

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 – Tuesday 29 April 2025

MEMBERS

David Ettershank – Chair

David Davis – Deputy Chair

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Gerogie Crozier

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WITNESS

Dr Jonathan Spear, Chief Executive Officer, Infrastructure Victoria.

The CHAIR: Welcome back to the Select Committee on Victoria Planning Provisions Amendments VC257, VC267 and VC274.

We will introduce our next witness shortly, but first of all I will just advise that all evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same thing, those comments may not be protected by that privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

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

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

Jonathan SPEAR: I am Dr Jonathan Spear. I am Chief Executive Officer of Infrastructure Victoria.

The CHAIR: Thank you, Dr Spear. Also, thank you very much for appearing on what I know is very short notice. We appreciate both your presence and your very thoughtful submission.

Jonathan SPEAR: A pleasure.

The CHAIR: I will give you 10 minutes just as an opening statement.

Jonathan SPEAR: Thank you, Chair. Thank you for the opportunity to make a submission and to appear before the committee, we were very pleased to receive the invitation. As I think you are aware, Infrastructure Victoria is the independent infrastructure adviser to the Victorian government and the Victorian Parliament, and it is in that capacity we are really pleased to share some of our research and work that we have done over a number of years that we think is relevant to the subject matter of this inquiry. I would in particular like to talk today about three separate but related areas of research that Infrastructure Victoria has published: one is called *Our Home Choices*, another is called *Choosing Victoria's Future* and the third is around density done well, all three of which we think are pretty useful in terms of setting the context for what is at stake in some of the broader subject matter that the committee is thinking around, looking at what housing choices people want and the diversity of those choices that people want, evidence around the different outcomes that we are likely to get with different shapes of our cities now and into the future, and what ordinary Victorians have told us about what they think good density looks like. We have also got a number of suggestions regarding what policy changes might be helpful in achieving those outcomes.

Stepping right back, when we look at the way in which Victoria is likely to grow over the next three decades, projections are that we are likely to have around a million more people coming to Victoria each decade over the next three decades, so we have got some choices to make about where those people are going to live and work and what infrastructure we then need to support that. It is in that context that we undertook the work titled *Choosing Victoria's Future* where we examined five different scenarios about the way in which Victoria might grow, in Melbourne but also our regional cities as well. In each of those cases there was the same amount of population assumed to be in the state over that time and we looked at what would happen if we continued on our current trajectory, which tends to rely mainly on the bulk of our housing growth happening in the greenfield areas of Melbourne but also our regional cities. We contrasted that with a variety of more compact scenarios, including some that look relatively like the *Plan Melbourne* and *Plan for Victoria 70–30* split of growth, but also some more concentrated, more compact outcomes and some around greater growth in our regional cities as well. What that tells us overall is that none of these scenarios is perfect, but the more compact urban forms give us better social, economic and environmental outcomes, and we make much better use of the infrastructure we currently have. It is also cheaper and easier to deliver the future infrastructure we need.

When I talk about more compact cities what I mean is not necessarily one in which everyone is living in high-rises, but rather the direction of change – if we have a direction of change – which is that people who want to

live in the greenfields and build a new home are still able to do that but that there is more housing choice in the middle and inner suburbs of Melbourne but our regional cities as well. So when I talk about more compact urban forms that is what I am talking about.

What we find is considerably better social outcomes in terms of people's ability to get access to jobs and services and education and considerably better environmental outcomes in terms of lower emissions, less time spent in congestion, more accessibility of public transport but also less valuable agricultural and environmental land consumed on the edges of our cities. Around 12,000 MCGs worth, if we want to use that metric, is what is up for grabs in terms of the choice between continuing to have a more dispersed urban form versus a more compact urban form. And then economically there is also quite a lot up for grabs. More compact urban forms drive greater productivity, and our estimate is that up to around \$40 billion is the kind of economic difference when we model out to the 2050s in terms of how Victoria might be performing in a more compact urban form versus a more sprawled urban form.

Then of course we looked at what the infrastructure implications are of these different urban forms, and I think that is probably quite relevant to the committee's considerations as well. Some previous work we have done indicates that it costs between two and four times more per house to deliver the infrastructure that we need in a greenfield setting as opposed to a house in an established area of Melbourne. The *Choosing Victoria's Future* work took that analysis further and looked at things, including open space, social infrastructure, transport and community infrastructure, that we would need for growing communities. What it found is that we would make much better use of the existing infrastructure and planned infrastructure we have already in the pipeline if we have more houses in the established areas of Melbourne. The costs that we save are around \$50,000 per household when you compare a new home in a greenfield area that might otherwise be in an established area of Melbourne.

