

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 – Wednesday 30 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

Matthew Cripps, Acting Chief Executive Officer, Bayside City Council;

Annaliese Battista, Director, Planning and Place, and

Hannah McBride-Burgess, Manager, City Futures, Stonnington City Council;

Scott Walker, Director, Urban Living, and

Cr Sophie Torney, Mayor, Boroondara City Council; and

Jeff Green, Director, City Development, Whitehorse City Council.

The CHAIR: Welcome back to the Select Committee on Victoria Planning Provision Amendments VC257, VC267 and VC274. We now have a panel of local councils who will be providing evidence to the committee.

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

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

I welcome you all. Thank you for your submissions; that is much appreciated. Also, I am sure we required you to change a few calendars to get here on very short notice. All of that is greatly appreciated, so thanks. For Hansard, can you please state your name and organisation that you are representing. We will start at this end of the table.

Jeff GREEN: Thank you. Jeff Green from Whitehorse City Council.

Sophie TORNEY: Sophie Torney from Boroondara City Council.

Scott WALKER: Scott Walker from Boroondara council.

Hannah McBRIDE-BURGESS: Hannah McBride-Burgess from Stonnington City Council.

Annaliese BATTISTA: Anneliese Battista from Stonnington City Council.

Matthew CRIPPS: Matthew Cripps from Bayside City Council.

The CHAIR: Thank you, and again welcome. We will just introduce the members of the committee. I David Ettershank, I am the Chair of the committee. Ms Crozier.

Georgie CROZIER: Georgie Crozier.

David DAVIS: David Davis.

Bev McARTHUR: Bev McArthur.

Sarah MANSFIELD: Sarah Mansfield.

Ryan BATCHELOR: Ryan Batchelor.

Sheena WATT: Sheena Watt.

Tom McINTOSH: Tom McIntosh.

The CHAIR: All right, let us get into it. Maybe 5 to 10 minutes per council. Who would like to kick off? Jeff, please.

Jeff GREEN: Thank you. Thank you, Chair and committee members. We welcome the opportunity to present to this committee. We know that Victoria is facing a housing challenge, and we are not here to dispute that. We are supportive of increasing housing supply, but meaningful, lasting solutions can only come from a genuine partnership where councils, communities and the state work together to plan for housing supply and livable communities.

Council submits that good planning takes time and involves genuine engagement with communities and stakeholders. Recent planning reform in Victoria has been undertaken at a pace and breadth which has replaced best practice for speed and efficiency. Unfortunately, what we have seen through recent reform is a pattern of exclusion where local knowledge has been sidelined and opportunities for input have been reduced. Take, for example, the recent standing advisory committee report into the activity centres and Ringwood in particular, which was closest to Whitehorse. We had a report from the panel members appointed by the minister that was very critical of the process and the terms of reference – for example, being given 10 business days in which to write their report. There were over a thousand submissions received from the public, but only five of those submissions were referred to the committee.

Analysis of recent planning scheme amendments in Victoria shows that of the 108 approved amendments since the start of this year, 70 per cent of those were taken undertaken by the fast track 20(4) process. Of the 13 VC amendments approved in the same timeframe, all were undertaken via the fast track 20(4) process. This is a significant use of the minister's discretion. We are also seeing a gradual erosion of public and council rights in the planning system. Reforms like VC267 introduce tick-the-box pathways that remove local policy, neighbourhood character guidelines and, most significantly, appeal rights. These are not just technical changes; they fundamentally alter the way decisions are made and who is a part of them. Planning for housing delivery appears to be becoming an administrative task, not an integrated process that considers infrastructure provision, livability and sustainability.

The impacts on Whitehorse will be significant. We have already done the strategic work. We have done a housing study, a neighbourhood character study and various structure plans which allow for significant, well-planned growth in the right locations. In 2014 Whitehorse implemented residential zones guided by a housing study and neighbourhood character study, with strong support from the Department of Transport and Planning and ultimately the minister. The zones were tailored with various schedules that represented 11 neighbourhood typologies across the whole municipality. This work followed two years of consultation with our community. The housing capacity assessment that was undertaken as part of that project showed that we could deliver new housing and preserve neighbourhood character. It showed a capacity for approximately 82,000 dwellings through to 2031. It is noted that the state government housing target for Whitehorse is less than this, with a figure of 76,500 through to 2051. Further, in 2019 we reinforced this balance through a municipal-wide significant landscape overlay to protect our tree canopy. A capacity assessment undertaken as part of that work demonstrated a capacity for approximately 77,000 dwellings through to 2031. However, despite this strong strategic justification, extensive community consultation and support of the planning panel, the significant landscape overlay has only been approved on an interim basis with a series of 12- and six-month extensions on about seven occasions now.

Unfortunately the future of these controls is uncertain at the moment. We have demonstrated both in planning policy and on-the-ground development that Whitehorse can balance character, tree canopy and housing. We strongly oppose the state government decision to remove the varied schedules that I referred to before, which was done without community input or council support. This has significantly undermined the work that council has done and will erode the character of our neighbourhoods. All this work has been made redundant and without any community consultation. Unfortunately, there appears to be a disproportionate focus on speed and supply at the cost of a coordinated and integrated planning process.

Our approvals show that we support well-planned growth. Ninety-two per cent of applications submitted to council are approved. Over 7500 dwellings have been approved in the last five years; however, a third of these have not commenced construction. We do not see ourselves at all as a bottleneck or an obstacle. The market has its own dynamics: labour shortages, construction costs, shifts in demand – and then there is the tax system. These challenges cannot be solved by planning reform alone.

A good example in relation to market dynamics is the example of the Box Hill metropolitan activity centre. We endorsed and implemented a structure plan back in 2007 that allowed substantial growth. I am sure you have seen the skyline of Box Hill now. We have approved 30- to 50-storey buildings with apartments; however, from that work that we did there was about a 10-year lag between us allowing for that growth to occur and the growth actually starting. It really depended on the market conditions, international investment, construction costs and demands. So it can take time for councils to set up the capacity and for that to be realised. Since 2020, for example, council has approved 1500 dwellings in central Box Hill with a total development cost of \$1.2 billion. Council was also working closely with the Suburban Rail Loop Authority to encourage further growth in Box Hill and Burwood. In fact, a significant redevelopment of Box Hill Central is yet to commence despite permits being issued about three years ago.

So in short, council has undertaken extensive work to increase housing capacity; however, as you would realise, councils do not deliver the housing. There is much more to housing supply than just the planning system, and we therefore question the need for such expansive reform. While the goal of boosting housing supply is supported, as I have stated, we are concerned that there will be significant unintended consequences from this reform. For example, will we see more larger single dwellings? With over 580 knockdown rebuilds in Whitehorse per year, reduced standards will drive bigger homes, not necessarily more homes.

Tree canopy loss is a major issue for council. As you would know, *Plan for Victoria* has an objective of 30 per cent tree canopy, yet the new controls require as little as 10 per cent tree canopy. Weaker sustainability outcomes – with local ESD policy sidelined, we end up with new homes that are less energy efficient and costlier to run. And widespread confusion – the lack of testing of the controls prior to their release has resulted in poor drafting and difficulty in interpretation, and already council is dealing with challenges and debates with applicants about whether something is or is not deemed to comply. So I think we risk ending up with generic cookie-cutter housing instead of contextual, localised design that reflects neighbourhood character.

Whilst the aim of the reforms is to enable housing, we are losing the tools that make that housing livable, sustainable and respectful of neighbourhood character. This is not consistent with the objectives of *Plan for Victoria*, having particular regard to public participation, environmental management, integrated planning and the fair and orderly development of land.

