

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Climate Resilience

Melbourne – Wednesday 20 November 2024

MEMBERS

Ryan Batchelor – Chair

David Ettershank – Deputy Chair

Melina Bath

Gaelle Broad

Jacinta Ermacora

Wendy Lovell

Sarah Mansfield

Rikkie-Lee Tyrrell

Sheena Watt

PARTICIPATING MEMBERS

John Berger

Ann-Marie Hermans

Evan Mulholland

Rachel Payne

Aiv Puglielli

Richard Welch

WITNESSES

Keith Ryan, Executive Director, Victoria, Housing Industry Association; and

Jane Keddie, Vice-President, Victorian Division, Planning Institute of Australia.

The CHAIR: Welcome back to the Legislative Council Environment and Planning Committee's Inquiry into Climate Resilience here in Victoria, with representatives from the Housing Industry Association and the Planning Institute of Australia.

All evidence we take is protected by parliamentary privilege as outlined in the *Constitution Act 1975* and the provisions of the Legislative Council standing orders. Therefore the information that you provide to us 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 with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

Welcome. My name is Ryan Batchelor. I am the Chair of the committee and a Member for Southern Metropolitan Region in the Legislative Council. I will get members of the committee to introduce themselves.

David ETTERS HANK: Hi. David Ettershank, Western Metro Region.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria Region.

Melina BATH: Melina Bath, Eastern Victoria Region. Hello.

Gaëlle BROAD: Hi. Gaëlle Broad, Member for Northern Victoria.

John BERGER: And John Berger, Member for Southern Metro.

The CHAIR: For the Hansard record, if you could first both state your name and the organisation you are appearing on behalf of, please.

Keith RYAN: Of course. I am Keith Ryan, and I am the Executive Director for Victoria for the Housing Industry Association.

Jane KEDDIE: My name is Jane Keddie. I am the current Vice-President of the Victorian Division of the Planning Institute of Australia, and I lead their policy and advocacy subcommittee.

The CHAIR: Wonderful. I will now invite each of you separately to make an opening statement, should you choose to do so, and then the committee will just roll into questions. It is pretty straightforward.

Keith RYAN: Would you like to go first?

Jane KEDDIE: No, you can go first.

Keith RYAN: Thank you. HIA made a relatively short submission. We have had a lot of things happening in our industry in the last couple of years, and to be frank, the housing statement has been a significant matter for us to work on. However, we felt it was important to make a few observations about this inquiry's work and particularly stress a few key points about the impact of regulation, particularly regulation in this space, on our industry and probably more importantly on the cost of homes for consumers. As we all know, there is what has been commonly caused a housing crisis. We are short of homes, we are looking to increase housing supply, and part of the challenge is the lack of affordability of homes. That is particularly acute for multiunits, but it is also an issue for detached homes as well.

The HIA position – as an organisation we are generally relatively in favour of low levels of regulation, targeted regulation that does address social ills. It is important to stress that we understand there are a lot of significant challenges our planet, our country and our society are facing, and there is a need for action to address them. We

have a very broad church of members, many of whom are extremely passionate about energy efficiency programs and the like and indeed have their businesses very much focused on providing excellent homes in that space. But we also have members who are mainly focused on building affordable homes that can be afforded by their clients and will meet their needs, and we have a fairly broad variety to cover there.

We as an organisation are very much concerned about increased red tape and green tape. They are terms which can be a little bit loose and at times a bit unfairly applied, but in more frank terms there is already a significant level of regulation of our industry. There have been some significant reforms in recent years, particularly the 7-star energy efficiency changes, and they are still being bedded down. We would also argue that our industry has to take time to adjust, and the law of diminishing returns is also going to start kicking in at some stage. How much more energy efficiency standards can you impose with the benefit perhaps being marginal but the cost to consumers being quite dramatic? So yes, we understand that we need to have energy efficiency and, quite frankly, they will continue to evolve and improve over time. That will happen in part because the market requires it, consumers want it. It is not just government that leads this. Sometimes, I would argue, governments have a tendency to overrate – I do not mean this to be disrespectful – how much power they have and how much consumers and their own choices can make a difference as well. We do have consumers who are focused on improving energy efficiency, on getting better homes to live in. So we ask the government to be mindful of that and show some respect at times to the public.

Whilst we respect the need for addressing climate change and for improvements in our regulatory system, and we have no doubt that will continue, we would respectfully ask for it to be measured, considerate and particularly have an impact on the cost of housing and, more importantly, the ability of Victorians to be able to afford a home. Thank you very much.

