

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

Dr Jane Homewood, Director, Strategic Outcomes Consulting; and

Rob McGauran, Principal, MGS Architects.

The CHAIR: Welcome to this public hearing of the Legislative Assembly Environment and Planning Committee meeting on the Inquiry into the Supply of Homes in Regional Victoria. 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 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 making the time to meet with us today. My name is Juliana Addison. I am Chair of this committee, and I am the Member for Wendouree, representing central Ballarat.

Martin CAMERON: Martin Cameron, Member for Morwell – I am the Deputy Chair – down in the Latrobe Valley.

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

Jordan CRUGNALE: Jordan Crugnale, the state Member for Bass, covering Casey, Cardinia and the whole of Bass Coast.

The CHAIR: Excellent. How would you like to proceed?

Jane HOMEWOOD: I will start off. I will read from my paper, which you have. I have made a couple of additions, which I can provide to you. I will be about 10 minutes. I think Rob will do his presentation, and then we will make sure there is time for Q and A.

The CHAIR: Fantastic, Jane, that sounds like a great way to do it.

Jane HOMEWOOD: Thank you. I am currently doing some work with the University of Melbourne looking at bringing together research across the university to focus on the delivery of sustainable housing, and this includes agriculture, energy, materials, fabrication, innovation and then transitioning the industry from high-carbon materials to biogenic or locally grown materials and how to broaden our current housing models to include models like cooperative housing and to address social and affordable housing. I have just summarised some of the key outcomes that came from key stakeholders in industry, including the property council.

The main thing in regard to the feedback from the market is planning uncertainty, so how critical it is to identify the land to accommodate future growth and ensure that you have not gone out and speculated that this is where there is going to be growth, and then it gets back zoned, often for incredibly good reasons. But for the market, who have already invested in that land, it creates incredible uncertainty about investing in something that is a financial risk.

Planning approval delays are incredibly costly, particularly at VCAT. I think there are new models, particularly coming out of New South Wales, where to address sustainability-appropriate designs they are developing pattern books with architects so that you can have preapproval. Then you have got models, which are a bit more like the stick-and-brick volume builders, but they have a quality focus and a sustainability focus so that they almost are approved as of right, and if you are going to do prefab you have got a more guaranteed stream of development, which gives that certainty to the market.

The high taxes in Victoria, which I am sure industry has focused on, I have provided in an appendix. There are significant taxes. I think the issue is that Victoria's taxes are higher related to property than in any other state, and that is a real disadvantage, particularly for the larger developers that do not have a particular tie in an area. They are going to go where they can make things happen more quickly. The big one is the windfall gains tax. Rob and I were talking about how you could delay the windfall gains tax if that tax went towards that critical infrastructure, so if it was reducing the overall cost for government, but it is providing that significant infrastructure to make the projects viable.

The other issue is that some of the taxes are creating a significant under-utilisation of existing stock. For many people that are wanting to downsize, stamp duty is a disincentive. We know, particularly in regional towns and across Melbourne, there are a lot of people in large houses, and we want those houses to be provided for larger families – or a lot of those larger blocks so that they can be redeveloped with a second dwelling or redeveloped for three or four appropriate units, if they are in that suburban landscape.

On many projects, the cost to construct is more expensive than the cost of what you can buy in the market. You have got that real difficulty of an enormous cost, compared to when my generation bought a house. My husband's and my combined income as 28- or 29-year-olds was equivalent to the cost of our housing, if you looked at that, is around 10x the cost of a dual income of young professionals – the cost is excessive, but until the cost goes down or we can reduce the cost of housing we are not going to get the supply that we need.

