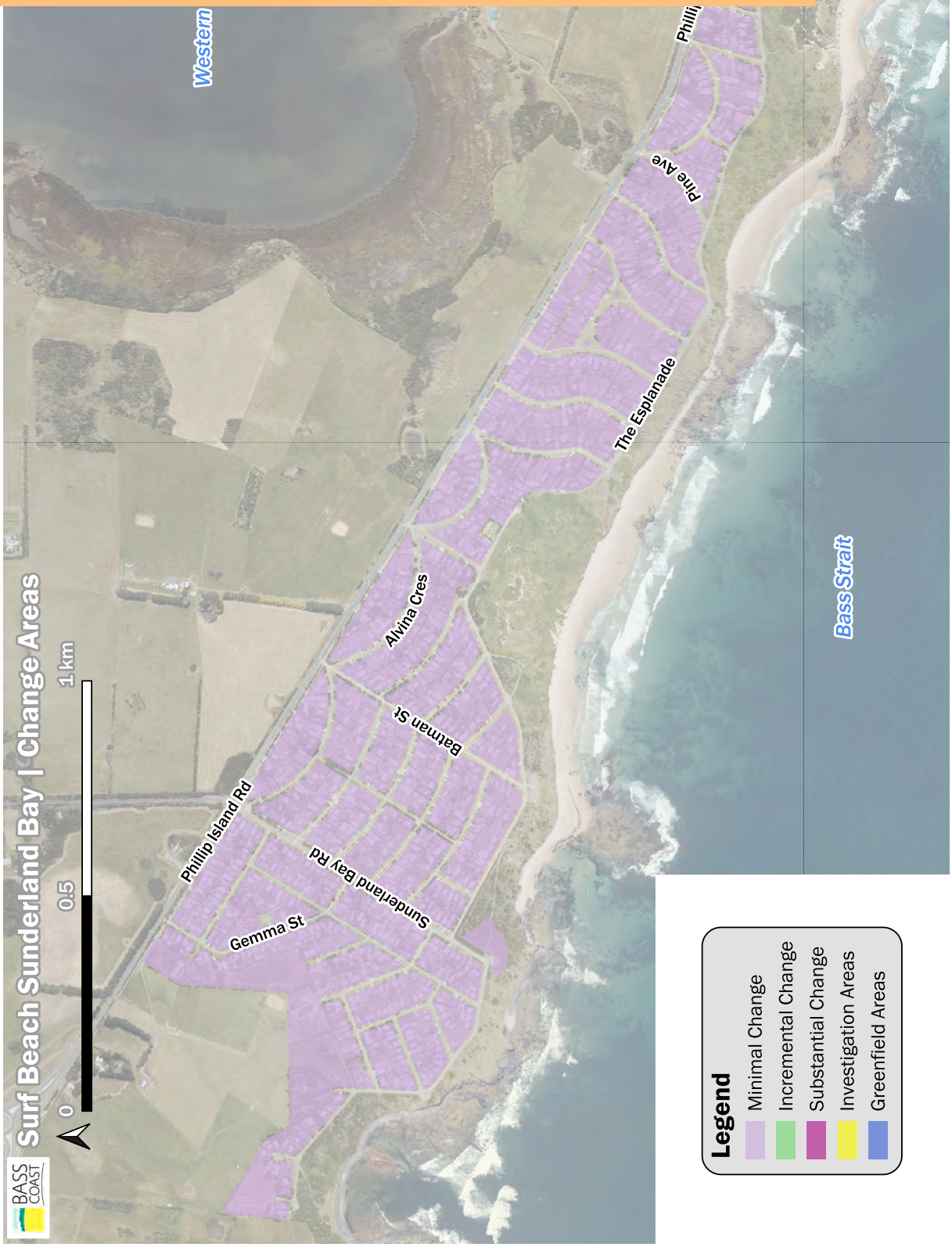
South Coast Estates – Hamlet

Sunset Strip



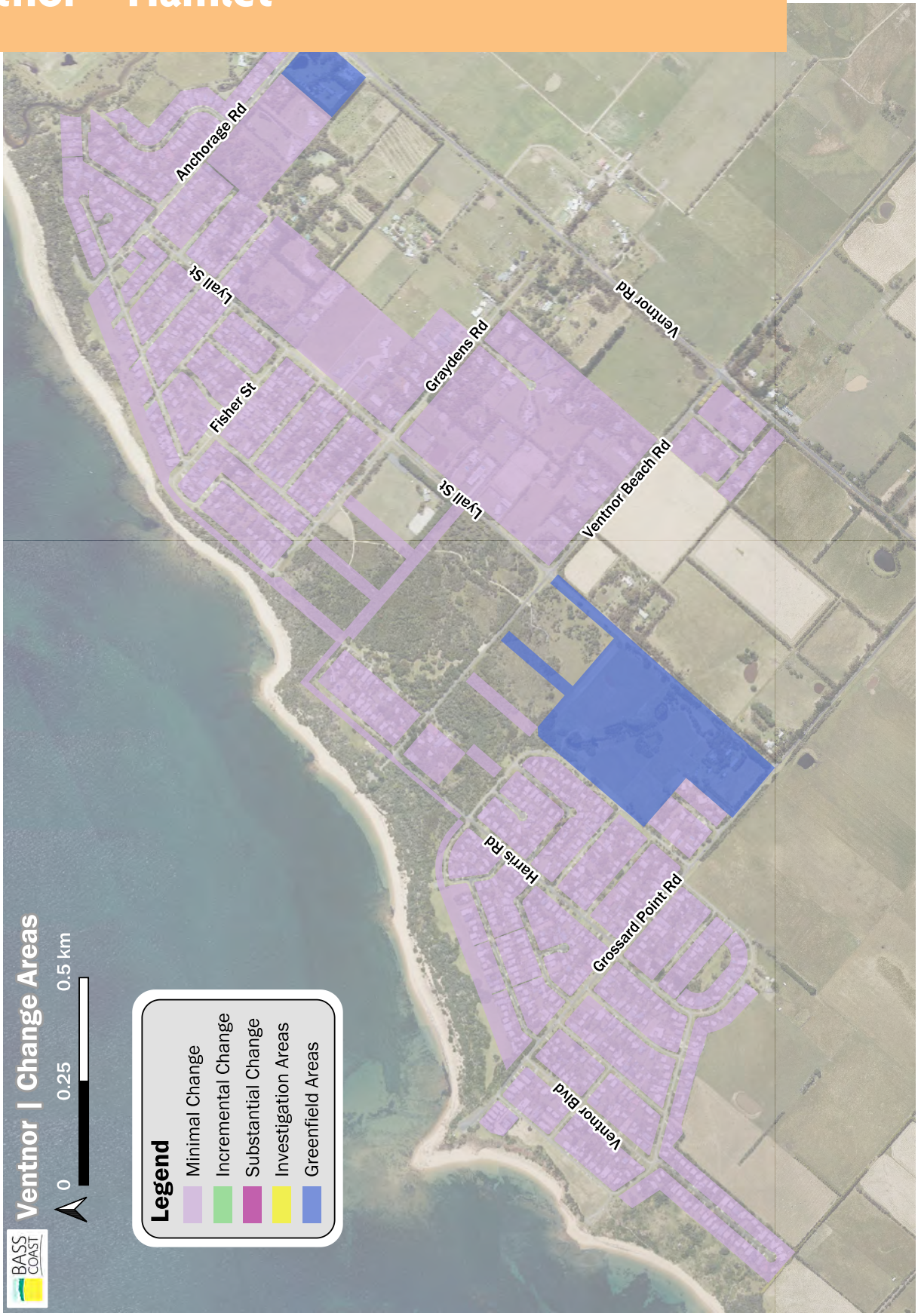
South Coast Estates – Hamlet

Surf Beach Sunderland Bay

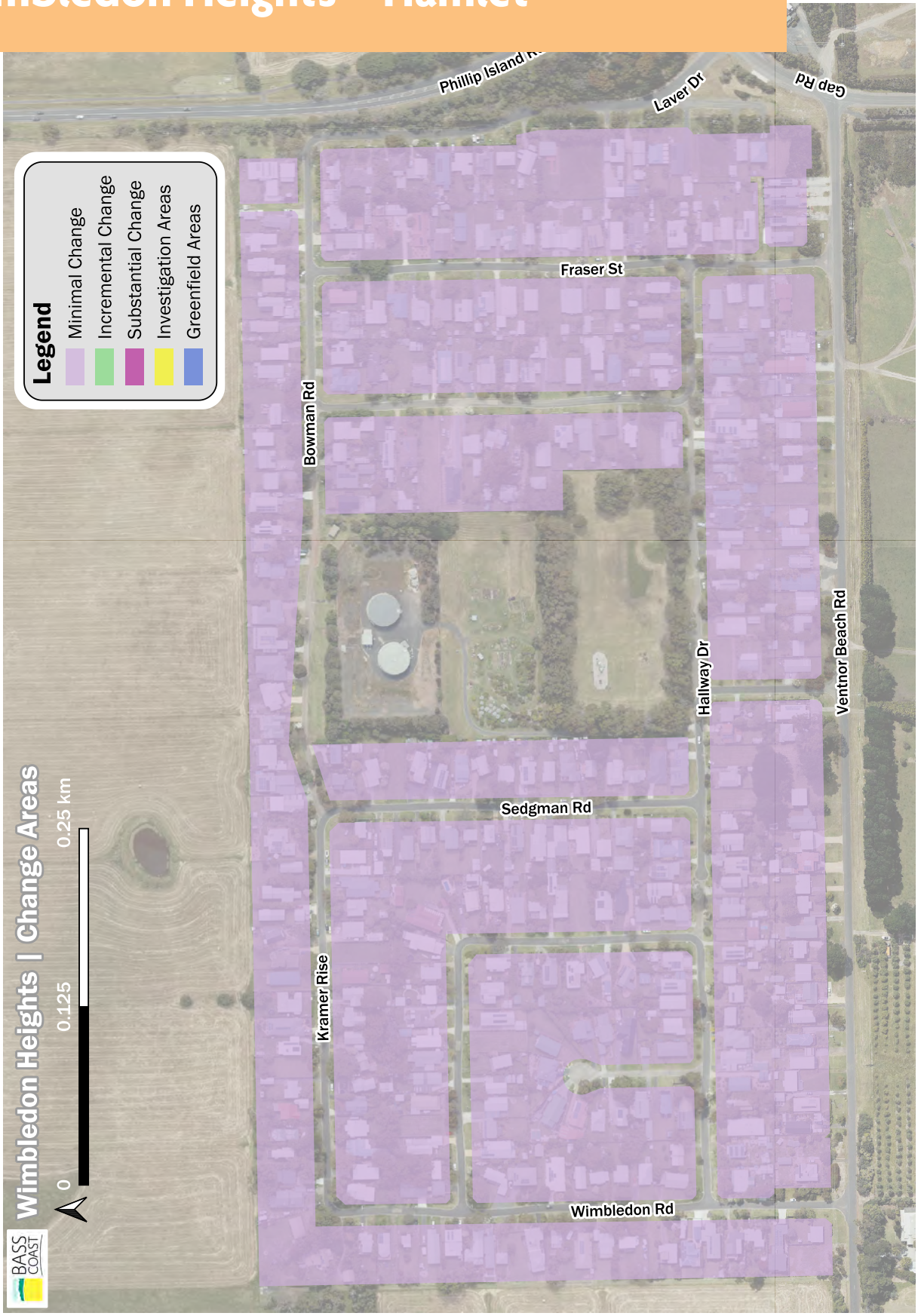


Tenby Point – Hamlet

Ventnor – Hamlet



Wilmbledon Heights – Hamlet



Part 5 - Achieving the Housing Vision

Housing Strategy Action Plan

No.	Action Description
1	Translate the strategies of objectives 1.2, 1.3, 2.1, 2.2 and 3.1 into guidelines and apply them to develop the draft Bass Coast Housing Framework Plan
2	Undertake a residential development framework to combine the Bass Coast Housing Framework Plan with the recommendations of the Neighbourhood Character Study and set out recommendations for changes to the Bass Coast Planning Scheme
3	Undertake a Planning Scheme Amendment to implement the Housing Strategy into the planning scheme, including the: - Vision - Key Directions - Housing Change Framework - Neighbourhood Character Study
4	Undertake a project to review township strategies, framework plans and activity centre plans to ensure urban consolidation is appropriately facilitated in activity centres, strategic redevelopment sites are identified and appropriate planning controls are implemented
5	Prioritise the upgrade of urban infrastructure in areas identified for substantial housing growth
6	Review and assess unzoned land within settlement boundaries for importance to housing supply
7	Undertake an investigation into removing barriers to development on strategic infill opportunities in substantial change areas
8	Undertake an investigation into the use of Development Contribution Plans and other funding mechanisms to deliver necessary infrastructure
9	Manage potential land use conflicts by ensuring appropriate provision of land for industrial uses and other uses with potential to conflict with the use of land for housing
10	Implement environmental sustainable design policy into the planning scheme in the short term.
11	Undertake a project to investigate and define environmental hazards that are not mapped in the planning scheme and incorporate them for future decision-making

Relevant Objectives/ Strategies	Action Type	Responsibility	Priority	Timing
1.2, 1.3, 2.1, 2.2, 3.1	Implementation	Strategic Planning	High	Immediate
N/A	Implementation	Strategic Planning	High	Immediate
N/A	Planning Scheme Amendment	Strategic Planning	High	Short-term
1.1.1	Further Work	Strategic Planning	High	Medium-term
1.1.2	Further Work	Recreation & Transport	High	Long-term
1.1.3	Ongoing	Strategic Planning & Growth Area Planning	High	Long-term
1.1.4	Further Work	Strategic Planning	Medium	Medium-term
1.1.5	Further Work	Strategic Planning/Growth Areas	Medium	Long-term
1.1.6	Further Work	Strategic Planning	Medium	Short-term
2.3.1	Further Work	Strategic Planning	High	Short-term
2.3.2	Further Work	Strategic Planning	Medium	Medium-term

continued....Housing Strategy Action Plan

No.	Action Description
12	Undertake a project to improve canopy cover in urban areas through the Bass Coast Planning Scheme
13	Undertake a project to identify all environmental assets across the Shire to ensure residential development does not directly and indirectly impact significant environmental values
14	Prevent the development of additional housing in areas with significant environmental risks and restrict these areas to replacement dwellings only.
15	Investigate the land supply of low-density, rural living and conventional density housing in preparation for the 10-year review of the Statement of Planning Policy, with a particular focus on land outside Wonthaggi.
16	Investigate existing mechanisms and advocate for additional mechanisms to encourage the use of dwellings for long-term rentals
17	Update the Bass Coast Planning Scheme to discourage the subdivision of large parcels with potential for significant residential development, especially in substantial change areas
