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

WITNESSES

Andrew McKeegan, Deputy Secretary, Planning and Land Services, and

Colleen Peterson, Head of State Planning, Department of Transport and Planning.

The CHAIR: Good morning. I declare open the committee's public hearings for the Inquiry into Victoria Planning Provisions Amendments VC257, VC267 and VC274. Please ensure that all mobile phones have been switched to silent and that background noise is minimised.

I welcome any members of the public in the gallery or watching via live broadcast. I remind those in the room to be respectful of proceedings and to remain silent at all times.

I would like to acknowledge the traditional owners of the land on which we meet and where these proceedings are being broadcast. I pay my respects to their elders past, present and emerging, noting that the land has never been ceded.

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 actions for what you say during this hearing, but if you go elsewhere and repeat the same thing, 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 to the committee's website.

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

Andrew McKEEGAN: Thank you. My name is Andrew McKeegan. I am the Deputy Secretary of Planning and Land Services in the Department of Transport and Planning.

Colleen PETERSON: My name is Colleen Peterson. I am the Head of State Planning, sitting underneath Andrew in Planning and Land Services.

The CHAIR: Thank you very much, and thank you for appearing today. My name is David Ettershank. I am the Chair for this select committee. I will just invite the committee members to introduce themselves, perhaps, Mr Davis, starting with you.

David DAVIS: David Davis.

Georgie CROZIER: Georgie Crozier.

Bev McARTHUR: Bev McArthur.

Sarah MANSFIELD: Sarah Mansfield.

Sheena WATT: Sheena Watt.

Michael GALEA: Michael Galea.

Ryan BATCHELOR: Ryan Batchelor.

The CHAIR: Thank you for joining us today. It is much appreciated on what I know is very short notice. We will allow about half an hour, if that is okay, to get going, and then we will move into questions.

Andrew McKEEGAN: Thank you, Chair. Colleen and I propose to run briefly through the slide deck that we have provided today. Hopefully that will support the committee in its considerations of the Victorian planning provisions as just outlined and against the planning objectives of Victoria.

Visual presentation.

Andrew McKEEGAN: I will run through the first few slides in relation to the strategic context and setting in relation to the provisions and also the structure of the planning system, then I will hand to Colleen to go into much more detail around each of the provisions, their nature, how they are implementing the objectives and the consultation undertaken.

I too would like to acknowledge the traditional owners of the land on which we are meeting today and pay my respects to elders past, present and emerging and extend that to any Torres Strait Islander and Aboriginal people with us here today.

To kick off, first of all, I would just like to talk you through the strategic intent documents that underpin the decisions in relation to the planning provisions. The first one of note here is the housing statement. In addition to the housing statement another key document, which we do not actually have on our slide deck but is also worth noting, is the *National Housing Accord*, which was signed by all jurisdictions in relation to housing supply. But in relation to the housing statement, I would like to note that in September 2023 the Victorian government released *Victoria's Housing Statement: The Decade Ahead* in response to housing affordability issues in Victoria. The housing statement signals a need for increased housing supply, with key initiatives including reforming Victoria's planning system; increasing housing close to transport, roads, hospitals and schools; delivering a long-term plan to guide Victoria's growth; and delivering vital community infrastructure.

Some of the key government commitments that relate to the provisions we are discussing today are clear planning controls to deliver an additional 60,000 homes around the initial 10 activity centres across Melbourne; streamline assessment pathways, including the deemed-to-comply residential standards for different types of homes; unlocking new spaces to build, including across established suburbs to boost supply and stop sprawl; and creating places where people live and have vibrant, livable and sustainable communities close to public transport and jobs.

I will take you to the next document and strategy of relevance, and that is the *Plan for Victoria*. Released on 28 February 2025, the plan sets a statewide vision for how Victoria will grow over time. The plan is structured around five key pillars: housing for all Victorians; accessible jobs and services; great places, suburbs and towns; sustainable environments; and self-determination and caring for country. The pillar that we have called out today and have on this slide is in relation to housing for all Victorians and delivering sufficient affordable homes for all Victorians. The focus here, as you can see up on the slide, is about more homes: ensuring that we have enough homes to meet the forward demand over the next 30 years; ensuring that those homes have great diversity – it is really important to ensure that we have housing choice and that the housing choice is spread throughout Victoria in the appropriate locations – and making sure that diversity, as I said earlier, is focused around public transport and jobs; and ensuring that those properties are affordable and fair for people to be able to access those homes in various locations. There is also now the focus of this plan, moving away from the previous plan for Melbourne being a Melbourne-centric plan to being a plan for the whole of Victoria. It has a significant focus also on regional Victoria and both jobs, employment, and key projects within those regions.

The last point up there around innovation and building solutions is to make sure the planning system is modern and thinks about new forms of building, modern forms of construction and ways in which we build our houses to make them more affordable, better designed and environmentally sustainable. Importantly, the plan reinforces the long-term policy objective of achieving a 70–30 split consistent with the earlier plan for Melbourne and also establishes housing targets for local government areas to enable them to support the growth of the Melbourne plan and work with the state government in relation to delivering the plan. I will not go through each of these objectives, but obviously this is important to your considerations in that you are considering the three provisions against how they meet the objectives of the planning Act, and section 4.1 sets out those objectives. I will not go into reading any of those, but it is just worth noting that is obviously a key part of what today is about.

In relation to the planning provisions, I thought it was worthwhile just touching briefly on the planning provisions themselves. Part 1A of the Act establishes the planning provisions. The purpose of the VPP is to provide a consistent and coordinated framework for planning schemes in Victoria. It is a statewide reference used as required to construct the planning scheme. In simple terms I like to see it as the sort of state rule book and the way in which we can bring together a whole range of provisions. You will see on the right-hand side

there are key components of the planning provisions. Importantly, two of the provisions that we will talk about today are actually new zones within the toolkit or within the library. Ultimately those zones can be applied by any planning authority at any future time through a planning scheme amendment. So they are not necessarily just a once-off sort of change to the structures of the planning schemes; they are a new tool that could be applied within those planning schemes over time as and when required. It is a statutory device to ensure consistency. They are prepared from a statewide basis often because there is a policy or a position that needs to be taken. Rather than having every individual planning scheme amended, it is a more effective and efficient way to have that done through the planning provisions and implement that across all of the planning schemes.

This slide really just talks to the structure of the planning schemes. The Act provides for each municipality to have its own single instrument, effectively its planning scheme. The planning scheme is a legal document prepared and approved under the *Planning and Environment Act 1987*. Each planning scheme must seek to deliver the objectives of planning in Victoria within the area, setting out objectives, policies and provisions relating to the use, development, protection and conservation of land in the area. It regulates the use and development of land through planning provisions to achieve those objectives. Importantly, they have a combination of statewide, regional and local policy in each of those schemes that get implemented through the planning schemes.

The final slide, from a structural perspective and the strategic side of things, is on how a planning scheme gets amended. It is important to note that the planning authority, which can be a local council or can be the minister – the Suburban Rail Loop Authority is another planning authority, as an example – has the responsibility to undertake the work. In relation to the three provisions we are discussing today, the minister was the planning authority – a point worth noting. There are clear ministerial directions and also guidance in relation to how those matters are exhibited and noticed. In relation to the exhibition of notice, under section 20, part 4, the minister may exempt themself from the notice requirements, and that did occur in the case of these three provisions as well.

On that note, I will hand over to Colleen to step you through each of the planning scheme amendments and to talk to them in more detail.

Colleen PETERSON: Thanks, Andrew. This is where we get stuck into the ticky-tacks of the three amendments that you are interested in. The first amendment, which was VC257, introduced two new tools into the Victorian planning provisions. As Andrew said, these are effectively a zone and an overlay – the housing choice and transport zone and the built form overlay – and they are a standard set of controls that were added into the Victorian planning provisions and that can be applied as a planning authority may see fit. I think it is important to recognise that amendment VC257 did not in and of itself apply the controls to any land in Victoria but really put them into the toolkit. It is fair to say, though, that a recent amendment on Friday, GC252, did make changes to 12 metropolitan planning schemes that did apply the housing choice and transport zone and the built form overlay in relation to 10 activity centres. That was part of the pilot activity centre program. Just so you are not confused, the reason why there are 12 local government authorities but only 10 centres is because Moorabbin, which is one of the centres, actually sits in three metropolitan councils. It is very confusing for that centre.

Amendment VC257 was required, consistent with the Victorian housing statement, to create a suite of planning tools that can be implemented to support the development of additional housing in and around activity centres and in other well-serviced locations. The creation of that tool provides certainty to communities, landowners and the development industry. The tools are designed not just to be used within the activity centre program but to be used more extensively, and the department is already receiving inquiries from other municipalities as to how they may be able to use these controls in particular circumstances in their own municipalities.

The provision of that additional housing in activity centres really is part of contributing towards the long-held state government policy of delivering 70 per cent of housing within established urban areas. As Andrew has indicated, that was first introduced into the planning scheme in 2002 as part of *Melbourne 2030*, and it is also consistent with very long held state policies around urban consolidation, where there is an acknowledgement that it is more economical and more sustainable to provide housing in locations where there are already established infrastructure and services. Those policies have been in the planning scheme for far longer than I have been practising as a planner.

The key feature of the housing choice and transport zones is, firstly, for them to encourage a diversity of housing within the catchments of these activity centres and other well-serviced locations, particularly where there is convenient access to jobs, public transport and services. Importantly, these zones do not introduce any changes to third-party pathways, including notification or the ability to be involved in a VCAT appeal. Those controls remain in play. They are intended to be applied to residentially zoned land that is within easy walking distance of a key transport node, which would typically be a railway transport station. The distance typically would be an 800-metre walking distance. You will have seen from some of the plans you have seen that it is not a radial distance but is quite a site-specific distance, recognising the location of railway lines, for example, that inhibit walking routes.

The built form overlay is a standardised overlay that typically would be applied to the core of an activity centre, and that is land that would be typically zoned for commercial land uses. It is designed to be able to be modified through a schedule to provide guidance around building heights, setbacks and other sorts of public realm initiatives, including overshadowing. It introduces a streamlined pathway that allows more homes to be built faster and does include exemptions from notice and review provisions. However, just to put it into some sort of context, each of these 10 centres are located within commercial zones which, prior to the introduction of the amendment and certainly the GC amendment on Friday, already had exemptions from notification and third-party appeal rights. The introduction of this within the BFO is not a new concept; these centres were already subject to third-party exemptions and appeal rights.

