

# **T R A N S C R I P T**

## **SELECT COMMITTEE ON VICTORIA PLANNING PROVISIONS AMENDMENTS VC257, VC267 AND VC274**

### **Inquiry into Victoria Planning Provisions Amendments VC257, VC267 and VC274**

Melbourne – Thursday 17 April 2025

#### **MEMBERS**

David Ettershank – Chair

David Davis – Deputy Chair

Ryan Batchelor

Gerogie Crozier

Michael Galea

Sarah Mansfield

Bev McArthur

Aiv Puglielli

Sheena Watt

## WITNESS

Professor Andrew Butt.

**The CHAIR:** Welcome back. We will now resume the committee's public hearings for the Inquiry into Victoria Planning Provisions Amendments VC257, VC267 and VC274. We welcome Professor Andrew Butt from RMIT.

Just a little bit of the preliminaries: all evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, could you please state your name and the organisation, if any, that you are appearing on behalf of.

**Andrew BUTT:** My name is Andrew Butt. I am a professor at RMIT University in Melbourne.

**The CHAIR:** Thank you and welcome. I am glad you could join us on very short notice.

**Andrew BUTT:** That is okay. Thanks.

**The CHAIR:** Please, would you like to provide your presentation.

### Visual presentation.

**Andrew BUTT:** I will just take a few minutes with this. I know you have had other people today, some of them people I know quite well, who have given you an overview of various parts of this. I wanted to particularly talk to what I see as the nature of these amendments, not just in terms of how they are affecting planning systems overall but rather how they might particularly relate to precincts – and I heard the previous conversation with the previous presenters. The nature of what we are seeing as an opportunity for the redevelopment of the precincts in Melbourne in particular, but not only in Melbourne in future, is going to be crucial. I think it is a once-in-a-generation opportunity, really, to get it right, to actually redevelop spaces, to get the mix of not only housing but other land uses we want, to get the mix of land uses at the different kinds of affordability and demographics that we want and address some of the failings of previous models of urbanisation that we have seen in recent years.

**Andrew BUTT:** This first slide tells us I have particularly pitched it at what I see as four of the objectives under section 4, which I think are around not simply process – and I have got some comments about process, but I am particularly interested in how we think about the orderly and sustainable use of land, how we think about public assets – and here it talks about public utilities, but I am also interested in broader issues of social infrastructure and how that is impacted by the sorts of growth we are likely to see or that is made possible by these amendments. This is a long-term plan. This is not the solution to a housing crisis in 2025, this is a long-term change to the city and its morphology. And we need to think that through, as much as it is important to consider now as well, and of course to think about how we might talk about all responsible authorities and planning authorities, how we have all got a role in that and we have got to consider what it might mean for communities and local government in particular. I am very interested in the role of local government in this process and how it is perceived, and I think there are problems with how local government has been perceived publicly in recent years around planning, which I have got some particular views about. I suppose that is the remit of what I came to speak to you today about.

These are my general observations I wanted to make. I know you have heard lots of these things today, so I will just keep it brief to the things I think are actually quite interesting to consider.

The first thing I would say is it is a welcome move by the government to actually take action on thinking through urban infill, urban redevelopment. I think we have spent too many years looking at the urban fringe, even in the ordered way that we have looked at it in the last 20 or so years with the urban growth zone and the precinct structure planning. I am sure that you have heard some critique of all of those things just in the last hour or so, but I think the success of it has been its orderliness and the confidence that it has provided. I think some of its lack of success has been that we have ended up with some fairly uniform results and some communities who have had long-term lack of access to the sorts of social infrastructure I think we imagine that cities and towns in Victoria should have. This is not just a Melbourne issue, too; we see it in other smaller cities around Victoria.

I think that the planning reform agenda is significant in addressing housing affordability and housing supply issues for sure. But I also want to make the point that it is obviously framed in a much wider context, and we heard you discussing that today around the sorts of products that are being brought to market in apartments in particular. We do need to recognise the housing problem that planning can solve, and thinking historically, as someone who has been involved in urban planning in Victoria since the early 1990s, the revival of housing as a problem for planning I think is welcome, but I think the sudden prominence of housing as a problem for planning has also put aside some of the issues that really do matter – some of the issues that matter in the housing market overall but also in what else planning is there to do.

The point I was going to make is that fast-tracked planning permits in middle Melbourne so far are not necessarily making the great changes they might make. They are important. They are an important factor, but I do not think we should put too much weight on them, and I think we should not put them ahead of a lot of other things we should be considering for what planning might do. They are not achieving what we are seeing as desirable medium- and high-density development, and we have seen that. We are seeing a mismatch in the market between what is being built and what people want. That is a price point mismatch and a form mismatch in lots of places – not everywhere by any means, but in lots of places there is that mismatch apparent.

I think I just missed what the third and fourth dot points were going to be. My apologies; I did this this morning. I am also concerned in general, and this is not about precincts per se, but I am concerned that the removal of various review rights has been undertaken in an era where it has been politically possible to do but without due regard to what is really 80 years of us understanding third-party appeal rights in Victoria being a recognised element of our planning system. So while I am not here to defend third-party appeal rights in their broad sense – they are unusual in many jurisdictions around the world; few other places have them. I was a planner in the Republic of Ireland, where in fact we had them as well, but they are a very unusual situation. I am not here to defend them wholly, but I am interested in the fact that what was once deemed normal can be deemed aberrant and unacceptable in a very rapid manner without the sort of public discourse I would imagine we should be having, and that is something I do want to hold as being an important consideration.