18	Implement the Social and Affordable Housing Strategy as a priority
19	Undertake a process to investigate the potential of council and state-owned land to be used for social and affordable housing including key worker housing.
20	Investigate opportunities to support the construction of “secondary small dwellings” on lots in appropriate locations
21	Monitor and review this document in accordance with the “Monitoring and Review” section

Relevant Objectives/ Strategies	Action Type	Responsibility	Priority	Timing
2.3.3	Planning Scheme Amendment	Strategic Planning & Sustainable Environment	Medium	Medium-term
2.3.4	Further work	Strategic Planning, Sustainable Environment & Economic Development	High	Short Term
2.3.4	Further Work	Strategic Planning	High	Medium-term
4.1.1	Further Work	Strategic Planning	Low	Long-term
4.1.2	Further Work	Finance/Strategic Planning	Medium	Short-term
4.1.3	Planning Scheme Amendment	Strategic Planning	Medium	Medium-term
4.2.1	Further Work	Social & Community Planning	High	Short-term
4.2.2	Further Work	Social & Community Planning	High	Short-term
4.2.3	Ongoing	Strategic Planning, Statutory Planning	Low	Long-term
N/A	Ongoing	Strategic Planning	High	Ongoing

Monitoring and Review

The Bass Coast Housing Strategy provides a plan for managing housing growth over the next 15 years, to 2036. As this is a significant planning horizon, a program for monitoring and review is important to ensure that the Strategy remains relevant and effective over time.

It will be important to undertake interim reviews to both monitor the implementation of the strategy and to take full advantage of any new data that is released (such as updated census data and updated Victoria in Future projections).

Period	Title	Role
Every two years	Land Supply and Demand Assessment	- Incorporate latest census data - Update population projections and dwelling approval data - Review implementation of actions - Outline any changes to policy directions for housing and settlement planning - Review infill capacity of change areas
Every 5 years*	Housing Strategy Review	- Review and update housing principles as required (including objectives and strategies) - Review and update housing change areas as required - Incorporate any changes to policy directions for housing and settlement planning - Inform the review of the Statement of Planning Policy - Consider whether a neighbourhood character review is appropriate

** This should be undertaken prior to any review of the Statement of Planning Policy under section 46AZI of the Planning and Environment Act 1987 as it will inform the extent of any changes to settlement boundaries as per Planning Practice Note 36: Implementing a Coastal Settlement Boundary.*

Developing the studies

Appendices

Appendix A: Expanded Policy Review

Appendix B: Housing Strategy Glossary

Appendix C: Bass Coast Residential Housing Market Supply and Demand Assessment

Appendix A – Expanded Policy Review

Commonwealth

At a federal level, it is acknowledged that every Australian has a fundamental right to an adequate standard of living including access to a safe, secure, habitable and affordable home. It is also acknowledged that adequate housing is essential for human survival with dignity.

The National Housing and Homelessness Agreement (NHHA) contains specific priorities including supply targets, planning and zoning reforms and renewal of public housing stock while also supporting the delivery of frontline homelessness services through a series of bilateral agreements. For Victoria, funding under the National Housing and Homelessness Agreement is used to assist vulnerable people through the provision of social housing and homelessness services only. However, Victoria is planning for increased demand for housing across the spectrum with relevant strategies including Homes for Victorians, Plan Melbourne 2017-2050, the Victorian Infrastructure Plan, and Ending Family Violence: Victoria's Plan for Change.

