

T R A N S C R I P T

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into the Supply of Homes in Regional Victoria

Melbourne – Friday 20 June 2025

MEMBERS

Juliana Addison – Chair

Martin Cameron – Deputy Chair

Jordan Crugnale

Daniela De Martino

Wayne Farnham

Martha Haylett

David Hodgett

WITNESSES

Chris De Silva, Executive Director, Mesh Planning; and

Julian Perez, General Manager, Bendigo, Villawood Properties.

The CHAIR: Welcome to the hearing. I will just run through some important formalities before we begin.

All evidence taken today will be recorded by Hansard and is protected by parliamentary privilege. This means that you can speak freely without fear of legal action in relation to the evidence you give. However, it is important to remember that parliamentary privilege does not apply to comments made outside the hearing even if you are restating what you said during the hearing.

You will receive a draft transcript of your evidence in the next week or so for you to check and approve. Corrected transcripts are published on the committee's website and may be quoted from in our final report.

Thank you for taking the time to meet with the committee today. I am Juliana Addison. I am the Member for Wendouree, representing Central Ballarat.

Martin CAMERON: Martin Cameron, Member for Morwell, down in the Latrobe Valley.

Wayne FARNHAM: Wayne Farnham, Member for Narracan, representing the West Gippsland region.

Daniela DE MARTINO: Daniela De Martino, Member for Monbulk, covering the Dandenong Ranges.

Jordan CRUGNALE: Jordan Crugnale, the Member for Bass, covering the Western Port region.

Martha HAYLETT: I am Martha Haylett, the Member for Ripon, covering some Ballarat, Grampians and into the Loddon areas.

The CHAIR: Could you please state your name and titles before we begin.

Julian PEREZ: My name is Julian Perez. I am the regional General Manager at Villawood Properties, as I said earlier, based in Bendigo.

Chris DE SILVA: I am Chris De Silva. I am the Executive Director of Mesh Planning.

The CHAIR: Terrific. Thank you so much for joining us today. This is our final day of hearings, so we are so pleased to be able to have this hybrid meeting, talking to people from Mildura and the Mallee as well as getting people from Bendigo and metropolitan Melbourne here. Marty, do you want to kick things off?

Martin CAMERON: I certainly can. As we have said, thanks very much for coming in. The way we have set the committee up is that we want you to be honest and direct with us. We need to know what the stresses are on housing infrastructure in regional Victoria, what the changes – if you have an answer, what they are. So please give us a little bit of a run-down on what your companies do, and then please tell us how we fix the housing crisis in Victoria. That would be fantastic, wouldn't it?

Chris DE SILVA: A simple task.

The CHAIR: And Julian, we know from your submission that you are concerned about the unsustainable levels as well as the greenfield. As a Ballarat person, we have had Ballarat developers share their views on these targets, so it would be really great if you could talk about where you see that we are going to have real barriers to achieving what we want to achieve.

Julian PEREZ: We do have a slide show –

The CHAIR: Oh, great.

Julian PEREZ: so is it okay if we just go through the slide show?

Chris DE SILVA: I should say just by way of introduction that this is an abridged version of the submission, which was in presentation format anyway, so if you have any opportunity to reflect on the fuller presentation, by all means there is extra content in there.

Julian PEREZ: Can I just chime in and say I am from the Bendigo office. I have got an office of about 10 and I look after all the regional projects, but we have got a Melbourne-based company and they go to Geelong, which is regional, and in metropolitan Melbourne. We are also based in Southport – so an office up in Southport – and also South Australia.

Visual presentation.

Chris DE SILVA: If we could just have the first slide, please. Just in terms of context I thought it was very important to say that the timing of this inquiry is incredibly relevant right now for a lot of reasons that I am sure you have heard a lot about. But it is important in the second paragraph to acknowledge that the regional areas are being called on to accommodate a significant proportion of the state's housing needs, but the reality is that housing supply is being constrained by a range of factors, including policy and strategy directions, planning process issues, increasing charges, infrastructure capacity constraints, bushfire risks, native vegetation – it goes on and on and on. So as a consequence of all of that, in terms of the big-picture view, the potential of the regions is simply not being realised, and that is a very, very important point to acknowledge in all of this.