We then looked at how that plays out over time, because there is considerable capacity and ability to utilise the existing infrastructure we have in our existing areas, but as our city grows and we have more homes in some of those existing areas we will need to provide more infrastructure for them. Our estimate is that as we get beyond the 2030s we are likely to reach the end of that existing infrastructure capacity, so we would need to invest more. Now, that is not surprising. The important thing to keep in mind is: if that housing goes somewhere else, like the greenfield areas, we would also need to provide more infrastructure. We would need to provide it sooner, and it would be more expensive to do so. So we certainly have accounted for additional infrastructure we will need as the city grows. We know that infrastructure that requires a greater amount of land is relatively more expensive, so we need to account for open space, schools, community infrastructure and things like that. They are relatively more expensive to deliver in established areas, but the overall cost, when you add up all of the costs of the infrastructure that a growing community needs, is considerably less in established areas, even when you are taking into account the higher cost of land that we would need.

Perhaps the second thing I should then move to is the *Our Home Choices* work, Chair. What this work looked at is why people choose to live where they do, which I think is a pretty relevant question to be addressing in the context of this inquiry. This is something that, until we did this work and released it a few years ago, there was not anything that was really Victorian specific and current on that subject. We went out and talked initially to 22 focus groups of people who were living in greenfield areas, in established areas and in regional Victoria as well to get a sense of why they decided to live where they do. We then surveyed around 6000 people in Geelong, Ballarat and Melbourne about their home choices and did some modelling about their choices, and the headline of that is that up to one in three households that currently choose to live in a greenfield area would rather have the choice of living in an established area of Melbourne or one of our regional cities in a medium-density apartment or townhouse. That is really important to understand, because it means that there is very large untapped choice that we are not providing for. We did detailed analysis on the property data for a number of years about property that is available and its affordability to middle-income earners. There are up to one in three households who want this choice but currently do not have that choice; we are not providing those properties, and they are not affordable to those middle-income earners. The other really important point is there are also a lot of people who still want to live in the greenfields, of course, so we need to continue to be able to provide that choice – it just should not be the only choice that we are providing.

Chair, I might just move briefly to the highlights of the 'Density done well' research. That was research where we talked to communities who had actually been through changes in density in areas like Camberwell, Heidelberg and Footscray, and we talked to really diverse groups of communities in a deliberative way over a

number of weeks about what their experiences were and what density done well looks like. They told us quite clearly that they can accept density and changes to density in their suburbs under a number of conditions. The things that really lead out on this that they prioritised were high-quality urban design, availability of public transport and availability of open space and green space. There are a number of other considerations, but they were the key features that they really valued, and I think that is important when we think about how that plays through, then, as there are further moves towards enabling more housing in established areas of our cities. I will leave that there, Chair, but I really look forward to helping to answer as many of your questions as I can.

The CHAIR: Thank you, Dr Spear. That was fantastic. All right, I might open the batting. One of the issues I am very interested in is this concept of, I suppose, place making and place management. We seem to have a lot of developments where there is great regulation for stacking up the bricks in the appropriate shape, form and yield but often not so much in terms of creating communities and infrastructure like social infrastructure and open space. Thinking about the planning scheme amendments that are before this committee, and we have not talked about them that much today, but in terms of those actual planning scheme amendments, I guess my question to you would be: do you think they adequately address the need for civil infrastructure, social infrastructure and open space?

Jonathan SPEAR: Chair, Infrastructure Victoria has not had the opportunity to do detailed analysis in the time that has been available on the degree to which the planning scheme amendments do or do not achieve those sorts of outcomes. What we do know from our research is that some of those features that you have just been describing in terms of having adequate infrastructure, open space, tree canopy cover and community infrastructure are some things that the community highly value and that we think are important at Infrastructure Victoria, which is why we have included that in our modelling and assessment of what we need to provide for as communities grow, and there are a number of ways we can do that. In established areas there are often opportunities to make better use of existing facilities that we have. A good example of that is the work we have done on opportunities to open up school grounds for the community to use outside of school hours. That is just one example. What we would like to see as there is greater housing choice provided in established areas of Melbourne is that the infrastructure that is delivered over time keeps up with population growth and that the places that are initially selected for more housing to be delivered are places that have in particular very good public transport but also access to other services as well.