The other feedback we got is that for prefab the government really needs to lead in that innovation, because with most banks it is difficult to finance prefab housing – although I will give an example later. If you do not have the supply chain, it is unusual or unlikely that industry will invest in the innovation to then risk that investment. Although, I have heard of a model where it was a 5% per cent deposit and then 95% per cent at turnkey for a project that was a prefab, three-bedroom house, 30 per cent under the cost of conventional construction, the prefab house had 53 panels; they are moving to 35. It took five days to construct with five workers. It was 7-star with the worst orientation; I think we have got to make sure that the materials are sustainable as well. There are examples where the building materials have impurities. government can do more work with the industry to give that certainty, but also to look at how we can encourage banks to provide finance at the same rates as a traditional build. Can you imagine if you paid 5% per cent deposit, and 95% at completion – you are not paying rent and construction costs during the build, you are going to actually move in to live in the house and you have not had to pay all those double costs on the way.

The CHAIR: And wait for 18 months.

Jane HOMEWOOD: Correct. The other issue is the need for nationwide construction standards. It is different in every state, so we have got to get that unification. And there is too much duplication of business processes.

Finally – I will only cover it very briefly because I am sure Rob will go into it – we have got to make sure that with the urgency to provide housing we do not provide poor-quality housing, because we know about that impact on people's day-to-day lives and their health and wellbeing. we have got to make sure it is well located. It is no good putting people without access to jobs and services, because it just reinforces disadvantage. In rural and regional areas, we have got to make sure that we do not destroy the things that are so beautiful and attract people to these places for the sake of growth at all costs, like their tourism destination and their heritage character. Growth needs to be really carefully managed.

Regional hubs. I set up the regional hubs out at the Latrobe Valley with the red tape commissioner. That is an incredibly important project where a number of regional and rural councils do not have the funds to do the necessary strategic planning, and also to provide that workforce assistance to get rid of planning approval backlogs.

I was head of state planning for seven years. Often the councils would go out and spend a lot of time doing strategic planning work, but they had not done the critical early work, have we covered bushfire, have we got approval from the CFA, have we dealt with cultural heritage, flooding and bushfire? They would do the work, and then it became an incredibly expensive waste of time as growth was planned in the wrong location. I would like you to take note that I think it is really important with planning scheme amendments that you have a

provisional ‘yes, under certain conditions do this work’ or a ‘no’ so that councils do not do work that cannot be supported due to risks from floods, bushfires etc..

As you know, the program is managed by the partnership team, it services 48 councils and it deals with the statutory timeframes. As I said, that streamlining is really important.

The real gap at the moment is there were regional planning policies, so making sure that we have got jobs, we have got well-located services and facilities to serve the new communities – that work has not been done, and I think that is a really important role for the regional hubs.

The other thing is we do not have a good agricultural policy. So what are the jobs? Over Thirty per cent of Australia’s food comes from our Victorian regions. We really need to make sure, particularly with climate change, that we are actually setting up our agricultural industry to be successful and that we are also working in partnership with First Nations, so that we protecting our environment while really having thriving industries.

Finally, there was a paper that Bracks and McNamara did, proposing to have fast trains to regional cities where there is such great infrastructure for communities. People do not want to always live in a community of 5 million or 8 million people. There is so much rich infrastructure in many of our regional towns . We can grow these great communities, but you have really got to have that access to public transport.

Housing Australia Round 1 HAFF and NHAF, there were no successful local government bids, and the regional bids that were successful were mainly where churches had bought land and provided a low-or no-interest loan. This is an incredibly untapped resource. Of course church land is some of the best located land. You have typically got a church in a large paddock with a car park, central to town or local government land.

I think it is really important that the state goes directly to the Minister for Housing and says, ‘We really need to work together to develop some exemplar projects,’ and then demonstrates how you can get social, affordable and key worker housing and get funded by HAFF and NHIF to actually make it a lot more viable. The last bid that I chaired the evaluation committee was for all, whether you are a special purpose vehicle, you are a large community housing provider or you are a small council, so it is not a level playing field. There should be a specific regionally focused program where land is brought to the table.

Rob, I will stop, because you can say so much, but I think we have got to actually show demonstration projects that do that mix. You are probably aware that the affordable housing income is so low that you are cutting out the people. If we can extend it to key worker housing, you are going to get a really viable model to get a mixed use with exemplary design. If the state could get support to do that with good architects and a good community housing provider, and show the way, I think that would be invaluable.