I think it demonstrably goes to not only the precinct redevelopments and the areas around them but also what we might see as a longer agenda for how we might remove those. We are seeing shifts in responsibility between local government and state government which I do not think are necessarily all that well thought through in terms of resource capacity and contextual decision making. I know we can sit in Melbourne and sort of all diss local government, but it is not actually the way it is everywhere. I think there is a narrative which has been constructed, delivered and continued in ways that are not necessarily reflective of what many people would think about that tier of government. But we also know there are huge constraints in capacity within that tier of government too, a tier of government I have worked in myself not only in Victoria but in other places in the world. Likewise the removal of the character considerations – neighbourhood character, I mean here – which, again, I found problematic as a tool, but the principle behind them I think is one which is worth due consideration and contextual consideration in different places. So the way it works was not great, but the principle behind it is not one that you simply remove because of that. That would be my general point of view.

The extreme housing focus, if you like – I put that in brackets – is fully understandable in the current political climate, but I think it creates great risks. It creates great risks to building communities and building communities where people live, work, go to school and participate in social connection, and that is important to me, that a housing-only agenda risks those things. While that is important right now, I think the long term implications of it are potentially problematic.

When I was thinking about this yesterday, how to present, I thought, well, what is the most recent experiment we have had in Victoria in delivering large-scale housing solutions and changing the morphology of this city? It has been 20 or so years of urban greenfield redevelopment under the precinct structure planning program to the urban growth boundary, and I think we have not done it as well as we could have, and I see many of the same mistakes replicated in this agenda of the housing choice and transport zone and the precinct zone. So if we are going to shift our focus from an urban edge agenda – which is unfinished business in this state. We still have many, many communities that are deficient in jobs and urban infrastructure, both social and physical urban infrastructure. If we are going to shift an agenda to focusing on these precincts, I would hate to think that we end up with a solution which results in many of the potential problems being replicated again, because many of the underlying assumptions of the precinct redevelopment process assume that areas with existing infrastructure capacity can absorb more, and we know that is not necessarily the case. We also know that the planning process of having an urban growth zone, which then relegated decisions about places to a precinct structure planning process, looks a lot in my mind like the precinct zone, which will then relegate these things to the framework plans. So with the development framework plans specified in 37.10, where is the part that says you have to have warrants for infrastructure, that staged infrastructure and housing provision are not just something you may build into the process but are absolutely fundamental? Where are the lessons from the urban growth –

**David DAVIS:** Inextricably linked.

**Andrew BUTT:** Indeed. Where are the lessons from the urban growth planning process we have experience of in the last 20 years to lean on? It has got its merits as an ordered process compared to what came before it over the 60s, 70s and 80s, but where are the lessons from it that we can apply to this? I do not see them. I do not see those lessons coming in here and saying we know now that we should provide infrastructure in a timely and orderly manner. We know that it is crucial that we do not leave a paddock sitting there for years ready to be a school and never get built. And in fact, we should never allow that development to occur without that, and whether that is infrastructure provided by the private sector, infrastructure provided through the contribution systems or infrastructure out of general revenue, there has to be that warrant in there and it has to be absolutely contained within the instrument – the planning scheme – not relegated to a future framework plan and then consequent application of it. So that is my comment. Did I make it in time?

**The CHAIR:** Very well done. Thank you so much. All right, well, the committee will be going again in 5-minute slots, so I will kick off. Thank you very much for that presentation. Very thoughtful. I have got sort of a bugbear about precincts, I suppose, or particularly neighbourhoods and small areas. I guess I am looking at Docklands and feeling really under impressed, looking at Southbank, ditto. In my own area, the Joseph Road precinct near Footscray – I do not know if you have seen it, but it is terrible.

**Andrew BUTT:** Yes, I know it. On the river?

**The CHAIR:** Correct, although it does not speak to the river effectively. Is there anything in the new approaches, and in particular these amendments that are coming up, which is going to try and break this nexus of just unsuccessful place management and precinct development?

**Andrew BUTT:** I mean, I would argue that, for example, for examples like Docklands, the potential for development that met community expectations has been lost along the way because of things like deficiencies in infrastructure. There is a school that has only been built there and it is already leasing shops next door because it is bursting at the seams, and it is on the busiest road with the most traffic fumes of any site that you could choose there. I think that is problematic in a lot of ways, but I think we know how to build good neighbourhoods. We know how to do it. We know what works well, and in fact I would argue that there are a number of suburban greenfield developments that have the potential to do that well. Some of them are deficient in infrastructure. I would point to an example like Mambourin in Wyndham, a great example of a precinct structure plan development where its liveliness – its livability, if you like – and its connections to place are utterly reliant on a railway station which is a dot on a map. It does not exist in real life.

So I think I would argue that we know how to do it. I think the precinct planning process has the potential to do it well, but my argument is that relegating that thinking only to the framework planning process and not mandating particular elements of it within the planning scheme, within the zone or other instruments, leaves that decision to later. And the staggered decision-making that leaves elements of that infrastructure provision till later risks a generation of people not having access to those services. A lot of evidence that we have in our

own research centre around particularly urban greenfield areas is that the late provision of public transport means people just do not ever use it, even when it comes. The late provision of schools means people have already made choices of travelling every day. So sometimes it is not about whether or not we can point to flaws with all the examples you raise – and I could – but the fact that we know how to build them also comes with the fact we know when to build them and when to sequence things. I think we do know how to do that, but there is nothing in this framework that has been provided that would actually mandate these things. They would be decisions left to good developments versus bad developments. There are good developments and bad developments on the urban fringe, and there are good and bad infill developments in Melbourne, for sure.