The CHAIR: Okay. Thank you. I think we all accept that clearly we have a housing problem, clearly there needs to be densification. I guess a previous witness used the term ‘an experiment’ that we are going into now. I think that possibly is a little bit dramatic, but it is obviously a new change or a new focus, and that is important. I think clearly things need to be addressed. I guess the question in my mind would be whether or not you have got a thought on how those changes as they are rolled out should or can be evaluated to ensure that they are actually delivering on the promise of the proponents.

Jonathan SPEAR: It is a good point, Chair, because we see across many areas of public policy changes implemented, but if we do not look back to see the results and also look back with a cycle of looking back, then we do not always learn and improve. There are a number of objectives that we would want to see with the growth of Melbourne and our regional cities. We would want to see setting of housing targets in each local government area, a diversity of those targets as well and that those targets be achieved. Of course Victorian government policy is only one of the levers by which housing is going to get delivered. There are a whole lot of other factors, but that is one thing, but it is not just about housing. Housing choice is important. We would also probably want to see the accessibility that is provided to people to jobs and services. We would want to look at the economic productivity benefits we get from changes to our urban form, and we would want to look at the progression that we are able to make in terms of our built form but also the way in which our cities operate and make sure that we are improving emissions but also other sustainability goals there, so things like adequate provision of open space and adequate provision of tree canopy. Those are a number of things that we can measure over time and determine if we are achieving, and if not, then learn and correct and iterate. We see that that is good practice in every policy area.

The CHAIR: Thank you so much. Mr Davis.

David DAVIS: A couple of things. First of all, I just want to compliment Infrastructure Victoria on the work it does and in particular the thoughtful material that you have presented. I want to just check first: I do not believe you were consulted on any of these planning amendments.

Jonathan SPEAR: No, we were not, Mr Davis. We have recommended in our previous work similar changes to the planning amendments, but we have not been consulted on the detail of these.

David DAVIS: I understand your concept of densification and infrastructure and so forth. I have actually read some of your materials quite separately. However, the proposals the government has are tagged with dwelling targets as well, parallel with them, and in many areas across the municipalities of middle Melbourne they are effectively doubling the number of dwellings that are required. Now, that is a vast increase, and if you start to think of, exactly as you have laid out, some of the larger sorts of footprint items, they are very expensive, if I can describe, to retrofit if you want to build a soccer field, a football ground or a school site. I just wonder whether your figures actually get to the true cost of doubling the number of schools in a municipality or doubling the number of ovals, given that the government is proposing a 90 per cent increase, an 85 per cent increase or a 95 per cent increase in some areas to the dwelling numbers.

Jonathan SPEAR: Yes. It is a great question, because what it calls out is the way in which we have delivered some of that infrastructure in the past that uses large amounts of land and how that has other opportunities to be delivered in different ways in the future, and it relates to some other work and modelling Infrastructure Victoria have done on educational infrastructure – the future demand for that and how we might meet that – but also open space. It is unlikely that there are going to be very large amounts of land available in our established suburbs to build whole new large ovals in lots of places.

David DAVIS: You are going to have to buy them up, otherwise there is going to be a diminishment in the quality of recreational facilities available per head, if I can put it that way.

Jonathan SPEAR: Yes, and those kinds of per head numbers in our view are a useful starting point –

David DAVIS: Rule of thumb.

Jonathan SPEAR: Yes, rule of thumb, but often a crude way to actually estimate what the open space is that the communities need, because what other research shows is that the linear connectivity of open space is something that people value, especially for non-organised forms of activity. We do need large ovals for some of those traditional large team sports, but actually increasingly it is the basketball courts, the indoor courts, the linear connectivity of open space and the informal use of open space which is opening up places like school grounds. Respectfully using places like cemeteries and also golf club grounds – respectfully and appropriately sharing – are some of the options we have got as well.

David DAVIS: We are not going to be able to replicate a new oval where there is one and double the population. This is what I think people actually have not grappled with –

Jonathan SPEAR: Yes.

David DAVIS: cost-wise or physically.

Jonathan SPEAR: We are not convinced that that actually is a necessary thing to do.

The CHAIR: Okay. Mr Batchelor.