So we want to suggest a better way forward. We are not here to oppose change; we are here to improve it. There should be a strategy first, not statutory shortcuts. We need to look at actual strategy first. Local controls should be retained, the schedules should be reinstated, tree canopy should be aligned to the tree canopy target for *Plan for Victoria*, open space standards should be increased so that canopy trees can thrive and we need to preserve community voice. Third-party appeal rights should be reinstated and there is the need to plan for infrastructure. We need to plan for that first, with clear responsibilities and funding, before development occurs.

In conclusion, our challenge is not just about supply. Yes, we need homes people can afford, but also neighbourhoods people want to live in. Yes, we need growth, but we need open space and infrastructure to match that growth. And if we want to deliver faster housing, it should not be at the expense of design quality, neighbourhood character and community voice. Thank you.

The CHAIR: Thank you, Mr Green. Cr Torney.

Sophie TORNEY: Good afternoon. My name is Sophie Torney. I am the Mayor of Boroondara and I am joined by Scott Walker, our Director of Urban Living. Thank you for the opportunity to present, and more importantly for your commitment in recognising the significance of planning reforms in addressing our housing crisis. At the start, I really would like to emphasise that Boroondara council fully supports the need for increased housing density in our municipality. We know we need more houses and we want to play a role in that, and we have demonstrated this on multiple occasions with our own activity centre structure plans – a plan for thousands of new homes, most recently for Camberwell Junction. We understand the minister is supportive of this plan, as it forms the core of their proposed activity centre for Camberwell.

We are not opposed to the development of more housing – far from it. Our issue is with how this necessary growth is achieved. We think local expertise and local knowledge should drive this growth. That is why we would welcome the opportunity, and actually indeed the obligation, to demonstrate to the state government how we can deliver its housing expectations. This might require every council to complete the strategic work and

genuine community consultation and engagement to plan for the future growth within, say, a 12-month period. By taking a holistic, integrated and, importantly, locally driven approach to planning we will create better communities for existing and new residents. On the new residents, we want to see more affordable and social housing built in Boroondara. We have got an excellent track record in advocating for this, and we are actually disappointed that the government's reforms do not include stronger measures to encourage the development of truly affordable housing and development of social housing stock.

I know the housing crisis is affecting thousands of people, but blaming councils is not right. As we have heard, there are thousands of planning approvals which are simply not being built. This means there is time to make the changes well and to deliver for our communities an approach which delivers more housing while adding value across every dimension of life in a growing city. Planning reforms should give us a chance to show how we can do that. Let us not settle for second best. Now I would like to hand over to Scott.

Scott WALKER: Thanks, Councillor. I will just elaborate a little bit more perhaps on our submission, which was provided in writing. It really pulls apart the concerns and the relationship with the objectives of the *Planning and Environment Act*. Some of our key concerns with the planning reforms really relate to the lack of consultation and transparency in the process for devising and introducing the reforms; the failure to address the core issue of affordable and public housing, which has just been touched on; the concentration of decision-making in the Minister for Planning rather than local communities; removal of contextual analysis and policy response to standardisation, and I will go to that in a bit more detail in a moment; environmental impacts, including tree canopy loss; and failure really to provide an integrated planning approach. Many of these reforms have been developed independently without actually an understanding of how each of them impacts on each other, and the ResCode relationship to the housing choice and transport zone is a great example of that. I am not going to go through all of those concerns one by one, because they are included in our submission. I will touch on some of the process concerns that we have identified in our supplementary submission.

I just want to pick up on a couple of things that were raised, in fact on an earlier day of these committee hearings. We heard from the Department of Transport and Planning that Boroondara fully supports the housing target. Whilst Boroondara absolutely supports an increase in housing, and we are of the view that we can actually meet the housing target – we have got capacity for the housing target – we actually do not agree with how those housing targets were arrived at: the 65,500 new dwellings for Boroondara, which is an 88 per cent increase on existing housing in the municipality. We have no clear understanding how that was arrived at. We have no clear understanding how that number relates then to the work that has been done for activity centre plans, which in fact are having a housing number allocated to them after the event, after the plans are put in place. So we have in fact got this housing target being arrived at from a top-down allocation to the municipality, and then a bottom-up: 'We'll allocate and decide how much is in each activity centre or location one by one.' There is a hope, perhaps, in the work that is being done that one day the two will meet: the bottom-up planning will eventually meet the bottom-down planning. It is like building a tunnel from two different points and hoping that it meets in the middle.

With the reform program for the 10 pilot activity centres, absolutely the way that the consultation was conducted and the way that the timing of the reforms and explanations to the community were conducted really were quite constrained. The timelines were quite constrained and the consultation explanations were quite constrained. Often the announcements were made on weekends; they were made during the council election period. There was a lack of information sharing. There have really been many refusals to provide relevant documentation. We actually never had, before they were brought into place, a full draft of the housing choice and transport zone or the BFO to comment on or refer to, and the BFO in particular is actually the delivery of the activity centre plans for each of the activity centres.

The standing advisory committee process has been tightly controlled and not transparent, despite the terms of reference saying it is actually underpinned by transparency. Nothing could be further from the truth in how they actually rolled out those standing advisory committees. Councils were not advised which matters were actually referred for consideration by the advisory committees, and the advisory committee reports were not made available until after the decisions had been made. As we know, similar to the Whitehorse experience, the recommendations of the standing advisory committee were ignored, in particular for Boroondara in relation to heritage overlays, where the standing advisory committee clearly advised that the new housing choice and transport zone should not apply to the heritage areas. They also struggled to understand the logic of how those housing choice and transport zones were going to deliver on the objectives and outcomes that were sought.

We have heard a lot about a focus on councils taking too long to make decisions and refusing too many developments. Boroondara refuses less than 3 per cent of planning applications, and that is pretty common amongst other councils. More than 98 per cent of residential applications are decided by officers under delegation, and 70 per cent-plus of applications are determined in the 60-day statutory timeframe. With most of those that are not, it is because there are positive negotiations with applicants, with the developers, to achieve a better planning outcome, and this involves input from the community to help influence a better outcome. There are only a handful – in fact I think we have only had one in the last six months – where there has been an appeal due to council not making a decision within the 60-day statutory timeframe.

The removal of the contextual analysis for development and implementation of the deemed-to-comply approach under ResCode has resulted in the reduction of neighbourhood character assessment to a series of numerical tick boxes, and this is a complete lack of understanding of what really makes up character. Critically, this removes any ability for council to negotiate design and development outcomes that respond to the site-specific features and the local context. The removal of environmental considerations is also highly concerning. The deemed-to-comply nature of the code means that local planning policies designed to achieve better environmental outcomes – ESD and tree protection – are removed from the considerations, and where development is deemed to comply, only the minimal environmental considerations within the code can be considered.

I have prepared some examples of developments that were approved under ResCode and what the implications might be under the new code, because it is important to understand that, in our view, there is no fundamental change in the yield of developments under ResCode. There are multiple pages there that take you through examples of where, in particular, trees and design of buildings to reflect the context of the area have been negotiated and agreed under the previous ResCode rules. Deemed to comply removes that capacity and ability; it removes that assessment of local context.

Reiterating the earlier points raised by our mayor, we believe that planning can be done to plan for future housing growth, that the way that we have arrived at these changes lacks consultation and does not deliver any meaningful increase in dwelling yield and that it can be achieved in a much more positive way in terms of its relationship with local context of development.

The CHAIR: Thank you very much. Ms Battista.