In addition to funding under the NHHA, the Australian Government (and sometimes the State Government) directly intervenes in the market through the provision of rent assistance as a non-taxable income supplement payable to eligible people who rent in the private rental market or community housing, first home buyer grants and low home loan deposit schemes.

State

Planning and Environment Act 1987

The Planning and Environment Act establishes a framework for planning the use, development and protection of land in Victoria in the present and long-term interests of all Victorians. It sets out a series of objectives that must be considered when considering a planning permit application or considering a change to the planning scheme.

These include:

a. to provide for the fair, orderly, economic and sustainable use, and development of land;

b. to provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity;

c. to secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;

d. to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value;

e. to protect public utilities and other assets and enable the orderly provision and co ordination of public utilities and other facilities for the benefit of the community;

f. to facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d) and (e);

f.a to facilitate the provision of affordable housing in Victoria;

g. to balance the present and future interests of all Victorians.

The Act also establishes the mechanisms that give effect to state planning strategies and policies, including the overarching Victorian Planning Provisions included in all planning schemes.

Plan Melbourne 2017-2050

Note: This section expands on the summary in the main strategy.

Plan Melbourne 2017–2050 is the overarching strategic document for metropolitan Melbourne which outlines a strategy for responding to projected changes in population, jobs, housing and transport.

The Plan has 7 outcomes with corresponding directions and policies, including:

- *Outcome 1: Melbourne is a productive city that attracts investment, supports innovation and creates jobs*
- *Outcome 2: Melbourne provides housing choice in locations close to jobs and services*
- *Outcome 3: Melbourne has an integrated transport system that connects people to jobs and services and goods to market*
- *Outcome 4: Melbourne is a distinctive and liveable city with quality design and amenity*
- *Outcome 5: Melbourne is a city of inclusive, vibrant and healthy neighbourhoods*
- *Outcome 6: Melbourne is a sustainable and resilient city*
- *Outcome 7: Regional Victoria is productive, sustainable and supports jobs and economic growth.*

While all these outcomes are relevant considerations in planning for growth across the State, its important to acknowledge outcome 7 as it identifies Bass Coast Shire as a peri-urban municipality and sets out a number of directions that should be considered including:

- *Direction 7.1 Invest in regional Victoria to support housing and economic growth.*
  - *Policy 7.1.2 Support planning for growing towns in peri-urban areas*

The policy context for this direction notes that a number of towns in peri-urban areas

(including Wonthaggi) have capacity for more housing and employment-generating development without impacting on the economic and environmental roles that surrounding non-urban areas serve.

Victorian Coastal Strategy (various revisions from 2002-2014)

Established under the Coastal Management Act 1995, the Victorian Coastal Strategy initially provided a comprehensive integrated management framework for the coast of Victoria and was the first of many strategies that sought to ensure that the planned growth of coastal towns was managed through the establishment of township boundaries in planning scheme.

In terms of locating new growth and development, it set in place a Hierarchy of Principles for decision-making as follows:

1. Ensure protection of significant environmental and cultural values
2. Undertake integrated planning and provide clear direction for the future
3. Ensure the sustainable use of natural coastal resources

   When the above principles have been considered and addressed then...

4. Ensure development on the coast is located within existing, modified and resilient environments where the demand for development is evident and any impacts can be managed sustainably

The later revisions of the Strategy reinforced both the Coastal Settlement Framework and the role and function definitions of settlements for Bass Coast as identified in the Coastal Spaces Recommendation Report.

This Strategy has since been superseded by the Marine and Coastal Policy 2020 and the Marine and Coastal Strategy 2022.

Coastal Spaces Recommendations Report 2006

The Victoria's Coastal Spaces Initiative was established to help local governments implement the Victorian Coastal Strategy 2002 and to manage existing and projected development pressures in coastal towns outside of metropolitan Melbourne.

The Recommendations Report recognise that significant variations exist between coastal settlements (in terms of environmental sensitivities, infrastructure servicing and other development constraints) and that detailed local level planning is necessary to determine the preferred and sustainable extent of a settlement to accommodate future growth and development opportunities.

It recognises that although most settlements can support some level of growth and consolidation, there is often a constant challenge to achieve this without detriment to valued coastal character.

Recommendations of the Report relevant to directing urban growth include:

- Preparation of a practice note that guides the establishment of settlement boundaries.
- Development of a regional wide Coastal Settlement Framework that provides guidance in planning for individual settlements and requires consideration to be given to how the various settlements sit within the broader regional context.

A draft Coastal Settlement Framework was prepared and included in the Report that outlines the role and function of each coastal settlement in Victoria (including those within Bass Coast, based on availability of services and population levels) and provides a growth management framework that designates a high, moderate or low spatial growth capacity profile for each settlement.

Although the exact location and extent of the settlement boundaries to manage growth was not defined through this process, it is noted that settlement boundaries for individual settlements were to be determined in accordance with strategic planning undertaken for the particular settlement (ie. structure plans). It is important to note that the preparation of the Bass Coast Strategic Coastal Framework was being prepared concurrently to the Coastal Spaces Initiative and helps to reinforce the role and functions of the coastal settlements included in the Coastal Settlement Framework.

The growth management framework was introduced into the Bass Coast Planning Scheme via Planning Scheme Amendment C85 in 2009 and is currently situated in Clause 02.03-1 Settlement.

The Practice Note on establishing settlement boundaries was prepared by DELWP shortly after the completion of the recommendations report. The most recent version of it (2016) outlines the following considerations when defining the extent of a settlement and are helpful in determining appropriate locations for future housing:

desired future vision for a settlement

role and function of the settlement in comparison with other settlements within the region

constraints on development such as topography, native vegetation, rural land-use activity and areas of environmental or landscape significance and sensitivity

areas with susceptibility to flooding (both river and coastal inundation), landslip, erosion, coastal acid sulfate soils, salinity, wildfire or geotechnical risk

supply/demand of land within a 10 year planning horizon and opportunities for future growth (if any).

Homes for Victorians 2017

Homes for Victorians is a strategy that commits the State Government to five key housing affordability initiatives, including: supporting people to buy their own home, increasing the supply of housing through faster planning, promoting stability and affordability for renters, increasing and renewing social housing stock, improving housing services for Victorians in need.

Of relevance to this Housing Strategy is Initiative 2: Increasing the supply of housing through faster planning.

Under this initiative, Strategy 2.1 notes that regional growth plans are the primary vehicle to guide housing growth across regional Victoria with the Victorian Planning Authority to provide support in the preparation of Precinct Structure Plans in new housing areas and funding through the Streamlining for Growth program to streamline subdivision processes, unlock strategic development sites and speed up applications in growing areas in Melbourne and regional Victoria.

Homes for Victoria also identifies an initiative to increase the supply of social and affordable housing through inclusionary housing which is being investigated through Council's Social and Affordable Housing Strategy.

Marine and Coastal Policy 2020

Established under the Marine and Coastal Act 2018, the Marine and Coastal Policy supersedes the Victorian Coastal Strategy to provide an updated direction for the management and planning of Victoria's Marine and Coastal environments. It applies to land within the marine and coastal environment, which is defined under the Act as all private and public land and waters between the outer limit of Victorian coastal water and five kilometres inland of the high-water mark of the sea.

Chapter 8 relates to the management of land within and between coastal settlements with the following intended outcomes:

- Coastal settlements are desirable places to live, work, visit and play.
- Non-urban breaks between coastal settlements are maintained to preserve the character of the coastline and coastal settlements.
- Growth of coastal settlements is ecologically, socially and economically sustainable.

Of particular relevance to considering locations for housing growth are the following policies:

Policy 8.3:

Plan for settlement growth and locate development to:

a. minimise and seek to avoid negative impacts on ecosystems and habitats, local values and landscape features

b. avoid increasing exposure to current or future coastal hazard risk, including risks posed by climate change such as rising sea level

c. *consider the impacts of climate change along the primary foreshore, and adjacent to estuaries, inlets and inland lakes affected by coastal waters.*

Policy 8.4

Avoid development on primary coastal dune systems, shorelines of estuaries, wetlands and low-lying coastal areas.

Policy 8.7

Urban renewal and redevelopment opportunities should be encouraged within existing settlements where they do not increase coastal hazard risk

Policy 8.9

Use buffers, where required, to protect environmental values, cultural values and heritage sites, and to enable the co-existence of compatible activities and to allow for adaptation of the natural environment.