Ryan BATCHELOR: Thank you, Dr Spear. One useful thing we could do, for example, to create more space like this would be to elevate railway lines to free up space below. That is one example of how we can create more useful open space in dense existing suburbs, one would think.

Jonathan SPEAR: Well, it obviously has been done –

Ryan BATCHELOR: Yes, successfully, it seems.

Jonathan SPEAR: in some areas of Melbourne. I do not think we would elevate and rebuild railway lines simply because of the open space advantage –

Ryan BATCHELOR: But it is a benefit.

Jonathan SPEAR: but it is a community benefit and does relate to the opportunities to provide linear open space, which we know is one of the traditionally underprovided open spaces that is certainly valued by some members of the community.

Ryan BATCHELOR: I just want to clarify a few of the things you said in your opening remarks particularly related to this question of the capacity of the infrastructure that exists in existing middle-ring suburbs. You said that it would be beyond the 2030s when we would reach capacity for that infrastructure, is that –

Jonathan SPEAR: Generally –

Ryan BATCHELOR: Generally, yes.

Jonathan SPEAR: when you look across the whole city, that is our estimate.

Ryan BATCHELOR: Obviously it would be different in different locations.

Jonathan SPEAR: You would be wise of course to then look in each local government area and work through the infrastructure capacity that there currently is, that there will be with existing development of infrastructure that is planned and then make sure that you have got the capacity that the community would rightfully expect.

Ryan BATCHELOR: But in broad terms, there is probably about 15 years of time before your estimates reach that capacity. Mr Davis earlier in the day was concerned about whether there is enough capacity in our sewerage system, for example, to meet more people living in certain suburbs. I am not asking you to comment on that specific example, but those are the sorts of issues that you have taken into account in assessing broadly across Melbourne how much time we have got before we can no longer accommodate more people, and you are saying that is about 15 years.

Jonathan SPEAR: Yes, and particularly if you start with the places that are best served by existing infrastructure, places that especially have good public transport infrastructure, because that is infrastructure that takes time and a lot of money to deliver. Also, if we have got an eye to the ability to make better use of what we have already got in those places and incrementally improve things like the provision of open space and make better use of open space or incrementally improve the utility services we have, like sewerage, for example, as those communities grow.

Ryan BATCHELOR: The other question I just wanted to clarify is: you said that there was – and correct me if I am wrong in my interpretation of this – a \$50,000 cost saving per household that we build in an infill development versus a greenfield site. Is that –

Jonathan SPEAR: I will clarify that. Firstly, as a generality, it costs between two and four times more to deliver the infrastructure that a new household needs in a greenfield area compared to an established area, and that does not include the transport infrastructure.

Ryan BATCHELOR: So that is not including transport infrastructure?

Jonathan SPEAR: No. And we know that that is really quite expensive – one of the biggest cost components in greenfield areas.

Ryan BATCHELOR: That is not the cost of the housing, that is the cost of the infrastructure, you are saying.

Jonathan SPEAR: Sorry?

Ryan BATCHELOR: Sorry, just to clarify, that is not the cost of the house; that is the cost of the infrastructure behind it.

Jonathan SPEAR: No, the cost of the infrastructure to service the house.

Ryan BATCHELOR: And who pays for that infrastructure?

Jonathan SPEAR: There is a small amount of it that is paid through development contributions. Some of it is paid by user charges. A very large amount, the remaining proportion, is paid through general revenue.

Ryan BATCHELOR: So the majority of it is paid by taxpayers.

Jonathan SPEAR: It depends upon the infrastructure type. So, particularly transport infrastructure, much of that of course is paid by the taxpayer.

Ryan BATCHELOR: But over time, it is cheaper for the taxpayer to have infill development.

Jonathan SPEAR: Yes, what I should probably do in particular is clarify the first part of what Mr Batchelor said. In *Choosing Victoria's Future*, when we dove in deeper around all of the different infrastructure types, including transport infrastructure, and we compared the relative costs of delivering a household in those settings, for each house that you have in a greenfield area, instead of that house being in an established area, in the much more compact scenario, it is \$59,000 more per household. So that adds up to around \$40 billion in additional costs by the time we get to the 2050s. If we have a slightly less compact city, it is still cheaper to deliver that infrastructure in an established area. The cost saving will be a bit less too.

The CHAIR: Okay. Thank you. Dr Mansfield.