Annaliese BATTISTA: Thank you. Annaliese Battista, Director of Planning and Place at the City of Stonnington, and I am joined by Hannah McBride-Burgess, who is our Manager of City Futures. A bit of local context: of course the City of Stonnington is an inner-urban council and comprises the suburbs of Armadale, Kooyong, Malvern, Malvern East, Prahran and Toorak and parts of Glen Iris, South Yarra and Windsor. We are particularly affected by recent announcements in terms of planning reform, with 15 of 50 of the state government's proposed activity centres planned for Stonnington. Again, a bit of local context: our population is growing, and we do have stressed housing stock. We are predicted to grow from 111,000 people in 2023 by 17 per cent. That of course places significant pressure on our planners to manage growth effectively. However, that is what councils do best.

All councils, and Stonnington is no exception, have teams of expert planners, strategic land use planners and statutory planners, whose business is managing and planning for growth, and they do it very effectively in close consultation with the community. An illustration of this is that Stonnington has capacity and has planned for capacity of 65,000 dwellings by 2051. Like my colleague said, it is well in excess of the state government's target of 50,000 by 2051. We have a very strong track record in planning for growth. The way we do that is by a comprehensive and evidence-based approach to delivering our future housing needs which is based on substantial community engagement and which best ensures the livability and amenity of local neighbourhoods. For example, we have recently released a draft housing strategy – this month in fact – and that draws on five years of community engagement and a comprehensive analysis of options to meet the local demand for housing and to direct growth in areas where it is appropriate, with excellent transport infrastructure and amenity and open space. Importantly we have got a social licence to do this, as it has been developed in consultation with our community over years and it is evidence based.

So we are very well placed, and have been for some time, to deliver on the government's population and housing growth targets. It is fair to say that we were particularly disappointed that these amendments were

largely announced through the media without consulting with local governments – by stealth – and that they represent major urban planning and public policy changes by stealth, not in consultation with the community or councils. Ultimately they risk very poor long-term livability outcomes for our residents.

Planning outcomes are best when they are arrived at in consultation with the community and done with the needs of future communities in mind and, importantly, when there is meaningful collaboration between all three levels of government, and that has not occurred in this case.

That is me. I am brief.

The CHAIR: Thank you very much. Mr Cripps.

Matthew CRIPPS: Thank you for the opportunity to present to the committee. Bayside City Council has spent up to 20 years undertaking strategic planning throughout our municipality. It has supported housing growth and has undertaken significant work around activity centres, identifying the preferred location for increased housing density around our main shopping precincts and transport hubs. This has been established through community engagement, with community knowledge, community understanding and community support. This work was also undertaken with the premise that by enabling growth to occur in one location, we have the ability to protect the cherished character and housing stock that people choose to live in across the remainder of our municipality. So whilst council supports growth and supports the increase in housing throughout our municipality, it needs to be balanced, it needs to be considered and it needs to be responsive to the location that it is to be delivered within.

Councils play a very different role as a planning authority, but they also have a number of other responsibilities in delivering infrastructure and having a clear knowledge of infrastructure which has been absent within the current approach that the state government has undertaken in rolling out the amendments. There has been no consideration of the community infrastructure that needs to be delivered or the existing infrastructure in terms of stormwater networks, open space and so on. When councils undertake this work, they take into consideration all these elements when developing their structure planning work and use that to justify the proposition when looking to rezone land.

Another high point that I will just start with is that Bayside City Council has continued to support growth and development. Over 90 per cent of all our decisions and applications are to support proposals, and 85 per cent of all of our decisions are made within the statutory timeframe.

I will take you to a couple of key points that we have made through our submission but will not go across the whole of our submission that we put to the committee already. The underlying principles of the planning system in Victoria have been under considerable scrutiny. These key underlying principles, we say, are sound strategic planning informed by proper technical assessment, proper public participation and a transparent process. We say this has been notably absent in the reform process to date. Add this to the lack of any consideration of the findings and recommendations of the IBAC report Operation Sandon, which came out in July 2023 and sought to reduce corruption in the planning system and make planning decisions more transparent, and you can see that is why there is considerable angst at the changes that have taken place in a rapid-fire approach since October 2024. Notwithstanding this, the Victorian government has recommended and endorsed 32 of the 34 recommendations in the Sandon report. Furthermore, the Minister for Planning, in announcing that position, made the following statement:

Victorians deserve to have trust in the state's planning system, and we're accepting these recommendations as part of our work to make sure good decisions are made faster – and more transparently.

We find ourselves in a planning system that is becoming more minister-centric, especially through the use and potential overuse of the development facilitation program, which operates largely behind closed doors, and then a reform process where the very advisory committees that had been established to review certain parts of the reform process itself have even expressed caution in their reports, outlining the limitations in their own reports because of the very limited role they have been asked to play and the extremely short timeframes that they have been asked to work within, as well as their concerns of having been restricted from accessing information that may have otherwise been of assistance to them. On any review, the recent reports of the standing advisory committee on the 10 activity centres are extraordinary and are clear and loud alarm bells. In the context of what each 10 advisory committee has stated, I ask this committee whether there can be any doubt that the VC

amendments before them are a reflection of the Victorian government simply wanting to get its reform agenda in place rather than being open and transparent about the planning reform.

In our submission the reform process has failed to meet the most basic requirements in relation to transparency. It is all the more disconcerting that the reform process has not been based on an even mildly solid base of strategic planning, which has been a traditional approach in the Victorian planning system and which has been a hallmark of large-scale reforms in the past.

What has and should always be part of what makes planning transparent and proper in Victoria is the fair engagement and inclusion of local government and communities. The key changes introduced by the VC amendments, which have culminated in the recent VC252, were consulted for and mostly during the caretaker period of the recent local government elections in 2024; were consulted without key background documents being available to either public or local government; and the reviews were conducted behind closed doors with no public insight, input or ability to question. You do not need to take this council's word for that. You can see that in the 10 reports the advisory committees have produced themselves.

The introduction of new zones, overlays and housing codes was all done essentially behind closed doors with no proper consultation or ability for input into the process. Those zones were applied with no transparency in the process, all in the face of repeated concerns of the standing advisory committee and council and communities. Council also notes those reports were only released after the VC amendments were put in place and only after this inquiry was announced. Council was only provided, during the actual process, a copy of an example of the draft built form overlay controls in October last year in the middle of the consultation process. We were asked to review and respond within three business days during the caretaker period. We say this is not proper consultation.

It is not that local government does not support housing or planning reforms, but it must be done in an informed and consultative manner, and not in a heavy-handed way that is vindictive of certain communities. Councils like Bayside have the strategic planning policies in place to ensure housing growth can be accommodated in the right locations. What is not supported and has never been properly or factually made correct by the Victorian government is the justifiable and evidence-based reasons why these VC amendments are required. It has been based on a narrative around the housing crisis.

The explanation reports of the VC amendments state the amendments are required to increase the supply of social and affordable housing. Council agrees that this is needed to provide social affordable housing in well-located areas, and in fact we have our own affordable housing strategy, and we have an amendment sitting with the Minister for Planning currently which would support affordable housing and has been waiting for authorisation for approximately four months. However, increasing the supply of housing does not necessarily result in an increase in social and affordable housing and particularly does not suggest that an increase of this housing would occur in well-located areas.

We believe the approach that has been undertaken by the current reforms has been a generic approach which has placed significant controls and changes to planning controls across vast areas of our municipality. And based on the pilot program of the Moorabbin activity centre, we anticipate, with the additional four activity areas identified in Bayside, that 50 per cent of our municipality will be covered by new planning controls which will support and encourage apartment living. Whilst people in Bayside wish to and choose to live in this location, they choose certain types of housing, and it has not always been apartment living.