Prior to VicPlan we have seen 35 years of planning policy that has talked about the importance of the regions and the need to decentralise some growth away from metropolitan Melbourne. That 35 years of expectation was finally realised during the COVID period when the regions really came into their own. But what has happened since is that effectively that potential has been compromised. And I do not use words very often like 'urgent resetting of priorities', but in my opinion there is need for an urgent resetting of priorities about the importance of housing. These regions have got tremendous potential, but that potential is being compromised at the moment, and I will talk a little bit about some of the reasons why and potentially some of the solutions from your point of view, Wayne. Thank you.

In terms of the *Plan for Victoria* – if we just go back one for a moment – there is within page 28 of *Plan for Victoria* reference to the importance of the regions in accommodating a proportion of the state's growth. I think it is in that middle paragraph under the heading about targets.

Wayne FARNHAM: I cannot read that.

Chris DE SILVA: I think it is the third sentence – it is supposed to be highlighted. But it basically says that there is a strategy or a need to decentralise. But when you look at the way that that is actually being carried through in terms of the expression of the housing targets, you start to get an understanding of where the problem lies. So if I just go ahead to the next slide, please.

Martha HAYLETT: Just to pause for a second, Chris – sorry, jumping ahead – you labelled a lot of constraints there in terms of what is slowing things down. Do you see one or two of those as the real stand-outs for you, or is it a mix of everything and it is hard to separate them?

Chris DE SILVA: It is a very important question. I think you have got to think about that question in a hierarchical sense, and I do think that policy and strategy directions are at the head of it. And when you start to then cascade down through all the other reasons, you have got all of these competing priorities, and housing is almost the consequence of all of those priorities being realised. It is the wrong way around. There should be greater emphasis on the importance of housing as an essential need that in some ways overtakes some of these other requirements, and I will talk a little bit about that along the way.

If you have looked at the housing targets in any level of detail – if we just click twice, please – you will see that the housing targets are expressed in terms of a non-greenfield proportion and a greenfield proportion, and to the left of that again are the overall housing targets. So if we look at City of Greater Bendigo, for example, the housing target is 37,000 dwellings. But if you look at it carefully, you will see there that when you look at the non-greenfield proportion it is 26,000 of those 37,000, which is 70 per cent. And if you look across at the greenfield proportion it is 11,000 or 30 per cent. Where did the 70–30 aspiration come from in a regional context?

Wayne FARNHAM: Do you think it is fair to say that should be flipped around?

Chris DE SILVA: It should be flipped around, or if you were more balanced about it, it should be 50–50 at least, as an aspirational target. Where did 70–30 come from? It has been mentioned in previous metropolitan strategies as a metropolitan planning objective. It has never been mentioned as a regional planning objective. But here we are with targets that are being expressed in a 70–30 environment in the regional centres. Now, the consequence of that is that if we talk about the hierarchical response, the municipal planning strategies like the managed growth strategy in Bendigo and the growth strategy in Ballarat are actually mirroring those directions and giving spatial direction about how that housing supply will be realised. There are significant opportunities that are being compromised in the greenfield space because of this principal direction and strategy sense that is 70–30 oriented.

Julian PEREZ: I think to put that in context, at the moment Bendigo delivers about 7 per cent medium density. So to go from 7 per cent to 70 per cent, that is a 1000 per cent increase that we are being asked to move towards. Now, we are not opposed to infill development, in fact we support it.

Chris DE SILVA: Absolutely.

Julian PEREZ: But we have certainly got to transition to it. You cannot go from there to there in one hit, and there are reasons for that. I think that is important – that it is a 1000 per cent increase that we are being asked to do.