In terms of how the amendment further implements the objectives of planning in Victoria, you will see in the green box that these are the ones that we believe are particularly advanced by the amendment themselves – and rather than read them out, I will speak more generally. The controls that these give effect to really enable the planning schemes to facilitate the development of additional homes in and around activity centres and in well-serviced locations really as a direct response to the housing crisis that is set out in Victoria's housing statement. As an example, the amendment facilitates development that is fair and orderly to the planning of land, because it is consistent with well-held state policy around the urban consolidation of land. Particularly around well-serviced locations, that principle is interwoven through not only state policy but regional and local policy as well. It creates more sustainable housing by locating that housing close to public transport, reducing car usage, and it obviously has flow-on implications not just for congestion but for carbon usage. It alleviates some of the pressure to expand the urban growth boundary and contain the urban form of Melbourne. It will provide for more affordable housing through the addition of more housing in general – we know that additional housing does relieve price pressure – but also through the inclusion of a public benefit framework in the BFO that does allow, where there are mandatory controls, for those controls to be exceeded, providing public benefit such as affordable housing as it is prescribed within the *Planning and Environment Act* to be provided.

The controls provide certainty for all stakeholders, including the community, making it clear that activity centres and their walkable catchments are the primary focus for increased densities in Victoria, and that enables the state government to balance the interests of both present but also future Victorians, recognising the need for more housing in well-serviced locations. If we think about how that is applied to land – and we can perhaps look at that in the context of the GC amendment; that is an understandable consequence – it will support the integration of state policy by providing this well-located integrated housing. It provides social benefits by facilitating more housing close to jobs, transport and services. It supports improved housing affordability by facilitating additional housing supply and choice of housing type and of course has economic benefits for state and local economies – for example, the reduction in travel time because people live within close, commutable distance to their jobs.

I appreciate that there may be some conjecture around the impact of supply generally on affordability. While I am not an economist, I am an avid reader, and the Grattan Institute has done a lot of work in this space. The Grattan Institute's research shows that if we provide 50,000 more dwellings per year over a 10-year period above and beyond what is expected, that will have a 20 per cent reduction in the price of both rents and housing prices. So that information gives us confidence that if we improve the supply of housing in general, that does put downward pressure on housing, recognising that the solutions particularly for very low and low income earners need to be dealt with separately. But in terms of the broader issue of housing affordability, supply is certainly part of the solution.

We then turn to the consultation on amendment VC257. There was, particularly in the context of the activity centre program, really quite extensive consultation that was undertaken. We received more than 10,000 responses across those 10 communities, including council and industries, across two phases of consultation. The first phase was in March and April 2024, when we did receive those initial 10,000 submissions across all 10 centres. There was a second phase of engagement in August and September last year, and at that consultation we issued draft plans that gave an indication of what sort of built-form outcomes the department was considering for those 10 centres. During that particular phase we had very targeted consultation with the councils in particular but also with industry, and that included not just the built-form outcomes but also the planning tools that were being proposed. That included all 12 councils in question and a number of industry representatives.

It is fair to say that five of those activity centres already had some fairly well progressed strategy plans and design frameworks in play, and that strategic work was critical and an important component of providing advice to the state government in the work that was ultimately pulled together. There was quite close work with those councils to adopt and implement that work. I should say that that was implemented on Friday. It is fair to say that those five councils that had undertaken that strategic work had also undergone a substantial amount of consultation for those centres. From memory that was Camberwell, Preston, Frankston, Ringwood and – I am little hazy on the fifth one, sorry. I will come back to you with the fifth one. In August 2024 the Minister for Planning appointed an activity centres standing advisory committee. She referred a number of key matters to that committee, and they are included matters that were raised through the consultation process and through the submissions to the program. The SAC considered those matters, including some other matters that were put to them and questions that the state government was particularly interested in getting clarity on, and relevant changes were made to the program. As I said, that was put into place last Friday.

I should say that holistically the introduction of new tools into the planning scheme, such as the housing transport zone or the BFO, are typically done without a formal public consultation process because they are tools that are put into the planning scheme. Whether it is the residential zone reform or whether it might be a whole range of state-led projects, it is quite common for there to be no official consultation as part of that because it is simply a tool that is part of the kit. Consultation may be more typically found through the implementation of the tools.

When we look at VC267, this is an amendment that implemented the townhouse and low-rise code. It effectively replaced clause 55, which has been colloquially known as ResCode, with the new clause 55, now known as the townhouse and low-rise code. What makes it different to the previous clause 55 is that it only applies to development up to and including three storeys. Instead, clause 57 has been created, and that applies to four-storey, medium-density housing. So there has been a decision to break four-storey housing away. There have also been a number of consequential amendments to residential zones and schedules that enable the policy objectives of that townhouse code to be put into place.

These changes have been introduced as a response to the significant time and cost delays associated with the delivery of relatively low rise, medium-density housing across Victoria. It recognises that this lower form of housing has been largely embraced by Victorians as attractive places to live that can be more affordably delivered, can provide more diverse sizing and generally be located in good proximity to all forms of infrastructure. It is estimated that the reforms will reduce the average time from 145 days for a decision to being comfortably able to sit within the statutory timeframe of 60 days. Of course there are additional delays if an appeal is lodged against a council decision, and that can often take another year.

The key features of the code are that it facilitates quicker and more efficient decision-making through a series of deemed-to-comply pathways, recognising that about 18 months ago the state government already made 13 of the standards 'deemed to comply'. So half of the code has effectively been on this deemed-to-comply pathway for some time. In the new provisions, if the applicable standards are deemed to be met, then the application is exempt from third-party review rights. However, applications are still notified to surrounding owners and occupiers as per typical practice, ensuring that communities remain informed about the development in their neighbourhoods and ensuring, for example, that design responses are accurate, and that where they are not, they are corrected so that compliance with the standards can be tested. Of course where there is non-compliance with a standard, particularly around issues of neighbourhood character and external amenity, those third-party appeal rights remain enlivened. Where something directly affects an adjoining property owner and there is non-compliance with the standard, they are still able to be party to and take a matter to appeal. This approach, the

government believes, creates greater transparency and certainty not just for applicants and decision-makers but also for the community. There is now clarity around what is acceptable within these residential areas, remembering that there are eight standards that seek to ensure that neighbourhood character has been positively responded to and there are five standards that seek to reasonably protect the amenity of adjoining neighbours. Another key feature of the new clause is that there are now seven standards that relate to ESD credentials of buildings, and there are now 12 standards that relate to minimum internal design standards for dwellings to ensure that the standard and level of accommodation being provided is appropriate.

In terms of how 267 intersects with the objectives of planning, you can see here in the green box again these are the five standards that we think are reasonably met by the amendment itself, but particularly it relates to faster and quicker decision-making around medium-density housing development. As I said before, there is greater transparency for applicants and the community about what is and is not acceptable – it becomes very black and white – and of course how it will be assessed. It will ensure that development is more sustainable and that the reasonable standards of amenity for existing and new residents will be achieved. It brings medium-density housing in line with the expectations for high levels of housing, which are currently in clause 58 – things like room dimensions, the level of cross ventilation and room depth, for example – ensuring that the quality of this housing is of a high standard. It provides improved requirements for ESD and internal amenity. These include standards around solar panel protection, the requirement for there to be appropriate room for the location of new solar panels, cross ventilation, waste management and of course tree canopy. It facilitates the objectives of planning in Victoria by streamlining that assessment and providing a better environment for Victoria's community. That is a better environment on a number of levels – sustainability, livability and the like.

In terms of VC274, it inserts the precinct zone into the VPP. Again, it is another tool that has been added into the Victorian planning provisions, and that makes consequential changes to the provisions to give it effect. VC274 does not apply the zone to any land in particular, but it has been designed by the state government to be able to be implemented by authorities as deemed appropriate into the future. Obviously the current public exhibition that the SRLA are undertaking is an example of that. The PRZ is designed to be applied to facilitate substantial changes in use and development across priority precincts in response to the housing crisis but also to stimulate economic growth. It is not applied to any land but instead becomes another tool in the toolkit. The PRZ is a special-purpose zone and has been developed because it has become evident in last two or three years that the existing suite of zones in the planning provisions did not provide an appropriate framework when reimagining substantive renewal areas. The precinct zone provides a consistent framework where planning authorities can really set out the sort of framework required to realise a strategic vision for a precinct. That is quite different to other zones, which are really designed to be developed in areas that are already quite established. The schedule in particular is important because it is the schedule itself that will enable the planning authority to translate the objective of that strategic work. The classic example would be a structure plan into the objectives of the scheme. So the zone itself is really just a very blank canvas; it is the schedule that does the fine-tuning of what the vision will be.

Under the precinct zone, an application to most matters is exempt from third-party notice and decision requirements. There is however the ability for the schedule to turn that on. So it is not a blanket exemption, but the planning authority can decide to turn it on or off. But again, turning off that exemption is commonplace, and we see it in pretty much all of Victoria's existing urban renewal areas. That would include Fishermans Bend, the central city, Arden, Macaulay–Arden – there are a whole range of wholescale precincts where third-party rights are turned off, and that is because the work is done through the structure planning process. As I said before, the zone is not applied to any land at this time, but it is seen to be the tool that will facilitate the development of the six precincts across the SRL East, with an estimation of 70,000 new homes across those six centres. Again, in the cores of those centres they will be affected predominantly by commercial 1 zone land, where those rights are already turned off.

In terms of implementing the objectives of the zone – again, you can see it here in the green box – I think it is fair to say that the zone will really facilitate and guide the use and development of land. It supports the integration of well-located, diverse housing that meets community needs; provides social benefits by delivering more housing close to jobs, services and transport; again, supports housing affordability through facilitating additional housing supply, again noting that the precinct zone has a public benefit uplift provision so that where mandatory heights are exceeded then there is a requirement for there to be some public benefit of which affordable housing is a tool that can be used; and of course provides economic benefits for the state and local economies.

In terms of consultation for VC274, again, because it is a tool within the planning scheme, there is no consultation directly, consistent with state government practice. But there is extensive consultation being undertaken at the moment with regard to the six centres with the SRL. Those structure plans are actually on exhibition, I think they close on 22 April, and there will be public special advisory committee hearings to be held I think it is in September and October this year.

So I hope that that presentation has been of assistance to the committee, that it helps you understand the strategic context for the three amendments, the objectives of the Act and how they intersect with the Victoria Planning Provisions. Andrew and I of course are here to take any and all of your questions.

The CHAIR: Thank you very much. That is really appreciated and very timely. I might kick off briefly and go from there. Looking at 267, I am interested in a couple of things. There is a reference to planners and others not being required to consider other things. That is the very passive expression: 'not required'. Should the committee understand that that actually means 'shall not consider'?

Colleen PETERSON: I think that is fair. The way that the documents are written is to say that where a standard is met, the objective is met, and therefore the consideration around that particular matter is deemed to comply, and so therefore the council or another responsible authority, such as VCAT, does not need to turn its mind to other matters relating to that particular objective.

The CHAIR: Okay. So that is the tribunal's switch off –

Colleen PETERSON: Or a council.