To conclude, we believe the reforms are not properly informed. The reforms have not been conducted in a transparent manner and are opposite to what the Sandon report recommendations included. The reforms will wreak havoc on some of the beautiful parts of Melbourne and Bayside where rows of heritage properties are at risk under the weight of strong new zones and built form overlays. The government's own standing advisory committees spend more time setting out the limits of their reports, so confined to the ability of the inquiry. There has been no infrastructure planning, let alone proper infrastructure planning, and the other part, which has not been discussed from our submission but is included in our documentation, is the financial and tax implementation and implications that all of this is also being affected by.

The CHAIR: Terrific. Thank you very much. It was a really interesting set of submissions. We will move into questions now, and I will kick off. I might start with a hypothetical. If there was a partial revocation to 267

to specifically address the exemptions – so I guess we are getting into clause 65 of the decision guidelines and section 60 of the Act. I would ask two questions: one, what is the likely impact on the throughput of applications? Is it likely to slow down the planning process? The second one is: do you believe that it would have an adverse impact on investment in new built form in your municipalities? Perhaps we could start with Mr Green and move our way up the table.

Jeff GREEN: Thank you, Chair. Just to clarify, you are asking if there was a revocation, would that have that impact. I do not believe it would. I think, as we have demonstrated already, we have got controls in place and policies in place that allow for significant capacity. As the other councils here have stated, we are efficient at processing applications. The large majority of applications do get approved. I think we have got the balance right at the moment. I do not believe there will be a negative impact in terms of growth and throughput.

The CHAIR: In terms of investment in built form, there would be no adverse effect there?

Jeff GREEN: No. I think especially Whitehorse has seen significant investment across the municipality, especially around the activity centres. I do not believe there would be a negative impact on that.

The CHAIR: Thank you. Boroondara.

Scott WALKER: Absolutely. We do not believe there would be any negative impact whatsoever in terms of permits and in terms of dwelling yield. I talked about that earlier. We do not think there is any evidence that there is any likely increase in dwelling yield as a result of these changes, just a lowering of standards. We might see some increased size of building footprints, unit sizes, dwelling sizes, but certainly not permits being issued, or yield. There has been no uptick in applications as a result of these changes to date, and we certainly do not think there is any impact of revocation.

The CHAIR: Terrific. Thank you.

Annaliese BATTISTA: Thank you. I would echo my colleagues' sentiments. We are well placed to both plan for growth but also process applications. The City of Stonnington processes 98 per cent of applications under delegation, with more than 70 per cent delivered within the statutory timeframe. Of our thousand-plus applications last financial year only 34 were determined by the council. To echo my colleagues' sentiments, I do not think that there would be any impact on investment as a result of revoking the provisions. What we have not seen is any acceleration in investment or any rush to investment or any support from the development industry in response to the reform program.

The CHAIR: Thank you. Mr Cripps.

Matthew CRIPPS: Thank you for the question. Within Bayside, given that approximately 90 per cent of our municipality is residential, we have actually seen a significant decline in the number of built form applications and residential developments occurring over the last few years since the introduction. When I refer to that, it is in the order of about a 30 per cent reduction, which has been a reflection of other factors, not planning controls or reforms. With the implementation of these new controls, we have seen no deviation or change to the number of applications being received by council. Having said that, we do not believe that there would be any impact in terms of the removal of those controls on the processing and planning applications or the consideration and throughput of built form through the planning system. We would be of the view that a better outcome could be achieved where you have community engagement and the ability to consider these applications in a site-specific location.

The CHAIR: Terrific. Thank you. This might be a slightly unfair question. I guess the rubber hits the road in terms of the practical application of these in GC252. I appreciate that has only been out for a very short period of time. That is half of the Moonee Valley one, so we are we are talking about a large amount of documentation. I have got again two questions, and I would like to go up and down the panel. One, were you consulted in the process of the development of 252 – if you could briefly explain whether you were or not. And two, have you had the opportunity to form a view as to the quality of the product that has been produced through GC252? Again, if I could start with Mr Green.

Jeff GREEN: Thank you, Chair. We do not currently have any activity centres that have been implemented in Whitehorse. We did temporarily have parts of Mitcham in the Ringwood one, but that was actually removed through the process. So we have not had a need at this stage to consider 252.

The CHAIR: A swing and a miss on that one. Over to Boroondara.

Scott WALKER: Okay. There are probably two parts to that. The first is the core of the activity centres, and in building up the original activity centre plans that are primarily based on the work that Boroondara did over 2½ years, it is actually pretty close to what we were looking for. So we are pretty comfortable with the core of the activity centre and what that has been able to produce. I could critique the components, and we have got to work out how it actually applies on the ground, but generally we are pretty comfortable with the framework. The issue is the housing choice and transport zone, and we were not consulted in regard to that in any meaningful way whatsoever. Firstly, when it was first announced as a draft walkable catchment zone and then when the final version of this was put together, and even in fact with the rules for the core, the final BFO, there was no consultation on that final component. So we have got some significant concerns with the housing choice and transport zone and the implications of that for development around the activity centre, and we do not fully understand why the standing advisory committee advice has not been followed or adhered to either.

The CHAIR: Terrific. Thank you.

Hannah McBRIDE-BURGESS: Thank you. In terms of consultation, we had a number of meetings with the department, most of which were in caretaker, and particularly around the catchment area, as Boroondara has said, there was no real engagement on the walkable catchment zone, or the housing choice and transport zone as it is now. I would reiterate that Stonnington's position on that was that there is no strategic justification around Chadstone to have a catchment zone, and that has been borne out through our previous strategic work. It was reiterated by the standing advisory committee that there is no strategic justification for it, and it has now been implemented.

The CHAIR: Thank you. Mr Cripps.

Matthew CRIPPS: Through the pilot program, the question of whether we were consulted is one that I would just like to refine to possibly indicate that we were informed and had engagement with the department in an information-based scenario where we were asked questions and provided information from the department. Initially we had a meeting with the Minister for Planning, who introduced the activity area and provided us an indication that this was going to be a partnership approach and we were the client but that the rolling out of this project would be undertaken by the VPA and the Department of Transport and Planning. Subsequent to that, there were a number of meetings that were held, primarily online, where we were informed of their work program and often told we were not privy to certain information because it was not available to council.

Ultimately, as per my submission earlier, we were not engaged until very late in the consultation process or the consideration process of the built form overlay, which we had three business days to respond to during caretaker, and the walkable catchments were never presented to council for feedback and engagement. We have subsequently raised issues with regard to those controls.

The CHAIR: Terrific. Thank you so much. Mr Davis.

David DAVIS: I am going to try and go very quickly because I am conscious of the time. First, I want to ask Scott and Mayor Torney about the issue of dwelling targets in the City of Boroondara, and I think your point about coming from both ends is an interesting way to look at it. Essentially there are about 70,000 dwellings in Boroondara now. The government wants to add 65,500 more dwellings in 25 or 30 years. That is the rough thing. Is there any infrastructure planned for that by the government?

Scott WALKER: There have not been any infrastructure plans that have been shown to us or demonstrated to us from the government or from the Department of Transport and Planning, and of course, given that we are responding –

David DAVIS: You will need nearly twice the number of schools, ovals –

Scott WALKER: Absolutely – schools, open space areas, and I know there has been some discussion about tree canopy, for example, being focused on council land or public land because it cannot be accommodated with the 10 per cent rule under ResCode, but you have got to have the capacity for all these things. You cannot double dip on pieces of land. So yes, open space, schools, transport, child care – no infrastructure plans in place for those.