The CHAIR: And the Ballarat developers and builders have talked about that as well in terms of a longer period.

Julian PEREZ: It is a transitional phase.

Wayne FARNHAM: Can I just ask a question on this, being that we have got these percentages up here. Are councils going to turn around to you guys and say ‘Well, listen, we haven’t achieved our 70 per cent of non-greenfield, so we’re not going to approve this development’?

Chris DE SILVA: Absolutely. I mean, the strategy directions are actively –

Wayne FARNHAM: So do you think councils are going to stick hard and firm to this?

Chris DE SILVA: Based on current performance, absolutely.

Julian PEREZ: We think that they will. I am just referencing Bendigo, but that is what the managed growth strategy says. They are only proposing 11,000 new houses in greenfields, for instance. We think that that is probably even not achievable, because when they look at greenfields, it has got to be supply that is deliverable. A lot of the supply is not available, or if it is available, it is very expensive. There has not been proper research done, I suppose, to see if the infrastructure is there and if you can deliver that in a reasonable timeframe, and for a lot of it we are not able to.

Martha HAYLETT: I am sure that both of you have done some stats as well on the cost of a development, say, in the centre of Bendigo versus on the outskirts in Kangaroo Flat or further out. I do not know if you can speak to that at all. We heard a lot in Castlemaine and Ballarat about the complexity of that infill, like that there is heritage and there is a really old mash-up of zoning and all that sort of stuff, so it is messy. I do not know if you can speak to the finances of it.

Julian PEREZ: It is quite different. I mean, I know what greenfields cost. The greenfield cost now: probably construction costs have gone up 30 to 40 per cent since COVID. What we were developing at around about \$100,000 is now costing us about \$130,000 or \$140,000 in a greenfield setting. That is with developers. We are building all infrastructure. We are not relying on other departments to do that. It is difficult in town because what has happened in the infills is that the mum and dads that used to do a lot of the heavy lifting in that space are just not able to get finance for these projects now. It has become far too long. It has become far too expensive, and the banks will not support them. The banks just will not support the mum-and-dad developers anymore. It is simple to say, ‘We can put more growth in the centre of towns,’ but just to come back to your point, in Bendigo I know that with the old pipes in the ground, you cannot just put a high-rise in there, because of the pipes for the water. You need to put booster pumps in, and the power is not there. It is a bit

different to in a Melbourne setting. It is quite challenging. Depending on where you develop, those costs could be quite different.

Chris DE SILVA: Just to come back to your point, member Farnham, in terms of the council position, I do not think the councils can be unfairly criticised or blamed for trying to implement their gaining direction from the state about these targets and where they should be realised. I think they are doing their best in a municipal sense to give effect to that. The issue is that you look for balance in these matters and the approach is not balanced at the moment – it is clearly imbalanced.

Wayne FARNHAM: I suppose what I was leaning into on that – what concerns me a little bit about these targets and the way they have been set – is that if I have got a greenfield site down my way, for example, and the council has already hit that 30 per cent mark, then they are just going to say ‘No, we can’t approve that because we have got to have that brownfield development happening, not that greenfield’, and then that is going to make housing supply even more difficult and land supply more difficult. That is what I was leaning into, and I am wondering if councils are actually going to stick hard and firm to that and say ‘Well, we have reached our target, now we have to focus on brownfield’, which will again hamper supply of land in Victoria.

Chris DE SILVA: There is an action before you get to the scenario that you have described, which is the selection of sites for growth purposes and the staging of preparation of precinct structure plans is being actively impacted by assessing whether or not it is within the 30 per cent or it is exceeding it. It is becoming a very, very real conversation with developers and councils.

The CHAIR: Can I just ask you: one question I hear as a Ballarat person is that Bendigo has a whole lot of geographical challenges and overlay challenges that mean that it just cannot continue to expand. Is that just a Ballarat–Bendigo rivalry thing or is this – could you just give us some sense of the limitations that Bendigo’s growth has because of overlays as well as geographical factors?