**The CHAIR:** Okay, so in that context, with the three planning scheme amendments that are the subject of the inquiry, what is your position with regard to advice to the committee as to the best way forward? I mean, should we be keeping them, should we be seeking to amend them via partial disallowance, or is there another way forward?

**Andrew BUTT:** I would take the view that there are deficiencies in some of them that could be remedied by the inclusion of additional elements, particularly that element of requiring the linking between infrastructure and planning and infrastructure and housing. The promise of those things over time – for example, an integrated transport Act which promised an integrated land-use and transport plan, which never really came to fruition except in small elements – those notions of integrating these things is a missing point every time. I think if it was legislated and provided for through the Act via the planning schemes as not simply something to be dealt with later – you know, in your ‘may include’ list – but rather as a fundamental part of how you went about these steps, then I think we would see better success. I would hope. That is why I raised the issue of the greenfields, because what is the lesson of that? Where are the lessons of those developments over 15 to 20 years under the current regime being brought to the learnings about this, or are they just simply seen as too disparate? I do not believe they are. I believe from a systems point of view they have very many similarities and there are lessons to be learned. As to whether we should abandon them or amend them or whatever, I would leave that to you, but I think there are elements of the precincts and the – now I am going to mix my numbers up – amendment which brings in the housing choice and transport zone which are due for changes to mandate some elements of infrastructure provision.

I do not think I will speak to the overall notion of the removal of rights and the ResCode changes. I think you have probably heard from other people about that. I think there are some underlying principles there about how we bring in a deemed to comply system in Victoria, and I think it probably deserves more thought than just adding it here and there. But I think if that is where we are headed, then these are probably ready to go when that occurs. I do not have a problem per se with a deemed to comply system covering more things than it does now, but I find it odd that we have brought one in while we still have a system that did not used to do that – all in a big tangle. But I will leave that for today. My main idea would be that I think we could amend those elements to enforce infrastructure as a necessary part of development.

**The CHAIR:** Thank you. Mr Davis.

**David DAVIS:** Thank you, Professor. It has been actually a very enlightening presentation and a very thoughtful and nuanced presentation. I am summarising here: essentially one of the key points that you are making is we should be taking learnings from the greenfield sites and applying some of those infrastructure learnings to these sorts of sites, and that currently is not there; there is no linkage of that type and there is no requirement. I am just paraphrasing and picking up some of the points that you have made. But I want to just go a little bit further and say that in terms of local place making, local neighbourhoods and local communities, vegetation is important and heritage is actually important. What would you say to these aspects, given that – and you may disagree with me – it seems to me these protections that you would expect of some of these things are not clear and adequate in these provisions?

**Andrew BUTT:** I think that that goes to an idea of a housing-dominant agenda. I understand that we are in a period of urban redevelopment where some of the political concerns about heritage have given way to political concerns about housing in lots of instances. It is fundamental that we deal with some urban greening issues, particularly in a changing climate where we know that the loss of vegetation on private land in Melbourne and particularly in certain areas of Melbourne is a catastrophe. I am concerned about some of the unnuanced landscape requirements of the new ResCode and general requirements. In my mind, I think they are part of what I would see as infrastructure in large part. I would talk about, in my mind, the idea of open space, healthy

streets, if you like; those things are all elements of that sort of social infrastructure. We can see temptations for local councils to approve things which are beyond the scope of what was there in the precinct zone in order to just get those things. We will see that we have got the value extraction components, and I am probably using the wrong word now because I am not looking at it. The fact that those things which should just be minimum require some sort of negotiation seems a bit odd.

**David DAVIS:** Some sort of uplift.

**Andrew BUTT:** Indeed. Again, the lessons from greenfields are that we have got some really good examples of how to do open space. Sometimes we have got the overapplication of open space for urban areas in some of the urban greenfield sites, in my opinion. I think we have got lessons on how to do those. I suppose what you are asking is: should those things be simply left to the framework plan, or should we be including in the scheme –

**David DAVIS:** Sharpening the linkage.

**Andrew BUTT:** some sharp linkages about what we expect? We know how to do accessible urban greenfields well. We know how to do accessible urban space even in infill areas. I mean, designers could tell you how to do that well, whatever that might be. I would tend to think that we should in fact be clearer about the expectation of what livable neighbourhoods look like, and that might include things around neighbourhood character and architecture and heritage. It may include things about open space and urban greening. It may include things about the preservation of nature in infill areas, which is quite possible to do. I do not think it should prescribe them. I think some of those are best left to the framework plan, but it should prescribe the fact that they are necessary, and they are necessary elements of physical and social infrastructure.

**David DAVIS:** I am going to be very quick because I am conscious of time. For some of these areas the government has imposed or has put in place targets for dwelling approvals and numbers, and some of them are 90 per cent greater than what is currently there. In one municipality there are 70,000 dwellings now. They want to add another –

**Andrew BUTT:** In Yarriambiack there is 200, so we also have a distribution problem across our state with this.

**David DAVIS:** But they want to add another 66,000 or 65,500 in 25-odd years or so. How much in the way of open space, schools –

**Andrew BUTT:** Indeed. I have not done the calculations, but I think we have got some fairly good metrics. The greenfields PSP guidelines give us those metrics. I would love to see those metrics for precincts that follow those same sorts of ideas and were somehow embedded in a clear way, which is what we expect. The difference is what we expect before we develop next, because what we have learned in the greenfields is we can prescribe it, but that does not mean it does not get built in order.

**David DAVIS:** It does not necessarily follow.

**Andrew BUTT:** Yes.

**David DAVIS:** All right. Thank you.

**The CHAIR:** Mr Batchelor.

**Ryan BATCHELOR:** Thank you, Chair. Thank you, Professor Butt. Starting at that point where you talk about the lessons from the greenfield sites, you started the example of the planning that was built around a train station that never materialised. Do you think the activity centres in the 10 pilot sites that have essentially done it the other way, which is we have got the train stations and now we are going to try and build the houses around them, is a sensible way to go?