David DAVIS: Let me come to a similar thing in Whitehorse. You do not have one of the large trial zones, but you do have Suburban Rail Loop under the precinct VC274. Is there any additional plan or money or requirement on infrastructure that is clear?

Jeff GREEN: There is not, and it is a major concern for council. With the Suburban Rail Loop, for example, we have done some calculations. At the moment in Box Hill there is about 19 square metres of open space per person. With the growth that the SRL are forecasting for Box Hill and with no further investment in open space, that would drop down to about 7 square metres per person.

David DAVIS: Or, for example, at Deakin and out around there, it seemed to me when I looked at the Sophie Aubrey article the other day – two days ago – there was not a jot of additional open space but about 10,000 or 20,000 additional people.

Jeff GREEN: That is right. That is correct, and also what is of concern is that through the current SRLA process, through the amendment documentation, they have identified councils as lead agencies to deliver new community infrastructure that is needed to accommodate that growth, and yet we have no plan for that in our capital works program.

David DAVIS: I am just going to keep moving because I am conscious of the time. And can I thank Boroondara for this very helpful document that visually lays out what will happen with the new clause 55 provisions. Essentially, if you look at some of these plans – and it may be easier to go from the back here – there is a picture of what it would look like here. This would be cumulative impact on residential streetscapes. They look at a normal lot size, and yes, there is one version of it, these massive boxes of space where they could build to as of right. Am I understanding this correctly?

Scott WALKER: This is actually conveying two things. This cumulative impact is in fact in essentially the housing choice and transport zone, so this is the six-storey and four-storey outcomes on large blocks – three storeys on the smaller blocks. So that is what that is showing. This is modelled off a typical street, in fact an example street in the Camberwell walkable catchment. The other diagrams are in fact trying to explain the ResCode changes and the turning off of broader considerations around other policy issues, character issues, tree issues and saying actually you no longer can get these quality local context outcomes. So it is not going to change the dwelling yield in any significant way, but the quality of the outcome will change.

David DAVIS: And huge loss of canopy trees.

Scott WALKER: Huge loss of canopy trees, because the 10 per cent canopy tree does not have to protect existing trees under that new rule.

David DAVIS: I am going to keep moving. Sorry to be quick. Heritage and the impact of these amendments combined with the dwelling targets with the GC252: what are we going to see inside the walkable catchments or – whatever we call them now – the zones in terms of heritage?

Scott WALKER: Well, that is where that cumulative impact, whilst it is modelled on a typical street in Boroondara, at the back, that is potential outcomes in heritage areas. You can imagine that sort of built form in heritage areas. That is a potential impact as a result of the way the zones are constructed.

David DAVIS: Does that apply in Bayside too?

Matthew CRIPPS: That would be a similar scenario, yes.

David DAVIS: And Stonnington – yes.

The CHAIR: Thank you, Mr Davis. We will come back to that if we have got some time. Mr Batchelor.

Ryan BATCHELOR: Thanks so much, Chair. Thanks, everyone, for coming in. Lots to get through. Just a few things I want to clarify from some evidence that we have heard previously before the committee: Mr Cripps, we heard from the Highett Progress Association today that they have been told by the City of Bayside that they had had no engagement with the Minister for Planning about these changes. My take from the evidence that you have just given is that that was not accurate.

Matthew CRIPPS: That is correct. We had one meeting at the very commencement of the program with the minister where she met with me and the mayor.

Ryan BATCHELOR: Have you had any follow-up meetings since then?

Matthew CRIPPS: Only when there was the announcement of the next cohort of activity centres, but in between that time there was no further engagement with the Minister for Planning.

Ryan BATCHELOR: So you have had two meetings with the minister in the course of this process, not none, as was told to the residents of Highett?

Matthew CRIPPS: That would be correct.

Ryan BATCHELOR: I am just concerned that there might be some misinformation coming out about –

Bev McARTHUR: The community had no engagement.

The CHAIR: Excuse me.

Ryan BATCHELOR: We will leave that. I just wanted to clarify that, because I would not want people to think that the council was potentially telling its residents one thing and the reality being another.

The other is I just want to go to this infrastructure question. We had some evidence from Infrastructure Victoria yesterday. Their analysis suggests that basically we have got a choice of trying to build more houses in the inner and middle suburbs versus in urban growth areas. Infrastructure Victoria's view, based on their detailed analysis, which has obviously been an input into state government –

David DAVIS: Not of these amendments, though.

The CHAIR: Mr Davis, thank you.

Ryan BATCHELOR: into policy development in this area shows that it is up to \$55,000 per dwelling cheaper to provide housing in established suburbs. Basically their analysis is that across the metropolitan area there is capacity up to the late 2030s in terms of infrastructure capacity in the middle ring to accommodate more housing. Are they wrong, or are you wrong in your analysis of the capacity of your communities to accommodate extra housing?

Scott WALKER: I think the starting point is that we have not seen the evidence and the explanation of those –

Ryan BATCHELOR: You have not seen Infrastructure Victoria's reports that are publicly available?

Scott WALKER: We have not seen the work that has been done by the state government to explain –

Ryan BATCHELOR: So just to –

Bev McARTHUR: Can you let the witness answer?

Ryan BATCHELOR: Just to clarify, we had evidence yesterday that reports have been made publicly available saying that there is capacity in existing infrastructure that applies in inner and –

David Davis interjected.

Ryan BATCHELOR: Mr Davis, if you would let other people talk, this committee process would go a lot smoother. We give you respect from time to time. We would appreciate it in return.

Have you seen that Infrastructure Victoria analysis?

Scott WALKER: I have not seen that – we have not pulled apart that analysis in light of the planning work that has been put forward.

Ryan BATCHELOR: So you have not read that analysis on infrastructure? Okay.

Scott WALKER: It has not been put forward as part of this planning work. That has not been put to the councils. That certainly has not – the work that sits behind it.

Ryan BATCHELOR: We will take it that you have not read that analysis. We had evidence from the Municipal Association of Victoria at a session immediately prior. The MAV is obviously the peak representative and advocacy body for local councils. They gave us evidence that the housing choice and transport zone meets the objectives of the planning Act. Your evidence is that it does not. Again, why are you right, why are they wrong? Why are they right, why are you wrong?

Annaliese BATTISTA: If I may, my view is – and I have seen the Infrastructure Victoria work at a high level. I have not seen the workings. I have not seen the data, the analysis or the modelling that sits underneath it. But certainly one thing it does do, and it plays a role, is attempt to look at the whole state and apply, if you like, a broadbrush approach. The unique role that councils play and that councils are very effective in delivering is considering local nuance and available infrastructure at a local level, both existing and what is possible through future planning and implementation. So I think that while it is useful to have a whole-of-state approach –

Ryan BATCHELOR: Sorry, on my question about the MAV, they have told us it complies with the objectives of the planning Act; you have told us that it does not. You are both local councils.

Annaliese BATTISTA: If I may – I was getting to that, thank you – the MAV also has adopted a whole-of-state approach, as is their remit, to have a look at the proposed changes from a whole-of-state point of view. But where the rubber hits the road is at council level, and there are local nuances to take into consideration in terms of meeting housing targets.

The CHAIR: Okay. Thank you very much.

Ryan BATCHELOR: Thanks, Chair.

The CHAIR: Dr Mansfield.