The CHAIR: Thank you, Mr Ryan. Ms Keddie.

Jane KEDDIE: Thank you. PIA is a peak body that is very much focused on the future. We are in it for the long game, and we put in place policies and regulation and our members work very hard to deliver sustainable long-term outcomes. As an institute, we very much advocate for the public interest. We have members from consultants working with delivery of dual lot subdivisions through to regional planning. Climate change is obviously an area of very significant concern to the planning institute, both at national and state level, and we have been calling for a comprehensive review of how our planning system is equipped to deal with climate change for a number of years. So we are very grateful for the work being undertaken by the committee.

We know obviously that the conditions that our built environment and our regions will exist in in 50 or 100 years are going to be very different. The planning system, we believe, plays a really critical role in how resilient our communities are in that changed environment. Planning and the decisions made through the planning system really have either a foundational or an enabling role in almost all of the changes that we know we need in order to respond to climate change, and that is both the delivery of state-endorsed mitigation targets but also obviously climate-resilient communities.

One of the observations that we would make initially is that we have quite a lot of good policy in this state, so we got a lot of the right things in our policy. What we do not have are the kind of meaningful requirements that actually give that policy some teeth. It means that people actually making the day-to-day decisions about an application have the right tools and the right regulations to actually allow them to deliver that state-level policy. What that does in not having the right tools and not having the right policy and guidance from state level is it sits slightly at odds with a lot of the obligations and the ambitions of a lot of different local governments. So what you find is that they do a lot of work to meet the obligations under the *Local Government Act* and to meet their obligations under the *Planning and Environment Act* around climate change and we then get quite different and inconsistent responses across the state as they try and respond to climate change.

We also get a lot of frustration from planners in all walks of life at the barriers that they encounter. Most planners want to create places that are much more climate-resilient, and they are coming up against a lot of barriers in doing that. The concern we have also with that inconsistent approach is that it potentially disadvantages large numbers of our communities who might live in areas where their local governments do not have the resources or the capabilities to undertake that detailed work to support those changes to their built environment or to their land use patterns.

I think of particular concern to the institute at the moment, to the degree that we have issued correspondence to a number of ministers, is the current lack of integration between planning for the climate crisis and planning for our housing crisis. We very much acknowledge that they are both critically important challenges that our state faces. But what is happening now is we are currently in the midst of a once-in-a-generation shift in how planning operates in this state. The scope of the reform that is happening at the moment is almost unprecedented, and we are very concerned that if we do not properly embed climate change considerations into these reforms, they will be guiding land use and development outcomes over the coming decades and potentially locking in outcomes which decrease the resilience of our communities at a time when we need to be dramatically ramping that up.

We have obviously outlined a number of different submissions that we have made in that space within our submission, but I would also draw the attention of the committee to a submission we made more recently, which was to the draft ministerial directions issued in response to the *Planning and Environment Act* changes, where we detailed some of our concerns around the current ministerial direction and associated guidelines, because that covers off on a number of issues of relevance.

The CHAIR: All right. Thank you. I might start with some questions. One of the things – maybe, Keith, I will come to you first – that I think we have been grappling with is that for most people buying a house or renovating a house is the biggest decision they will make in their life, and they probably do not do it very often. They are doing it once, twice, maybe. I do not know if you have got any stats on that, but to me it seems like most people –

Keith RYAN: That is a fair summary.

The CHAIR: There is a lot to consider, and there is obviously going to be a trade-off between construction costs and then living costs. One of the things we have heard a lot of evidence about is the challenges that people have as our climate gets hotter and wetter and windier and making sure that the home they are building or the home they are renovating is set up and equipped to deal with those. How well do you think that the current construction codes are setting people up for homes that are comfortable and healthy to live in, and how do you think they could be improved?

Keith RYAN: I would argue that the recent changes to 7-star have gone a long way towards setting a reasonable standard. Now, it is important to keep in mind that that is a minimum, and we have plenty of customers who are actually quite happy to go above that and indeed at times very happy to tell the world about it, which is great. This goes back to this idea of diminishing returns: how much extra benefit do you get by having to pay more to get higher standards? To an extent the government's decisions – and I mean this in a general sense, not one specific government – about imposing standards are always going to reduce consumer choice. Now, to some extent that is going to be necessary. We need to have homes that are fit to be occupied, and the National Construction Code and associated laws have done a great job in over the years improving the quality. Safety of homes is also an important thing, and we have a number of other issues that are currently being addressed, particularly with multiunits with water leakage, and that has caused, unfortunately, some very dramatic health issues, particularly with illness resulting from mould and the like. They also are matters that need to be given attention.