The CHAIR: But the switching off of – actually let us go to deemed to comply first. Am I correct in understanding, for example, then that if a development proposal under 267 is being considered and it is deemed to comply with the standard, effectively council or the planning authority is precluded from including in its assessment any other policies that the council may have through the planning scheme. Is that correct?

Colleen PETERSON: Correct. That is right. So a completely deemed-to-comply proposal that meets all – I can not remember – 30 objectives or some 30 objectives, it effectively means that a permit must be granted.

The CHAIR: So in that sense the regulation is not the minimum in terms of the deemed to comply regulation, it is the totality.

Colleen PETERSON: Correct.

The CHAIR: And effectively, objectors and councils are sidelined from the process. Is that reasonable?

Colleen PETERSON: Well, I would not say sidelined, but it provides certainty about what is and is not permissible. I think it is fair to say, though, for example, where there is non-compliance with a standard, then policies in the planning scheme that relate to that standard – let us say it might be site coverage. Site coverage falls within the neighbourhood character suite of provisions. That would mean that all the policies in the planning scheme relating to neighbourhood character can be considered by the decision-maker.

The CHAIR: Even though the project itself is deemed to comply.

Colleen PETERSON: That is if there is non-compliance with that standard.

The CHAIR: All right. Sorry, I missed that. All right. So then I guess one of the questions that strikes me is, in terms of things being switched off, am I correct in understanding that where it is deemed to comply, there is actually no requirement for either notice or third-party appeals?

Colleen PETERSON: There is still the requirement to provide notice. The *Planning and Environment Act* stipulates that where there may be material detriment, then an application should be advertised. In effect what that means is that any medium-density housing application, no matter how small, is advertised. So that advertising process still remains in play, but where it is deemed to comply, there are no rights of review.

The CHAIR: Okay. And there is no way to object to a development.

Colleen PETERSON: You can object and the council will take those objections on board in determining whether or not there is compliance with the standards.

The CHAIR: Okay, so if it is viewed that it has met those standards within the deemed to comply model, basically at that point in time council has really got nothing to look at, has it?

Colleen PETERSON: Well, the council is required to issue a planning permit. But perhaps just to give a more fulsome answer, if an objection might include concern that their property has not been accurately portrayed on the design response plan and that the difference in levels between the properties has not been accurately conveyed, and therefore there is not compliance with the side setback requirement, the council would absolutely take that into consideration in determining whether or not the standard is met.

The CHAIR: Okay. Thank you. One of the ones that is sort of doing my head in a little bit is the exemptions to clause 55. It says, as I understand it, that section 60(1)(b), (e) and (f) are not required to be considered or effectively shall not be considered.

Colleen PETERSON: Yes.

The CHAIR: So 60(1)(b) is 'the objectives of planning in Victoria'.

Colleen PETERSON: Yes.

The CHAIR: So effectively what this amendment is saying is that the objectives of the Act itself are exempted from the decision-making process.

Colleen PETERSON: That is where it is a compliant application.

The CHAIR: Right. Okay.

Colleen PETERSON: What the wording tries to do is ensure that where an application is compliant that a council could not, for example, take other policies in an attempt to refuse an application. That is the intent of those provisions.

The CHAIR: Okay, yes. I guess I am sort of looking at the task before the committee, which is to assess these amendments against the objectives of planning in Victoria, and one of the amendments we are looking at exempts the process from the objectives of planning in Victoria. Am I missing something there or are we sort of chasing our tail to some degree here?

Colleen PETERSON: Well, it is about providing certainty that makes it clear to all parties that where an application is compliant that a permit must be issued, so it is not about trying to undermine the objectives. The objectives of the Act are deemed to have been met if an application is compliant, so that is where the connection lies.

The CHAIR: So all of that is really premised then on having a high level of confidence that those standards in fact cover the field.

Colleen PETERSON: Yes, I think that that is a fair synopsis.

The CHAIR: But where there might be disagreement by stakeholders, such as councils or community, there is no provision or ability to seek to reinterpret that, because that is effectively both the minimum and the maximum standard. Is that correct?

Colleen PETERSON: That is right. There will certainly, I think, be debate about whether or not standards have been met, and I imagine that there will be ongoing decision-making and precedent set through councils and the tribunal over the coming months about what compliance with various standards looks like. But yes, where a standard has been met, there is effectively a tick against that particular criteria and the decision-maker moves on to the next standard and objective.

The CHAIR: Did I understand you correctly when you said that all of the 10 existing activity centres – so in the previous planning scheme – were exempt from any third-party appeal rights with regard to any development that might happen within that activity zone?

Colleen PETERSON: It is more nuanced than that, but certainly they are all either predominantly zoned commercial 1 or in the activity centre zone. Both of those zones effectively have third-party exemptions and appeal rights for buildings and works. You would, for example, advertise an application that involved a use that required a planning permit. An example of that might be – I am trying to think of something that is reliable – a hotel. So you would advertise the use, and the use would be open for interpretation but not the built form outcomes. Probably the main difference is that the current controls, certainly in the commercial 1 zone, do you have a 30-metre buffer to residential or sensitive zoned land. That is probably the main difference, but the concept of the development of land being exempt from third-party review rights in commercially zoned areas is not new.

The CHAIR: Okay. Thank you very much. Mr Davis.

David DAVIS: Chair, thank you. And can I thank both of you for your presentation. There are a couple of prior things, just a little bit like the Chair. You have mentioned some of the subsequent amendments that have been made. There was one made correcting some errors to one of the planning amendments, and then the GC one that you mentioned just before. Are there any other amendments that have been made since these three that we are looking at have been gazetted? Are there any amendments that impact them other than those two?

Colleen PETERSON: No. And obviously there are the SRLA precincts that are currently on exhibition**.**

David DAVIS: But they have not actually been implemented as yet?

Colleen PETERSON: No. As I said, they are on exhibition.

David DAVIS: So it is just those two that are changes?

Colleen PETERSON: Yes.

David DAVIS: I just wanted to be clear about that and make sure that we were not missing anything that might have an impact. The second thing I have is: when the minister made these amendments, the department would normally present her with some materials to support that. That would be the normal –

Colleen PETERSON: Yes. She would be briefed.

David DAVIS: It would be helpful for us to have a copy of that material that was presented to her supporting or underpinning the decisions that she made in these amendments, and the GC one as well.

Andrew McKEEGAN: We will take that on notice and find what is appropriate that we can give the committee. We are certainly happy to provide –

David DAVIS: I am sure it is appropriate. It is releasable under FOI. I have done that before.

Andrew McKEEGAN: Yes, I would be happy to provide it to the committee, if appropriate.

David DAVIS: We would appreciate that in quite quick time, because the basis of the decisions is actually quite an important point to understand.

The other thing is you have looked at these activity zones, the 10 plus 50. Is there any work that is being done looking at the required infrastructure, the capacity of the required infrastructure in these zones? Do you have an analysis of sewerage, schools, health services, public open space that is required in each of these zones?

Andrew McKEEGAN: Within the 10 activity centre zones there was quite a bit of work done in relation to identifying infrastructure needs and working through that. The minister recently gazetted a ministerial direction in relation to the ability to use an infrastructure contribution plan for those 10 activity centres.

David DAVIS: So there actually is another amendment that is relevant.

Andrew McKEEGAN: That was a ministerial direction in relation to development contribution plans. Sorry, in relation to your question, we were referring to the actual use of those provisions. This is about allowing infrastructure contribution plans to be applied for those 10 activity centres, and that looks at the various types of infrastructure needs, as you discuss there, to determine what would be appropriate for those activity centres to be able to be rolled out with infrastructure.

David DAVIS: So is there analysis behind that set of decisions?

Andrew McKEEGAN: There is work done with the local governments and councils to identify the types of infrastructure that would need to be considered within that. That obviously is a combination of state and local infrastructure, so that would need to be worked through with the councils and the state over time. There are certainly a standard selection of the types of infrastructure that you would normally see within those types of areas and what would be relevant.

David DAVIS: Some of these are very big increases when you add the catchment zones around as well; they are very, very big increases. What we would appreciate is that material that you have got that deals with each of the 10 zones and indeed the 50 as well.

Andrew McKEEGAN: So the standard types of infrastructure that would be expected to be collected within those areas and the information in relation –

David DAVIS: But you would actually have to have a particular examination of each of these, I would have thought.

Andrew McKEEGAN: The way the infrastructure contribution works is there is a standard menu of infrastructure –

David DAVIS: Can I step you back from the infrastructure contribution. This is about examining the capacity of the area and what is needed to support the proposed dwelling numbers.

Andrew McKEEGAN: That is right, yes.

David DAVIS: The infrastructure contribution may be one part of it; the state contribution, even council contribution, may be part of it too. But you must have some capacity assessment of each of these 10 plus 50.

Andrew McKEEGAN: Yes. The work in relation to the activity centres was to, firstly, focus them in locations where some of those core infrastructure capacities already exist, so making sure that we are capitalising on significant infrastructure that already occurs within those locations. It is then about saying what additional impact have residents had within those areas, what types of infrastructure needs would come within those areas, and then that would help lead towards an infrastructure –

David DAVIS: Do you have those documents for the 50 plus 10, the 60 centres? Is there work on each of the 60 centres, and can we have that, please?

Andrew McKEEGAN: Certainly the work for the 10 pilot ones I can take on notice. I will have to look into the broader program.

David DAVIS: And the 50 as well. Is there work on the 50?

Colleen PETERSON: That work has not commenced yet.

David DAVIS: That work has not commenced. Kew has been declared, but the work to look at the capacity needed to support the amount has not commenced.

Andrew McKEEGAN: Which is the program to roll that out. We started with the 10, and then –

David DAVIS: You have kind of put the cart before the horse. You have declared it before you have done the capacity work, as I am understanding it.

Andrew McKEEGAN: That is not how I would put it. What we have done in a capacity sense for the next ones is to look at the – and this is about the integration of the Department of Transport and Planning – corridors

where there is significant uplift capacity within our public transport networks, to look at the ones that meet the same criteria and –

David DAVIS: With respect, it is not just about transport. This is about health, it is about education, it is about open space and it is about sewerage. If I can pick an example, Hawksburn has been declared an activity centre, one of the 50. You are telling me there has been no capacity assessment done there on the shopping centre, the sewerage, the schools or health services nearby – none at all.

Colleen PETERSON: I am happy just to add on from Andrew here. The rationale with the 50 centres is to provide a range of centres that have differing potential for development. I think it is fair to say that some centres – and Hawksburn is probably a good example – will have less opportunity for significant change than others, but the whole purpose of having a range of centres in the program is to establish a model by which other councils can then take that work and –

David DAVIS: With respect, can I just interrupt you there and just say what you are actually telling me –

The CHAIR: Mr Davis, I think we will just let the witness finish the question and go from there. I am conscious of the time.