Sarah MANSFIELD: Thank you, Chair. Thank you all for your submissions and for appearing today. I would just observe that nearly everyone here is not actually an elected representative. You are staff of councils, and in my experience it is unusual for staff of councils to be particularly critical. They are often a little bit more conservative and guarded in comments to government. That was even through the local government inquiry. I guess I just make that observation that it is interesting to hear how strongly you are speaking about these changes. One thing that has been put to us through this committee, including by government representatives of the department, is that we have got a crisis, we need to change things. The planning system is not delivering. We just need to try something. Let us just do it. Let us get it done. If there are problems, we will fix them as we go. I guess I would like to hear your thoughts about that, in particular with respect to, say, VC267, which has statewide implications. We have heard a lot of concerns from MAV and yourselves about what could be some of the unintended consequences of this. I would just like to get your thoughts on that sort of method of, 'Let's just give this a go.'

Jeff GREEN: I am happy to answer that first. Thank you. So I think, as I submitted in my presentation, yes, there is a narrative that the planning system is broken, from the state government. Whitehorse does not necessarily agree with that. I think we have approved a lot of dwellings across the whole municipality. I have yet to see any evidence from the state government about what issues the planning system is causing. I have not seen any evidence that says this many dwellings could have been approved had the system been improved, and yet we see the consistent commentary around the planning system being a bottleneck or an obstacle. So as I said, we have created enormous capacity; we have shown that through the vast approvals we have given to a lot of very high-density buildings in the right locations. Whilst there might be room for improvement, I do not

believe the approach taken by the state government here is necessary, and I am of the firm view that we will continue as we have in the past to deliver approvals for housing supply.

Scott WALKER: It is interesting; it is back to the future: we are going to a prescriptive planning system that we had in the early 1990s, and we moved away from that as a planning industry because the quality of outcomes delivered on the ground was not acceptable and was not acceptable to the community, not acceptable in terms of the future of those locations. The six-pack walk-up flats: people love them now, some of them, but that is an example of a prescriptive planning system. We have not had that for 20 or 30 years. To simply go back to a prescriptive planning system and compromise the quality of outcomes is an experiment that is going to have consequences for years and years to come.

Annaliese BATTISTA: I would suggest there is an opportunity for government to work more closely with councils rather than just try it and see. I think that we have a lot of data and evidence and also have developed plans in close consultation with the community. As I mentioned earlier, we have a social licence, but there are improvements to be made at a state level and local level, and we will only realise them if we work more collaboratively and transparently.

Matthew CRIPPS: And from Bayside City Council's perspective, the *Planning and Environment Act* is actually and has been a leading piece of legislation which a lot of other states have looked to to develop their own. Is it broken? We would say no. Is the system broken? No. Are there opportunities for improvement? Absolutely, and some of those sit within local government, and some of those sit within the state government authorities. Referral agencies are under-resourced. VCAT has had massive lead times to have matters heard. Again, it is a resourcing issue which sits outside the local government context. You have heard from my colleagues here today about the efficiencies that they have implemented with the consideration of planning applications and are able to deliver outcomes. So the suggestion that the system is broken, we would say, is an incorrect narrative. In terms of trial, as suggested from Mr Walker, regarding the implications on built form, it will be lasting. It is not just a, 'Let's trial, and we can erase that in a year or so if it fails.' This is built forms that will sit there for a hundred years, if not more.

The CHAIR: Ms Crozier.

Georgie CROZIER: Thank you very much, Chair. Thank you all for appearing before the committee and your evidence and your submissions. Mr Cripps, can I go back and just clarify something? In questioning from Mr Batchelor, you mentioned that you were at an announcement with the minister: so was that an announcement or was that a meeting?

Matthew CRIPPS: Just to clarify, we had a meeting with the minister. The mayor and I met with the minister to be introduced to the pilot program. So this was before the department had even commenced any work. It was the initial announcement when the government released its program, and that was about a 30-minute online discussion.

Georgie CROZIER: It was not even in person. Okay.

Matthew CRIPPS: And then we had a second meeting just recently with the announcement of the remaining 50 activity centres, where we met with the minister at Parliament to hear about the proposed program that the government is intending to roll out.

Georgie CROZIER: And that was with all of you, was it? Did you all meet with the minister as well? Have you all met with the minister?

Annaliese BATTISTA: City of Stonnington had one meeting with the minister after the second round of announcements about secondary activity centres.

Sophie TORNEY: Boroondara had one in January with the minister. We have had a number of meetings with the minister's advisers.

Georgie CROZIER: Yes, but in terms of that consultation you have all expressed frustration around the process. You have met with the minister; you would have expressed your concerns around that quite clearly. What was the feedback from the minister around those concerns?

Jeff GREEN: I will have the first attempt at that. We have had one meeting with the minister, and that was just before they released the final versions of the pilot activity centres. I guess one thing we did hear from the minister was that they had taken some learnings from the pilot process that they would then use to improve the process for the rollout of the next 50 centres, so there was that concession I guess. And yes, we did make our concerns clear in terms of what has happened in the past and what might happen in the future.

Georgie CROZIER: So they did take on those concerns – I think we have heard that previously – but that is around the edges; that is not actually the big issues that you are referring to and the concerns around the process you have talked about, with you being in caretaker mode and the lack of timing.

I go to Mr Green: you said that 1000 submissions were written but only five were referred to the standing advisory committee – why only five?

Jeff GREEN: I do not know. This was for the Ringwood activity centre. I read the report recently and there were, I think, 1001 submissions, and –

Georgie CROZIER: Who made that decision of who those –

Jeff GREEN: I believe that the Department of Transport and Planning on behalf of the minister decided what got referred.

Georgie CROZIER: Okay. Can I also go to your evidence that you provided, and it goes to Mr Walker's document, I think. You mentioned this approach by government is going to have an impact – and correct me if I am wrong – on 'quality of livability'. What did you mean by that?

Jeff GREEN: I think a big factor in that is tree canopy. As I stated in my submission, we have got at the moment municipal-wide tree controls, and we have got a target under our urban forest strategy of 30 per cent tree canopy. We have got a major concern that livability will be significantly impacted by the loss of tree canopy, in terms of the urban heat island effect, general amenity, shade et cetera. I think that there will be a big loss of tree canopy through this amendment.

Georgie CROZIER: You also in your evidence talked about the tax system, market dynamics, resources, construction costs, the permits that have been issued and the hold-ups. Are you worried that some of those tax implications may be passed on to local government and that therefore ratepayers will have to foot the bills for the government's approach?

Jeff GREEN: In a general sense, there is a chance that could happen, and I am thinking in particular with the Suburban Rail Loop, where my understanding is a third of the funding for that is going to come through what they call value capture. We do not have any details on that, but I think there is a chance that it could be passed on to residents.

Georgie CROZIER: Does anyone else want to comment on that in relation to some of the tax implications? Bayside?

Matthew CRIPPS: From Bayside City Council's perspective, we do not believe, first of all, that there is a shortage of housing supply. We know that there are a large number of apartments that are available, which are still sitting there waiting for sale and occupation. I do not think it is necessarily going to be a direct cost burden on council, but it will make the dwellings that are delivered unaffordable or increase the cost on those. Whatever the developer has to pay through tax or through other charges will be passed on, ultimately, to the person who purchases the property.

Georgie CROZIER: Thank you.

The CHAIR: Okay. Ms Watt, over to you.