But to answer your question, yes, it is possible to make those codes even more restrictive, make them able to achieve better energy efficiency outcomes, but at what cost? We would argue that where we have got to recently is for the time being a good position. Now, it may be that market demand over time will lead to that changing, and I suspect it will, but it will take time.

The CHAIR: One of the things we have to deal with obviously as well is that for the general consumer there is pretty large information asymmetry and expertise between a purchaser and a builder or a construction company, like one are experts in the field of home construction and the other just live in them. How do we better support homebuyers and people who are seeking to renovate to make better-informed decisions about the choices that they are making in their construction?

Keith RYAN: That is a really interesting question, because it depends on what you mean by 'better informed'. I will include myself in this: when we have worked in policy – and I used to work in the policy space for governments – we have a tendency to decide what we think is best for people as a base, and we make

assessments that they do not necessarily make rational judgements. I would argue that most consumers are not quite as naive about these things as perhaps we sometimes like to assume they are. They understand that they have got their power bills to pay. They understand that they want their houses not to be leaking, to be healthy, to be staying cool and, if possible, avoiding unnecessary use of air conditioning and heating. They do understand those things, and they are taking that into account when they are making their decisions about what sort of home they want to live in. There are other factors they consider as well: how they are going to live in the house; how much they want their house to be accessible to the open – alfresco living and the like; how much they want to be able to have more light. These are decisions that do, to some extent, go counter to some of the energy efficiency outcomes. So consumers are making those judgements, and they are making them, I would argue, with a higher degree of consideration than perhaps we give them credit for. I would argue that that is something we need to be careful about.

The CHAIR: Jane, I might ask you a similar thing. I have not got a lot of time, but we have got building and we have got planning. How important are each of them in delivering climate-ready homes?

Jane KEDDIE: I think they have to work together. Just in terms of the energy efficiency, I think we need to draw a distinction between energy efficiency and climate resilience, because while there is some crossover, there are a number of elements of building design and construction that talk to resilience that are not covered by the recent NCC updates which deal with energy efficiency. Energy-efficient homes under the NCC can be delivered in a variety of different ways, and some of those ways are more aligned with the objectives of climate resilience than others. At the moment the NCC does not think about how those two things work together.

The CHAIR: It just sees energy, it does not differentiate energy efficiency along different planes.

Jane KEDDIE: It does not deal with climate adaptation at all. That is on the agenda for the next round of NCCs, which I have just been informed might be a bit longer than was previously scheduled for. The NCC does not deal with climate adaptation at the moment, it deals with energy efficiency. Obviously that is an important component in terms of mitigation, but it is not the same thing and it does not always align with those objectives.

I think one of the things with adaptation is: what is a climate-safe house? There is kind of a national standard that you might want to look at in terms of building regulations, but there are also spatial considerations in terms of what a climate-resilient home is, because there are different hazards which will affect different areas. I think that is where the planning system becomes really important, because it allows the targeting of that regulation to make sure that in particular areas where we do have climate hazards that we have either got now or that are going to increase over time, we can target those particular areas so we are not throwing a blanket everywhere, we are actually thinking about where those controls might be best targeted. One of the challenges –

The CHAIR: I might just let Mr Ettershank come in on this. Do you want to –

David ETTERS HANK: I want to go with a different question.

The CHAIR: Okay, that is fine. I thought you were going to get to – sorry.

Jane KEDDIE: That is all right. I have just got one more point I was going to make, which is one of the challenges with consumer awareness is that that information, particularly around climate hazards, is not always transparent and available for consumers. I think in most cases in terms of most of the issues that we need to deal with in terms of climate adaptation – things like urban heat might be a slight exception to that rule, but for most of the other hazards there is not always clear easily accessible information for consumers to make those informed decisions.

Keith RYAN: If I could perhaps also, backing off your point, to surprise, you are right, there is a lack of information, and it is also a lack of information and certainty for builders and developers as well, and that makes it harder for us to make informed decisions about where future homes can be built, and we know that government are considering particularly sea level rise changes and how that would apply in the future. And whilst that is up in the air, that adds to the uncertainty and potential costs of projects. So there is a point that yes, government has a role to play in providing more certainty about what is possible in the planning space. The other point I would stress is that planning and building do have an overlap, and there has been a constant source of friction about how much the NCC, which is a national reform, at least in theory, applies and how much

planning can overlap with that. And so that is a challenge to ensure we do not have unnecessary duplication, and that is a point I would just stress as being important.

The CHAIR: Mr Ettershank.