Sarah MANSFIELD: Thank you, Chair. I am interested – in Infrastructure Victoria's 30-year plan that you released earlier in the year, you made reference to the need for more affordable housing around areas where we have already got existing infrastructure, and you indicated that there are different ways to deliver that, but the planning system is potentially one lever that the government can pull.

Jonathan SPEAR: Yes.

Sarah MANSFIELD: We have had other witnesses, I think, on other days indicate that this is potentially a lost opportunity to deliver some of that affordable housing through these planning changes. I do not know if you have got any reflections on that.

Jonathan SPEAR: Yes, I do have some reflections. We have put forward a draft of the 30-year strategy and we are looking forward to tabling the final version of the strategy in Parliament later this year for all parties to use. We have just finished consultation on that draft strategy. We put forward an option that we are seeking feedback on, as you said, Dr Mansfield, having a requirement for more affordable housing, particularly when there is rezoning that occurs in places with good public transport and other access. There are really two big considerations here. One is the ability to deliver more affordable housing – not social housing, but I will come back to that – in those well-located places, because that would also help to make better use of the infrastructure we have got and particularly for people who are maybe more likely to get more benefit out of it. The flip side of it is that any affordable housing requirement is likely to affect development feasibility and add additional cost at a time when we know and we hear from developers that they are struggling to have developments stack up. So that is what we put forward as an option. We are going to work through the feedback we get on that. But they are the two things that are balancing. I should say we have also made a recommendation for continued investment in social housing, which we also think should be located in good places with good access to services and infrastructure.

Sarah MANSFIELD: Great. Thanks. In there I think you outlined three areas that are relevant to this inquiry. In the 'Density done well' part of your submission you talk about the importance for people of ensuring more green space than the bare minimum and maintaining the integrity of the natural environment, including flora and fauna. One of the big concerns from various groups with these planning scheme amendments, especially the townhouse ResCode changes that are in VC267, is that this could lead to worse outcomes when it comes to tree canopy and urban greening and potentially more destruction of the flora and the natural existing environment in established areas. If there was potential to amend that or change that so that it did not necessarily have that effect, what would your views on that be?

Jonathan SPEAR: In that consultation with quite a diverse mix of community members they certainly told us that in addition to quality of design, things like tree canopy, open space and access to natural environment were certainly things they highly value and that they think are important for us to retain and enhance as we have greater levels of density. That is what the community told us in 2019, and I have got no reason to think that

view has changed over the years. The other thing that we have recommended in some of our strategy work is continued delivery and setting of targets of tree canopy, in particular 30 per cent tree canopy in the growth areas of Melbourne, and continued use of government land as well to enhance tree canopy.

The CHAIR: Ms Crozier.

Georgie CROZIER: Thank you, Chair. Thank you, Dr Spear, for being before the committee this afternoon. I want to go back to the issue where you spoke about the compact urban designs. You mentioned regional Victoria in relation to what Infrastructure Victoria is looking at. Which regional areas or cities do you believe can cater for compact urban design?

Jonathan SPEAR: When we did our modelling, Ms Crozier, we identified that some of our larger cities like Geelong and Ballarat and Bendigo do have capacity to have additional dwellings located in their established areas as well.

Georgie CROZIER: How much capacity are you talking?

Jonathan SPEAR: Well, we tested a number of scenarios actually, and what we found in the current trajectory, out to 2026, is that the population of those cities would roughly double. We tested a scenario where it might be more like three times more. When we have three times more, we could accommodate that capacity. They would probably still look a bit sprawly. If we have around double the size over the next three decades, so a pretty steady incremental growth, places like Geelong, Ballarat and Bendigo have got the opportunity to accommodate more housing in their established areas while also giving the people a choice, which we know some people want, of growth on the edges of those cities too.

Georgie CROZIER: Yes, and I would concur with that. I want to go to the point around what you spoke on in relation to new ways of providing schools and community facilities. We know certainly in the outer growth areas that there has not been enough of a focus on some of these infrastructure requirements, but even in the inner rings they are at capacity now –

David DAVIS: Over.

Georgie CROZIER: Over capacity. With this huge influx coming into these areas these facilities will not cope. There seems to be a lack of forward planning from a government perspective in relation to some of these outer areas, where we need more concentrated community facilities, sporting facilities, hospitals, schools and early childhood facilities – the works. We have got to cater for the entire population. They have not done it, and we are going to be putting more pressure on these inner areas. What I want to understand from Infrastructure Victoria is: given that this is important to our standard of living and to our health and wellbeing, all of these things – and in relation to Mr Davis's question around the ovals, you said no more ovals will be built – that is going to have a great impact on our standard of living, health and wellbeing –

David DAVIS: Quality of life.