The Policy is also one of the first to intrinsically link the management of land with the management of coastal hazard risk with an intended outcome that adaptation (to changing coastal processes and climate) be embedded as a core component of planning the marine and coastal environments. Examples of adaption actions that it suggests considering include the following:

Non-intervention *- Allow marine and coastal processes, and the hazards they may pose, to occur. Non-intervention might be chosen as an appropriate action in a number of circumstances, including when the hazard poses an acceptable level of risk to values or uses, when intervention would cause unacceptable negative impacts, or when intervention would be ineffective or not cost-effective.*

Avoid *- Locate new uses, development and redevelopment away from areas that are or will be negatively impacted by coastal hazards. This also needs to consider the type of use or development and if it's appropriate for the location. For example, a hospital or a piece of critical power infrastructure would have much lower tolerance to hazard risk compared to a temporary or easily moveable use or development, and would need to avoid higher risk areas. Avoidance can also help natural systems adapt by avoiding development where it would impede the movement of habitats and species, or decrease their resilience to the effects of climate change.*

Nature based methods *- The resilience of existing and new uses and development may be improved by enhancing or restoring natural features to mitigate coastal hazard risk. Restoring native vegetation to lessen the impact of erosion on dune systems would be an example of such action. Adaptation for natural systems could also include preserving and restoring corridors to allow for the landward migration of habitats and species. Nature-based methods tend to have more co-benefits than other adaptation actions, in that they can restore and enhance biodiversity values, improving resilience of vulnerable coastal ecosystems and also often improving amenity.*

Accommodate *- Structures can be designed to reduce the exposure to, or decrease the impact of, coastal hazard risk, thus 'accommodating' the risk. Examples of this could include building lifesaving towers that can be rapidly and easily moved to respond to an eroding shoreline, or using building design techniques that reduce the impact of flooding. Accommodate options can be useful to improve resilience and 'buy more time' before further actions are necessary*

Retreat *- Existing structures, assets or uses may be decommissioned or relocated away from areas that are, or will be, negatively impacted by coastal hazards. Determining the timing of retreat is a strategic and localised decision that needs to be planned for proactively. If relocating, care must be taken not to move structures to sites where they will face other potential hazards. Retreat of natural systems may also be required; for example, saltmarsh habitat that would naturally migrate landward in response to sea level rise may be obstructed by the built environment, and corridors of undeveloped land may be required to allow landward movement of species and functioning habitats.*

Protect *- Existing physical barriers are enhanced, or new ones constructed, to mitigate the impact of coastal hazards caused by marine and coastal processes. An example would be the enhancement or construction of sea walls to protect strategically important values from sea-level rise and storm surge. Protect is an option of last resort; it is often expensive, its benefits tend to be very localised, and it frequently transfers the problem to nearby areas.*

Relevant directions of the Marine and Coastal Policy have been implemented into the Bass Coast Planning Scheme via Planning Scheme Amendment VC171 in 2021.

Marine and Coastal Strategy 2022

The Marine and Coastal Strategy sets out actions to achieve the vision laid out in the Marine and Coastal Policy. These actions identify DELWP as being the lead agency for delivery however it is still important to note the strategy's focus on promoting adaptation in response to changing coastal processes and climate impacts as a core component of planning in the marine and coastal environment.

This is a shift away from the former policy direction in the Victorian Coastal Strategy that allowed for development on the coast provided it was located within an existing, modified, and resilient environment and any impacts could be managed sustainably.

The following are of relevance:

Adaptation is embedded as a core component of planning in the marine and coastal environment by:

3.10 Undertaking timely, data-driven planning scheme amendment processes to protect coastal habitat linkages, and reflect sea level rise, coastal hazard, and other relevant projections related to climate change (see Activity 2.2).

3.11 Updating or amending planning responses to coastal hazards to consider climate adaptation pathways and apply best available science and data consistent with state policy and strategy in: a. planning controls (e.g. overlays/zones) b. guidance (e.g. practice notes) c. processes (e.g. planning scheme and settlement boundary reviews).

Draft Statement of Planning Policy 2022

On 23 October 2019, the Governor in Council, under section 46AO(1) of the Planning and Government Act 1987 and on the recommendation of the Minister for Planning, declared the Bass Coast Shire a 'distinctive area and landscape'.

The Draft Statement of Planning Policy is a framework to guide the future use and development of land within the declared area.

To manage pressures for the outward expansion of residential land, the draft Statement of Planning Policy proposes protected settlement boundaries for 25 residential settlements within the Shire. These are generally consistent with existing boundaries in the Bass Coast Planning Scheme, with the exception of San Remo, Newhaven, Grantville, Cowes and Sunset Strip.

The draft Statement of Planning Policy goes on to suggest that growth will need to be accommodated within these boundaries through the development of vacant lots and infill development.

Further guidance on where residential growth can and cannot be accommodated is provided through the following strategies:

> *2a.1: Avoid locating new development and retreat existing development from areas with significant biodiversity and/or high bushfire risk, to increase resilience.*
>
> *2b.1: Avoid locating new development and retreat existing development and sensitive land uses in areas adjacent to waterways and estuaries or at risk of coastal and riverine flooding and coastal erosion.*
>
> *3.2: Contain urban growth within settlement boundaries.*
>
> *3.3: Discourage new residential development in the green breaks between settlements.*
>
> *4c.2: Reduce land use, development and human trespass impacts in marine environs and coastal areas of ecological significance, especially those vulnerable to the impacts of climate change.*
>
> *8.1 Direct urban development to a hierarchy of settlements identified for growth through designating change areas and clearly defining long-term settlement boundaries.*
>
> *8.3 Limit the expansion of settlements in high risk locations, actively reducing the risks associated with natural hazards.*
>
> *8.5 Ensure development at the periphery of settlements is designed to transition to the surrounding landscapes, integrating development with its environs, landscape character and features, subject to addressing bushfire risks.*

It is important to note that this Policy is still in draft form and may be subject to change at the discretion of the Minister for Planning.

Regional

Gippsland Regional Growth Plan 2014

The section expands on the summary in the main strategy.

The Gippsland Regional Growth Plan is one of eight regional growth plans across Victoria. The regional growth plans all recognise that increasing the growth of regional Victoria will help improve the state's competitiveness by strengthening regional labour markets, expanding markets for local goods and services and providing a greater diversity of affordable housing and employment opportunities. The Gippsland Regional Growth Plan puts in a place an integrated planning framework for the six local government areas in Gippsland (Bass Coast Shire, Baw Baw Shire, East Gippsland Shire, Latrobe City, South Gippsland Shire and Wellington Shire) to appropriately direct and manage sustainable growth across the region, whilst recognising Gippsland's assets of regional significance.

This plan is underpinned by four guiding principles, emphasis has been added where there is a specific direction relating to locating urban growth:

- *Principle 1: Strengthen economic resilience by growing a more diverse economy that is supported by new investment, innovation and value-adding in traditional strengths*

  The plan provides policy support for value-adding opportunities and employment growth in healthcare and social services, green jobs and knowledge industries. Focusing urban growth in the regional city [Latrobe], as well as in a network of regional centres [including Wonthaggi], will boost population mass and concentrate services and businesses in a manner that is conducive to increased investment and employment.

- *Principle 2: Promote a healthy environment by valuing Gippsland's environmental and heritage assets, and by minimising the region's exposure to natural hazards and risks*

  Distinctive rural landscapes and sensitive environments such as the coast, mountain ranges and natural bushland will be protected and valued. Urban and economic development will be managed so as to minimise adverse impacts on these environmental and cultural heritage assets, and will be directed to areas of lower risk from bushfire, flood and other natural hazards.

- *Principle 3: Develop sustainable communities through a settlement framework comprising major urban centres that ensures residents have convenient access to jobs, services, infrastructure, and community facilities*

The plan introduces a settlement framework for urban growth that builds on the existing network of main towns. The regional city [Latrobe] is centrally located and has the scale and range of services needed to provide benefits across the region. The regional centres of Warragul, Leongatha, Wonthaggi, Bairnsdale and Sale, and a network of smaller nearby towns including Drouin, Korumburra, Inverloch, Paynesville, Maffra and Stratford, will distribute growth and access to services across the Gippsland region. The importance of district and smaller towns is acknowledged. Urban growth will be coordinated to encourage services and housing stock that better meet the needs of a changing population and the projected increase in smaller households.

- *Principle 4: Deliver timely and accessible infrastructure to meet regional needs for transport, utilities and community facilities*

  The plan recognises the importance of road and public transport and promotes initiatives to improve access within the region and to markets and services in Melbourne and beyond. Urban development will be directed to places with existing capacity in services and infrastructure such as water, sewerage, electricity, roads and public transport, and where additional servicing can be accommodated in an economically efficient manner. Regional services such as hospitals, tertiary education, sports and cultural facilities will be focused across the network of major centres.

In addition to these principles, the Plan includes an overarching Regional Settlement Framework which seeks to:

- *manage growth in areas subject to growth pressures*
- *complement and support economic growth directions and community preferences*
- *resolve competing demand from other land uses such as agriculture and mining*
- *avoid natural hazards such as bushfire, flood and coastal inundation*
- *protect highly valued environmental and cultural heritage assets.*

It does so by establishing a network of integrated and prosperous settlements across Gippsland made up of a regional city (Latrobe), regional centres (Barirnsdale, Sale, Warragul/Drouin, Leongatha and Wonthaggi) and towns that are able to either; proactively encourage and facilities opportunities for major-scale development in areas identified for significant growth (promote growth), support proposals for medium-scale growth consistent with local plans (support growth), or support small-scale residential, commercial and industrial development and change (sustainable change).