David ETTERS HANK: Thank you, Chair. Thank you for your submissions. It has been very interesting. Mr Ryan, before I came here I was doing a lot of work in construction of resi aged care, so I understand well and truly the challenges of construction costs. But when I hear people talk about green tape and red tape it sort of worries me a little in terms of it smacks more of culture wars than it does of reality, and it seems to me on the face of it, you are saying that we cannot afford further climate change regulation. And I guess there would be probably many who would say, 'Well, we can't afford not to.' So perhaps if I could just posit a proposition: if we took something very simple and quite profound in terms of both residential efficiency and also broader climate adaptation issues such as urban heat sinks, an obvious and very simple change is to go, for example, to light tiles instead of dark tiles. Is that green tape, to put forward that sort of proposal?

Keith RYAN: First of all, I partly already agreed with your point about green tape and red tape when I made my opening. I said that, look, they are tags that sometimes get used a little bit unnecessarily, and I would like to be a bit more nuanced and say that it is really the unnecessarily overly targeted regulatory requirements in green tape. Now, that is not an easy concept to explain for a lot of people. It is simpler to say, 'Government laws – it's red tape or green tape.' So I accept you have got a point there that at times it is easy for people to criticise well-intended reforms as being just tape.

That said, it is a matter of how effective, how well placed it is, how rational it is, and sometimes to use the light and dark tiles on roofs, that can actually depend on the siting and the location, and we have recently had a debate about whether or not you should be banning dark roofs, particularly in small lots. Now, there are cases where yes, it really does not make sense to have dark roofs, and I can understand that, but there are times when because of particularly Victoria's climate still being a zone 6, so a cooler temperate climate, to achieve actually the 7-star requirements of the National Construction Code when you balance out all the different building demands a dark roof is actually required to get there. In other cases it is not. So it is not a matter of saying blanket ban on dark roofs and you can only have light. It is more about what is the best product, the best solution in that scenario, to achieve the outcomes. So yes, I understand there is a widespread concern that dark roofs are adding to urban heat, and I get that. And I think it is probably fair to argue that if it is just used without any other consideration that would be a concern, but at the same time, if it is needed for the home itself to comply with the 7 stars and actually get a building permit and an occupancy permit, then that is a different challenge. It does not mean – it is an option; it is not mandatory.

David ETTERS HANK: Ms Keddie, I think you were looking as surprised as I was at that response. Would you like to reply on the question of build compliance?

Jane KEDDIE: Yes. I think there are a couple of things in there, and it goes to something that we do as planners all the time, which is the balancing up of all those different objectives. If we talk about things like housing affordability, obviously there are a range of different costs that go into that, and certainly we would not argue that it is important that we keep those costs under control. I think we would very strongly argue that things that should be retained within that bundle of costs that development takes on would be the regulation that is required to deliver climate-safe and energy-efficient homes. They would not be the green tape or red tape that we would cut. In fact we would say: ramp those up and maybe look at whether there are other areas where you could reduce that cost burden.

When it comes to things like light-coloured roofs, certainly any change that you make you would want to be supported by evidence, and I obviously have not seen the research that has been done by the HIA. But there are similar zones in Sydney to those we have in Melbourne in terms of the climate zones, and there is significant research that has been done around the importance of things like lighter coloured roofs in dealing with things like urban heat. Certainly, without having viewed that evidence, the evidence that I have been exposed to through the planning work has indicated that actually that is a good tool for use in Victoria as well as in those comparable New South Wales examples. I think the question of whether that roof is impacting on the ability overall to get your energy efficiency rating up – I would question whether there are other aspects of the design that you might look at other than the roof to get to that 7-star in that situation.

David ETTERS HANK: Okay. We might ask that on notice if perhaps you could provide us with some further information. Can I just follow up: you talked about there being plenty of regulation but not enough clear tools. Could you just elaborate a little on that for us, please?

Jane KEDDIE: I could elaborate on that for hours, to be honest.

David ETTERS HANK: Probably best not to. The Chair is pretty grumpy.

Jane KEDDIE: The right tools – I think we talk about a number of different aspects. There are things like guidance material that are missing that give clear instruction to decision-makers about how they do some of the balancing that we need to do through our system. We are certainly talking about the Victoria planning provisions, which are the zones and the overlays and the schedules and how we can use those. We have made a number of submissions around changes that are needed to those, including things like the current flood controls that we have to play with, so that toolbox that we are talking about.