David DAVIS: I am trying to get to the point that they have proceeded in a case like Hawksburn without actually having done the capacity assessment previously.

Colleen PETERSON: All the 50 centres do is identify as activity centres in which structure planning will be put in place. What that structure planning looks like in terms of capacity for housing and heights and the like will be determined through the programming, and the ability of infrastructure and upgrades will inform and be part of the information that will help shape the physical outcomes of the centre. Just because a centre has been included does not automatically mean that it will be subject to significant height changes. As I was saying, the whole purpose –

David DAVIS: But the planning amendments apply now.

Colleen PETERSON: No, the planning amendments do not. Absolutely not.

Andrew McKEEGAN: The planning amendments have not applied to those. They have only applied to the first 10. I guess what I was trying to say is –

Ryan BATCHELOR: Do you not know what is going on, Mr Davis?

David DAVIS: I am trying to get this out.

Andrew McKEEGAN: The work that was done within the first 10 went into the detail of that work. The rollout of that program has identified activity centres that are able to be considered in the same way. We still need to work through that program, just like we did on the first 10, with the local councils, understanding their needs, understanding the growth, and then that program comes through in the sense of those areas as well.

David DAVIS: There was no capacity assessment done at all on the 50. Thank you.

The CHAIR: We will take that one as a comment. Thank you. Mr Galea.

Michael GALEA: Thank you, Chair. Thank you very much, Mr McKeegan and Ms Peterson, for joining us today. I would just like to start with the whole theme and objectives of planning that have been touched on. I know we touched on some earlier questions about compliance with planning objectives in this state. Would I be right to say, though, that these planning scheme amendments have in fact already passed that compliance by the very fact that they have been introduced, so would the process of then having to go back and recheck everything again just be doubly doing the process and wasting time?

Colleen PETERSON: Certainly the government has formed a view that the three amendments themselves absolutely advance the objectives of planning in Victoria. When you look at that in the context of the strategic setting, whether that is the National Housing Accord, *Plan for Victoria* or the housing statement, there is clear and consistent messaging about the need to provide more housing in areas that have great access to

infrastructure and other services. That has been the cornerstone of decision-making around residential land use in Victoria for around 35 years. There is nothing new in the concepts that are being more broadly implemented by these controls. The mechanisms obviously are new, and we appreciate that it will take some time for these to work through the system. We need to obviously bring the community on board and support councils in how they implement the tools, and we are working very closely with local government in that area. But yes, we would say that absolutely they do further the objectives of planning in Victoria.

Michael GALEA: Obviously as you say, it has been for a long time. I recall *Melbourne 2030* was talking about densification in certain areas and limiting urban sprawl. We have seen not much talk in this space for, as said, well over 30 years, and Dr Stephen Rowley has commented as well that it has been a very long term objective of the planning schemes to bring that urban densification and consolidation as opposed to urban growth. But we, frankly, have not seen it to the extent that we would like. I was speaking with a friend's son yesterday, a 19-year-old apprentice tradie who obviously one day wants to buy a house himself but also from the outer suburbs, talking about what I was doing today, and he said to me we cannot keep expanding into farmland as well. Areas such as where I represent – Casey, Kardinia, but others all around Melbourne as well – in my view have taken on far and away, disproportionately, the brunt of Melbourne's population growth. Do you have any data or figures to go through how this malapportionment of housing has played out in recent years in those outer suburban areas and how the outer suburbs have been disproportionately taking the share of housing growth in this state?

Colleen PETERSON: We certainly know, when we track the share of housing being built in established areas as opposed to growth areas, that it has been probably 50–50 for some time. Obviously that is a long way from the 70–30 goal. We know that it will take some time to transition to 70–30. We do not expect to click our fingers, introduce the reforms and in a year or two that goal will be met. But we need to put the planning mechanisms in place so that, particularly in the next year or so as the conditions become more right for larger scale, taller development to occur, those planning schemes are in place. We know, as you have indicated, that there are incredible pressures on the urban growth boundary and those pressures are real. We have food security being a real and tangible goal. I think about the vital importance of the Koo Wee Rup swamp and the role that it plays in food production in Victoria. We obviously have the land in and around Werribee. These are vital resources that we need to protect to ensure that Melbourne is sustainable in terms of its food supply but also sustainable in terms of commute time and the costs that has not only economically but socially on the fabric, that pulls on families in terms of time wasted in travel and of course the carbon footprint that incurs by people driving when they could be living in smaller houses closer to services and walking, taking public transport or cycling.

Michael GALEA: Thank you. In terms of the levers that the state government can pull – you touched on this just briefly before – obviously the state government cannot set interest rates. The state government cannot determine material prices. They are a global market. Planning is one of the main levers the state government can pull, and obviously there are all sorts of various different factors. But when market conditions do allow, how important is it that these amendments, these planning rules, will be in place to enable Victoria to build more houses to house more people and provide more chances for young people such as my friend's son to get into the property market?

Andrew McKEEGAN: Yes, absolutely. It is really important. The role within planning that we focus on and the role that we can play is all about creating supply in diverse locations, because the government, other than through Homes Victoria, does not build homes, as you point out – we do not control a whole range of that private market. But we can focus on supply and creating opportunities in the right locations, giving as much diversity from infill right through to greenfields, because as you point out, people are in different cycles of their life. I know when I was in my 20s I was happy to be in a share house, and now with three kids there is no way I could. So at various stages you always have those differences. It is important that we create that supply, the opportunity, and have the private sector and people that want to invest and build homes be able to do that. Even if the market is not there right now, if they can get those permits and they can work that through the system, when the market does turn then obviously they are ready to go and able to construct those homes, which is pretty critical in those locations.

Michael GALEA: Thank you. Going back to the basic objectives of *Plan for Victoria*, the housing statement, how do the activity centres in particular relate to that, and how important are they to the success of these housing reforms?

Andrew McKEEGAN: They were a key element within both of those key policy documents. It is about, again, making sure that we have appropriate supply and maximising what is an incredibly good public transport system in this state. It is one of those advantages that we have, and we really need to capitalise on that advantage. Having those developments and housing opportunities in and around and close to public transport means that the life cycle cost of those properties can come down. You can consider active transport and using those facilities rather than needing to rely on private vehicles and other things. It is important that we create supply in those locations. As I said, it is about housing choice – not everybody wants to live in that arrangement, but there are plenty of people that do. The ability to downsize, the ability to stay in a suburb that you have lived in your whole life – all of those matters relate to the way that in which you can give that housing choice in and around those existing suburbs.

Michael GALEA: Thank you. We know that, despite some rhetoric, the activity centres are not an open slather across all of inner-city Melbourne. In fact we have already had some submissions to this inquiry calling on the government to do more. In terms of the consultation – consultation is very important – can you talk to me about how that has influenced the activity centres? I know there have been some modifications made in a number of activity centres already based on that local feedback. Can you talk to me a little bit about that process and how that has played out?

Colleen PETERSON: I think we need to talk about this in the context of the 10 pilot centres. As I said, we have had 10,000 pieces of feedback, extensive community consultation and targeted feedback from specific councils. I think it is important for us to say there has been really proactive and collaborative work with local government on the activity centre programs.

Bev McArthur interjected.

Michael GALEA: Excuse me, Mrs McArthur. I know the City of Kingston have been very involved in the process – one of my local councils – with the Moorabbin activity centre, and again very keen to get the most out of it.

Colleen PETERSON: That is right. Just perhaps to follow on from some of the comments, I think how the catchments have been treated is an excellent example of how the department and the minister have taken on the feedback of communities. Initially the concept was to treat the catchments effectively as the same. You will see now that there are housing choice and transport areas 1 and 2. Area 1 is the area closest to the rail and the activity centre; it is about a 10-minute walk. That allows for development up to six storeys in height. But let us be really clear here: in order to get above four storeys in that zone, you need a site that is, firstly, greater than 1000 square metres and needs a frontage of more than 20 metres. That means that you need larger sites – those sites are better able to ameliorate the offsite amenity impacts. I think it is fair to say we have analysed all the lots within the housing choice and transport zone. Only 3.5 per cent of lots exceed 1000 square metres in size. That varies slightly from centre to centre – some are higher, some are lower – but on average only 3.5 per cent of lots exceed 1000 square metres. So it is a very small number.

Michael GALEA: Thank you very much.

The CHAIR: Thank you. We will leave that here. Dr Mansfield.

Sarah MANSFIELD: Thank you, Chair. Thanks for appearing today. At the start of your presentation you mentioned that the minister exempting themselves, under section 24 of the Act, from having to go through the usual exhibition and consultation requirements for a planning scheme amendment was common for tools, but usually when it comes to implementation they do follow those steps. Amendment VC267 essentially does implement a change right across the state, but that was also exempted from those processes. That I guess is a bit of a departure from usual practice. Some of the changes, we have already learned, under VC267 are quite significant. Mr Ettershank touched on that. You have said that the exemptions in particular are based on the premise that the deemed-to-comply standards are robust enough in your opinion to meet the objectives of the Act, and therefore that does not have to be considered. How can you be certain of this given there was no consultation with, for example, council town planners and other parts of the sector, or at least you did not go through that usual exhibition and consultation?

Colleen PETERSON: I think it is fair to say that the government did not traverse the normal consultation process, but there absolutely was consultation with local government. Local government was very strongly

represented at every stage of the consultation process. We had a technical reference group. We had local government participation on that technical reference group. We met with them regularly over the two years, and they were instrumental in refining and developing the standards and the operational characteristics of the code. In the seven workshops that we held with industry stakeholders, local government was very heavily represented, both rural–regional and metropolitan councils.

Bev McARTHUR: Who by?

Colleen PETERSON: All councils were invited to attend, and many councils were represented. I cannot give you a list off the top of my head, but I can take that on notice and give you a list of council representatives. But there was absolutely fulsome engagement with local government.

Sarah MANSFIELD: And were local governments specifically consulted during that process on those specific exemptions that are outlined?

Colleen PETERSON: Yes, it was made very clear from the outset that this would be a deemed-to-comply process and the ultimate outcome would be effectively the process that we now have in play. It was very transparent from the outset that this would be a fully deemed-to-comply process.

Sarah MANSFIELD: So if I am to understand these exemptions correctly – for example, there are a number of councils across Victoria – the CASBE councils I guess you would call them, that have signed up to that – who may have higher ESD standards than what is specified under the new ResCode. Those higher standards can no longer apply to new developments meeting that requirement. Is that correct?

Colleen PETERSON: We actually met with the CASBE councils last week. We will be doing further work with CASBE as a whole. I think it is fair to say that the provisions within clause 55 are a stepping stone in implementing the ESG road map, and we are working with those councils to see how we can encourage further excellence in environmental sustainability in medium-density housing. There is still further work to be done – the government acknowledges that – and we are hoping that we will have that in play before the end of the year.