The CHAIR: Thanks so much, Jane. That was really great.

Visual presentation.

Rob McGAURAN: I might flick to the next slide if we could, and I will acknowledge that we are speaking on Wurundjeri land of the Kulin nation and pay respect to their elders past, present and emerging.

Go to the next slide, and the next. I started looking in detail at this space through the lens of being an architect initially, but being involved in policy for the institute at that time, back in 2000, the clear projections of all the academics there were that we would have a housing crisis by 2015. Politicians knew it at all levels of government, but the power of the private sector to say, ‘Look, just keep paying us the rent subsidies, we’ll offer stuff et cetera,’ led to stasis in the commitment of government to provision of a housing strategy for the state. Then more recently we have had the disasters of climate change hitting us. What is it – this year 385,000 properties in Australia will be uninsurable. My auditor friend in one of the big reinsurance companies says they expect that to go up by about 25 to 30 per cent per annum, and the problem is there that you have got the most vulnerable people, whether they have got the bush block or the block in the river delta areas et cetera, coping it big time with no backup and relying on government to help them in those circumstances. But we can see that pressure point coming that the government is also trying to have the housing for the key workers at the same time in regional areas that it needs et cetera, and particularly for those key workers who are on low incomes – childcare workers, nurses, people working in the aged care environment – there is nothing in many locations. But what we do know just from the homelessness – Kate Colvin’s – group and a very big survey by

RedBridge research is that there is not a lot of pushback right across the field, bipartisan, around, 'We've got to look after these sorts of groups. For women and children who are escaping family violence, children and young people, people sleeping rough and those losing their home, we've got to do something around that.' Our challenge is we are not doing anything quickly enough.

Next slide, thanks. This gives you an example – I thought a few pictures would tell a thousand words. This is St Andrews social housing, Bendigo. This is a project we are doing up there, 61 units on church land, with a very motivated local bishop, or certainly priests, there, and a very motivated and enabled housing group, Uniting (Victoria and Tasmania) – very well run – looking for these opportunities. That enabled this project to get off the ground, and there will be another one in the slides I will show you we are doing in Ballarat as a first stage of a project there at the moment. But in most cases the churches still need some revenue, whether upfront, but preferably as a low land lease, to cover all of the historic church next door. How do we keep these other assets operable? How do we support the local mission in an area, and all of the soft support that they provide to community in those areas?

Next slide. Another area I have come to know pretty well – and I will show you some examples of that in a minute – is we have done master plans for all of the regional universities I think, so Federation University in Ballarat and in Churchill, also La Trobe University in Bendigo and Wodonga, not Geelong with Deakin. But the interesting thing I have seen there, based on work I have seen overseas, is one of the things that all communities need is support for a knowledge community. The potential on a lot of these sites with very large land holdings to have partnerships with aged care providers, with people providing young people's housing with pathways into education – whether it is VE or HE et cetera – has worked incredibly well globally, and we have done bugger-all of that here in this country to date. We have done some at Monash University at Clayton. We got some NRAS licences in the original national rental affordability scheme. We got licences for 600 rooms, with 20 per cent of those rooms to be provided at a 20 per cent discount to market for 10 years. Monash has been able to refinance that for 1600 units, with 20 per cent of those units at a discount to market, where a lot of their bursary people are going and have been now for eight or nine years. And you ask the question, 'So tell me what's wrong with that as an idea?' But there has been so much political pushback: 'Oh, they're a wealthy university, blah blah blah. Why would we want that?' But why wouldn't you want, say, women and children living near a fantastic library where Mum can do a bit of extra training or study or a part-time course, or young kids who have been made homeless at 12 getting back on a pathway into education et cetera?

I will just take you to the next slide. This is in Inverloch – you would know that one probably – but here it was really about asking, 'How do we do well-designed but not crazy-expensive houses on much smaller lots in these tricky areas? I think that is about 80 per cent complete as a property now.