One of the other things that we have talked about is the lack of appropriate controls to manage coastal erosion. Coastal erosion will be a massive issue. We do not have the right tools, the right guidance or anything to deal with that in a planning context. At the moment it is not a massive issue because it is affecting primarily public land. There will come a time in the not too distant future where it affects private land as well, and the planning system will become very important in that context.

It also goes to the regulation that we are talking about, so the actual standards. One of the concerns that we have around the current reform program is, as you may or may not be aware, the ResCode, which is the standards that guide almost every house that requires a planning permit in Victoria. Certainly the codification of those and the content contained within those were of significant concern to the institute in relation to climate change. We had been part of the ESD road map reference group. We had seen some earlier draft standards, and certainly we were disappointed with the regulation that was proposed through that. It is also similar with the activity centre program that is going on at the moment. Particularly given the critical importance of the precinct scale planning, we were pretty shocked that there was literally no mention of climate change in those plans. So it kind of runs the whole gamut, and that is why we have called for that kind of wholesale review of making sure that we have actually got a system in place, particularly if we are going through a program of reform, that really supports people who will be making decisions right from the strategic planning level down to those lot scale decisions to make sure that everyone is working together to deliver those climate-resilient communities.

The CHAIR: Ms Broad.

Gaelle BROAD: Thank you very much. If we can shift, because we are talking about built infrastructure, when we talk about climate, public transport is often referred to as well, so I am interested in your perspectives on this. I know we have had some debate in recent times about the Suburban Rail Loop, a \$200 billion project, and the activity centres you mentioned. You know, places like Niddrie do not have a train station, and there is no bike path. I represent Northern Victoria, and there are areas very close to Bendigo that have no regular bus services and a train line that does not have a duplicated track to Bendigo, so that has its own set of challenges. We are looking to make recommendations from this inquiry. What are your thoughts on the Suburban Rail Loop and so much expenditure being put into one project as opposed to the infrastructure needs across regional Victoria and Melbourne as well?

The CHAIR: That is a very interesting stretch of the terms of reference of the committee inquiry to ask people's opinions of the Suburban Rail Loop. Do you want to have another crack?

Melina BATH: It is a built environment.

Gaelle BROAD: Well, it is a built environment, and they are planners and they are talking about housing development. We are referring to that as well, so I think it is –

The CHAIR: You could talk about the planning controls around the Suburban Rail Loop. The committee has got its terms of reference, and asking people's opinions on a transport project is probably not squarely within them. Do you want to have another go?

Gaelle BROAD: Okay. Do you see that there is a need to have investment further afield than in one particular area?

Keith RYAN: I am happy to have a go first, if you like. We agree that you do need to have infrastructure upgraded, both infill as well as new infrastructure in regional as well as the outer greenfields areas. There are certain challenges about how government has to allocate those different moneys on different projects, and it is not for us here today to comment on that except to say that we definitely have a concern that there is a lot of money that has to be spent on improving infrastructure in general. I am mindful of the fact that as part of the housing statement process there is an infrastructure contribution review process which is starting. I am not at liberty to say much about that; it is only just started anyway. But a key issue for HIA is going to be that to some extent developers accept that they need to contribute to help get their projects going and to make sure that projects they are developing are going to be attractive, good places for people to live. It is a commercial imperative as well. But there is also a benefit to the whole community, and government has to step up and also contribute, and I think that is probably the key point.

Jane KEDDIE: I have probably got three points to make around that. The first one is that as a principle of planning, investment in public transport is really critical and getting more people living where the public transport is has been a core planning principle for a very long time, despite it seeming to be a surprise to some people through this current program. What needs to go alongside that, though, is reform that actually delivers the benefits of putting people in those spaces. Those are things like thinking about how you manage car parking in those areas. There was a reform that was called PTAL earlier in the year, which does not seem to have gone anywhere, which really looked at the different levels of public transport provision and actually adjusted the regulations – so the amount of car parking, bike parking et cetera based on the quality of public transport that you have available. That was a good piece of reform. It does not seem to have gone anywhere.

We did highlight in our submission in terms of infrastructure that there is very much a need for coordination between the strategic decisions around settlement and increased density et cetera with decisions related to that infrastructure development, and that does not just deal with transport infrastructure, it also deals with things like mitigation infrastructure where you have got some quite significant areas at risk of hazard.

We are pretty concerned I think at the moment with the current reform program that the infrastructure planning, the prioritisation and the funding process for that are not necessarily being closely coordinated with settlement planning, and obviously we understand that that is starting to happen now. But we have flagged that as an issue. One of the things that we have talked to in a number of other submissions is we have not even really started having the conversation about infrastructure required to deliver climate adaptation, and how that is funded, who pays for it and the like. That is going to be of particular relevance obviously to a lot of our coastal areas where you are going to get lots of private land impacted by sea level rise as well as public land, so that is going to become a much greater issue over time, and I do not think we have really started to grapple with that here in this state.