Sarah MANSFIELD: But as things stand at the moment, it has potentially brought some of those councils down. They are going to have to lower their ESD requirements, potentially, for some new applications.

Colleen PETERSON: That is right – in the short term. But we also see that, for example, the building regulations play a critical role, given a number of the sustainability objectives are building-related matters, so we see it as a more fulsome solution to the ESD situation.

Sarah MANSFIELD: Another consideration – it is common practice at the moment if there is a planning application made that decision-makers will have to take into consideration overlays or planning scheme amendments that maybe have not been finalised but are sitting on the minister's desk awaiting sign off – a flood overlay, for example. Under these deemed-to-comply standards and the exemptions, is it correct to say that those things that previously would have had to be considered no longer have to be considered? So say there is a draft flood overlay. It has not been signed off by the minister for an area. Provided it meets deemed-to-comply standards, the decision-maker does not have to take into account that work.

Colleen PETERSON: Certainly existing overlays absolutely remain a fulsome part of the assessment process.

Sarah MANSFIELD: I am talking about those ones that have gone through the process but are awaiting sign-off that previously would have had to be taken into consideration.

Colleen PETERSON: That is right. So technically speaking, that is right. An amendment that is what we would call 'seriously entertained' – it has gone through the panel process and is waiting that final level of either adoption or gazettal – technically cannot be considered. But for example, in the instance of flooding, in a draft flooding amendment, that work is still captured under the building regulations. A building permit cannot be issued unless it meets and reflects the requirements of the flood study, so while it is not caught in the planning requirements, it will still be caught under building.

Sarah MANSFIELD: Okay. But there may be other overlays or planning scheme amendments that the next day might be approved, but if it was deemed to comply the day before, that does not have to be taken into consideration?

Colleen PETERSON: Correct. That is right.

Sarah MANSFIELD: Okay. You alluded earlier to some data about how these proposals will increase supply of housing and also make housing more affordable. What modelling has your department done to demonstrate that these changes will deliver that?

Colleen PETERSON: In terms of the activity centre program there has been detailed work looking at the capacity of the centres. In terms of the townhouse code itself we have not done any specific modelling per se because the possibilities are almost infinite. When you look at any property that is of a reasonable size, where it is not affected for example by a heritage overlay, where there are always going to be demolition controls, there is the opportunity for a substantial increase in supply. To some degree that modelling is quite meaningless, so it has not been undertaken.

Sarah MANSFIELD: Okay. I guess a strong justification for all of these planning scheme amendments, and I imagine some subsequent ones that we will be seeing, is that they will deliver more housing supply – that essentially deregulating some aspects of the planning system will deliver more supply and that it will deliver more affordable supply of housing. I guess what I am trying to get at is: what evidence are you basing that on? You mentioned a Grattan Institute piece previously. Is there any other modelling or evidence or work that the government has done to develop this argument?

Colleen PETERSON: There is extensive economic research that shows that increase in supply puts downward pressure on prices.

Sarah MANSFIELD: Can you provide some of that?

Bev McARTHUR: Yes, please.

Colleen PETERSON: We will take that on notice. In terms of the townhouse code itself, there are 1.45 million lots in Melbourne alone that are in the residential zones. This is why I say the modelling could be meaningless. If just 10 per cent of those lots, so one in 10 lots, built five townhouses – so five townhouses on an 800-square-metre lot, pretty uncontroversial in terms of scale and density – you would get a net increase of four dwellings on a lot. That is 580,000 dwellings in metropolitan Melbourne. You can see that the code itself in providing certainty for housing supply absolutely has the potential for increased numbers of housing right throughout metropolitan Melbourne.

The CHAIR: Thank you. Ms Crozier.

Georgie CROZIER: Thank you very much, Chair. Good morning and thank you for appearing before the committee. Just a couple of things, Ms Peterson. I want to challenge you in relation to the consultation that councils have been provided with, given a number of councils in my electorate have significant concerns. I want to read this to the committee. It was provided to me from council and goes to the issue around catchments:

> The release of the draft plans, particularly the inclusion of the catchment areas has unfortunately caught most councils, including ours, off guard. The lack of information provided to Council combined with the lack of response to our comments, combined with the very short period from submitting comments to the release of the drafts on 22 August, gives us little confidence that there was any intention to genuinely consider stakeholder feedback. The speed of this process undermines the collaborative efforts that are essential for effective planning and community outcomes.

To go to Mr Davis's point, and to go to concerns from community, this has not been undertaken in an appropriate manner, I do not believe, and councils are very concerned about that amenity. I want to take you to the economic analysis that has been undertaken, or what you have done for the City of Boroondara, which has got roughly around 70,000 dwellings now – and that has been over the last 190 years since European establishment – and yet these targets are going to put a further 65,000 dwellings into this area in the next 20 or so years. Given the lack of consultation for councils, given their concerns around these catchment areas and given this huge uptake of dwellings, what economic analysis has been done for particular areas, and is this really feasible?

Colleen PETERSON: Are you talking about the economic analysis or are you talking about the housing modelling?

David DAVIS: Both.

Georgie CROZIER: Exactly. Both. There has got to be some economic analysis of what you are doing to these areas, given the council's concerns and the lack of consultation, as they say. They have had very little input and are concerned about amenity and what analysis has been done. Clearly, from the response to Dr Mansfield, the modelling or other aspects have not really been followed through.

Colleen PETERSON: In terms of economic modelling, the concept of building more increased densities in and around activity centres does not really, in and of itself, need economic modelling, given it has been the cornerstone of state government policy for 30 or 40 years. There has certainly been quite extensive housing target modelling, and we can take that on notice to see what we are able to provide in that particular area. But certainly my feedback is that the City of Boroondara are actually comfortable with the housing targets that have been set. How they are implemented might be another conversation –

Georgie CROZIER: Are they? Are you kidding me?

David DAVIS: I do not think that is right. That is nonsense.

Georgie CROZIER: Why do you say that?

Colleen PETERSON: Because of the feedback I have had from the activity centre team.

Georgie CROZIER: From who? Who is on the activity centre team?

Colleen PETERSON: Well, Natalie Reiter, when she was in charge.

Georgie CROZIER: Who else?

Colleen PETERSON: She was the deputy secretary.

David DAVIS: I tell you what, for 70 and another 65,000 – there is no support for that at all.

Georgie CROZIER: We are actually in the community.

Colleen PETERSON: I am talking about how the council is comfortable with the target. As I said, how it is implemented –

David DAVIS: They had a different target.

Georgie CROZIER: Correct. I am going to move on. I am going to move on because I absolutely object to that assessment that you have made, given the discussions that we have had with council and the very good council officers within that council.

With the 10 plus 50 activity zones recently declared, can I ask: what has the department done in terms of the estimates of how many dwellings will be added to each one of these activity centres?

Colleen PETERSON: That work is still being undertaken.

Georgie CROZIER: So you have not even done that? You are just putting this in place and actually have not even done that work.

Andrew McKEEGAN: The work in relation to the 10 has been done with the 10 pilots.

Georgie CROZIER: The 10 pilots. So could we have a table with the number of dwellings for each of those, please? And then could you then please provide the progress for the remaining 50 zones of what, if any, work has been done?

Andrew McKEEGAN: Yes, we can take that on notice.

Colleen PETERSON: We will take that on notice. Just in terms of the work being done for the 50 centres, that work is all about to commence, and the interplay between dwelling numbers, building heights and infrastructure will all be developed over the next 18 months. We have not gone into the process with preconceived targets or building heights in mind. It is something that we will –

Georgie CROZIER: You have changed the planning rules. The government have a housing target, and you have not done the work.

Andrew McKEEGAN: Look, only in those 10 –

David DAVIS: The ResCode changes have – they have impacted.

Colleen PETERSON: But for the 50 centres that are in the second tranche and the third tranche of the activity centre program there have been no changes to the zone controls or the overlays that affect those centres. Yes, the changes to clause 55 may increase dwelling densities in some of the residential precincts, but that is separate to the 50 centres program.

David DAVIS: It is everywhere.

Georgie CROZIER: It is all over the place. You mentioned Fishermans Bend, Arden Street –

Colleen PETERSON: Arden precinct.

Georgie CROZIER: Arden precinct, I beg your pardon – and Docklands. Docklands have got thousands –

Colleen PETERSON: I do not think I mentioned Docklands, to be fair.

Georgie CROZIER: Okay. Well, I am going to mention Docklands because there are thousands of apartments laying empty. What assessment have you done in terms of the vacancies in that particular area, number one, given there are reports that there are tens of thousands of apartments laying empty, and how does that go to your point about affordable housing, because they are laying dormant? Then in terms of Fishermans Bend and the amenity and the infrastructure that is required, what is the department doing in relation to fast-tracking that?

Andrew McKEEGAN: In relation to the empty apartments, I think what we are looking at and what we are here to talk to the committee about is the role of these planning provisions in relation to increasing supply. There are a number of other –

Georgie CROZIER: That is exactly what I am saying: there is supply. That is my point.

The CHAIR: Just let the witness finish the question. Mr McKeegan.

Andrew McKEEGAN: In relation to supply there are factors which we can control from a planning perspective around ensuring that the capacity and the ability to have that supply is in place. There are separate considerations to have in relation to how that supply is utilised across the jurisdiction. The government does have some activities in relation to how apartments are being used and whether they are active or not, but I think from our perspective and the role that we play, I really would not want to comment on that component. What we are really importantly trying to do is ensure that – there will always be some properties that sit within a context where they are not utilised; somebody may have an investment property they choose not to put in the market, for whatever personal reasons they do that. We cannot control that within a planning context. What we can do is increase supply in a whole range of locations to enable more people to have homes in those different locations. So I do not think, just because somebody does not choose to use a property at a point in time, that should deter us from trying to create the supply in appropriate locations in –

Georgie CROZIER: So why aren't you focused on developing Fishermans Bend, which has been in the planning for many, many years?

Colleen PETERSON: We are working actively in the development of the Fishermans Bend precinct –

Georgie CROZIER: Why aren't you focusing on that, initially? Because there has just been nothing done.

The CHAIR: Okay. Mr Batchelor.

Ryan BATCHELOR: Thanks, Chair. I just want to clarify a few of the things that have come up so far, because I am just worried that there has been a bit of misunderstanding from some of my fellow committee members about the process. Ms Crozier and Mr Davis talked about the declaration of the second tranche of the major activity centres, so the second 50. They were not included in the recent gazettal of amendment GC252, where they? That was just the first 10.

Andrew McKEEGAN: That is correct.

Ryan BATCHELOR: 'The declaration' is not a term that is used in the *Planning and Environment Act* as best as I can tell.

Colleen PETERSON: That is right.