The Plan recognises the following for Bass Coast:

- *Wonthaggi is a regional centre that can promote growth.**
- *Cowes is a town that can support growth.*
- *Inverloch is a town that can support growth.*
- *Cape Paterson is a small town that can support growth**
- *San Remo is a small town that can support growth*

**Wonthaggi, Inverloch and Cape Paterson are further recognised as being part of a sub-regional network. Networks are established in the Plan to acknowledge the lead role of the respective regional centre (in this case Wonthaggi) as the primary location to accommodate urban growth, with secondary centres in the network providing housing diversity and local services. The provision of social services and attraction of business investment within the networks are aimed at supporting communities across their broader catchment districts.*

The Regional Settlement Framework was introduced into the Bass Coast Planning Scheme via Planning Scheme Amendment VC106 in 2014 and is currently situated in Clause 11.01-1R Settlement – Gippsland.

Local Policy Context

Over the course of many years, Council has adopted many relevant strategic documents that provide direction and recommendations for how decisions around housing and the associated provision of facilities and services should be made in the municipality. The below section provides an overview of these and helps to tell the story of how settlements within Bass Coast have managed housing and urban growth to date.

Phillip Island and San Remo Design Framework 2003

The Phillip Island and San Remo Design Framework was the first strategy to provide direction on the public realm, built form character and landscape character of Phillip Island and San Remo, and initially set settlement boundaries for all of the Phillip Island settlements and San Remo.

The framework also provides some strategic direction in response to urban development pressure that is relevant to the housing strategy with the stated goal:

> *Accommodate the majority of increased pressure for urbanisation within Cowes and San Remo. For other existing residential areas, consolidate residential development within existing township boundaries and identified locations.*

The framework goes on to direct future urban growth within settlement boundaries, notes Cowes and San Remo as logical locations to absorb residential growth and notes:

> *Consolidation within the township boundaries will need to happen in order to provide for increased development.*

Relevant actions identified within the PISRDF to achieve the aforementioned goal include:

> *Focus medium-density residential development adjacent to existing commercial centres and activity nodes*
>
> *Avoid residential development in areas of seasonal inundation*
>
> *Protect and retain any existing indigenous vegetation when constructing new buildings and avoid damage to environmentally sensitive areas*
>
> *Ensure residential development is consistent with neighbourhood character*

The settlement boundaries proposed through the Framework, along with Design and Development Overlays for the Cowes Foreshore Precinct and the Business and Mixed Use Zones of Cowes and San Remo and the Vegetation Protection Overlay for Phillip Island were implemented into the Bass Coast Planning Scheme via Planning Scheme Amendment C46P2 in 2008.

San Remo, Newhaven and Cape Woolamai Structure Plan 2010

The San Remo, Newhaven and Cape Woolamai Structure Plan is a strategic framework for the future growth and development of the three towns. It identifies the strategic planning issues facing the towns, including community needs and aspirations, and articulates the preferred future directions for growth, which includes protecting and enhancing the very elements which make the towns distinctive and functional as urban areas and tourist destinations.

The Structure Plan effectively reviews the settlement boundaries and housing directions outlined in the Phillip Island and San Remo Framework 2003 and provides the following:

Settlement and Housing Principles:

- *ensure that any new Residential 1 Zoned development occurs on the sheltered northern side of the [Anderson] peninsula.*
- *encourage ecologically sustainable development principles in new residential subdivisions and infill development and provide water sensitive urban design and stormwater treatment to ensure impacts on any environmentally sensitive land are minimised.*
- *encourage urban consolidation and infill where compatible with established environmental, landscape and urban character.*
- *encourage well-designed, contemporary architecture that is environmentally sustainable and responds to its local context.*
- *achieve a high standard of urban design which integrates with the prevailing coastal character and, protects environmentally sensitive areas such as Western Port, Cape Woolamai State Fauna Reserve and the Churchill Island Marine National Park.*

Settlement and Housing Directions:

- *Support a mix of housing types, particularly around town centres, including the provision of accessible and adaptable housing choices designed for disabled or aged persons and tourist accommodation consistent with State policy.*
- *Encourage higher density housing and tourist accommodation (up to 3 storeys) in the San Remo town centre that exhibit excellence in design consistent with the Department of Planning and Community Development's 'Guidelines for Higher Density Residential Development.' Third levels should be recessed to assist with reducing building bulk and assist with streetscape integration. Roof forms should not incorporate high pitches and should be designed to provide visual interest. Building form should provide for appropriate street activation and integration, articulation and contemporary design treatments which contribute to the coastal character.*
- *Support medium density housing development where it is located within 400 metres of the Newhaven commercial centre and 800 metres of the San Remo town centre. Ensure such development responds to the neighbourhood character of the area and respects existing residential amenity.*
- *Apart from Cape Woolamai, support incremental 'infill' housing development within remaining R1Z land, where it respects existing neighbourhood character.*
- *Development is to respond to the prevailing neighbourhood and landscape character of the area and incorporate a sympathetic material palette that reflects the typical beachside character consistent with the objectives of Council's Phillip Island and San Remo Design Framework.*

- *Encourage development which respects the coastal landscape setting by providing for contemporary design that addresses the existing scale, setback, site coverage, building spacing, forms and materials of the locality and which provides for reasonable sharing of views to the coast and foreshore.*

The Structure Plan recognised that the majority of new housing was likely to be within greenfield sites, with an incremental increase in housing to occur as infill development in San Remo and Newhaven. For this reason, it proposed a number of extensions to settlement boundaries and the inclusion of investigation areas as follows:

With regards to settlement boundaries and growth fronts in each of the three towns, the following recommendations were made:

- *Extend the settlement boundary for San Remo from the furthest extent of Bonwick Avenue to Potters Hill Road, and identify a future growth area (subject to demand) between Potters Hill Road and Punchbowl Road.*
- *Identify the Phillip Island Airport site as an investigation area.*
- *Extend the settlement boundary for Newhaven from Boys Home Road to the east of Samuel Amess Drive.*

These updated boundaries and directions for San Remo, Newhaven and Cape Woolamai were introduced into the Bass Coast Planning Scheme in 2010 via Amendment C90.

Cowes, Silverleaves, Ventnor & Wimbledon Heights Structure Plan (and Foundation Report) 2010

The Cowes, Silverleaves, Ventnor and Wimbledon Heights Structure Plan identifies the key strategic influences on and drivers of change within the four settlements, articulates the agreed vision for the future of the four settlements to 2030 and establishes a framework of principles and corresponding strategies to direct future land use and development decisions towards achieving the agreed vision.

The Structure Plan reinforces the settlement boundaries previously identified in the Phillip Island and San Remo Urban Design Framework 2003 with the exception of including the "Lechte" land in the settlement boundary of Cowes, including the Township Zoned land in the settlement boundary of Ventnor and including a settlement boundary in accordance with zoned land for Wimbledon Heights.

The Structure Plan also acknowledges the clear desire from the community at the time to ensure that the character of established residential areas was protected and improved and subsequently identified preferred locations where medium density / multi storey development could occur. To do this, it introduced "change areas" in the four settlements. That is, areas of more substantial change (areas within 400 metres walking distance from the central activities area, where apartments and medium density development will be encouraged), areas of more incremental change (mainly infill and greenfield sites where higher densities may be appropriate), and areas of more minimal change (areas of established housing where values and characteristics would be diminished by inappropriate and isolated medium density projects).

The Structure Plan also set a number of principles and strategies in relation to the intensity of development as follows:

Principles:

- *Provide greater residential densities proximate to principle activity centres and those locations within the defined township where greater densities can be accommodated without impacting upon the established and valued character of existing communities.*
- *Facilitate the residential development of vacant land within the defined settlement boundaries.*
- *Support the relocation of large-scale, non-residential land uses inside of the defined settlement boundaries to appropriate locations outside of the defined settlement boundaries. This will provide additional opportunities to consolidate urban development within the defined settlement boundaries.*

Strategies

- *Identify and define:*
  - *Preferred locations to increase the number and diversity of dwellings (substantial change).*
  - *Areas where some increase in the number and diversity of dwellings may be acceptable, but where development must respect the character of the area (incremental change).*
  - *Areas where minimal change to established built form and character is anticipated (minimal change).*
  - *Identify preferred locations for the potential relocation of large scale, nonresidential land uses to locations outside of the defined settlement boundaries.*

These updated boundaries and directions for Cowes, Silverleaves, Ventnor and Wimbledon Heights were introduced into the Bass Coast Planning Scheme in 2010 via Amendment C88.

Bass Coast Strategic Coastal Planning Framework 2011

Originally drafted in 2003 in the context of the Victorian Coastal Strategy, the Bass Coast Strategic Coastal Planning Framework is a structure plan for all of Bass Coast's coastal towns that are not otherwise subject to their own individual structure plans or urban design frameworks. These include, Jam Jerrup, Pioneer Bay and the Gurdies, Grantville, Tenby Point, Corinella, Coronet Bay, Bass, Kilcunda, Harmers Haven and Cape Paterson.