If we go to the next slide, this is really about saying we need to actually have a strategy for the state that is working with the insurers and our water authorities and our CFA et cetera to understand where Armageddon is going to be hitting us and how we ensure that we have got a plan that keeps our community safe but also keeps them housed in the long term. Having that I think is something that has to happen irrespective of anything else we are doing, because it is coming at us in the same way that other research was: it is coming at us like a freight train, and we ignore it at our peril.

Next one. In most of the models – Jane would know this perfectly – it costs more to build in a regional area, and the skills are often more difficult to access in a timely way in some areas. The support for more housing has to recognise that, because if it does not, you can have all the greatest plans, but nothing will happen.

The next is that we have to have set targets for the regions, because not all the regional areas are the same. You cannot do build-to-rent for key workers in most of regional Australia. You would argue probably there is no shortage of cheap housing in Norlane and Corio, for example, but in Bendigo maybe it makes sense – in Wodonga it certainly makes sense – to have models for private sector engagement. But we cannot assume everywhere that the private sector will come on a white horse and solve the problems. Setting targets will be really important – and understanding then how you can fund those targets in those areas.

The next is normalising social housing as an important part of the regional mix. We hear now: 'Well, there isn't a big demand for social housing.' Well, no-one applies for social housing if there is no social housing. It is a self-perpetuating model we have at the moment. We see so much misery in so many areas. I talk to housing

officers in Ballarat and ask how their week was: ‘Look, we had to decide between an elderly couple in their 70s sleeping in a car and a mum and three kids sleeping in the car this week.’ You know, this is running into winter, and this is the challenge that we are dealing with all around the state. It is no longer an occasional thing. Sometimes it is the working poor that we are seeing in these circumstances. There has to be a social housing plan for the regions, and there really has not been up to now – maybe Morwell and Traralgon a little bit, and an exception there in Churchill, but quite rare in most of Victoria.

The next one. Going to Jane’s point, I will not dwell on it, but some of our most successful projects have been partnerships with local government, not-for-profits and the private sector, interestingly, too. But at the moment we put up more barriers to not-for-profits and local governments being involved – rate caps, paying costs on housing if it generates any incomes and so on.

Next slide. Really, this is just saying that if we put the community first and say what we are going to do to help this community to prosper rather than collapse, if we look through that lens, we are more likely to get solutions, and we are more likely to bring a coalition of the willing to work on those solutions.

Finally, I really did want to recognise the role of university and hospital campuses in delivering affordable housing for key knowledge workers at scale.

Can we go into the next couple of slides. This is the one in Ballarat that is under construction at the moment.

The CHAIR: Just down the hill from my office.

Rob McGAURAN: Yes.

The CHAIR: It is very exciting.

Rob McGAURAN: Yes, and they are a great organisation. They have got further land across the road on the big church site that they would love to develop.

The CHAIR: I have spoken to multiple ministers over multiple years. It is an incredible project.

Rob McGAURAN: It is really complicated and challenging. But you look at that with the next slide, and this is a piece of work we did with the City of Ballarat on their creative city master plan, and you have got the city campus of the university in green at the bottom and in pink further up and the GovHub, and then you have got the hospital precincts out there. On all of those government land parcels, there is surplus land available that we could be doing more work in here. But we have got to incentivise those groups to be thinking about the nursing quarters like we used to have et cetera in a more diversified 21st-century way. Next slide.

The CHAIR: Sorry, just going back on that – when you talk about the nursing quarters, that is now a car park.

Rob McGAURAN: Exactly.

The CHAIR: I am just wondering with our Ballarat Base Hospital redevelopment, that site is going to have no space on it by the time we do that.

Rob McGAURAN: Probably. That is right. Yes, the St John of God site has some, for example, there. The old government offices site, the VU –

The CHAIR: ACU.

Rob McGAURAN: Fed Uni has sites just off Mair Street that can take up to five storeys that have not been developed. So we have got this crazy sort of situation where they have all got lazy land that they cannot invest in themselves at the moment because they have all been slammed by both COVID and, it is fair to say, a bit of dog whistling going on in terms of blaming universities for the housing crisis we have in this country at the moment. If we are serious about that, then why wouldn’t we as governments be supporting more housing on university land, like the rest of the world is?