Ryan BATCHELOR: So it would not be a term of art. They are an announcement. It is a policy intention, rather than a formal planning mechanism, would that be fair?

Andrew McKEEGAN: That is fair.

Ryan BATCHELOR: And again, Mr Davis talked about horses and carts, particularly in relation to Kew and Hawksburn. Would it be fair to say that for those second 50, including Kew Junction and Hawksburn and the rest of the areas, the consultation process – the in-depth analysis, street by street, block by block – has not commenced in a detailed sense yet, has it?

Andrew McKEEGAN: That is correct. At a strategic level the activity centres across Victoria have been well known for some time. They are outlined within *Plan for Victoria*, they are identified as strategic locations, but in a sense of going into that detail – the collaboration with local government, identifying the opportunity – that is the part of the program that was announced that needs to occur. Just as that happened with the 10, that then just allows us to do a similar thing in relation to those other 50.

Ryan BATCHELOR: On the 10 – just so I can clarify – they were first announced as 10 pilots in September 2023?

Andrew McKEEGAN: In 2023 as part of the housing statement, that is correct.

Ryan BATCHELOR: That is right, as part of the housing statement. The gazettal for that 10 has happened this week in April 2025 –

Colleen PETERSON: On Friday, last Friday.

Ryan BATCHELOR: On Friday, so that is 18 months later. During that 18-month consultation period, you said you had 10,000 submissions and engagement with local councils. Were any of the local councils covered by the first 10 not spoken to by the department?

Colleen PETERSON: No, there has been extensive consultation with all 10.

Ryan BATCHELOR: And has that consultation included both elected officials and council officers?

Andrew McKEEGAN: To my understanding, yes it has.

Colleen PETERSON: Yes.

Ryan BATCHELOR: One of the other things that you mentioned is that for some time the notion or the concept of an activity centre has been present in the planning scheme. It is not something as a concept that was introduced into the lexicon in the housing statement in September 2023, would that be correct?

Colleen PETERSON: Correct.

Ryan BATCHELOR: It existed prior to that – how long prior to that? How long has the notion of an activity centre been around in Victoria as a planning provision?

Colleen PETERSON: I have been working as a planner since 1992, and the idea of urban consolidation and building up residential densities in and around activity centres – the language has changed slightly, whether it is a district centre or an NIC, the language has changed – but the concept has been in the planning scheme for as long as I have been practising.

Ryan BATCHELOR: So it is not a new concept, this notion that we have parts of our community, parts of the city and regional centres, where there are different rules that apply to encourage densification and greater use and development. Would that be fair?

Colleen PETERSON: Correct. Yes.

Ryan BATCHELOR: You also mentioned that in some of those existing activity centres there have been changes or a difference in the way that third-party notice and appeal rights had operated. Those types of different provisions in those activity centres, or whatever they have been called historically, how long have they operated? Is it months? Is it years?

Colleen PETERSON: It is definitely years. It came about when the commercial 1 zone was introduced, which I think was somewhere around eight to 10 years ago.

Ryan BATCHELOR: So again, this is not a new concept being brought into the planning scheme?

Colleen PETERSON: Correct.

Ryan BATCHELOR: Although it might be being applied in different contexts now. I just wanted to clarify that. The other thing that we talked a little bit about was the way that, in making the determinations in, for example, VC257 and VC267, a ministerial process was gone through where the exhibition process that can be excluded under section 20 of the Act was done. You mentioned that it had occurred before. How often does that occur? What would be another significant change to the planning provisions that has occurred historically where that sort of an exemption would have taken place? You do not have to answer that now, but perhaps on notice if you could.

Colleen PETERSON: Probably one that comes to me now – that, sorry, I did not think of before – is the bushfire management overlay. When that was introduced to Victoria it affected all planning schemes. It obviously has significant implications for human life, and that was put into the planning scheme without any notification.

Ryan BATCHELOR: So all the changes that have been made with the bushfire overlays, for example, were done without that sort of public –

Colleen PETERSON: Well, the introduction of the tool was put into the planning scheme without any formal notification. It was done through a section 20, part 4, amendment. As to the application of individual overlays within councils, I cannot be specific about those.

Ryan BATCHELOR: I have just got a short time left. I want to go to some of the detailed work on the activity centres. You mentioned that some of the centres were effectively lifted from existing work that councils had done previously. We are aware of a particular case where Camberwell Junction, for example, was effectively just an uplift of pre-existing work from the City of Boroondara.

David DAVIS: No, the catchment zone was entirely –

Ryan BATCHELOR: Mr Davis, you have had your turn. That was an existing piece of work that had been undertaken by the City of Boroondara many years in the core. Were there things in the core, that have now been gazetted by GC252, that are fundamentally different to that prior work that had been undertaken by the City of Boroondara?

Colleen PETERSON: The controls are largely the same. I could not say it is 100 per cent, but broadly speaking, yes, the controls are consistent with the strategic work the City of Boroondara had done.

Ryan BATCHELOR: You can take this on notice. How long had the City of Boroondara been engaged in that strategic assessment and strategic planning work at the activities centre core prior to the announcement of the draft activity centres in September 2023?

Colleen PETERSON: We will need to take that on notice.

Ryan BATCHELOR: That would be great. With 11 seconds left, I will leave it there, Chair.

The CHAIR: Thank you, Mr Batchelor. Mrs McArthur.

Bev McARTHUR: Thank you, Chair. These tall-tower centres are predicated on the claim that there is a housing crisis. We know from the stamp duty and property tax inquiry that this is almost solely a state government-created problem due to almost 50 per cent of the cost of a dwelling now taken up by taxes, charges and regulations – brown, green or red tape. That is where the cost of housing has escalated. We also know that there have been at least 120,000 dwellings approved and ready to build on which construction has not begun purely because of the cost involved in the development of these projects. There is no market at the end where these developments could end up, where somebody would be able to afford a house. So why would a tall-towers project in the end produce one more house when we have got a situation where the developers have got the approvals – councils have not been the problem, they have given the approvals – but nobody is going to market because of the cost of building in these areas?

Andrew McKEEGAN: I can say I appreciate the current economic conditions, and we are meeting with industry and the development sector all the time in relation to those –

Bev McARTHUR: What about the taxes and charges and regulations?

The CHAIR: Let us give the witness an opportunity.

Andrew McKEEGAN: In relation to working with industry around the development applications that they have in place, it is certainly something we actively discuss with local government all the time. We actually have within our team a really small group of dedicated planning staff that actually go and work with local government to understand that if there are permits that are there if there is a reason – some of them do relate to those matters that you discussed which are outside of the purview of planning and the work that we do, but for a number of them we work with those councils in relation to how we unblock and get some of those permits that may be sitting there that are not activated and if there are matters that are planning related that we can work through. Again, I do not pertain from a planning perspective – we are a valuable lever in the ability to create supply. What we do not do is control those other conditions outside of what we do. If we can create the supply to ensure that there is capacity within our system in a whole range of different locations, that allows the market to make the decisions around when that is viable and when they can build that. So if we can have more supply, it creates more opportunities for those economic decisions to be made.

Bev McARTHUR: If the Suburban Rail Loop does not go ahead, will the tall tower centres still be built?

Andrew McKEEGAN: The activity centres that are out on consultation at the moment are based on the fact that there would be significant public transport infrastructure in relation to them. They are combined housing and transport programs, so they would seem to me to be related. When you have an activity centre it is about ensuring that you have really well-serviced, effective, reasonable transportation to those services.

Bev McARTHUR: So they will not go ahead, given there would not be the transport infrastructure available?

Andrew McKEEGAN: That is not for me to speak about. As I said, I think they are a related conversation.

Bev McARTHUR: Do you know whether amendment VC257 was referred to an advisory committee for any of the 10 centres?

Colleen PETERSON: Yes, it was.

Bev McARTHUR: Was there a report produced?

Colleen PETERSON: Yes, there was.

Bev McARTHUR: Can we have that please?

Colleen PETERSON: It is publicly available. It was released on Friday.

Bev McARTHUR: Can you confirm that that committee report recommended the introduction of zones in areas affected by overlays, such as heritage overlays or neighbourhood character?

Colleen PETERSON: We will need to take that on notice.

Andrew McKEEGAN: We can make available that public report.

Bev McARTHUR: Is it correct that with the new code introduced by VC267 that council would not have the ability to assess what a development looks like under the deemed to comply provisions.

Colleen PETERSON: That is correct. There are eight standards that seek to influence and control neighbourhood character – things like setback, height, site coverage and tree canopy, for example – but in terms of what the skin of a building looks like, that is not controlled under clause 55. But in areas where the character of a neighbourhood is important, such as in a heritage overlay, the provisions of that overlay enable absolutely the appearance and form of the building to be considered.

Bev McARTHUR: So is it correct that the department and the minister received a recommendation from the SAC report not to apply the housing choice and transport zones to areas affected by heritage overlays and neighbourhood character overlays that was not followed?

Colleen PETERSON: We will need to take that on notice.

Bev McARTHUR: If you have not complied with all those requirements, how can we have confidence that these tall tower centres will be appropriate? Also, with the extra costs of infrastructure that you have referred to and that you suggest council will be responsible for, what costs will council be responsible for?

Andrew McKEEGAN: As I was saying earlier, there is a mechanism to enable both local government and state government to identify relevant infrastructure within those activity centres, and that enables local government to collect a contribution towards – as we know, infrastructure contributions are just that – key infrastructure for growth within their area.

Bev McARTHUR: But that contribution will not cover the cost involved that ratepayers are going to have to do pick up the bill for, for all this infrastructure that you want to land on local government, will it?

Andrew McKEEGAN: We have a growth projection that is going to happen in Victoria. We need to house people appropriately within Victoria. The targets set an amount for each local government to work with. We need to then strategically work with them to say, 'Where would you apply this growth?' The activity centres are just one example of how that growth might be applied. It is actually about putting it where significant infrastructure already exists, because even in growth areas, there is significant infrastructure that does not exist that needs to be funded. Appropriate locations of where we put those activity centres and the work that needs to be done in relation to providing that can be strategically worked through with local government around understanding, within their 10-year growth plans, where they would be putting infrastructure and how that would relate to growth in particular areas, because if you have them in one location, the council may think that is great because then they can protect other areas within their council and they can distribute that infrastructure cost across that area.

Bev McARTHUR: Can we have those growth projections, please?

Andrew McKEEGAN: Sorry, the growth projections?

Bev McARTHUR: That you have referred to.

Andrew McKEEGAN: Sure, they are public documents.

Bev McARTHUR: Good. What is to prevent inappropriate development in places and precincts with heritage overlays, areas like walkable catchment zones?