Julian PEREZ: The overlays are more heritage-based, probably, I would suggest, in town. Bendigo, we call it the ‘city in the forest’, and it is literally – we are a city and we are surrounded by forest and we have jumped out of it at Marong. We have gone out to Marong, we have gone to the north because it is up on the flood plains up to the north there so it is a little bit easier, less trees up there. We have pushed up everywhere else, to the forest, and we have jumped out at Strathfieldsaye, so we have jumped out on three points. There is only one place we have not jumped out and that is down to the south, and we will probably be talking about that later on. But the constraints are the vegetation, the biodiversity and bushfire. Areas that we thought we could develop within our urban growth boundary, with the changes to the bushfire regs since Black Saturday and also the new biodiversity laws, there are patches of land that we thought would be zoned residential but they have trees on them. We are now no longer allowed to remove those trees and we are pushing further back, so the footprint that we thought we actually had within our donut has shrunk. Now with the bushfire and biodiversity there is always a tension. There is always a tension between those two points and something has to give. So that is really the issue at Bendigo: it is all about bushfire and biodiversity.

The CHAIR: Considering that information, that will obviously limit greenfield sites as well. If there was to be a 50–50 approach as opposed to 70–30, does Bendigo actually have the capacity for these new greenfields?

Julian PEREZ: It does.

The CHAIR: It still does.

Chris DE SILVA: We will talk about a case study in a moment. If we could have the next slide, please. If we just stop there for a moment, just in terms of explaining again the significance of these numbers around the targets and the split between greenfield and non-greenfield: if you look at the 20-year performance of the City of Greater Bendigo, it has basically achieved 900 dwellings per annum, and that is taking into account the spike during the COVID period. But if you look at that little dashed ellipse on the right-hand side of the graph, you will see that the housing supply is dropping significantly right now. Now, if we just click again and think about that 900 dwelling per annum average, if you look at the housing target, it is 1423 dwellings per annum. How is the City of Greater Bendigo going to get to a situation where it exceeds the 20-year average by an additional 500 dwellings, where 70 per cent of those have got to be in an infill context? It is an enormous, enormous challenge, and the balance simply is not there with the division between greenfield and non-greenfield. If you look at Ballarat, Ballarat has achieved 800 dwellings per annum. You will see the little ellipse there that the

housing supply is falling again right now. Compare that to the housing target of 1800 dwellings per annum, how is that gap going to be closed when you have got, again, such low historic averages, which have been predominantly – if you look carefully, you will see the red bars: they are houses, and the little colour at the top which you probably cannot see, which is the grey sitting on the top, are the non-housing outcomes, so units, apartments and the like.

Wayne FARNHAM: Chris, is this a common thread across regional Victoria?

Chris DE SILVA: Absolutely. You will not be able to see the detail of those graphs that have just appeared, but what they represent is the relationship between housing growth and apartments, units and non-house single dwellings, basically. The stats basically show that since 2001 only 7 per cent of all approvals in Greater Bendigo have been for medium-density dwellings. How do you go from 7 per cent to 70 per cent within the forecast period? In Ballarat the figure is 11 per cent and in Greater Geelong it is 13 per cent. Now, I say again for the record: philosophically as a strategic planner, I am very much in support of infill development. There is no doubting the logic of leveraging the value of these cities, but the balance is simply not there. The task is that all housing sectors have got to be very active and performing at their highest level to get anywhere near these targets, and constraining the greenfield component to 30 per cent is a very damaging direction in terms of that potential to realise these numbers.

Martha HAYLETT: Chris, what can the Victorian government do to bridge that gap, because obviously there are the targets and then it sounds like the enabling environment is not there enough. What do you think the government can do to fix that?