Gaelle BROAD: We have seen some delays with the planning process, and that has caused all sorts of issues. Do you have any insights into regional areas versus metropolitan, if there are any unique barriers that regional areas face?

Jane KEDDIE: In terms of public transport provision –

Gaelle BROAD: Probably more in terms of planning and housing generally.

Jane KEDDIE: Yes, certainly.

Gaelle BROAD: And I know I do not have much time left.

Jane KEDDIE: We have quite a strong focus in PIA on regional areas because unfortunately a lot of the time the regional areas do not receive perhaps the same attention as metropolitan areas, and in terms of climate change those are some of the areas that are going to be most significantly impacted. So we are very conscious of and we are always looking at those impacts, and probably you will have records of a lot of advocacy that we have done in relation to flood, and flood hazard in regional areas in particular remains uncoordinated. The flood plain management authorities remain recommending rather than determining authorities in those areas. So there are a number of areas where certainly I think regional areas would benefit from a much greater focus in terms

of some of those, and we have certainly flagged it in our plan for Victoria submission and we are very hopeful, although we have not seen any indication to date that this will be the case, that climate change really forms a critical part of that plan for Victoria. We have areas in the state that will be unlivable under some of these climate change scenarios, and we really need to start thinking about what that means, and those are primarily in regional areas of Victoria.

The CHAIR: Thank you. Dr Mansfield.

Sarah MANSFIELD: Thank you. Thanks for your evidence and for appearing today. I was interested, Keith, in your comments about the power of the market to drive changes and to drive some of these climate resilience outcomes that we are hoping to achieve. There would be some who would argue that leaving things to the market is what has brought us into this problem in the first place and it is helping to drive the climate crisis. Is it possible that having some clearer expectations, because we have heard from lots of people that there are inconsistencies across different council areas, different parts of the state when it comes to expectations around ESD – you have got individual councils trying to negotiate with individual developers. Surely having a consistent standard across the board would actually be helpful for the housing industry, and some clear expectations set at the state government level?

Keith RYAN: Look, yes, I think that is a fairly good point. I would stress that when I talk about the market and particularly consumer demands for what happens, yes, you could argue that markets failing to respond has been a problem, but so has governments failing to respond. It is a combination. But yes, you are right that to some extent a degree of centralisation and provision of more certainty about what outcomes are likely throughout planning in general, including in this area, would be a desirable outcome. We then get down to the fine point of how much do you have certainty potentially restricting flexibility, potential for councils to approve or not approve, and I would not argue that everything has to be centralised because I think we need to give credit to the local areas to make their own calls and judgments as well. But as much as possible a degree of greater consistency, even if it is more standard frameworks to be applied, more standard conditions – almost a menu of options – that would certainly help to provide more certainty, help to encourage investment, but also find a way to help address some of the planning challenges we face, including in this area.

Sarah MANSFIELD: Thank you. Jane, I would be interested in your thoughts about how we could improve the agility and responsiveness of the planning system. We have heard from a number of witnesses through this inquiry that one of the challenges is that when you are trying to make planning changes, particularly from the council perspective, it can take years to go through those processes. Flood modelling is one of the commonly cited areas where it has been really challenging. I think sea level rise is another one where the numbers that we are working off are already out of date. The same thing happens with flood modelling. The system is not designed for the rapidly changing climate risk that we are facing now. Do you have any thoughts about how we can create a more agile planning system?

Jane KEDDIE: Yes, absolutely we do. We have been advocating around this space, and maybe I will focus on the flood hazard question initially. We have been advocating for a number of years now that the state government takes ownership of the mapping of flood hazard. The current system is not functioning well, and it will function even less well as we start to deal with some of the issues of climate change. Probably a good example is we have the flood modelling that is being done now by Melbourne Water for a number of areas that this is going to play out in over the next few years. The amount of additional properties that are going to be impacted under that modelling is significant, but we know from the latest ARR figures that that modelling is already out of date.