**Andrew BUTT:** Absolutely. I walked past what my friend calls the pizza oven in a paddock at Arden station the other day.

**Ryan BATCHELOR:** That is good.

**Andrew BUTT:** Whether it is that sort of example or the SRL examples, sites where we have got underutilised things – whether it is Essendon North and the like – I think they are great examples of how to do things well, absolutely. I think the more nuanced thing is what other infrastructure comes with that, and ‘other infrastructure’ is not just physical stuff. It is not just the transport. It is not even just the school. It is about infrastructure that makes social connection work. It is about infrastructure that means people can work locally and there can be two-way exchanges all day – that is, jobs. So absolutely, I think early infrastructure provision in those sites is a really good reason to choose them, and I do not have a problem with the idea and the criteria for choosing the sites that have been chosen. I just feel that we can see this will be an agenda that will get bigger and bigger and roll on and on. It may even go to the division 2 of places that might not have as good a warrant for why they are chosen in future. There is nothing wrong with, in my mind, going out to more and more precincts, but we will start to get to places where the legitimacy of it starts to look thinner and we need to have a very good argument to say, ‘How will we know when they’re ready?’

**Ryan BATCHELOR:** Sure. And we heard evidence earlier today that the concepts of activity zones and activity centres have been in the planning schemes and planning provisions for a very long time.

**Andrew BUTT:** Seventy years at least.

**Ryan BATCHELOR:** Yes, so they are not radically new concepts, although some may suggest that they are. In going about that task of choosing new sites and the process from ‘We’d like to do this concept’ to ‘Here’s the planning scheme amendment’, the gazettal of the planning scheme amendment to enact it –

**Andrew BUTT:** Or in fact the framework plan that then gets placed as a schedule –

**Ryan BATCHELOR:** How long do you think is a good amount of time to spend doing that development work, and how much – what do you think a good process is? How long do you think it should take?

**Andrew BUTT:** I suppose we are imagining these things as going over years, and we know that the tricky element of many of these redevelopments is around site assembly, and even in sites like Arden, with our pizza oven, where government entirely owns it all, the period of time taken is years. I mean, as much as I would like to just fix things like that, I do not see it as a problem if it takes that time. I suppose for me it is about whether it is a consultative process, and why would you consult? What is the story there? Is it one about land –

**Ryan BATCHELOR:** When you are talking consultation, are you talking about –

**Andrew BUTT:** Indeed, about who is going to be there and who already is there, which is the tricky part. We are talking about the people who are there. Their willingness to engage in the process is one part of the story, but who is going to be there and what they want is another part of the story.

**Ryan BATCHELOR:** That point is a really interesting one. So you think that the process is not just about who is living in them at the time –

**Andrew BUTT:** No, I do not.

**Ryan BATCHELOR:** but it is about who might be coming?

**Andrew BUTT:** I imagine you are asking me about neighbourhood groups versus the community in general.

**Ryan BATCHELOR:** No, not necessarily.

**Andrew BUTT:** I agree. I think we have got to have a consensus across the community, even, and not feel too proprietorial over certain sites. I definitely think that, and I have been involved in lots of local planning processes for a long time. I get why they are as they are, but they also can be frustrating. I think there has got to be a broader ownership of some of those things. I think we need to think through the idea that we also need to ask people who are coming about what they want and how it will work, because that tells us things about what we should be sequencing, what sort of housing we should be looking for, what sort of mix we are looking for.

But also we know things change really rapidly. We could have asked lots of people about work from home in 2019 and got a different answer to today. So we have to also look at what good evidence exists in other forms,

for sure. So I suppose my point is that I think these are processes that we are expecting are going to take three and four years. Whether they should or not, I am not sure, but we know they will and we know that it is worth having –

**Ryan BATCHELOR:** Do you think 18 months is too short a period of time?

**Andrew BUTT:** I imagine it is unlikely to happen in 18 months. But if we had a seriously good framework for doing this and it was one that was particularly talking to landholders – because in 18 months' time I suspect all you are going to get is a plan that is not going to work because half of the people involved in the existing system are not going to agree. But these are 20-year processes anyway. We are talking about places that will change over 10 and 20 years. Finally someone's family will want to subdivide the property because someone else passed away. These are not short-term things. These are 20- and 30-year projects. A place like Box Hill is a good example of a 20-year project of change.

**The CHAIR:** All right. Dr Mansfield.

**Sarah MANSFIELD:** Thank you, Chair; and thank you for appearing today. I am interested in what a good process might look like or what you would like to see in these planning scheme amendments that are being put forward?

**Andrew BUTT:** I will mention around the housing choice and transport zone and the precinct zone in particular that I would like to see them have something embedded in them that actually talks to the infrastructure demand that this process would place on it. I am particularly concerned about the housing choice zone because it is a bit easier than the precinct zone, and so we might end up with a bit of a doughnut of all this redevelopment occurring much more easily than the real stuff we want, which is the medium- and high-density mix right by the station. We will end up with all the stuff around it that is sort of easy to do. That worries me a bit. And from a process point of view I do think we need to consider how we engage with people who are not only on those sites but also community generally about the housing they want and think about where those things sit. How many of those things sit in the framework plan the precinct zone demands be produced, which is a little bit like a precinct structure plan in some respects, and how much sits within the legislation to demand that consultation occurs? I am not sure I know the complete answer, but I know right now that none of it is embedded clearly enough in the zone, which is the instrument most effectively presented, to make some of it happen. I think we need some evidence of what a process should look like here, and my view is we have some of the evidence and some of the evidence is in the precinct structure planning process of the urban growth zone, which is shown to not work very well in many instances, for areas to be left undeveloped for a decade or more and for other areas to be developed well ahead of any infrastructure in those locations. We know that is what happens, so we can look at that lesson and consider that as to what should happen instead.