Chris DE SILVA: I think first and foremost the councils are desperately needing direction on this matter from the state. There is a lot of indecision about where 70–30 came from and should it be applied to the regions. I think there needs to be that urgent resetting of priorities in the region to introduce a more balanced strategy and policy direction at a state level. Then there needs to be a deliberate process of the state looking carefully at documents like the *Managed Growth Strategy* and the Ballarat growth strategy to implement a more balanced approach that gives priority to the very large-scale sites that have got capacity to not only deliver increased housing supply but have got the potential to actually deliver significantly improved urban development outcomes. That is a very, very important criteria. There are only certain sites that have got that potential and the ones that have got it, they should be given priority and should be carried with some priority through the planning process to enable housing outcomes to be delivered.

The CHAIR: Chris, can I just ask, we have heard time and time again from affordable housing advocates and social housing advocates about the need for smaller dwellings – for one bedroom, two bedrooms. We see it on the Victorian housing register, but the demand in the regions – there is just no supply in the regions to provide these smaller things. Are you seeing an appetite by developers to be building townhouses on a block, so rather than just doing the family four-bedroom home, putting villa units on, putting townhouses on? Because obviously if we are going to hit these housing targets, it is not going to be by building four-bedroom homes, it is going to be looking at multiple households on a single block and stuff like that. But what we have heard from other people is that, no, they are really interested because it does not cost that much more to build a four-bedroom house than it does to build a two-bedroom house. Why would you not put those extra two rooms on for your investment? We really have to shift the dial on the way people live, the way people think, and do you need to have such a large home? But are you seeing any appetite for people really shifting to townhouse living in the regions?

Chris DE SILVA: It is an important question you are asking, and there are a lot of points to the question you have asked. I will just touch on a few of them. Nearly 35 years ago when I was in local government, in a growth area context, and the developer was very much in the swing of doing more of the same, I stood firm and said, no, we need to introduce some terrace homes in that project. The developer was dead against it to start with, but the market acceptance proved that there was a market for it, albeit a small market. Growth area planning is all about incremental, small-step changes that have a big impact at the end of the day, and that is what I am referring to – large sites that are subject of a master plan community approach having the potential to deliver the sorts of outcomes that you are talking about. It is integral in a master plan project to have a range of product types. These days in my office we regularly design for up to 20 housing product types in a single stage of a master plan project. The market is very sophisticated at the moment in a greenfield context in terms of meeting all of those individual market segments.

The other point that needs to be recognised is that there is a finance component to the question you are asking. It is hard to get finance on a single-bedroom dwelling in a greenfield context, but the banks will look favourably on two- or three-bedroom dwellings simply because it is a more certain outcome. So there is that aspect to it, but as a planning and development proposition, I can assure you that for my clients, including Villawood Properties and other large-scale developers, it is almost an expectation now that they need to deliver a broad range of housing outcomes. It is not the case anymore that greenfield development, particularly master plan communities, are just comprised of four- and five-bedroom homes. It is simply not the case, and it is not well understood within the industry how diversified the greenfield housing market has become. I have absolute respect for the cry and call for additional social and affordable housing. The gap at the moment, though, is mainstream housing – there is not enough emphasis on the role of mainstream housing in terms of delivering affordability. It is just missing. It is not getting the attention it needs and deserves.

The CHAIR: And just a supplementary on that – in terms of the infill greenfield, do developers need to have further encouragement? If the figure could be changed to a 50–50 model but there were expectations that townhouses and villa units had to be included in the development, not only would that potentially get the supply numbers up, also heading towards that target, but how do you think the market would respond if there were stronger rules placed on new developments that they must have diversity of housing?