Sheena WATT: Thank you very much for your submissions and for being here today. I am actually going to repeat a question that I asked earlier today but also yesterday, and that is about the equity in the delivery of supply of new homes across middle Melbourne. What we are seeing in the statistics over the last 30 years looking at your council areas versus some in the north and the west is quite a marked difference in the supply, particularly within the same distance to the city and other parameters. The ones that come to mind are

Maribyrnong and Yarra, which are delivering about twice as much as Bayside and perhaps Stonnington or Boroondara. I am interested in your reflections on why it is that comparative to other councils your numbers are so markedly different. Are there any reflections? Perhaps I will start with Bayside.

Matthew CRIPPS: From Bayside City Council's perspective, I think we provide and have a different expectation in the delivery of housing compared to other locations like you have referred to, as in more inner-city locations – people who tend to be living within Yarra and Footscray locations, close to the city.

Sheena WATT: I am thinking Moonee Valley, Maribyrnong.

Matthew CRIPPS: But they are close to I guess significant and high levels of infrastructure and high levels of amenity, and they choose to live in a particular housing type. From Bayside City Council's perspective, year after year our community engagement highlights that planning and good planning quality outcomes is one of the priorities for our community. They have been very, very clear from a community perspective that they are happy to support development in the right location but protect the amenity and the quality of housing elsewhere. So there is that component.

The second part is most likely around the cost of construction, the cost of land and I guess the product that people and developers tend to deliver. We recently had an application called in by the minister at the former Xavier school site in Brighton. The developer on that site looked to deliver a two- and three-storey building and townhouse development across that site. It has the capacity, or could have had the capacity, for greater uplift than that. They chose not to because it was not the market they were looking to sell to. They saw that it was a high-end market as opposed to building something in the growth areas, where they would have put a different housing product in and a different quality of product in that location. So from a Bayside perspective, we are not necessarily opposed to construction or development, but developers choose –

Sheena WATT: So wealthy homes. I cede my time to Ryan Batchelor.

Ryan BATCHELOR: But the council rejected that application.

Matthew CRIPPS: The council was working with the applicant. They were not opposed to the proposal overall, but the council –

Ryan BATCHELOR: Did the council reject the application?

Matthew CRIPPS: Council refused the outcome on the basis of primarily parking- and traffic-related issues. I am using that as an example of a developer who chose to construct a two- and three-storey development versus looking at a different product and different housing – and I can refer to a number of other areas across the municipality where there are \$10 million apartments being proposed within our activity areas, which are a different product.

Sheena WATT: So you do not think there is demand for more affordable accommodation in Bayside?

Matthew CRIPPS: I have not said that. There is definitely demand for a more affordable product. Council does not provide the product per se. We work within the planning controls. The development industry will look at how they can deliver housing, and they will look at what delivery of the type of housing they can maximise obviously their business case and yield from. What we have been finding within Bayside is that we tend to get higher quality development which is seeking a higher return on housing types.

We have a 1000-apartment development being delivered at the former CSIRO site in Highett. Again, we have that located close to public transport. It is seven storeys in height. Council fully supported it, above the actual height restrictions that were set as preferred; they increased the height in order to get additional housing. And council implemented its own affordable housing approach of Homes for Homes, where the developer was not prepared to deliver affordable housing onsite but was prepared to make a contribution so that, through Homes for Homes, affordable housing could be delivered elsewhere.

So there are a number of different levers that can be considered, but for Bayside we would say that the market dictates the type of housing, and it tends to be a different type of housing to what you would find within Yarra, not necessarily by council's doing but by the developers and the development industry.

Sheena WATT: Okay. Thank you very much.

Scott WALKER: There is a significant difference in the cost of development on the fringe versus established areas and in complexity of development.

Sheena WATT: I am not going fringe versus –

Scott WALKER: Fringe versus established areas – you cannot look at a percentage comparison, either, in terms of percentage growth from fringe to established areas, which has been done in the past. We have had significant growth in established areas –

Sheena WATT: I would not argue that Merri-bek and Darebin are fringe suburbs, though, and Moonee Valley and –

Scott WALKER: No, but Boroondara has actually had substantial growth along the corridor between Camberwell and Hawthorn, for example. So if you actually have a look at Burwood Road to the railway line, there are eight- to 10-storey developments, one after the other after the other in that sort of location. Is there planning that can be done for other activity centres like Camberwell, like we have just done, to support that type of growth in those great locations? Absolutely. We would love to see more of the developments happen that we have approved over the last three or four years.

The CHAIR: We are going to leave it there if that is all right. Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Thank you, everyone, for appearing. I just want to refute this lie that local government are responsible for the fact we do not have enough housing. You have all indicated – and perhaps you can take on notice the numbers of approvals that you have given in the timeframe allocated, but also the number of projects that have not gone to market because of the increasing cost –

David DAVIS: Permits granted but not gone to market.

Bev McARTHUR: Yes, permits granted but not gone to market because of the extraordinary cost in taxes, charges, all the various tapes, cultural heritage assessments, the cost of doing construction and the lack of supply. That is the reason why your developments have been approved but they are not going to market. So there is plenty of capacity for houses to be built, but the government have been the problem. Would you like to comment?

Jeff GREEN: Thank you. I think there are some valid points in there. I look at Box Hill, for example, where we have issued permits for substantial developments. I am thinking, for example, of the Box Hill central redevelopment, which is for seven towers. That was approved about a year ago and part of that was actually approved three years ago, and that is about 1700 dwellings alone, and nothing has happened. My understanding is that that is because of market conditions for the residential market, and there are lots of other examples across Whitehorse like that.

Bev McARTHUR: So Boroondara – same story?

Scott WALKER: At Camberwell activity centre we have approved a number of multilevel – 10-, 12-storey – apartment developments or mixed-use and apartment developments over the past couple of years. They are not starting. They are not starting construction, so it is not the approvals that are causing the problem. In fact the gap between approvals and commencements is widening because we keep approving but they are not starting.

Annaliese BATTISTA: Councils do not deliver housing. We are facilitators of housing, and we do a very good job. Council, in Stonnington's case, also has permits that are not acted on. What we are seeing is a trend by the market – by the development industry – to de-scope what has been approved through amendments because the cost of construction is too high at the moment.

Matthew CRIPPS: Similarly, from Bayside City Council's perspective, it is not necessarily planning that is holding up developments. We are seeing a large number of developers seeking extensions of time – to extend their permits – or amendments to change the mix of dwellings that are being provided. My understanding – MAV produced a document that suggests there are 450,000 dwellings live, through live permits which have

been approved by local government, which have not been acted upon, so there are ample approvals sitting within the market.

Bev McARTHUR: Yes. And you might also want to take on notice, if you like, how many amendments you are still waiting for the minister to approve and the delay that that is causing in delivering an outcome. I do not expect you to tell us now, but if you can produce it pretty quickly, that would be incredibly helpful.

I also want to go to the lack of consultation that has occurred, not only with councils but with the MAV, your peak body, and with your communities. Is this dictatorial approach to planning a way of the future? Are you going to be shut out of the whole process and irrelevant to the way we do business in this state, do you believe?

Matthew CRIPPS: That is a very tough question to pose. I think the examples that we have been experiencing have suggested that the way that the department, on behalf of the minister, has engaged has been one which has not been completely transparent and has not been holistic in what they have produced. It has been generally approved through what we know as 20(4) planning scheme amendments, where even where there are submissions they may not be given the opportunity to be considered or they are issued little weight.

David DAVIS: Consultation is turned off.

Matthew CRIPPS: And with all of the planning reforms that are being proposed, it is to remove third-party rights in a number of instances or council are going to find themselves in an unusual position where we have to advertise applications, we can receive objections, but we cannot consider those objections where things are deemed to comply. In Bayside's scenario where we have three objections that is reported to our planning committee, and council has been placed in a similar scenario of dealing with community members who may be uneasy with a proposal, and will need to approve those things, putting them in a difficult position.