**Sarah MANSFIELD:** According to the department, and I am sure the government would argue, they have been through an extensive consultation period to develop these planning scheme amendments.

**Andrew BUTT:** I mean, it is extensive, but it is not as extensive as it might have been. I mean, we have seen a hurried process of planning reform that has not been openly presented as a single process of planning reform. I could ask you all, but that seems to be a fashion in government, to try and fragment reform processes into small parts. As someone who watches these things and comments on them in the media and the like, I do not think we have seen a broad and open discussion about what planning reform looks like. We have instead seen small aspects of it occur and really people in the know engage with it, not the broader public.

**Sarah MANSFIELD:** I do not know if you can make any comments on the affordability side of the argument around here. Again it has been put forward by the government that this will deliver more supply, therefore housing will be more affordable. You mentioned before there is potentially a mismatch between what is being delivered and what people actually want in terms of price and form already. Do you think these amendments will address that?

**Andrew BUTT:** I think there are some major housing affordability challenges, and if anyone watched television last night, they would have seen a failure of the federal government's to talk properly about it. I do not think it is a planning problem in every instance. I do think that it is a lost opportunity in this particular precinct redevelopment to only place housing affordability as an uplift opportunity from excessive development rather than to demand it entirely. I would say it was a lost opportunity to give up the social housing agenda of



the previous Andrews government back whenever it was, this time in 2022, when Richard Wynne was still the minister. I think that was an interesting and innovative proposal which was shot down, and I am saddened by it.

**Sarah MANSFIELD:** Are you referring to the levy, sorry?

**Andrew BUTT:** Yes. I am saddened by that process. I am not sure it was the best one, but it was a logical thing to do in an era where we are just not spending enough money on social housing. We should just do that. But the affordability issue here is we should be extracting more affordable housing from the uplift process of enabling these precincts to occur, and we are not. This might be the perfect place to do that rather than a blanket process that seemed to be politically unacceptable, and I think that there is not a lot of evidence in this that the diversity of housing is what needs to be delivered, because the diversity of housing, rather than a townhouse at one end and apartments at the other, is what should be delivering the affordability and the options for different household types.

**Sarah MANSFIELD:** Thank you.

**The CHAIR:** Ms Crozier.

**Georgie CROZIER:** Thank you very much, Chair. Thank you, Professor Butt – most interesting.

I want to go back to a slide you put up in your presentation. The last dot point – correct me if I am wrong – was roughly around the extreme housing focus fails to fully recognise orderly planning and good community outcomes. It puts pressure on utilities and infrastructure without adequate planning models, I think. Well, that is my scribbling of roughly what you were saying.

**Andrew BUTT:** Yes.

**Georgie CROZIER:** And I am interested in that, given the huge impost that is there now. We have been discussing the likes of the utilities that are going to be put under immense pressure – water, sewerage, telecommunications – in some areas it drops out the entire time, it is not even fantastic in these built-up areas, but importantly for me it is health services but also education, early childhood, and a lot of this will fall back onto local government, as we have discussed with other witnesses.

**David DAVIS:** Cost shifting.

**Georgie CROZIER:** What is your view on, as Mr Davis quite rightly said, cost shifting, in relation to that cost shifting possibility to local government around these necessary services given the government's desire to push forward with this extreme housing model that they are putting forward?

**Andrew BUTT:** The main issue I have here is that in choosing these sorts of precincts for growth because they have got existing services and amenity there is not clear and evident consideration that they will be able to absorb the growth that is proposed. As to whether it is a cost shifting –

**Georgie CROZIER:** Sorry, can I interrupt you there. That is my concern. Why do you say that?

**Andrew BUTT:** I say that because it is quite clear that in many instances – you can go and look at the portables in an oval in a school where you have seen a lot of urban growth. I mean, University High is renting out places in Lonsdale Street, I think, at the moment. This is quite apparent in lots of places.

**Georgie CROZIER:** I agree with you; I am not disagreeing with you. But why isn't government recognising these pressures that are already there, to see what is happening in these communities now, and it is only going to put more pressure on these communities. It is not going to be the silver bullet that they are saying it is going to be.

**Andrew BUTT:** Well, that would seem apparent, that simply building housing in these locations without the matching infrastructure uplift is going to be problematic, and my point was we have learned from the greenfields over many years that that same process occurs. We have learned that even recognising through the process of the precinct structure planning or in this case maybe some sort of framework planning process to determine what is needed does not result in it being built. We have seen in examples like Docklands that longstanding necessary infrastructure like a primary school was just ignored for many years, and it is certainly

not just this government that did that. That is from the 1990s. It has been ignored for that long. And we have got a situation here where the cost shifting is possible, but I suspect more likely we are going to see the banking of contributions, like we see on the urban fringe, and the eventual expenditure of them, often in election cycles, where we do not see them meeting the sequenced needs of places but rather meeting the cumulative capacity of a system, which holds a lot of resources through the various contribution schemes – and there are a few different ones operating in Melbourne and Victoria at the moment.

We need a plan as to how they get resourced that is transparent and open and matched to the development that is going on in certain places. It would give developers confidence as well because they would know when things are occurring. We have seen examples in, say, Melbourne's west – for example, the unwillingness of a developer to build at a density around a future Tarneit West railway station without the confidence it will happen. The confidence in those things occurring actually lets us get the planning outcomes we want. I think that is important.