We have a system in Victoria with bushfires where the state government took ownership of bushfire hazard mapping. That is done by the state, it is done regularly, it is translated into maps in the planning scheme so that there is this transparency around that and it happens as a matter of course. It is constantly reviewed – I think it is in six-monthly cycles that it gets reviewed – and that ties into the building regulations as well. So we would be, and have been, very strongly in favour of the state taking ownership of flood hazard and undertaking a similar process. What that does is it leaves the local governments and their communities free to actually have the conversation about what an acceptable level of risk is, what their response to that risk is and what they need to change in terms of the planning for their neighbourhood. At the moment everyone is having arguments about if something is subject to flood hazard or not, when that is a matter of fact. We are taking years to just get something so that we have got a permit trigger so that someone can actually consider it.

If you talk about sea level rise, we have the CSIRO data. It is obviously available through CoastKit – most people probably do not know that it is available through that – but we still do not have any planning controls. So there is no permit trigger to say, ‘You’re in a flood-affected area that’s going to be impacted by sea level rise,’ even though we know that because we have the data. Certainly, in a lot of our submissions we have addressed that.

I think also if we talk about the agility of the planning system, again remaining with flooding, we are also on record as saying that we need to get more dynamic in terms of our actual responses as well. At the moment the way we approach planning for flood hazard is we go, ‘Right, there is this type of flood event at this one point in time and the flood level is this, and then we raise our floor level above that.’ In a context where what that level is is going to be changing quite a lot over the coming decades, we do not think that is potentially the right approach in terms of delivering climate-resilient housing. In other states, like Queensland, they have a slightly different approach where flood resilience is much more than just raising the floor level. It goes to the materials and it goes to the construction techniques et cetera when you are in one of those flood-prone areas. Certainly we think there is a fundamental rethink needed in terms of how we deal with flood hazard as we move into these new times.

Sarah MANSFIELD: Thank you.

The CHAIR: Mr Berger.

John BERGER: Thank you, Chair. Thank you both for your appearance this afternoon. Jane, could I just take you back to your right tools. I do not want to go right back into reopening the whole issue, but as the tools currently exist now, with the changes that were made to get to the current tools, what improvement has been made to climate change and climate resilience during that initial change?

Jane KEDDIE: In relation to?

John BERGER: Planning systems.

Jane KEDDIE: The reform that has happened to date, that is positive from a climate perspective?

John BERGER: Yes.

Jane KEDDIE: One of the things we were very pleased to see is that recent change to the *Planning and Environment Act* in terms of there being a new objective that talks to explicit consideration of mitigation and adaptation through planning scheme review. When a planning scheme is changed, that is a really critical moment in time to make sure that you are checking in and you are aligning with those outcomes. That has been extremely positive. The changes made through stage 1 of the ESD road map were also really good changes. They brought in a lot of that good policy. I would probably also point to the work that is being done in the marine and coastal space. There is some really fantastic work being done within the government and within that marine and coastal space in terms of setting up the right frameworks for adaptation, hazard assessment et cetera and also really importantly in terms of establishing communities of practice to share insights and information and help do guidelines, so certainly in that marine and coastal space. But again, one of the actions out of the *Marine and Coastal Strategy* was to update the sea level rise benchmark. That was to be actioned in 2022–23, I think, yet we still do not have an updated sea level rise benchmark.

John BERGER: Given those improvements have happened over time, if you had your chance, what would be the one thing to work hand in hand with what you have just outlined?

Jane KEDDIE: That is a really hard question. Obviously we have numerous things that we have been advocating for. Can I have a top three?

John BERGER: See if you can get your three in 3 minutes.

Jane KEDDIE: I will have a top three, and I will do it really, really quickly. One is that reform of how we manage flood hazard in Victoria. Certainly that would be high on the list. Another one would be making sure that we get the key bits of planning regulation, and that would probably be ResCode, to build in the right kinds of regulation to deliver energy-efficient climate-safe homes. The third one, which we have not really touched on, would be to deal with urban greening. I think one of the other challenges with our current reform process is

that delivering more housing can have really significant impacts in terms of our urban canopy, and that is a critically important tool that we have in our toolkit in terms of climate resilience. We really need to get a bit smarter about how we actually deal with that rather than just going, 'We have to keep trees,' or 'No, you can cut all the trees down' – so getting a more nuanced response to that. For instance, you might use something like the Green Factor tool that the City of Melbourne developed in areas like your Walkerville catchments, where you want to increase the density, so you get green infrastructure with increased density. Then outside those areas maybe you do a little bit more to actually protect that mature canopy vegetation because it will be so critical to our climate resilience. They would be probably my top three.

John BERGER: Thank you. Thanks, Chair.

The CHAIR: Ms Bath.

Melina BATH: Thank you. This discussion has been right around the question that I want to raise, and I wanted to raise it for Bass Coast. A Bass Coast council representative came down to Gippsland and spoke to us, and they said exactly this:

From a land use planning perspective, there is no coordination from the State regarding key climate risks including inundation and coastal erosion. A State standard framework, similar to that implemented in relation to bushfire ...