Colleen PETERSON: Well, the heritage overlay in itself is an important and valuable tool in guiding a decision-maker, a responsible authority, in determining whether or not the built form is appropriate. I know there has been a lot of concern about the impact that the housing choice and transport zone may have on heritage areas, particularly in the Camberwell catchment, which does have a reasonable proportion of that hinterland area within a heritage overlay. It is fair to say that the policies that relate to heritage within the planning scheme are absolutely enlivened; they form part of the layering of the decision-making framework in determining whether or not a proposal is appropriate. Recognising that the vast majority of properties within the heritage overlay are either contributory or significant buildings, a permit is required for their demolition. The permit trigger for the demolition of a heritage building does not fall within the housing choices and catchment zone. It falls within heritage overlay, and it is only the provisions in the heritage overlay that inform the decision-maker as to whether or not the permit should be issued for demolition.

The CHAIR: Okay. Thank you, Mrs McArthur. Ms Watt.

Sheena WATT: Thank you both for coming and for your presentation today. My first question was about heritage matters and the heritage overlays, so can I just thank Mrs McArthur for asking the question that I too had prepared to start with. Perhaps I will jump to my next point, which is about the townhouses code. In that, I wanted to get some thoughts there about: if a site has a heritage overlay, how is it taken into consideration of a townhouse code application? I am just thinking about the areas where this might be most popular.

Colleen PETERSON: Absolutely. And again, there will be a number of areas of Melbourne where there will be the overlaying, where it is a heritage overlay or other overlays. The overlays are absolutely an important component of the decision-making framework. Even in a deemed-to-comply application, where a permit must be granted under clause 55, the decision-maker needs to be satisfied that the objectives of the overlay are still met. The example that I have been giving with the education piece we have been doing with local government is to take a typical suburban street: it is full of Californian bungalows; it is in a heritage overlay; the average setback is, say, 9 metres, which is fairly typical for these sorts of streetscapes; but the townhouse code says that the maximum setback is only 6 metres. It is entirely within the purview of the decision-maker to be informed by not only the heritage overlay but what is typically extensive planning policy within the scheme to require that building not only be set back 9 metres so that it aligns with the predominant setback in the street but also to require detailed design that ensures that the building is respectful of that broader character.

Sheena WATT: The character question that we went to earlier. With respect to the neighbours and these requests, how are neighbours notified? What does that look like for a community, and has that been proposed to change?

Colleen PETERSON: The way in which adjoining property owners are notified does not change. Typically, adjoining neighbours and occupiers will get a letter in the mail. There will be a notice that goes up on the front of the site for two weeks. That does not change.

Sheena WATT: So there are no proposals to change that. What about third-party appeal rights? What is the proposal around that?

Colleen PETERSON: For a matter that is affected by an overlay, appeal rights are still fully enlivened in an overlay. A fully compliant application in an overlay – there would still be full third-party appeal rights afforded to those people. It is only where it is not affected by an overlay that this very strict turning on and off exists.

Sheena WATT: So a heritage piece in particular.

Colleen PETERSON: Yes.

Sheena WATT: It might be more a question to councils, and I accept that from the beginning, but do you have an understanding about how many current applications may have been made or intended to be submitted to councils under this new code? Do you have any indications or interests that have come to you since that?

Colleen PETERSON: No, we do not. We do know that a number of applications have been withdrawn, and applicants presumably are seeking to review their proposals in light of the new controls, but we do not have any data per se. It is still too early.

Sheena WATT: It is still too early – all right. Do you have any sense about what impact these new developments will have on – mostly I am thinking about if these amendments are revoked – townhouses and different developments in the areas that are most going to benefit from it?

Colleen PETERSON: I think realistically it goes back to the old system where getting approval for medium-density housing in typical suburban streets becomes very challenging, and so that definitely has impacted the supply of housing in some of Melbourne's great suburbs that have great access to job services and infrastructure.

Sheena WATT: Public transport. Do you have any sense then about the time that will be saved on an average application between the old system and the new?

Colleen PETERSON: We know that it is an average of 145 days for a medium-density housing proposal to be determined, so that is not necessarily a yes or a no, but the decision is made. We see no reason that under the new deemed-to-comply provisions that the decisions cannot be made within the statutory 60-day time period.

Bev McARTHUR: Councils are approving the developments, but nobody is building them.

The CHAIR: Mrs McArthur. Thank you.

Sheena WATT: Thank you. I might move on to the infrastructure contributions. Again, this was something that was raised by Mrs McArthur in her remarks. As part of the activity centre plans, how is it that more funding will be afforded to community infrastructure? I am thinking about transport services, paths, roads – I do not know – schools, community facilities, the things that people want and need to give effect to the great lives that they want in these communities.

Andrew McKEEGAN: In relation to infrastructure for the 10 activity centres, the ministerial direction change allows infrastructure contribution plans to be put in place for those 10 activity centres for those standard core infrastructure elements. That allows both state and local government to identify critical infrastructure that is needed within those locations and those areas.

Sheena WATT: Are they secured to apply to that area under the proposal that you are talking about?

Andrew McKEEGAN: That is correct. It is within the bounds of that infrastructure contribution plan which was in that location, yes.

Sheena WATT: Where is that captured, just for clarity?

Andrew McKEEGAN: There is the ministerial direction for the infrastructure contribution plans. Those plans are to be developed up. They would come into play from 2027 to enable time obviously for the set-up of that system and for an understanding on how that would impact on feasibility and decisions within the sector in relation to that so that those contributions are well known when people make investment decisions within those activity centres.

Sheena WATT: Is any of that available to the public?

Andrew McKEEGAN: Yes. We can make the ministerial statement, which is gazetted, available for the committee.

Sheena WATT: I would certainly appreciate that. Thank you. I might perhaps go to the Suburban Rail Loop. It is that question about the public benefit again and infrastructure contributions. There is the difference, which I think is called something different under the SRL, which is the public uplift benefit framework.

Andrew McKEEGAN: Benefits framework.

Sheena WATT: Can you talk to me about that and how that one works in particular in that zone under the Suburban Rail Loop Authority?

Andrew McKEEGAN: Yes, in general – and I will let Colleen add detail to this. But in general the tool enables the ability to have a benefits uplift framework, and what that framework does – and that is currently out in draft consultation with the structure plans that the Suburban Rail Loop Authority have put out at the moment – is work on identifying where the development sector wants to go above and have an uplift ability, and then for that uplift there are identified public benefits that can be put back into that area, and that could be something –

Sheena WATT: So that proposal is again for that same area, is that right?

Andrew McKEEGAN: That is right. And that could be for public realm for that area, it could be affordable housing. There are a range of different benefits outlined within their proposal to enable that to capture that.

Sheena WATT: So affordable housing is outlined as something? Do you have anything more to add to that? Is there targeted capturing? That is it.

Colleen PETERSON: I think Andrew has probably captured it pretty well. But the idea is that when developers are seeking more than what the planning scheme envisages, there is effectively a requirement to give back to the community more broadly, and there is a suite of provisions of which affordable housing is one, and that will be affordable housing as it is defined in the *Planning and Environment Act*, so not the broader concept of affordable housing.

Bev McARTHUR: What is an 'affordable house'?

Colleen PETERSON: It is defined in the Act, yes.

Sheena WATT: Okay. Lovely. That is all from my questions today, Chair. Thank you.

The CHAIR: Thank you, Ms Watts. All right, we have got about 20 minutes left. Thank you to our witnesses so far. I might just do a little bit of a quick move around the table, and I might just kick off. I sort of get the concept of individual buildings and spaces and such – that seems pretty straightforward. I guess one of the things that concerns me a lot is when we put that at the macro level and we are talking about communities and precincts, as Ms Watts was talking about before.

Colleen PETERSON: Yes.

The CHAIR: And I guess I am sort of looking at Southbank, I am looking at Docklands – and I know there were different authorities in charge of Docklands. I guess most recently and in my electorate I am looking at Joseph Road in Footscray, which is in the Footscray activity centre, which is a disaster. I know we have got a number of buildings that are all compliant. But in terms of all of the fine words in the policy guide for that precinct, they just do not exist. There is not quality open space, there is not appropriate paths of travel, the streetscape is one step up from Beirut. It is just a disaster. I guess I am interested to understand what is there in this suite of amendments, if anything, that will prevent the replication of Joseph Road-style developments and disasters?

Colleen PETERSON: Putting to the side the challenges that are represented by that particular development, the BFO in particular will be the control that will effectively require detailed consideration of the public realm. The BFO itself does not do the heavy lifting – the schedule does – but the structure of the BFO requires a range of considerations that requires that public interaction to be absolutely considered. Obviously height is part of it; but issues such as overshadowing, for example, ensuring that the public realm has good access to sunlight; wall setbacks, that street wall height can be really important in terms of how a pedestrian feels within that public realm; and the requirement for landscape setbacks. We have got building separation within the site – that is very important so you do not get that walled-in effect as one is experiencing a public space. Wind effects is obviously a very important component of feeling comfortable in a public space. There is a requirement around active frontages, pedestrian connections, weather protection, landscaping and fencing – exterior design building services. So the tool itself requires really quite detailed consideration to be required to how a person experiences the public realm.

The CHAIR: But isn't that applied to specific buildings? Because it seems to me that where the plot is lost is when you start aggregating them. I am not being a NIMBY here, but in my own backyard in Kensington I am looking at multiple buildings, high-rise buildings, the creation of concrete canyons, no open space, no paths of travel, no setbacks, built to the boundary. I am just wondering, how is that not replicated?

Colleen PETERSON: One of the advantages of doing a structure plan, which the BFO will effectively refer to in the schedules, is it allows that more holistic approach to be undertaken. The structure plans, if you look at the 10 centres that have been gazetted on Friday, do look at things like pedestrian linkages, look at overshadowing in a holistic sense, look at how we better build connections between existing open space and areas of higher densities. So one of the advantages of the BFO, and even the precinct's own tool, for example, is that it does allow a whole-of-place place-making approach.

The CHAIR: Okay. Thank you. Mr Davis, a couple of questions?

David DAVIS: Just picking up from that, it in theory might allow that. But actually it is in place now, and the structure planning has not been completed.

Colleen PETERSON: No, for the 10 activity centres, the structure plans –

David DAVIS: But not the catchment zones, for example.

Colleen PETERSON: But the catchment zones have a different level of density, because we are looking at typically one to three storeys in the outer parts of the catchment. As I said, only 3½ per cent of sites will be eligible for that.

David DAVIS: Just let me come to that 3 per cent. The developers will aggregate sites.

Colleen PETERSON: That is true. There is the opportunity for lot consolidation.

David DAVIS: Have you modelled that?

Colleen PETERSON: How do you model that?

David DAVIS: You could look at previous examples. You can put two small blocks together and you have got a large block of more than a thousand square metres. The answer, I will take that, is a no.

Andrew McKEEGAN: Just a comment on amalgamation, the one thing that the policy does identify is amalgamation allows a much better design solution to be able to achieve the outcome. Whilst that may occur, the policy does actually address the ability to, with a larger site, deal with a lot of those interface and other matters around that.