**Georgie CROZIER:** You did say we know how to build good precincts. I think that was your quote –

**Andrew BUTT:** I think we do.

**Georgie CROZIER:** and you mentioned Wyndham, you just mentioned Tarneit. So is there opportunity to improve amenity in those areas and then have a bit more medium- to high-density developments?

**Andrew BUTT:** I do worry in the entire debate around these things that it is almost as though we have moved on from the unfinished job of Melbourne's fringe. I think Melbourne's fringe still is unfinished business, and I worry that we have moved on from it in the political discourse.

**Georgie CROZIER:** In relation to infrastructure.

**Andrew BUTT:** In relation to unfinished social and physical infrastructure, jobs in particular. When I say we know how to build good precincts, we know what would indicate good access to open space, good access to schools, good access to transport and a good mix of housing forms to meet demographic needs of small families and larger households and everything in between. We know what that might look like. I do not have confidence that we are setting up a system where that will work, and certainly not work in a sequenced way that would give confidence that people would be using local facilities and have them available.

**Georgie CROZIER:** Is that a better model to look at, though, for the future?

**Andrew BUTT:** I believe so, yes.

**Georgie CROZIER:** Thank you.

**The CHAIR:** Thank you so much. Mr Berger.

**John BERGER:** Thank you, Chair, and thank you, Professor Butt, for your appearance today. I am interested to get some thoughts on the loss of agricultural land. If I look at where we were at 30 years ago, I know by my own experiences in the particular area from Epping up to Whittlesea and then across to Kalkallo, where all that farming land has been lost, the effects it is going to continue to have if we do not do something about it. In terms of Werribee across to Lara, we lost all that farming land through there and, we now know, in some of the market gardens around the Werribee precinct –

**Andrew BUTT:** Werribee South for sure. They are at risk, and there are issues about their access to water. They are all very real issues.

**John BERGER:** I am thinking in terms of the amendments that we have got there, aren't we just knocking ourselves around by trying to take them out?

**Andrew BUTT:** That is why, as I started my statement, I am fully supportive of the government looking at a comprehensive look at how to do urban infill better. I fully agree with the idea that I know there is a risk in Melbourne, and I will talk to Melbourne only, but I do not think this is just a Melbourne problem. I think we are fully at risk of another round of a push from various sectors of the housing development industry for expansion to the greenfields, so expansion to the urban growth boundary in Melbourne and expansion to the similar urban

growth boundaries – and we know there is one right now for Geelong – in Ballarat, Bendigo and other areas of Victoria, where we need to stop that from occurring. We need to manage growth, which unfortunately is not something we can easily manage in terms of numbers, but we need to manage the fact that we cannot just do another Wallan or another Melton in order to achieve that. We need to do things in existing Melbourne. My argument was never against the idea that we should look at urban infill and look at changing urban mix and reusing spaces in better ways. I absolutely agree with that. I think it would be catastrophic to just do that without regard for the infrastructure deficiencies that can (a) already be there or, secondly, become very evident very quickly once we start a process of urban housing redevelopment.

**John BERGER:** And the same could be said in some of the regional areas, like from Torquay back to Geelong.

**Georgie CROZIER:** Teesdale.

**Andrew BUTT:** Absolutely. Or even Camperdown. The scale of development that we are seeing in a low-rise suburban expansion all the way up the side of the mountain – I think there are really strong opportunities to change the forms of housing we see in many Australian cities and towns. We should do that, and we should welcome opportunities to have higher density, higher storey sorts of forms being normalised in ResCode. I am simply suggesting that we should not do that without regard for what it does to services when we see the growth. I absolutely think that simply replicating, whether it is Delacombe or Melton or wherever else, in the form we have seen in the last 10 or 15 years is not useful. We should be looking at different densities. We see examples of them, but they are often not viable without the matching infrastructure to make them worth it. That has been the other challenge, that models for higher density urban fringe developments rely on infrastructure as the trade-off for space. In these cases we are going to have the infrastructure, and people are going to be willing to buy that housing product, the higher density one, the three-storey small little thing, but without the infrastructure it is going to put immense pressure on those communities, so that is my argument.

**John BERGER:** Okay.

**The CHAIR:** Thank you, Mr Berger. Mr Puglielli.

**Aiv PUGLIELLI:** Thank you, Chair. Good afternoon. You spoke in your opening remarks about the need for additional elements with respect to the planning provisions, as amended, before us. Could you expand a bit more on what you meant by that? What additional elements?

**Andrew BUTT:** I was thinking elements particularly, say, in the precinct zone, elements and the accompanying aspects of the overlays that went with them, elements that actually mandate the need for sequenced infrastructure within development, and potentially – I called them warrants in the thing – effectively a licence to develop the next stage once we know the infrastructure is there.

**Aiv PUGLIELLI:** Can you expand a bit more? What does that look like in practice?

**Andrew BUTT:** I would imagine in the precinct zone it would have something that says the word ‘must’ and potentially says that sequenced infrastructure provision must be provided through that development plan. What I imagine happens here, thinking about how planning systems work – and I have worked in local government planning as well – is that we have the precinct zone, we have a framework plan that derives from it, which becomes a schedule to it. It talks about form issues and shape issues, but we need to also have a very clear sense that it must include an infrastructure sequencing and capacity statement of some sort that means that we do not leapfrog ahead of what is available and actually diminish the livability of those communities rather than enhance it.