Chris DE SILVA: I firmly believe that the role of government is to provide direction in partnership with developers who are going to give effect to the outcomes. If you do not have a shared understanding of what the direction is about, you flounder, but if you are clear minded about what the direction actually is, my experience over 36 years is that developers will respond and they will come to the table. On this question, it is important for you as a group to understand that the average lot size in growth areas now is around 400 square metres. It is not what people think that it used to be, so the equation has changed, very much so, in terms of lot size and density. Twenty dwellings per hectare is comfortably being achieved in many greenfield projects. It is not the 10- and 12-lots-per-hectare scenarios that have been in the past, and that seems to be in some people's mind's eye. A positive direction would be welcomed by developers if they could get an understanding of what the pathway looks like, and if they have a pathway to commence development, they will respond I am sure.

Daniela DE MARTINO: Just picking up something that you mentioned there about the banks, is there an education piece for our banking sector when it comes to housing and what it approves? Because we have heard from some other witnesses that there are issues in different non-traditional –

Jordan Crugnale interjected.

Daniela DE MARTINO: Even modular homes, things like that, where they are struggling to get finance.

Chris DE SILVA: I think there is an education piece in terms of the planning and development industry needing to understand the finance industry better in the first place, but there is also the opposite of that, absolutely.

Julian PEREZ: I do see modular homes. We are seeing a lot more land lease communities now. You guys have probably – I am sure there has been plenty of discussion about that. I can see modular homes being the future. I really do. Talking to some of the modular builders, it allows their tradesmen to just work in factories, you know. They are not up at height. They can build a roof at ground level, and it gets craned up. So I really do see that that is going to be certainly part of the solution moving forward. We are seeing a lot of these land leases now, already, but I can see that being traditional homes as well.

Chris DE SILVA: Just coming quickly back to your question about direction for developers and requirements for developers, I maintain the answer that I gave you that developers will respond. The trick is to not be extreme in those requirements. You cannot go from black to white. There has to be some sense of understanding of what specified requirements mean in the context of an overall project.

The CHAIR: And any sort of sense of timeline on that transition. How much time, would you think?

Chris DE SILVA: Well, it depends what are referring to – if it is a density proposition or it is a housing diversity proposition. We are dealing with a site; we will go to the case study in a moment. If those requirements could be known from the outset that need to be introduced into the master planning process before development even begins, then that is a positive opportunity for collaboration and meeting objectives, in that –

The CHAIR: So are we talking years or decades?

Chris DE SILVA: Well, it can happen as quickly as development happens, but the scale of the site means: are we talking about four or five years of planning process before we even get to development, which is currently the situation, or are we talking about bringing that forward with an expectation that certain outcomes will be delivered more quickly? That is a question that needs to be seriously contemplated between the proponent and government to say: well, what is the objective here and how do we get there in the most effective, efficient way?

If we could have the next slide, please. It probably rolls nicely into this case study. Julian mentioned before that Bendigo is the city within a forest, but the city has actually broken the forested edges in three locations in the west, the north and the east already. The only area that has not been implemented is the area to the south of Bendigo. I represent, and Villawood has an interest in it, a 2000-hectare land parcel on the south side of Bendigo. It is not affected by any of those bushfire or other constraints. It has got more than enough land that the development footprint does not need to be maxed, so it will enable preservation of land for cultural, environmental, aesthetic reasons – no question about any of that – yet it could yield up to 3000 dwellings. That site has been the subject of many submissions in the Bendigo managed growth strategy process. It was initially excluded at officer level as being not required, because it does not form part of the 30 per cent. Fortunately the councillors have intervened to give it investigation area status. Now, that is in a very precarious position right now. What does that status actually mean in terms of thinking seriously about the 70–30 aspiration, and is it going to be excluded through the next stages of the process, or is it going to be properly recognised as a unique opportunity? Now, when you look at the numbers, the managed growth strategy has only identified about 7000 dwellings for future greenfield supply. The state target is 11,000. This site is the difference. Why would you not include it when it has got all of these potential opportunities to be a true master plan community? It has got capacity to deliver a broad range and density of housing development, environmental performance, sustainability, no bushfire threat. It has ready access. It ticks every box.

Martha HAYLETT: So what is the issue?

Chris DE SILVA: Well, the issue is that –

Jordan CRUGNALE: The town boundary?