The CHAIR: Because you brought up Ballarat, because I try not to bring up Ballarat every time in this committee, you have opened the door. We have got seriously loud voices concerned about the heritage of Ballarat. We have got our World Heritage listing and everything like that. Not a day goes past that I do not get criticism over the design of GovHub.

Rob McGAURAN: But you have got lots of land over here next to the oval.

The CHAIR: That is the Eastern Oval.

Rob McGAURAN: Yes, I know, but south of the Eastern Oval there.

The CHAIR: That car park.

Rob McGAURAN: We have done exercises for the council on that. You could get about 150 units there in that area as part of that improvement work. Near the station too, we have done exercises for council and the state in the past there. And then you have got the council's car parks around the centre of town that are just bitumen, so if you are thinking about urban heat island effects and all of that sort of thing, you would say, 'Why don't you have shade on the car parks and have people living above them?' And we have done a number of those over the years.

If we go to the next slide, because I am conscious of time – this is the Mount Helen campus. All of that area here, we have earmarked that for specialist housing and apartment accommodation and smaller townhousing-type development through here, and that is their endorsed plan. They would like to have aged care on the site, they would like to have mental health facilities on the site, they would like to have youth foyers on the site, but they have not got the funds to advance those things. They need others to come along and do that.

The CHAIR: But it is also a long way out of Ballarat, and there is only one bus that goes out there, and yes, it is the most populated bus. So I think we have got to be realistic as well –

Rob McGAURAN: Oh no, that is right. But for an age –

The CHAIR: in terms of, if we are going to get people to live out here and there is only one bus, the Buninyong 10 that goes out there, we have to be very realistic that we are not making people isolated.

Rob McGAURAN: Not in the same way as the city.

The CHAIR: Absolutely.

Rob McGAURAN: But I suppose on the other side you have got, what, 13,000 students there and you have got the potential to have, say, a specialist aged care facility there or a specialist mental health facility that would be far better located in a location like this than in downtown Ballarat.

The CHAIR: I agree.

Rob McGAURAN: So, look, I agree it is not for everyone, but I am just making the point that they are more likely to curate the land well, they are more likely to support the residents well et cetera than Joe Bloggs. Sorry, if we go to the next – this is, similarly, Latrobe in Wodonga. Again, the teal-coloured on the side is all earmarked for housing in their plan, and that is right next to the TAFE, for those that might know it. You are about 5 minutes from downtown. Again you asked the point, why wouldn't we put people near opportunity, and at least there you have got really everything from VE and child care on this site all the way through to university training. But it seems, as a state that has always prided itself with being a clever state, there is a natural synergy, I suppose. I would say the same about Berwick with our Federation University campus there: near the station, near the hospital, near the rail – all of those sorts of things are there. These are just some of the projects that we have worked on in the areas, but I get really excited about the opportunities to do something –

The CHAIR: Could I just ask about Ballarat housing strategy. You have got Reid's Guest House up there. What work did you do on that?

Rob McGAURAN: With the housing strategy, we looked at all of the council land assets around the city area and earmarked which were the ones that would be harder or easier. I think we came up with a four-storey

development in the city, so were not going too crazy-ambitious. We identified about 400 units that could be delivered on council land in airspace, where there is no shortage of car parking in those areas. The traders are always saying they want –

The CHAIR: You know, that is the number one issue in Ballarat, getting a car park out at the shop you want to visit.

Rob McGAURAN: No, I know that. But the big car parks, I am talking about at great areas of bitumen, Coles et cetera. I mean, if you look at the traffic counts – and we did look at the traffic counts – they are really low. Like, the last 30 per cent of those cars are never being used at any time of the year. So you could really be using that, taking two or three car parks out for a lift and providing more safety to those car park areas because people are living there, putting people near the shops so they are more likely to spend locally, and people in affordable housing will spend more of their money within 400 metres of where they live than you or I will.