While the Coastal Spaces Recommendations Report 2006 identified the role and function of all settlements within the Shire, the location and extent of settlement boundaries for each of the coastal towns were defined through this Framework.

To determine the appropriate extent of development for each settlement, four growth scenarios were explored:

- *Option 1: Equal growth in existing settlements.*
- *Option 2: Nodal and rural residential (low density residential) extensions to existing settlements.*
- *Option 3: Variable growth in selected settlements.*
- *Option 4: Market driven extension to urban settlements.*

Each were evaluated against environmental and physical impact criteria, infrastructure capability, land availability and population distribution, and economic and community costs and benefits.

Ultimately, Option 3 "planning variable growth in selected settlements" was chosen as the preferred growth scenario as it was found to maximise benefits to the community and minimise impacts on coastal, environmental and landscape features. The option 3 scenario assesses the opportunities and constraints that each settlement presented for development and identified development opportunities in only some settlements. It assumed little or no rural residential subdivision, and a consolidation of development opportunities within the built fabric of settlements, with some outward expansion where physical criteria permitted.

The settlement boundaries and local policy directions for each coastal town included in the Framework were introduced into the Bass Coast Planning Scheme via Amendment C93 in 2012 with the exception of Cape Paterson which was introduced prior to this via Amendment C119 in 2011 due to Ministerial intervention.

Inverloch Design Framework 2011

The Inverloch Design Framework (IDF) was originally prepared in 2003, before being reviewed in 2009 and further updated in 2011. It sets the strategic direction for the urban structure, development and design of Inverloch into the future. It is the document that initially set the settlement boundary and character areas for Inverloch.

The 2011 version of the Framework recognises shop top housing, infill development and consolidation in the form of multi-unit development and terrace development as emerging trends within the settlement as important for accommodating population growth, and identifies further potential for these types of development to occur, particularly at the edges of the town centre.

An overarching objective of the IDF is:

To direct residential growth to key areas at the edge of town, and provide opportunities for consolidation and infill proximate to the town centre

In terms of directions specifically relating to growth, the following are of relevance:

Objectives:

Manage growth within the existing town boundary.

Increase the overall residential offer within the established town boundary

Provide for housing diversity to cater for all market segments including standard and medium density housing.

Manage the character of residential areas.

Strategies:

Facilitate the development of Greenfield sites in the short to medium term to bring on residential land supply.

Encourage consolidation and infill development within the town boundary, including increased densities within the extended medium density housing area.

Extend existing medium density housing area to enable new and re-development opportunities within easy walking distance of town and the foreshore*

Encourage 2-3 storey development.

Facilitate the opportunity for medium density housing on The Esplanade Caravan park site if this site becomes available in the future.

Facilitate the re-development of the Big 4 Caravan Site for accommodation and residential development.

Retirement and integrated housing should be established within the medium density housing area where possible, or proximate to convenience level retail.

**A medium density area was identified in the original 2003 version of the IDF, and was recognised as being generally unaffected by restrictive covenants which limit development to a single dwelling per lot. The 2011 version of the IDF recommended extending this area to include land north of Bayview Avenue up to Darling Avenue, Land from Sandy Mount Avenue to Freda Street, and land between Cutriss Street and Screw Creek.*

To assist in implementing the aforementioned objectives and strategies, the IDF identifies a number of "character areas" which outline land use expectations, building height expectations and expected levels of housing change.

Town Centre (Character Area 1)

- *Mixed use character.*
- *Built form more intense, rising to 3-4 storeys away from the residential interface.*
- *Opportunities for townhouse apartment style living.*
- *A more urban streetscape, strongly utilising of pedestrian space for outdoor seating and dining.*

Medium Density Housing (Character Area 1)

- *Greater consolidation of housing.*
- *2-3 storey townhouse and apartment style housing.*
- *Strong orientation toward foreshore.*
- *Taking advantage of rising topography to capture and share views of foreshore.*
- *Where possible, retention of coastal vegetation in both public and private space.*

Established Residential Hinterland (Character Area 2)

- *Potential for some future infill and medium density housing but intensity of that would reflect the detached housing character of the low density form.*
- *Through the area, expect respect for established setbacks.*

Restricted Environmental Residential (Character Area 3)

- *Acknowledge presence of significant areas of restrictive covenance as well as much stronger established treed environment.*
- *Expect much lower level redevelopment and consolidation.*
- *Dominant character will be detached housing at low density and this will be protected.*

Emerging Residential Hinterland (Character Area 4)

- *Intensity and style of development to reflect more contemporary themes and intensity of use.*
- *Smaller lots with a greater diversity of housing.*
- *A more urban character with more diverse setbacks (up to 5 metres), to achieve greater intensification.*

The settlement boundary and character areas identified in the Framework were initially included in the Bass Coast Planning Scheme via Amendment C46P2 in 2008, these were reviewed in the later version of the plan, which resulted in updates to the application of the character areas through Amendment C124 in 2014.

Cowes Activity Centre Plan 2015

The Cowes Activity Centre Plan presents a vision for the town and seeks to facilitate the re-building of Cowes as a destination through a series of changes to planning policy and capital work projects within the activity centre area.

It sets out the following objectives:

- *To protect, manage and enhance the foreshore as an important natural, cultural, recreational and tourism asset.*
- *To deliver a more compact and walkable town centre.*

- *To encourage vibrant street life and activity frontages along The Esplanade that take advantage of the unique vista of the foreshore.*
- *To create a more coherent built form character along Thompson Avenue to reinforce the sense of place. To facilitate the development of a vibrant civic precinct in the centre of town.*
- *To deliver more housing choice, diversity and affordability in and on the edges of the commercial core.*
- *To increase the vitality, amenity, comfort and safety of the public realm.*
- *To create a distinctive and contemporary seaside character.*

The Plan recognises that there is an absence of alternate forms of housing to support the changing lifestyle needs of residents and to allow people with better access to the town's services. In response it makes a series of recommendations to update planning policy and controls to facilitate the delivery of medium density housing in proximity to the commercial core. This is presented through an Urban Structure Plan that designates maximum building heights along the Esplanade and Thompson Avenue.

These building heights were introduced into the planning scheme in the form of schedules to the Design and Development Overlay via Amendment C151 in 2019.

Active Bass Coast 2018 – 2028

Active Bass Coast is a 10 year plan that sets the vision for the provision of open space and recreation activities across the Shire.

The Plan recognises that Bass Coast is experiencing moderate to high levels of population growth and has a significant transient visitor population which places pressure on the existing open space network and creates demand for more open space and improvements to existing open space.

While the actions included within the plan are largely focused on developing new spaces and facilities to cater for population growth, and encourage new subdivisions to comply with Council's Public Open Space Policy, there is guidance included under "Our Priorities" that suggests appropriate walking distances for public open space to be located from residential development and is a helpful guide for deciding where new housing growth should be prioritised.

Relevant priorities of the Plan include:

Local parks within 400 metres safe walking distance of at least 95 per cent of all dwellings.

Regional or township level open space within one kilometre of 95 per cent of all dwellings.

Linear parks and trails along waterways, vegetation corridors and road reserves within one kilometre of 95 percent of all dwellings

Wonthaggi Structure Plan 2018

Prepared in 2006 and then updated in 2008, the initial Wonthaggi and Dalyston Structure Plan set broad directions for urban development in both Wonthaggi and Dalyston, and identified the settlement boundary's for both settlements.

The Plan recognised that the area was experiencing an unprecedented level of residential and commercial growth that needed to be properly planned for, and the emerging role of Wonthaggi as the major urban centre in the South West Gippsland region.

The Plan set out a residential growth strategy for both settlements which included observations of existing residential patterns as well as directions for future residential development.

The following points were made in relation to Wonthaggi:

- *It is anticipated that while separate houses will continue to account for the majority of dwelling demand in Wonthaggi and Dalyston, the aging of the population will result in a corresponding demand for dwellings that require less maintenance, are located close to amenities and services and are sited on smaller parcels of land.*
- *The bulk of residential expansion within Wonthaggi is focussed upon the north east of the township (because of the need to minimise urban sprawl toward sensitive coastal areas, the location of the proposed bypass represents a logical boundary to residential growth for the township, the absence of undermined areas to the north east of the township, the absence of significant servicing /physical infrastructure constraints to the north east of Wonthaggi*
- *It is noted that a number of opportunities exist to develop under-utilised sites within core areas of the town for medium density residential development and to develop limited areas to the south of the town for residential use. Having regard to the Structure Plan Vision and the principles of Sustainable Neighbourhoods*, the use and development of those areas in proximity to the Wonthaggi CBD and existing facilities and services are prioritised over the development of 'Greenfield' sites.*

**The Plan references principles of Sustainable Neighbourhoods in the implementation section as infill residential development in close proximity to activity centres near current infrastructure and in areas best able to cope with change.*

The overarching directions from the Plan and the settlement boundary's for both Dalyston and Wonthaggi were introduced into the Bass Coast Planning Scheme via Amendment C133 in 2010.