Julian PEREZ: It is not in the town boundary, no.

Chris DE SILVA: Well, that is one issue, but neither are –

The CHAIR: What is the distance from central Bendigo?

Julian PEREZ: It is about 15, 20 minutes.

The CHAIR: So how many k's?

Jordan CRUGNALE: Ten, 12.

Julian PEREZ: Maybe a bit more than that.

Martha HAYLETT: It is close to the Mount Alexander shire border, isn't it?

Chris DE SILVA: It is 12 kilometres – on the edge. But when you look at its positioning relative to Strathfieldsaye and Huntly and Marong, it is equidistant. It is the missing piece of those four quadrants, if you like.

Julian PEREZ: The grey on the right is the Calder Highway, so that is the main road to Melbourne, and along the left edge of the red there is the train line to Melbourne. The whole paddock is 20 minutes closer to Melbourne than the city of Bendigo is. So I could jump in my car from that site there and I could be in Melbourne in an hour and 15 minutes. It is not quite Ballarat close, but it is very close.

The CHAIR: It shaves off a significant part of the travel.

Chris DE SILVA: The point about sites like this is if you were to try and replace the value of a site like that on other smaller, fragmented sites, the fragmented sites will deliver more of the same. They do not have the capacity to innovate and to have the confidence of a short-, medium- and long-term planning and delivery horizon, like a site like this has. So it by its nature has to innovate.

Martha HAYLETT: Is that majority farmland currently?

Chris DE SILVA: It is divided into something like 70 individual titles, but it is farmland effectively now. But it is low-quality farmland – very, very low quality.

Daniela DE MARTINO: That was my next question.

Julian PEREZ: Yes. It is marginal farming land.

Wayne FARNHAM: So that land would be subject to rezoning.

Chris DE SILVA: Yes.

Wayne FARNHAM: So then we have got the implication of a windfall gains tax.

Chris DE SILVA: Yes. We will talk a little bit about that in a moment.

The CHAIR: Because we have got 5 minutes, so we probably should stop interrupting you.

Chris DE SILVA: Okay. We will keep it quick.

The CHAIR: I should stop interrupting you.

Chris DE SILVA: Just quickly, the blue panel on the right sets out a number of recommendations that are contained in the broader submission that we have made to you. The first one is about a more balanced approach – a 50–50 rather than a 70–30. The second one is about reviewing *Plan for Victoria* to be more directive about the importance of housing supply in the regional context. The third one is about reviewing restrictive strategies in Ballarat and Bendigo in order to achieve a staged transition. And the fourth is to look at unique opportunities in Bendigo – and I am sure you have heard about some Ballarat opportunities as well – that are in consolidated ownership et cetera that have got this same capacity. Thank you.

Julian PEREZ: Just the other point there is that we think that that opportunity there also gives us the opportunity to provide decent things in the centre of town. We can leverage off this land and get some more density in town. We are very happy to work with the council and basically go to the council and say, ‘You guys tell us what you would like,’ because that is a large property. To assemble land in Bendigo is very, very difficult on the other side of the hill because of all those constraints that we have said, so that is a pretty constrained group.

Chris DE SILVA: I am just conscious of time. I know Julian is very passionate about impacts of native vegetation, bushfire risk and cultural heritage. If I can just say in terms of the blue box on the right, I have made a recommendation that there is a need to elevate the importance of housing supply in state planning policy as an essential service in regional growth areas. That is a very important recommendation, and it is not something I would say lightly. The reality is that when you enter into a conversation about a project in a regional environment or a metro area, the area that is set aside for housing becomes the thing that is almost left over at the end once you have dealt with all the other requirements. It is not getting enough priority in the state policy environment to say we really need to deliver housing as an essential service. If we have been through the process of defining where our growth area is, forgetting that other land would have been excluded for other purposes, once you have defined what is going to be required for growth, there should be an imperative to actually maximise the housing outcome within that defined area. That is not to say that housing design, subdivision design and development design cannot be site responsive, but elevate the importance of housing as an essential need through that process so that it gets the priority that it deserves. Do you want to say anything quickly?