Georgie CROZIER: and quality of life, why is Infrastructure Victoria not looking at providing that amenity in an area like Fishermans Bend and really focusing on those areas where we can start to provide all of that really good amenity for future development, which should be taking place now?

Jonathan SPEAR: There is a bit in that, Ms Crozier; I will try and cover it all.

Georgie CROZIER: I know.

Jonathan SPEAR: So on educational infrastructure, late last year Infrastructure Victoria released a work titled lifelong learning, where we looked at the needs for schools, kindergartens and TAFEs over the next 15 years or so. What we find from that in relation to schools is that the greatest demand for new schools to be delivered will be in the north, the west and the south-east growth areas of Melbourne. There is some need for additional capacity, which we can meet, largely in existing schools in our established areas of Melbourne and also in our regional cities as well.

Georgie CROZIER: Is there greater capacity, though, to look at that with that compact urban form, knowing that there is a shortfall and planning for now and into the future given that it has been neglected?

Jonathan SPEAR: So what we found is there is capacity in our established areas – schools – and what we pointed to is opportunities to make better use of those school sites.

Georgie CROZIER: In the regions I mean.

The CHAIR: Ms Crozier, sorry, we will let the witness finish.

Georgie CROZIER: I was just clarifying my question.

Jonathan SPEAR: Two other points I would make: we as a community and a government need to do a couple of things. We know that there is a choice that people want to have to live in established areas of Melbourne, and we need to change our planning and our infrastructure planning to enable that choice. But we also know that we already have a large number of people who have moved and will continue to want to move to our growth areas, and we need to provide the infrastructure there as well. With good planning we can do both. And in fact the growth area task will be easier if we make use of the infrastructure we already have in our established areas. You referred to Fishermans Bend. Places like Fishermans Bend and Arden as well are good opportunities which, with the right infrastructure, will be opened up for more housing and jobs. Arden will of course have the train station delivered there shortly. Infrastructure Victoria's recent draft strategy that we released identified opportunities to actually provide tram services to Fishermans Bend and Arden and some of the other suburbs in eastern Melbourne, which would also unlock a lot of housing. Keep in mind, at its best, the plan for Fishermans Bend would deliver 80,000 additional homes in coming decades. That is but a small proportion of what we need to deliver of the additional homes with population growth over coming decades. So it would be a helpful contribution, but it is not sufficient.

The CHAIR: Okay. Thank you. Ms Watt.

Sheena WATT: Thank you, Chair, and thank you, Dr Spear. Some of my questions are particular to what I thought was a very interesting report, the *Our Home Choices* report, if that is all right with you. One of the key findings that you pointed out was the lack of suitable housing in established suburbs, pushing people further away from jobs, schools and public transport, and obviously resulting in more travel time in the car. Particular to that were policy options about child-friendly designs in new apartments. I am just interested to know if there were some linkages between the two. Is there a view that we do not have enough child-friendly medium and higher density housing options, and is that something –

Jonathan SPEAR: Yes, there is a linkage there. The linkage is this: that when we talked to those thousands of community members about what choices they would want to make, those who would like to have the option to live in established areas of our cities who have families probably want a minimum of three bedrooms, and they also want to have a residence that can change as their families change over time – so, a place to park the pram, sufficient noise insulation so that if your kids are a bit noisy, that is okay with the neighbours, the ability to reconfigure your home a bit as your family changes. While there have been a lot of one- or two-bedroom apartments planned and delivered, and some have got planning approval but probably have not been delivered, they are not a substitutable product for a family that would otherwise want to live in the greenfields. Family-friendly design is an important part of that. Prior to that, though, probably a more fundamental change is just the delivery of supply of low-rise apartments in well-located areas. It might be three-bedroom apartments and townhouses as well, because we know those are some of the substitutable products for families and even people who do not have families who would purchase in the greenfields but would want to have that choice instead for established areas. Making them family friendly would be a really helpful addition to them being a viable option for them.

Sheena WATT: I think particularly about, say, shiftworkers wanting to have a quiet apartment, and that might be a reason why they would consider other housing options. I am interested in that building standards question and how we can think about building standards with respect to families and other workers and others that might otherwise not be attracted to apartments. What are the other missing pieces apart from access to services and infrastructure that are keeping people from making that decision? One that you pointed out in your report was about child-friendly design, and I am wondering if there are any others.