Bev McARTHUR: Can I just go to the cost to ratepayers that is going to occur. If these new proposals go ahead, what infrastructure costs are the ratepayers going to bear to deliver these tall towers?

Jeff GREEN: In relation to Box Hill, for example, or –

Bev McARTHUR: Yes, or any council.

Jeff GREEN: In terms of the growth that has been forecast by, say, the Suburban Rail Loop Authority or the state government, as we have said previously, the infrastructure funding is not there for a lot of it.

Bev McARTHUR: So are you going to have to meet the shortfall?

Jeff GREEN: Well, we hope not. But I know there is a review of the infrastructure contribution system underway; however, what is of a major concern is that that has not been finalised and yet they are making all of these changes to the statutory planning system ahead of a review of the *Planning and Environment Act* and ahead of a review of the infrastructure contributions – it is all back to front.

Scott WALKER: The development contribution system – a new system, we do not know what it is or what the detail is or how much money or whether that goes to council or the state government – does not commence until 2027. So all of the developments that are approved under these new changes now will avoid the development contribution system. The councils will need to pick up the tab until –

David DAVIS: Did they forget it?

Scott WALKER: Well, it is only being rolled out in 2027 for the 10 pilot activities centres, not for the other 60 or other 50 centres to make up the 60 and then any other centre that is planned for over the next couple of years. So those centres in fact will not even get the benefit of the 2027 changes; it will be sometime beyond that. It is extraordinary that there is a fundamental change of the planning system that creates opportunity for permits that avoids that infrastructure contribution.

Bev McARTHUR: Stonnington?

Annaliese BATTISTA: Thank you. I would also talk to the local nuance again because the cost of delivering infrastructure in greyfields and brownfields and old areas, established areas, if you like, such as Stonnington, is significantly more than on the fringes.

Matthew CRIPPS: Similarly for Bayside we understand that delivering infrastructure within the established location is significantly expensive, given the constraints that you are working within. But based on the plans that we have seen, whether it be from the SRLA or whether it be through the activity centre program, there is this big question of where the funding will come from and how much council is now going to be liable for. We are already in a rate-capped environment, and the ability to deliver infrastructure for a community is difficult already. We have got, I think, we have estimated \$80 million of kindergartens to deliver. The current infrastructure needs to be delivered within Bayside to deliver on the current government's three-year-old kindergarten program. So in order to deliver infrastructure, there is an important piece that we need to be able to unpack and we are concerned that lack of that infrastructure planning places council at a potential financial disadvantage and in a potential hole.

Bev McARTHUR: Thank you very much.

The CHAIR: Thank you. Mr McIntosh, take us out.

Tom McINTOSH: Thank you, thanks for being here. With the *Plan Melbourne* and *Plan for Victoria*, we have got the 70 per cent in established suburbs and 30 per cent in new suburbs and greenfield areas, I just wanted to understand your thoughts on that approach to planning – that ratio.

Matthew CRIPPS: From Bayside's perspective, we believe that it is going to be difficult to deliver on that ratio. The reason we say that, and regardless of whether you have a community or an area that is supportive of the development, established areas are already made up of small lots owned by different people, and in order to actually get the yield of land, you need to acquire a whole lot of different properties. You need to work through a whole lot of different titles for pieces of land to garner enough property to start building some of the housing that has been identified through the planning reform changes. Can you deliver additional housing? Absolutely. The difficulties are the constraints that the established areas provide, which will make it extremely difficult, from our perspective, we believe to deliver the 70 per cent within the established areas versus 30 per cent on the fringe.

Scott WALKER: There is a lot of logic to focussing on infill development in established areas. There is a lot of logic to that. As a planner, that makes sense to do that. Is it 70 per cent–30 per cent? I do not know. Where is the work that actually explains that that makes sense and that works? That is the difficulty that we have. But absolutely there needs to be a shift to greater focus on established areas, and places like Camberwell are great locations to have additional housing. There is no question around that. The issue is actually: is that the right number, does that work and have we got the infrastructure? Have we got the plans in place, and have we got the guidance in place to get the really good outcomes and quality outcomes that we need for our community to live in and be part of into the future? That is the issue here.

Annaliese BATTISTA: It is absolutely achievable. As we have discussed in talking about our own plans to deliver housing and free up capacity, versus the targets that we have been provided, yes, we can deliver it. To Scott's point, it is about delivering it in the right locations with the right level of local input and nuance so that we do not stress existing infrastructure and create really poor amenity outcomes for future residents.

Jeff GREEN: I think in the right locations it can be achieved. I am conscious that for a council like Whitehorse not every part of the municipality is well serviced by, say, fixed-rail transport. But I think in locations that are – and I think we have demonstrated it already – we can definitely achieve that type of growth, provided the infrastructure is also there to match that growth.

Sophie TORNEY: I will jump in here, as the non-technical person in the room. Really what I think you are hearing – it is definitely our view here, and I think I am hearing it across the room as one of the biggest concerns – is to trust the councils to deliver. They are already doing the work. We have all done so much work for many years on this. We are delivering. Work with us. Let us do the plans. We know the communities, we know where the growth can happen and we know we can do it in the right way, so let the councils be part of it. Give us 12 months. Give us the time to develop the plans to deliver the targets.

Tom McIntOSH: Mr Cripps, I was going to just ask about some of your opening remarks around some of the statistics on, I think it was, permit approvals and whatnot. I am just wondering if you could unpack that a little bit more as far as what is a renovation.

Matthew CRIPPS: My understanding is the MAV has undertaken a piece of work with all of the councils across Melbourne to understand how many planning permits have been issued and are still live but not acted upon, and based on all those planning permits, there are 450,000 dwellings that have been approved across Melbourne which are currently live but not acted upon.

Tom McIntOSH: Sorry, I think your opening statements were around what, within your council, you have been able to approve over time. I suppose it is just that. It just twigged my attention. You said a few numbers, but I do not know if you exactly went to the number of new homes, for example, as opposed to –

Matthew CRIPPS: Bayside City Council have delivered new housing within the municipality of around 500 new dwellings annually, and that has been pretty much the trend for a number of years, which has been in line with previous views around the growth that was expected and with having 15 years of supply within the municipality. I think I referred to in my opening remarks our approval process, which has seen around 90 per cent of developments being approved. That is primarily residential, and 85 per cent of those are within the statutory timeframe.

Tom McIntOSH: Yes, sorry, that jogged my memory of where we were. Sorry, you may not know this off the top of your head, but what percentage of that would be, say, renovations or other sorts of applications versus full new homes and dwellings?

Matthew CRIPPS: Within Bayside, I would say that you are probably considering around 90 per cent of those being either medium density or apartment developments. Where we are dealing with residential, we have limited numbers of renovations. Primarily, the previous government announcements around lot sizes and dwellings and where they trigger planning permits have removed I think about 50 to 60 of the applications we receive annually, as a result of the amendment. So in the last 12 months the vast majority would be medium density or apartment developments.

Tom McIntOSH: Thanks. Thank you, all. Thanks, Chair.

The CHAIR: Thank you, Mr McIntosh. That is a wrap for this session. On behalf of the select committee, could I thank you very much for your attendance and for your really thoughtful and productive contributions. It is much appreciated. You will receive a copy of the transcript for review before it is published. We will ask you to turn that around quickly. At this point in time we will take the broadcast offline for 10 minutes while we do a reset.

Witnesses withdrew.