Julian PEREZ: I just want to say, as I was saying, there is this tension in Bendigo with bushfire, and we get disappointed that the authorities are very siloed. They are only worried about their little patch, and they do not

have the capacity to look at the overall picture. There are areas in Bendigo that have been set aside back in 2004 and were proposed to be rezoned. I am talking about Maiden Gully here in particular, which is an area of Bendigo to the west of Bendigo. Council started the process in 2013 to rezone the land, and as of today we are still waiting on that rezoning. We are in gridlock there because there is no agreement between the council and the CFA and the biodiversity. And it is an area where people want to live and it is an area where infrastructure exists, so we do not need to do expensive roads and sewers and those things, so if you look at it from an overall perspective there should be homes in there. We have been waiting for 15, 20 years now for those homes, and we have not been able to deliver one single home. Someone has got to break the deadlock; we need someone to intervene. We are designing communities that are much more fire resilient now than what they were, and the homes are, so we can actually deliver homes into there and make the existing homes in the area safer, so it is a twofold sort of process. But it is difficult because there is state policy there, and –

Wayne FARNHAM: Butting heads.

Julian PEREZ: Yes, we have just got to give up a little bit. I am not saying that we are going to risk people's lives; it has still got to be a low risk, but it is going to be a managed risk, and that is what Bendigonians live with every day. That is what we love about our town. We are not there to push over every tree and clear-fell everything.

Martha HAYLETT: We have got the same problem with Maryborough in my electorate, which is very close. There is just this constant bureaucratic back and forth with the CFA and the developers, and it is really tricky.

Julian PEREZ: It is very tricky.

Daniela DE MARTINO: There is one thing I will add to it, though, coming from my part of the world, which is incredibly fire-prone: insurance. We can tick off a lot of things, but at the end of the day we are already facing massive issues with insuring homes. So I just want to put it here amongst us all that that is another issue we have to contend with and look forward to down the track: can people who move into this area then actually insure their home?

Chris DE SILVA: Yes, absolutely.

Julian PEREZ: There is flood insurance too now.

Daniela DE MARTINO: Yes, flood, fire and landslip.

Jordan CRUGNALE: Inundation.

Daniela DE MARTINO: Inundation, yes.

Julian PEREZ: I would agree.

Chris DE SILVA: I think we have hit our time allocation. I think the last slide might have been – I think there might have been one or two left. On increasing charges, I think the issue here is that the windfall gains tax is an incredibly blunt tool and it is damaging in terms of the ability to actually move from a planning designation to an actual project. Its trigger points, in a timing sense, are very damaging in terms of the ability to pull the project together before it even gets underway, with this obligation. So when I use the term 'blunt tool', the timing of its impact is something that needs to be properly understood and how it impacts on the ability to actually compose and deliver a project. There is other information contained in that slide – that little graph that there is a bigger version of in the broader submission – that shows you the increasing charges over time. The bar on the right is an example of the compounding effect of the various charges. That one on the right has got to a point where it was producing a negative land value as a consequence of the impact of the charges. That tells you, very simply, something is wrong. So there needs to be a great deal of care directed towards the imposition of charges as they impact regional projects and regional project viability. Otherwise there simply will be no projects. I think there might have been one more – was there? No, that was it.

The CHAIR: That was a really interesting discussion – really, really worthwhile. Thank you not only for your submission that you put in but also providing us with this opportunity to really engage with you.

If you would like to provide any additional information or we have raised issues that you feel you did not get the length of time or the opportunity to respond to, please follow up with our secretariat. We really look forward to sharing our report with you when we table it at the end of the year and giving you the opportunity to look at our recommendations and findings. Thank you so much, Julian and Chris.

Witnesses withdrew.