The CHAIR: Can I just ask – we did a site visit to Australian Sustainable Hardwoods, and they were talking to us about not just their product but housing projects. They said often to make a project viable they need that extra storey. So four storeys with 400 units, trying to make that work economically and with a profit, that extra storey is sometimes the difference between whether a project can work or not. Do you have any views, Jane?

Jane HOMEWOOD: That is what the market is saying. That is why the Housing Australia funds are so important, and the mandate of the Housing Australia funds – that is, their legislation that they operate on – says that Housing Australia must undertake to its best endeavours an equitable distribution. That needs to be really pushed; that is an equitable distribution based on population but that is geographic. I think the technologies – and Rob you will comment in terms of the timber products – will get better. There are controversial and difficult issues for government to deal with. I have heard of the costs of union sites adding 30 per cent to the costs of projects. There is the lack of trades, and of course while we have got the Big Build on and we have got limited trades, we are competing by lowering prices. Materials – so how do we cut materials? I am hearing more and more that steel is unviable, so that is great for our local timber industry. What do we do about our timber industry? Because we need to invest in it.

Daniela DE MARTINO: Sorry, if I could just pick that up, Jane, have you looked at hemp as a construction material?

Jane HOMEWOOD: Yes, and I was going to give the example of Rufus Black, who is the vice-chancellor of the University of Tasmania; he has actually just done these incredible projects. They are growing hemp in Tasmania, and they have two women running a construction company that are doing this, so that would be a really interesting project to look at. Dan Hill, who I have been working with at Melbourne Uni, does research around these biogenetic – and what I struggle with is how we collectively move an industry that has been quite traditional and has not shifted to respond to carbon neutral but also cost pressures? How do we move? I think it is by government investment in partnership with developers. If we can get rid of the cost of land – you know, how do we reduce the cost? How do we incentivise by reducing taxes so we are actually getting so little funding out of projects that are not all about construction?

Rob McGAURAN: Yes, that is true. We have a memorandum of understanding with MULTIKit, which is a subsidiary of ARKit but for multistorey prefabricated timber, but the big issue that they and everyone face is they need a big enough supply chain demand to get the finance et cetera to upscale and be competitive. That has been the lesson globally, and government at a federal level has not been prepared to do that because there are a lot of very powerful organisations who do not want any change. It is nonsense that we are still trying to build bricks and sticks construction, you know, in what is not even the early 21st century now. We have got to do much better.

Jane HOMEWOOD: Rob, so the other thing I was going to say is that the Orchard group, which I was talking about, developed that house; it is flat-pack, which seems to be the way to go, with 53 parts for a three-bedroom, and they are getting that down to 35. That was one storey; they are now going to a two-storey with the model that was introduced by the government in Kensington, with the garage and the apartment on top, that can be for a downsizer or a rental. It is such a great model in a town.

I am very worried. We have got a farm near Euroa. Euroa, Avenel and Yea are the most beautifully intact towns. We have now got planning controls that will allow 11 metres, with no response to character. We do not

want to lose what is so attractive and what is the opportunity of our beautiful towns. Those design guidelines and making sure that we have financially viable products that are fit for purpose I think are incredibly important. What I was going to say about him, though, is that his materials are made in China, and I do not know how we can compete for cost, because labour costs are so low. So will government consider using all Australian materials? I have confidence that they know how to turn things to be the most efficient and effective, but what we want to make sure of is that it is our materials; we move off steel, and we look at how we do that. That of course is about our sustainable agriculture future, because we have relied, as you know, so long on what we dig out of the ground, and that is becoming less and less viable from a cost point of view and from a carbon point of view.

Rob McGAURAN: One of the things before we close, if I could, that I would like you to consider is the funding in the first round of HAFF. I do a lot of work with low-income households – older women and men and also young people – and those projects will not even go close to being viable under the Commonwealth housing arrangements at the moment. We have got a project over in Dandenong where the group is putting in 60 units for 90 kids, with complete wraparound services that take kids that are arriving there homeless between the ages of 12 and 24, escaping all manner of terrible things. Separately, it is building a school, Hester Hornbrook school, which is a fantastic school that does everything from life skills through to preparing them for VE or for –

The CHAIR: We heard about them down at Quantum when we were in Morwell.