The Wonthaggi and Dalyston Structure Plan was reviewed in 2017 which identified the need to separate policy directions for the two townships as per the following recommendations:

The importance of Wonthaggi as a regional growth centre should be recognised in a standalone Structure Plan;

Direction for the Wonthaggi Activity Centre should be reviewed and updated;

Direction for the industrial and commercial precinct to the east of Wonthaggi should be reviewed and updated;

The structure plans should be updated to include appropriate reference to state and local policy directions;

The structure plan should be updated to reflect updated land supply and demand statistical evidence. This should address the issue of preferred character of residential areas in Wonthaggi, including but not limited to, preferred residential density and the level of services/facilities for residential areas;

Updated information from the Wonthaggi North East Growth Area project should be incorporated into a revised Wonthaggi Structure Plan;

The structure plan should be updated to incorporate key findings and recommendations from strategic documents completed since 2008;

Where implementation plan recommendations are complete, these should be updated accordingly; and

Where implementation plan recommendations have not yet been completed, they should be updated and timelines for delivery reviewed.

The Wonthaggi Structure Plan was prepared as a standalone plan in 2018 and while it does not identify preferred residential densities, it does support the continued preparation of the Wonthaggi North East Growth Area, and identifies new locations to be investigated for infill development and rezoning due to proximity to the central business district or the proposed growth front. These locations include land south of Tank Hill terrace, land on the eastern portion of the golf course, land in the caravan park opposite Guide Park and land north of Vicars Avenue.

Dalyston Structure Plan 2018

As mentioned previously, the Wonthaggi and Dalyston Structure Plan 2008 initially set out a residential growth strategy for both settlements which included observations of existing residential patterns as well as directions for future residential development.

The following points were made in relation Dalyston:

- *It is anticipated that while separate houses will continue to account for the majority of dwelling demand in Wonthaggi and Dalyston, the aging of the population will result in a corresponding demand for dwellings that require less maintenance, are located close to amenities and services and are sited on smaller parcels of land.*
- *Residential growth within Dalyston should occur moderately and should complement residential growth in Wonthaggi, and not directly compete. It is appropriate for any further expansion of Dalyston to be incorporated within the Township Zone, with limited opportunities for low density residential development to the south west of the recreation reserve to be investigated. There are no significant constraints to servicing future residential areas in Dalyston. However, the existing functionality of the township should not be compromised by unchecked residential development. Of particular note is the existing limited public transport connecting Dalyston with Wonthaggi. In conjunction with any proposal to expand the existing Township Zone to accommodate*

further residential development or to develop a low density residential area to the south west of the Recreation Reserve, an upgrading of public transport facilities should be investigated.

The Wonthaggi and Dalyston Structure Plan was reviewed in 2017 which identified the need to separate policy directions for the two townships as per the following recommendations:

The importance of Wonthaggi as a regional growth centre should be recognised in a standalone Structure Plan. As such, a Structure Plan for Dalyston should be crafted;

The statistical analysis of Dalyston should be updated utilising statistics from the 2016 census as they become available;

The Dalyston Structure Plan should reflect the role identified in the Bass Coast Planning Scheme as a low growth settlement;

Residential growth in Dalyston since adoption of the Structure Plan in 2008 should be recognised and updated;

The Structure Plans should be updated to include appropriate reference to state and local policy directions;

The Structure Plan should be updated to reflect updated land supply and demand statistical evidence. This should address the issue of preferred character of residential areas in Dalyston, including but not limited to, preferred residential density and the level of services/facilities for residential areas;

The Structure Plan should be updated to incorporate key findings and recommendations from strategic documents completed since 2008;

Where implementation plan recommendations are complete, these should be updated accordingly; and

Where implementation plan recommendations have not yet been completed, they should be updated and timelines for delivery reviewed.

The Dalyston Structure Plan was prepared as a standalone plan in 2018 and while it does not identify preferred residential densities, it does identify land within the Restructure Overlay bound by Bent and Powlett Streets to be investigated further for infill development as it has since been connected to the reticulated sewerage system.

Bass Coast Climate Change Action Plan 2020 – 2030

The Bass Coast Climate Change Action Plan is a central document that drives both the community and Council's plans for mitigating and adapting to climate change to achieve a shared target of zero net emissions by 2030.

Section 8 of the Plan outlines the actions Council will deliver to support the community-wide climate emergency response within Bass Coast.

Actions 24 (Strengthen Planning Policy and Practice) and 25 (Township Adaption Plans) are relevant to the housing strategy.

Action 24 calls for Council to update local planning policies and practices to reflect climate change impacts. The action lists seven focuses for this action including:

- *Identifying and supporting infill development within townships and reducing fringe rural / residential development*
- *Implementing an ESD policy targeting zero carbon and climate resilience for built form as priorities*
- *Continue implementation of planning requirements in response to sea level rise and erosion risk*

Action 25 requires the preparation of Township adaption plans for towns identified as at risk to inundation. While the housing strategy precedes this technical work, it has a role in identifying unsuitable areas for residential development and preventing any further development in areas at risk of inundation.

Council Plan 2021-25

The section expands on the summary in the main strategy.

Bass Coast's Council Plan reflects the community's long-term vision for the Shire and shows how the Council will work towards that vision during its term by developing a set of strategic objectives, strategies and performance indicators to support their delivery.

The strategic objectives that guide Council towards the adopted vision include:

1. Protecting our natural environment - building resilience and protecting and enhancing our natural assets.
2. Healthy community - an inclusive community that embraces its lifestyle and supports health and wellbeing.
3. Our places - strengthening the connection between people and the public places they share.
4. Growing our economy - progressing opportunities for visitor economy and business growth in harmony with our natural environment and sustainable values.
5. Sustainable development - prepare for growth while ensuring the intrinsic values and character of Bass Coast are retained.
6. Leading for our community - demonstrating leadership through good governance, transparency and accountability.

The following strategic objectives and their strategies relate to land use planning and development and are key considerations for locating urban growth:

Protecting our Natural Environment

Strategy 1.2: Ensure Council's planning instruments protect the environmental assets of the Bass Coast.

Healthy Community

Strategy 2.4: Provide opportunities for residents to be active in a range of leisure and recreational activities.

Strategy 2.6. Enhance and maximise the use of Council's open space and community facilities to deliver community benefit.

Our Places

Strategy 3.1: Design, build and cultivate places that create a sense of belonging, connection and pride.

Strategy 3.3: Develop and deliver actions in activity centre plans for main townships.

Strategy 3.6: Advocate for, and create places that are connected, sustainable and support active transport, reliable public transport and other low emission transport options.

Sustainable Development

Strategy 5.1. Plan for housing growth and development that is inclusive, affordable, resilient and complements the nature of individual townships.

Strategy 5.2. Manage urban growth and define town boundaries to deliver future focused infrastructure that is innovative, sustainable and adaptable.

Strategy 5.3. Ensure land use planning and economic development are aligned to facilitate business investment.

Strategy 5.4. Promote environmentally sustainable and universal design principles as standard.

Access Equity and Inclusion in Bass Coast Plan 2021-2025

The Access Equity and Inclusion in Bass Coast Plan outlines Councils role in addressing the priority access and inclusion issues identified by community members with disability, their families and carers, and service providers in Bass Coast.

While the Plan does not specifically provide direction on where to locate new housing that specifically targets the needs of community members with disability, their families and carers, it does include the following action:

Action 6 of the plan states:

> *Use policy and advocacy to influence better outcomes in regard to affordable, accessible housing in Bass Coast.*

This associated deliverable for this action relates to reviewing the scope of the Social and Affordable Housing Strategy to consider housing options for people with disability.

Further to this, a number of actions included within the Plan allude to the importance of improving access to services to and within town centres, and via public transport services.

Bass Coast Healthy Communities Plan 2021 – 2025

The Bass Coast Healthy Communities Plan provides the strategic direction for a range of organisations and Community groups in South Gippsland and the Bass Coast Shire to support the health and wellbeing of their respective communities.

It sets out four priorities to improve the health and wellbeing of the people of Bass Coast. These are:

Creating healthy lifestyles

Focusing on healthy eating and active living, reducing smoking, alcohol and drug-related harm and increasing immunisation rates.

Improving mental wellbeing

Focusing on supporting mental wellbeing and building a resilient, connected community.

Supporting affordable housing

Focusing on safe, secure, affordable and sustainable housing in the community.

Improving equity

Focusing on improving access and inclusion and creating safe and respectful communities.

The following outcomes and strategies are important considerations for decisions surrounding access to and location of new housing:

Outcome 1.1: Our community has healthy lifestyles

1.1.4 Support community access to the natural and built environment for recreation and active transport

Outcome 2.1: Our community has good mental health

2.1.2 Support community members to be valued and connected

Outcome 3.1: Our community has access to affordable housing

3.1.1 Increase in affordable housing

Outcome 3.2: Our homes and neighbourhoods are sustainable and liveable

3.2.1 Increase capacity of homes to provide refuge through increased liveability of housing

Outcome 4.1: Our community is connected to culture, community and services

4.1.2 Increase availability of local health and social services

4.1.3 Increase access to social support

Wonthaggi Activity Centre Plan 2021

The Wonthaggi Activity Centre Plan provides strategic and overarching guidance for the continued development of Wonthaggi's central business district over the next 20 years. The intention of the plan is to encourage consolidation and activation within Wonthaggi's town centre.