**Aiv PUGLIELLI:** Thank you. You made reference to the developer contributions levy in the line of questioning from my colleague Dr Mansfield earlier. With respect to what we need in place around these provisions to ensure that homes are affordable and available to everyone who needs them in the community, what do we need to see around the provisions themselves that we are examining?

**Andrew BUTT:** In terms of contributions or warrants to social housing?

**Aiv PUGLIELLI:** In terms of other offerings from government to ensure that we are building homes that are appropriate in pricepoint and form for people that need them.

**Andrew BUTT:** I would assume this is a lost opportunity to trial the housing levy or a similar model of social and affordable housing requirement – a tax, if you like, on the uplift that is provided by the system to require that housing. Now, that could be in all sorts of forms. We see a lot of models around the world that work quite well. I am not sure how much it should be, but I think this is a lost opportunity, because these are precisely the locations where we should seek to extract that and test it, because these are the locations where people are maximising uplift from the rezonings they are getting. So if it is not here, where should it be? If it was unacceptable to do it everywhere two years ago or three years ago, this is where we should try it, because this is where the uplift occurs. Now, there is obviously pressure about a tax on people to extract, but if we are going to accept that housing is a social need and housing is a piece of social infrastructure, we have got to consider how we pay for it, what it costs and where we put it. I am of the view we should build more social housing. I have been of that view for a long time.

**Aiv PUGLIELLI:** So in the absence of a scheme like that or other similar provisions from government, what influence is that having on the current state of housing supply in this state?

**Andrew BUTT:** Well, I mean, I think it is pretty evident that we do not have enough social and affordable housing in Victoria right now and we have underinvested in social housing over a long period – over 20 or 30 years. I am disappointed that in the precinct zone it is only mentioned as being an element that can be extracted for the uplift created by an above-standard kind of outcome from an individual developer rather than just built in as some standard and normal expectation. I am disappointed that we have not seen elements of the previous levy in some other form. I imagine it needs a new political name and a new model, but some model of extracting the value of the uplift to provide social housing is not included in these places. If it is not these places that get the maximum uplift, where is it?

**Aiv PUGLIELLI:** We spoke in the session previous to yours about inclusionary zoning and trying to mandate more of a breakdown of different types of housing within development that we are seeing across the state. Do you have any views on that type of policy approach or things you might want to advocate for here?

**Andrew BUTT:** I suppose, as I have stated, I think we should be extracting uplift value and thinking about it as delivering housing solutions in various forms. My point for today is these are precisely the places where the uplift is to be maximised and so these are the places we should actually try and extract it, because if it is unacceptable to extract it everywhere under all circumstances, this is where we should do it. I feel this is where the message ‘It’s worth doing because people are getting a good game from this process’ – this is where we should try that process and see how we go. Maybe it is something we do in different places in future. Maybe it is the solution that occurs. It occurs in other jurisdictions and has done for a long time. Why not try it here, where you are actually seeing the delivery of uplift that is really tangible?

**Aiv PUGLIELLI:** Thank you. Thank you, Chair.

**The CHAIR:** Thank you. Mrs McArthur.

**Bev McARTHUR:** Thank you, Chair. Thank you, Professor. Let us go to taxes. I just want to be clear, Professor Butt: are you proposing a new tax, a housing tax, an uplift tax?

**Andrew BUTT:** I am not a tax economist, but I am suggesting that housing is social infrastructure, and if we have uplift and we expect people to pay for other elements of community building, then potentially we are expecting development to pay for that aspect of community building, which is an adequate range of housing options and affordable options to meet community needs.

**Bev McARTHUR:** Well, developers have already got 15 taxes levied on them. It is the reason why all the developments have been approved, but there is not one product going to market because it is just too expensive. And there will not be anybody available to buy them, let alone somebody who needs affordable housing. It is almost an oxymoron, isn’t it? You cannot produce affordable housing because the input costs are so great, courtesy of government taxes, charges, regulations and all their tapes of various colours. We are not going to produce affordable housing, and if you want to add another tax, we are going to be less likely to get affordable housing.

**Andrew BUTT:** Maybe we need to review the other 15 as well.

**Bev McARTHUR:** Good idea! That is great; we have you on the record there: review the other 15 development taxes.

**Andrew BUTT:** I think the logic of what I am saying is that if we accept – which I do – that affordable housing is part of how you make communities and we accept that we are delivering a significant uplift in these locations, whether they are the SRL places or the nominated activity precincts or some other future application of a precinct model, then we should accept that, like other elements of development contributions and other social goods, delivering forms of affordable housing – and I do not know how much and I do not know in what form – could be considered as one of those aspects.

**Bev McARTHUR:** But already the cost of producing that product is unaffordable, so it is not going to market, so adding another tax is not going to help, I would have thought. As I talk to local governments, they say they are at a loss to understand how they are going to be able to afford the extra infrastructure that government is going to foist on them in a cost-shifting operation of monumental proportions, and they cannot possibly go down that path.

**Andrew BUTT:** I worry about that too.

**Bev McARTHUR:** Oh, good. Okay.

**Andrew BUTT:** I worry about the implication particularly of models that have the state government being a decision-maker and local governments dealing with the consequences of small decisions without the sort of planning fees that they might have expected for it, even as a procedural point of view. And also as an educator, I worry about the shifts in skills and expertise between tiers without a full understanding of the – and I am not just thinking planners here, but of engineers and whole range of other skills extracting from one tier to the other. I do not think it is being well thought through in the entire planning reform agenda around that shifting of responsibilities.

**Bev McARTHUR:** It is the extraordinary cost that is going to be imparted on them. They have no idea how they are going to totally produce a new drainage system, a new sewerage system, all these areas, all these activities that are needed to have 50,000 more houses go into an area or whatever. It seems extraordinary.