Rob McGAURAN: They are a great organisation. But the fact that they are doing that does not count in terms of the assessment of the housing. It is the right model to say you are not just going to put a roof over kids' heads, you are actually putting a framework around them –

Jordan CRUGNALE: Putting a world around them.

Rob McGAURAN: that gives them a chance of success. We are not funding those. You cannot help but think that surely there is a way for government to think about this. Knowing the benefits to the taxpayer in the long term if you get a young person on the right path, for example, why wouldn't there be some NRAS-style contribution for a period of years that is effectively the saving to government of doing the right thing by this young person, rather than basically saying, 'We're not funding that,' and these kids are homeless in Melbourne and in our regional cities now. It is diabolical for all of us down the track.

Jordan CRUGNALE: What more can we do? What more can government do?

Jane HOMEWOOD: I think the really tricky issue is tax. I think it is supporting innovation and giving a long-term pipeline to really get prefab off the ground and making sure it is good prefab. Given my background, I am an absolute advocate for strong strategic planning, so that once you have done the planning, from a planning perspective you consult with the community and you resolve those issues around bushfire, flooding, heat islands and First Nations. The way it works at the moment is you get a planning approval, and you then go and negotiate with First Nations, you respectfully dig up shards of relics and they get stuck in a museum. Why haven't we done the planning first to say, 'This area is important, and we work around that'? There is still so much waste in the process. I think once you have done the strategic planning and you have consulted with the community, then hopefully with design guidelines you have got the tick. You know what the house is going to look like, and you know what the densities are.

I think density is a difficult issue. I get the need for housing, but there are two things. Twenty-storey development is no longer viable, so we are going to have to work harder for the two, three and four storey. How can we make those large lots denser, but respectfully? I think people should be able to have a backyard with a tree and shade and not be overshadowed. We have got enough space to do that, given all the surplus land. I will just give this stat. This morning I was meeting with the deputy vice-chancellor of Melbourne School of Design Alan Pert. The research they have done in south-western region, which is Southern Grampians, Ararat, Moyne and Loddon, had 125 church sites, all well located with significant landholding, and 30 per cent are vacant. I personally prefer a model where the church partners with a non-denominational community housing provider, but it is really that mix of social and affordable, and I think that gap with the feds is key worker to get the income stream that they need but also to get a more vibrant mix.

The other thing is I think – Rob, I will let you talk to that – with local government, particularly with rate cuts, is viable models that take any risk away from them to develop surplus land, but actually doing demonstration models and documenting them with all the finances so that you can show how it can be done.

The CHAIR: I have just got to say we do have our next lot of witnesses, but, Rob, I just want to give you the last opportunity to add anything.

Rob McGAURAN: I was reflecting when I was talking about that vulnerability with climate change. Twenty-five per cent of homes in Shepparton will be uninsured. One of the things that –

Jane HOMEWOOD: Can I add that they are planning to develop that land as new housing.

Rob McGAURAN: That is right. The challenge with that is that people will not be able to get bank finance for that. But more than that: why would we be doing that? I think what I would be saying is that Shepparton could be your case study in developing a resilience plan for the state, because it needs it and those communities need it. Not that I do a lot of work in Shepparton, but it is pretty obvious when you look at the facts of it, if you are going to have 25 per cent of households uninsured, it is a recipe for disaster that as a state we will struggle with if things go pear-shaped.

The CHAIR: Absolutely. We know there are many vulnerable communities in Shepparton.

Rob McGAURAN: We know that indeed.

The CHAIR: We do. Thank you so much for bringing your experience, your insights, your wisdom to our inquiry. We could have spoken to you for days, but it was really interesting to get your take on that. I will be driving back to Ballarat this afternoon, driving up and down Mair Street and Lydiard Street and really having another deeper look.

Thank you for making the time to participate in the inquiry. If you would like to provide any additional information or responses to any questions taken on notice, please speak to the secretariat.

Witnesses withdrew.