The Plan recognises that housing is an essential component of the Wonthaggi town centre given its role as a Regional Activity Centre and its growing population, yet there is a general lack of housing diversity and opportunities particularly at its peripheries.

It suggests that as industrial uses north of Korumburra Road transition to the Wonthaggi North East growth area, there will be opportunity to provide for increased residential uses within the town centre. It recognises the potential to introduce or intensify housing within the following areas:

- *Urban renewal areas to the north could potentially accommodate a mix of uses including housing; and*
- *Existing residential areas along Watt Street and Baillieu Street East, McKenzie Street and Poplar Street may have the potential to accommodate higher density housing.*

The Plan also recognises the opportunity for future built form along areas of Graham Street and McBride Avenue to accommodate shop-top dwellings.

Objectives to support this include:

LU1.2 Support housing diversity within key locations such as the urban renewal areas north of Korumburra Road and within the former secondary school site.

Smiths Beach Town Plan 2022

The Smiths Beach Town Plan sets out a vision, objectives and priority projects to enhance and improve the safety, amenity and enjoyment of the lifestyle and setting of Smiths Beach. It sets out a number of key directions across the domains of environment, land use, access and movement, public realm, character and facilities, social connection and character, services and government.

While the Town Plan does not specifically provide direction for housing growth, it does reinforce the settlement boundary included in the Bass Coast Planning Scheme through Objective 1 (LU1a) -

> *Maintain and protect the existing town boundary through the existing policy in the Bass Coast Planning Scheme.*

Social and Affordable Housing Strategy 2023

The section expands on the summary in the main strategy.

Council adopted the Bass Coast Affordable Housing Strategy in September 2023. It focuses on the planning and delivery of the following forms of 'affordable housing', as defined by

the Planning and Environment Act 1987:

- *public housing – owned and managed by State Government*
- *community housing – owned and/or managed provided by an agency regulated by the Victorian Housing Registrar (not-for-profit organisations)*
- broad rang*e of other possible housing types that are not public housing or community housing but are 'appropriate to the needs' of very low, low and moderate income households including clear eligibility and allocation processes to ensure an affordable housing outcome is achieved.*

The strategy makes a clear definition between housing affordability (which is the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes) and affordable housing (as one of the forms of housing dot-pointed above), with a focus of the future strategy to be on the latter.

The background report also provides a useful set of parameters that assist in locating affordable housing, to ensure tenants have access to the services that many people need, and to avoid issues of social isolation, and transport poverty. These are useful considerations for this Housing Strategy and include:

In townships with well-established services (health, education, shops)

Close to the town centre to be within walking distance to services (preferably)

Accessible to public transport

It identifies Cowes and Wonthaggi, and possibly Grantville, Inverloch, and San Remo as suitable locations for these types of housing.

Implementation is occuring in concert with the Bass Coast Housing Strategy and the findings have influenced the Diversity and Affordability Principle.

Appendix B – Housing Strategy Glossary

Activity Centre

'Activity Centre' refers to community hubs where people shop, work, meet, relax and often live. They can range from local neighbourhood shopping strips to central business districts which includes shopping centres, educational facilities and transport hubs.

Broadhectare land supply

Broadhectare land supply refers to land that is unsubdivided and needs to go through a subdivision and sometimes a rezoning process before it is available for housing development. In the Bass Coast Residential Land Supply and Demand Assessment (2022), land in the GRZ and TZ over 5000sqm and over 10 000sqm in the LDRZ is considered "broadhectare"

Change Area

Planning Practice Note 90 (prepared by the State Government) directs Council to manage housing growth through the designation of areas as one of three "change areas", those being "minimal change", "incremental change", and "substantial change". In brief, they refer to the expected level of change that should be expected by residents in those areas.

Consolidation

See also: urban consolidation

Daily Services

Daily Services refers to the various needs a household would need on a day-to-day basis. This can include provision for groceries, basic healthcare, recreational space, public transport, employment and education. In Bass Coast, these services are generally all found in the main activity centres of Cowes, Inverloch, San Remo and Wonthaggi whereas some smaller settlements may depend on larger nearby settlements for some or all of these services. As an example, a person in Dalyston may need to travel to Wonthaggi regularly as not all services they regularly need are found within the town.

Density

In reference to housing policy, density refers to how closely people live together. An example of low-density housing would be rural living areas such as Wattle Bank or our agricultural localities. An example of high-density housing in Bass Coast would be some of the apartments and unit developments proposed, under construction or built in Cowes, San Remo and Inverloch.

Environmental Hazards

In planning policy, environmental hazard refers to natural occurrences that may impact on the ability to inhabit homes safely. In Bass Coast, common environmental hazards include the risks of flooding, bushfire, sea level rise, erosion and land subsidence as a result of previous mining activity.

Greenfield land/development

Greenfield land refers to land that is non-urban. In Bass Coast, this usually refers to agricultural land on the edge of settlements that have been included within settlement boundaries to accommodate further housing growth. Development of this land is often referred to as greenfield development as distinct from "Infill Development".

Housing Affordability

As distinct from "Affordable Housing", Housing Affordability refers to the measure of how affordable housing is for people in an area. The Planning & Environment Act 1987 identifies housing as affordable if it is appropriate for very low, low and moderate income households. For regional Victoria, the June 2022 income ranges incorporated under the act define this as:

Less than $52 090 for single adults,

Less than $78 140 for couples with no dependants, and

Less than $109 400 for a family with dependants

Housing growth

Housing growth is a term used in this strategy to refer to a rise in the quantity of housing in an area. For example, the strategy recommends that more substantial housing growth should occur in proximity to the main centres of Bass Coast.

Infill Development

Infill development refers to the redevelopment of established urban areas with new housing, usually at a higher density. This could look like a single detached housing in central Wonthaggi being redeveloped into a block of 3 or 4 units or the subdivision of low-density lots in an established town further subdividing to accommodate more houses.

Infrastructure

A word used to describe the structures and facilities necessary to support a community. It can include both 'hard infrastructure', referring to physical facilities such as roads, utility services, drainage and streetlights but also 'soft infrastructure' that provide services such as activity centres, hospitals, parks, schools and theatres.

Landscape Character

As distinct from neighbourhood character, landscape character refers to the human experience of landscapes including views, vistas and the elements which contribute to them. In the planning scheme, it is generally controlled using significant landscape overlays.

Marine Environment

The environment of the sea and coastal areas that are underwater on a regular basis including the geological, ecological and physical processes contained within these environments.

Multi-unit Development

Refers to a development which contains multiple houses. These can include side-by-side attached "duplex" houses, attached townhouse, attached or detached flats and apartment buildings.

Neighbourhood Character

Neighbourhood character refers to the human experience of a place that makes it valuable and distinct from another place. It is established through many elements both in the public and private realm including building siting and placement, materials, infrastructure and surfacing.

Peri-urban

In the context of Victoria, Peri-urban refers to the area surrounding Melbourne that experiences urban growth and other pressures due to their proximity to Melbourne. Bass Coast is generally considered a peri-urban council area.

Precinct Structure Plan

'Precinct Structure Plans' (PSPs) are defined by the Victorian Planning Authority as a master plan for a local area usually catering for between 5000 to 30000 people, 2000 to 10000 jobs or a combination of both. PSPs provide specific detail of how a growth area will develop including the provision of roads, shopping centres, schools, parks, transport connections and areas for housing and employment. Currently the only PSP in Bass Coast is the Wonthaggi North-East Precinct Structure Plan.

Regional Centre

Refers to the central activity for a region or subregion. For Bass Coast and the wider South-West Gippsland Subregion, Wonthaggi is generally accepted as the regional centre.

Settlement Boundary

A settlement boundary intends to define the allowable extent of urban use and development for a settlement. It is a fixed outer boundary and manages future growth expectations for a settlement.

Social and Affordable Housing

Social and Affordable Housing refers to a spectrum of non-market housing which includes public "housing commission" housing, housing provided or subsidised through social housing organisations as well as emergency/crisis accommodation.

Strata

Strata subdivision refers to a style of subdivision in which each person in a unit development or apartment building owns their own property on a title. Depending on the layout, they will also generally own and be responsible for a portion of the common property. This style of subdivision is common in Victoria and is often used so that owner occupiers can own their property and so that property leasers have greater control over renting out their property.

Structure Plan

Structure plans define a preferred direction of future growth in a settlement and articulates how it will be managed. They are generally developed by local councils. A number of existing structure plans for settlements in Bass Coast are included in Part 2 of this strategy.

Urban consolidation

Urban consolidation refers to the increase in housing density in an urban area. Generally, the housing strategy directs consolidation around activity centres. See also: Density.

Appendix C: Bass Coast Residential Housing Market Supply and Demand Assessment.....document over the page.