Jonathan SPEAR: That is one, but the main one is supply. It is actually delivering the medium-density apartments and townhouses in the middle suburbs of our cities in places that are well located, particularly with good public transport, and that is the key barrier, because then when we look back at the property data and look

at, 'Well, what can people afford?', the property data showed that there was not supply and those families could not afford to purchase.

Sheena WATT: Is there stigma as well attached to raising families in apartments? I have heard lots of remarks from others around –

Ryan BATCHELOR: Richard Welch.

Sheena WATT: Yes, like Richard Welch and others who have had some remarks.

Jonathan SPEAR: We have not heard of stigma around that. There are a whole lot of things –

Sheena WATT: 'Dogboxes' I think have been mentioned a couple of times and other derogatory remarks made regarding apartment living. I was just wondering if that presented itself in any of your research.

Jonathan SPEAR: It is probably a more fundamental choice than that. What *Our Home Choices* work shows is that when people start on their property journey, they have in their minds an archetype of a home that they would like, and it is a three- or four-bedroom home, it is freestanding, it has got a double garage and it has got a big backyard, and then they trade off from there. The trade-offs come with the attributes of a property versus the location of the property. So roughly two-thirds of people who still choose to live in the greenfields are doing that because they are still preferencing those elements of the property. The roughly up to one-third who would choose to live in established areas will trade off those sizes of the property, the double garage and the extra bedrooms, for a more central location. That is the key thing driving people's housing choice.

The CHAIR: Okay. Thank you. Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Thank you, Dr Spear. Now, you have mentioned how you have consulted with those that would like to move into supposedly the green, leafy suburbs. Have you consulted with the people who already live there as to what their views are?

Jonathan SPEAR: Yes, we have. That was the 'Density done well' work. They were people who actually did live in those places.

Bev McARTHUR: That seemed to me to be Heidelberg, Dandenong, whatever. It was not –

Jonathan SPEAR: No. Camberwell, Footscray and Heidelberg, three quite different places, parts of the –

Bev McARTHUR: But not in these areas like Boroondara or Stonnington or anywhere else. Camberwell is there, I know. But what about –

Jonathan SPEAR: We held the consultation at the Hawthorn town hall.

Bev McARTHUR: Right. And they all agreed that the –

David DAVIS: I think Mr Berger chaired some of them.

Bev McARTHUR: So all those existing residents agreed that they would be very happy with tall towers in their areas and other changes to their landscape that they have got used to?

Jonathan SPEAR: This was in 2019, so the state of whatever had changed in that area in 2019. Let us continue with that example of Camberwell, which had been through some change at that point in terms of some apartments and increased townhouses in that area. There was an interesting range of views, but they all came to the point that the key features of what they found to be density done well were: good quality design, access to open space and access to public transport. They were really the three features that they felt and thought, if they were delivered, were an example of density done well in that place.

Bev McARTHUR: Okay. Have those views changed since COVID?

Jonathan SPEAR: We have not repeated the exercise since COVID. We did the home choices work post COVID, which included talking to people who lived in a variety of development settings, including established areas.

Bev McARTHUR: You do not think those people who were locked down in apartments for 23 out of 24 hours would now be wanting open space and a garden?

Jonathan SPEAR: I am not sure if they want their own open space, Mrs McArthur.

Bev McARTHUR: They were not allowed to go out into a park.

Dr Spear, we have a situation in suburbs where we have education zoning. How will that be affected by a massive increase in population in these areas?

Jonathan SPEAR: Would you mind repeating the question, Mrs McArthur?

Bev McARTHUR: Sorry, Dr Spear. We have in place education zoning. How will that be affected with massive increase, in some places doubling the population, in these inner green leafy suburbs where people move to because of the education opportunities, and zoning means that you have to live in those areas to be able to attend the school in those areas? If we double the population, how will that all be affected?

Jonathan SPEAR: I think you would probably be better asking the Department of Education about what the effect of population change would be to zoning. From an infrastructure perspective there would be a number of choices. If a school is reaching its capacity and if zoning is being used to make sure that we are making the best use of all the school capacity we have got, if that is all being maximised, then we may want to deliver additional classrooms in those schools. We want to probably make sure that we are using all the open space, sharing open space between schools, the community and local government so we are getting adequate outdoor space as well. Those are some of the infrastructure solutions we have looked into.