David DAVIS: Let me ask the questions here – a thousand square metres, and you have got just a very small canopy requirement, 20 per cent of the site. Picking up the Chair's points before, there are a very significant number of these sites, and only 20 per cent, so there is going to be a swathe cut through the canopy in a lot of these suburbs at a time when we are trying to deal with heat island effects. It does not seem to me that that has been modelled.

Colleen PETERSON: Firstly, if I can just correct a misperception, 20 per cent canopy cover is actually a very high amount of canopy cover. *Plan for Victoria* does set 30 per cent –

David DAVIS: No, I do not agree with that.

Colleen PETERSON: If I could just finish. Thirty per cent canopy cover is a target that is set in *Plan for Victoria* across all urban areas, but that includes public land. The modelling shows that 10 to 20 per cent on lots of varying sizes in metropolitan Melbourne will make an appropriate contribution to that overall target.

David DAVIS: Many of these 10 large zones already have canopy in areas that is beyond that, so there will be canopy removed under these approaches.

Colleen PETERSON: If we look at the areas that fall within housing choice and transport zone 1, these are the areas that are closest to the activity centres. They will obviously need to be assessed on a case-by-case basis,

but that 20 per cent canopy cover will, in the government's view, make a reasonable and substantive contribution.

David DAVIS: Contribution, but a lesser contribution than many of those sites that have currently got more than that. Let us just wipe that away. Let me keep going.

The CHAIR: Last question, Mr Davis, and then we may come back if we have got time.

David DAVIS: The private open space requirement is reduced, as I understand it, in these zones from 40 square metres to 25 square metres. Is that correct – picking up the Chair's point about the tightness, the appearance from the public realm and so forth.

Colleen PETERSON: The amount of secluded private open space remains the same. The previous controls in clause 55 required 25 square metres of secluded private open space. The new standard focuses on secluded private open space but does not set a minimum for open space more broadly. But one has to look at that control in the context of the other provisions in the townhouse code, which require 60 per cent site coverage within the neighbourhood residential zone and 65 per cent within the general residential zone. There is another control which requires 35 per cent mandatory requirement of garden area. Those controls alone will ensure that there is substantive area that sits around buildings not only for open space but also for planting of tree canopy.

The CHAIR: Mr Galea.

Michael GALEA: Thank you, Chair. I just would like to pick up on something. It relates to a question I was going to ask again in relation to the consultation process that is taking place now. The Chair has given a very good example in Joseph Road in Footscray of what can go wrong when those things do not happen. I know that was pushed through in 2013, back when Mr Davis was minister in fact, by the former Liberal government, and we have now seen the effects of that in Mr Davis's electorate. You have already talked a bit about activity centres, but I would like to know in terms of VC274 about the SRL precincts. I know that you do not have any scheduled provisions gazetted yet, and I am sure that is because that consultation work is still well underway. Can you talk to me a little bit about the process of that and how you are going to ensure that that consultation process leads to the best possible outcomes for those SRL precincts?

Colleen PETERSON: I think firstly we should say that the SRLA are the planning authority for those precincts, so the SRLA will be managing the process. I think it is fair to say that that is taking a more traditional route. The structure plans are currently on exhibition. I think from memory I was told earlier this week there have been about 300 or 400 submissions lodged across the six precincts to date. Those submissions will be reviewed, a series of public hearings will be set up in September and October across the six centres and there will be full public hearings where submitters, proponents and the SRLA will make submissions to the advisory committee. The advisory committee will, at the conclusion of the hearings, consider that and write a report in accordance with the normal process. Then there will be changes – or not – taking on board that advice, and that will go through the normal channels and then be put to the appropriate ministers for consideration.

Michael GALEA: Thank you. I guess that also covers off why we have VC274 as distinct from VC257, because of the unique nature of these sites and given that they are based on the Suburban Rail Loop project and are being managed by the SRLA?

Colleen PETERSON: The two amendments are fundamentally the same; they just introduce different tools into the planning scheme. Then there will be separate planning scheme amendments that will implement the tools.

Michael GALEA: Obviously, as Mrs McArthur was alluding to, the SRL is so fundamental to these projects taking off at the ground –

Bev McARTHUR: It may not go ahead. What happens if it does not go ahead?

Michael GALEA: Well, that is probably a question for your side, Mrs McArthur.

The CHAIR: I think that is probably a little out of scope.

Michael GALEA: If Misters Battin and Dutton want to explain why they are pulling away yet another infrastructure project from Victoria, that is up to them to do so, because we know that is what they like to do – pull away funding.

Members interjecting.

The CHAIR: A bit of order, please.

Michael GALEA: That is not for you to comment on though. I will not drag you into the politics of whatever Mrs McArthur is trying to prove today. I think there are six activity centres under the SRL and I know that VC274 is not explicitly linked to them, but that will be the framework within which those activity centres – that will benefit the south-east as well. Just to clarify, VC274 is for those six?

Colleen PETERSON: It will be likely used in those six centres, but the tool is a standalone tool. It has been identified that there was a gap in the current suite of provisions. The recent planning panel that considered the Arden precinct really exemplified that the current controls were not really fit for purpose for broadscale precinct-wide reinvention, so the zone is in fact a response to that. The fact that it will be used probably in the first instance by the SRL I think is reasonably uncontroversial, but I could see scenarios where it could be applied to other precinct-wide rejuvenation sites.

Michael GALEA: Great. Thank you very much.

The CHAIR: Thank you, Mr Galea. Dr Mansfield.

Sarah MANSFIELD: Thank you, Chair. I just want to follow up on something you said earlier, I think again with respect to VC267. You said that the tribunal need to make an interpretation in the period ahead about what compliance with the standards means in detail. Has the department modelled what impact this is going to have in terms of pressure on the tribunal or in terms of delays that this might create and the overall speed of decisions that are being made under the code?

Colleen PETERSON: We have certainly put together an expansive decision document that is on the website. It is 80 pages, so it gives quite extensive explanations about what the standards are and how they are to be implemented. That work is being done to guide not only local government but also the community and other decision-makers like the tribunals. That work is been done to provide guidance as to how the standards should be implemented. We have certainly undertaken consultation with the tribunal. We have presented the provisions of the townhouse code to them. I think it is fair to say that they would expect in the first six to 12 months of the code for there to be some testing of some of the provisions. They are working within their own internal decision-making as to how they are best placed to deal with those initial requests, but there is an expectation that once that initial testing of the provisions is completed it would actually result in far fewer applications going to the tribunal.

Sarah MANSFIELD: So there could be some delays in the short term, potentially?

Colleen PETERSON: Not delays. A lot of the initial queries will probably be dealt with through what are called practice day hearings, and they are dealt with quite quickly.

Sarah MANSFIELD: All right. And just with respect to, again, the VC267 10 per cent tree canopy requirements, I am just interested in how you arrived at that figure. What benchmarking or modelling informed that? What impact is it going to have on established trees and established vegetation compared to the previous provisions around vegetation?

Colleen PETERSON: To be clear, the requirement for vegetation more broadly to be integrated into medium-density housing is still there. There is still a requirement for a landscape plan. So the objective that deals with the design response still requires a landscape plan, and there is some fairly detailed prescription there around the sorts of issues that need to be taken into account – for example, vegetation that is suitable for local conditions is part of that decision-making, the need for irrigation, quality of soil. So that is still dealt with within the code. That would typically be dealt with through a condition too that requires a more nuanced conversation between proponents and councils as to what is a fair and reasonable landscape response. In terms of the 10 to 20 per cent I will need to get back to you about how those figures were derived, if I can take that on notice.

Sarah MANSFIELD: Thank you.

The CHAIR: Terrific. We have got a few minutes left, so we will just have a couple of quick questions, starting with boofhead here. We have got activity centres created through VC257 and VC274. We have also got the existing activity centres. To the degree that there is an overlap, do the new activity centres extinguish the existing regulations for those activity centres that were introduced in 2018 or whenever it was?

Colleen PETERSON: No, because these are just overlays, so the zone provisions remain untouched. Whether it is the 10 pilot centres or the 50 that have been identified, the underlying zoning remains unchanged. The BFO – sorry, I should say for the core – really then guides the built form and public realm outcomes. The change in zoning occurs for the catchment areas, and that changes it from what predominantly I imagine would be a general residential zone. That would be the likely zone.

David Davis interjected.

Colleen PETERSON: So for the majority of centres, the general residential zone would be the dominant zoning that surrounds these areas. Mr Davis is right; the neighbourhood residential zone would be the likely dominant zone around the Camberwell activity centre. The housing choice and transport zone remains a residential zone, so the land use expectation is still reasonably the same. The difference is of course the development outcomes, and as I say, those development outcomes decrease as one moves further away from the transport node.

The CHAIR: Thank you. A couple of quick last questions, Ms Crozier.

Georgie CROZIER: Yes, very quickly just on the 20 per cent canopy modelling, for all the activity zones could we have the current canopy coverage and where the 20 per cent is expected to occur within those sites?

Andrew McKEEGAN: If that is available, we will provide that on notice.

Colleen PETERSON: We certainly have tree canopy cover at a municipal level, but I do not think it goes down to smaller precincts.

Georgie CROZIER: But it is going to be impacted, so surely you have done some sort of modelling given that 20 per cent coverage that you spoke of. So where is that expected to occur?

Andrew McKEEGAN: If it is available now, we will provide that.

Georgie CROZIER: What is it now and where is it? Where is it going to happen? Thank you.

The CHAIR: Can we take one last question? Ms Watt.

Sheena WATT: Ms Peterson, I just have a question about VC267 and the ESD standards around solar energy. What changes have been made to improve access and take-up of solar energy under this code?

Colleen PETERSON: So that is two of the key changes. There are two separate standards. One recognises the protection of existing solar energy on adjoining sites and protects them from overshadowing. I think from memory the provisions are to be free from shadow between 9 and 4 pm at the September equinox. That was a gap that had been missing under the previous controls. Another standard then also requires room to be available on the roof of medium-density housing to provide a set minimum area per dwelling for energy. And it does not mandate that that solar energy be required, but it requires that consideration be given so that the orientation of the building, for example, would allow that to be maximised on the site.

The CHAIR: All right, we are going to leave it there. I firstly thank Ms Peterson and Mr McKeegan for coming in today and subjecting yourself to the process; it is much appreciated. I just advertise that we will be looking for probably a follow-up on the 30th – I think you have been advised of that – to close out the process. Mr Davis, briefly.

David DAVIS: And there are a number of follow-up items.

The CHAIR: I am going to come to that. We will actually convene a meeting briefly when the witnesses have finished. I just draw to your attention that you will receive a copy of the transcript for review in the next couple of days, before it is published on the website.

Witnesses withdrew.