Can I just confirm that you said infrastructure should be a necessary part of development and therefore we should look at all the infrastructure that is required before we go down this path of suggesting we have tall towers or whatever in this new planning dictatorship?

**Andrew BUTT:** I will leave that last comment to you to interpret, but I definitely believe that we should be thinking about infrastructure as a consequence. I think we should definitely be interested in infrastructure outcomes but also measuring right now the infrastructure availabilities. And I think we are likely to put greater pressure on the infrastructure than many people imagine. I feel there is a narrative out there that somehow there is all this underutilised infrastructure in key nodes around Melbourne suburbs. I do not believe that to be true.

**Bev McARTHUR:** Is there a shortage of engineers and planners to actually go down this path of producing the tall towers and infrastructure that might have been dreamed up?

**Andrew BUTT:** Under the present system yes, but I do not know what – we see a lot of rapid shifts around projects. Mining booms and whatever else shift these things so rapidly that it is very hard to tell what the capacity might be. We know there is a shortage of urban planners in Australia generally at present and likely to be in the future. Whether that matters for urban Melbourne's development is not clear.

**The CHAIR:** Thank you. Last but definitely not least, Ms Watt.

**Sheena WATT:** That is too kind of you, Chair. Thank you so very much. Thank you, Professor. I appreciate you sticking around for an extra 5 minutes to let me get a couple of questions out. We had heard from the previous speakers about who is doing it really well across other parts of the world. Thank you to Mr Puglielli for asking that question. I thought to perhaps pose that to you, looking at planning practices not just here but in other parts of the world. I am thinking of the examples that I have seen, which have higher density near

transport as a model. Are there any other key features of good planning globally that perhaps we should be thinking about?

**Andrew BUTT:** I would argue that obviously we need to think about nature in the city. We need to think about the infrastructure value of nature in the city.

**Sheena WATT:** Is there anywhere that is doing that really well?

**Andrew BUTT:** I think we are seeing some redevelopments of some sorts of blue-green mixes in urban developments even in places like Singapore, and I know the climate is different. We see some different examples. Some of the underpinning features of course are what is the underlying process by which redevelopment occurs and are they gaining uplift. I would argue that the announcement of Suburban Rail Loop locations and rules before you actually sort the uplift was an error in not being able to – and we saw the same error in Fishermans Bend 10 years ago. To have the ability to actually extract the uplift you need to do the sorts of planning you want. You see it in cities in, say, northern Europe, where it is quite accepted that you extract that uplift and then maybe even take control of large amounts of public ownership in order to get the sorts of outcomes you want and in some respects you then accept that building new places is a community need, not simply a property market process.

**Sheena WATT:** When I think of Singapore – and that is quite a highly dense nation – and the examples where they might be competing with the sort of sprawl-versus-established-suburbs debates, where should we be looking for inspiration?

**Andrew BUTT:** I think there have been some good developments in parts of London which are redeveloping older areas. Obviously there is the Olympic Park area in London that I went to not that long ago. There are some other suburban redevelopments around particularly transport nodes on the new Elizabeth line, which I think have done quite a good job of getting the sorts of uplift worthy of the new stations. I think, given the sorts of urban forms we have, we can probably still get lessons from parts of western Europe, where you still see suburban sprawl occurring and concentrations of nodes of development that are not just stacks of towers but are rather significant areas of moderate densities that are well serviced. In a broad sense I am fearful that things like the Suburban Rail Loop in Melbourne, where there are a few railway stations proposed, are going to end up with static suburbia and a few tall towers rather than a broader morphological shift to the city. I think there are examples where we are seeing people recognising the need to redevelop and not just go outwards, as you pointed out, and places where people are recognising that that does not need to be single-storey suburban houses or shiny towers. There are other things in between. I think we have got to get those right.

**Sheena WATT:** Such as townhouses and other models.

**Andrew BUTT:** Maybe even taller than that. We can see them up the Upfield line, eight-, 10-, 12-storey apartment complexes that are legible as housing, that are legible as the features we want – verandahs, access, all those sorts of things – and that are not necessarily 20- and 30-storey purple glass things and equally are not just single storey. I think we can see many cities around the world that do that really well, have historically done it and are still doing it well.

**Sheena WATT:** I appreciate that. I think to *Plan for Victoria* where we are looking at recalibrating those efforts around the 70–30 target. Are there any things that we should be particularly keeping in mind as we shift from a current practice of 50–50 to a much more concerted 70–30?

**Andrew BUTT:** I think it is very important that we probably shift to even greater than that. I think that we have got some lost opportunities on the greenfields to go back and visit some sites and develop them at higher densities. My argument would always be that that is always dependent on confidence in the infrastructure provision. It is not just about doing it to make those communities. It is the confidence the market has to invest in a place where they know they can sell a product because of proximity, because of services, because of community life.

**Sheena WATT:** That is all for me, Chair. Thank you.

**The CHAIR:** Terrific. Thank you. Professor Butt, thank you very much for a very thoughtful presentation and fielding these questions on what was very short notice, so we really appreciate that.

**Andrew BUTT:** Thank you.

**The CHAIR:** Can I just advise that you will receive a draft of the transcript in about a week's time for your review before it is posted onto the website.

The committee will now call it a day. Could I just express on behalf of the committee our appreciation to the secretariat for pulling this together on very short notice. Likewise, Hansard and broadcast, I really appreciate your work. For those who are watching, we will be back on the 29th for another exciting full day of hearings. I look forward to seeing you then or you seeing us then if you are on. With that, we will call it a day. Thank you very much.

**Committee adjourned.**