Bev McARTHUR: So we will have tall-tower schools, perhaps.

Jonathan SPEAR: Not necessarily.

Bev McARTHUR: Because it is going to be on the existing footprint, right? Well, it is. I think you were asked about who would bear the cost of extra infrastructure, and clearly local government ratepayers will bear a massive cost in the cost of extra infrastructure. Is that fair?

Jonathan SPEAR: Only partly. In the *Choosing Victoria's Future* work we actually analysed who would bear which costs for which types of infrastructure. Some community infrastructure and some open space infrastructure will be borne by ratepayers. Utilities infrastructure is borne by householders because they are regulated utilities, and that is passed through. The vast majority of transport infrastructure is paid for by the taxpayer as a whole, and that is where the biggest proportion of infrastructure cost is as a city grows and that is much bigger in the greenfields compared to established areas.

Bev McARTHUR: Well, some councils have been given an indication of how much they are going to have to spend.

The CHAIR: Okay. Thank you, Mrs McArthur. Mr Berger, over to you.

John BERGER: Thank you, Chair, and thank you, Dr Spear, for your attendance today. I am interested to know what the projected numbers are for the next three decades.

Jonathan SPEAR: Of population growth?

John BERGER: Yes.

Jonathan SPEAR: These are the Victorian government's predictions. They estimate around 11 million people will live in Victoria by 2056; compare that to 2022, when it was around 4.5 million. It is expected that around 9 million will live in Melbourne and the remainder in regional Victoria. Then what we with our *Choosing Victoria's Future* scenario modelling do is keep that same total number and look at different scenarios of different distributions and where that is located: is a lot of that housing on the edges of our city or established areas, how much is in the regions, and where in the regions is it?

John BERGER: Significant numbers. I am not sure about –

Jonathan SPEAR: They are very significant numbers.

John BERGER: Surely we would not be able to fit them all into Fishermans Bend.

Jonathan SPEAR: No. Places like Fishermans Bend or some of the other precincts are really important opportunities that we should be exploiting to open up housing and jobs, but we are going to need to have a very significant effort across all development settings in Victoria if we are going to provide the housing for that level of growth.

John BERGER: Yes. There may be people watching today's proceedings who might be interested in what a compact city means and what it might look like. Could you perhaps give them a bit of an indication of what that is?

Jonathan SPEAR: Sure. Let me describe perhaps two of the scenarios that we modelled that are more compact. The first one, which we do not think is necessarily realistic or desirable, is one where you have a lot more people living in very high rise towers in central and middle Melbourne. That is something that could be done, and we modelled it because it is an extreme end of the outcomes you could get. It does not really reflect the *Plan Melbourne* or *Plan for Victoria* vision of 70 per cent growth in established areas and 30 per cent in greenfield. That is more like what we call a consolidated-city scenario where you do hit roughly that 70–30 growth mark. You would probably have medium and higher rise apartments in public transport hubs. You would probably have medium to lower rise apartments in the areas around those transport hubs a bit further away and then a mix of townhouses and freestanding homes as you get further away from those transport hubs. You would probably also want to provide opportunities more broadly throughout the city for dual occupancy or townhouses to be delivered as our population grows, but the focus of housing development and particularly the medium and higher housing development be in places where we have got a combination of good public transport and also mixed use, so commercial and residential in some cases so that you have got that mix that we know people find attractive to live in.

John BERGER: With your more compact and better outcomes, you mentioned the social outcomes and the environmental outcomes. Can we just talk briefly about some of the social outcomes?

Jonathan SPEAR: Yes, certainly.

David Davis interjected.

The CHAIR: Excuse me. It is Mr Berger's question.

Jonathan SPEAR: Some of the social outcomes would be less time spent in congested driving – 70 per cent less time spent in congested driving if you compare the very compact city versus the dispersed city. You have better access to jobs and services, which means that you can get to your work or your school or your hospital, either by driving or public transport, in much less time compared to those more dispersed city outcomes.

John BERGER: Thank you. I believe I am out of time.

The CHAIR: And that is where we will leave it for the day. Dr Spear, thank you so much. As always, that was a really thoughtful contribution. We appreciate that enormously. You will receive a copy of the transcript for your review shortly, before it is published on our website.

With that, the committee will now call it a day and we will start proceedings again tomorrow at 9 am. Thank you very much.

Committee adjourned.