To address these concerns –

they are suggesting, so this is the feedback I would like –

... among key legislative and regulatory frameworks, including the Climate Change Act, Planning and Environment Act (PE Act), Building Code, and Marine & Coastal Act. Greater alignment between these acts ...

This was a lady who came to speak to us on that. You have been discussing this. Anything to add on that?

Jane KEDDIE: Certainly I would support that you need all of those bits lined up in order to deliver the framework. I think one of the considerations and one of the complexities that has been added by the recent reform program is that we now have lots of different – so precincts sit under, or can sit under, different legislation than the *Planning and Environment Act*. There are complexities that have been added into the system and into the pathways for approval that I am not sure have been fully integrated into some of the thinking around the reforms needed, because we have a situation where we now have a number of different authorities and they have different legislative obligations and the like and different pathways that are embedded into that legislation. So making sure that there is transparency around what that complexity is, and you have actually picked up all of the decisions that might need to be made, whether that is through the SRLA who have a different set of legislation than, for instance, planning done through the state planning department. I think those are the main ones, but there are quite a few caveats that come into play, and that is happening in terms of the actual planning policy and pathways as well.

Melina BATH: We have got a BAL rating in building, and you mentioned this across-the-board regulatory standard. Can that work for flood and coastal erosion – inundation and erosion?

Jane KEDDIE: I do not think it is quite as simple –

Melina BATH: No, I am not trying to insinuate it was.

Jane KEDDIE: Erosion certainly I think is more complex than that. I think there is significant work that needs to be done in terms of understanding the impacts and the different geomorphologies of different parts of the state before you could look at something that was a bit more standardised –

Melina BATH: A rating that you could build your house to in terms of flood or inundation?

Jane KEDDIE: So, erosion is a little bit more challenging because obviously we do not want people building on land that will be eroded. But in terms of hazard, I think I have not turned my mind to that particularly –

Melina BATH: You can take it on notice.

Jane KEDDIE: but I do think there are some complexities that you might want to consider in terms of that, because it is not just about the level of hazard or risk that a particular site might be subject to, it is also the

context of that site. So for instance, there are different areas. If you are in a rural area versus a heritage inner-city area versus a suburban context versus an activity centre where you want activation at street frontages, you want different responses to that hazard, which I am not sure that you would be able to build into a system as simply as a bushfire.

Melina BATH: Even though BAL is not simple in a sense as well, so leaving that. I guess the other thing is you mentioned – and I am not trying to ignore you, Keith, at all; I have got questions – climate versus housing crisis. I wrote that down. And here is where the balance is, because we have got to put people in a house somewhere, in the city or in the regions; we have got to balance – ‘we’, the conundrum of Victorian politics and life. So how – egress? We have got people being clogged in VCAT because they are rejecting these decisions made by determining bodies or enabling bodies that accepted it, the councils that have accepted it. And I have got a minute left, but where is the way forward for this? How is there a balance for this, because it is a real conundrum, both building houses and, I will say from your words, climate considerations.

Jane KEDDIE: I think it can be balanced. I think it is really a matter of putting your mind to climate – it is a central consideration in this as well – and how we find the balance. From the planning institute’s perspective, that means we keep people out of high-risk areas. We do not intensify development in high-risk areas. The only way development in high-risk areas is okay is if there has been some really careful planning around what that mitigation and adaptation infrastructure looks like – it has been funded, it has got long-term maintenance plans, we know the level of protection that it offers over time et cetera. Other than that, keep people out of those high-risk areas. In the low-risk areas we can accommodate people. We just have to make sure that we have got the right designs and the right regulations to make sure that those houses are safe, and that needs to be clearly communicated and consistent so that, for instance, the people building the houses know exactly what is expected of them and they know exactly which areas are the areas that we are going to support.

Melina BATH: I guess my conundrum there is: define ‘high-risk’. With high-risk, are we talking 40 years, are we building for 2100 years? How does that look in this conundrum of putting bodies in homes in a reasonably humane way?

Jane KEDDIE: Look, that is one of the core challenges that we face. We know these impacts are going to get worse over time. We are not on the right trajectory to hope that things will not get a lot worse over time. In planning we tend to plan to 2100. You could argue that it should be a 100-year timeframe so we might need to move that benchmark further a bit. If we plan for flood, it is the 1 per cent AEP which is essentially a 100-year timeframe. Certainly in planning we have got a 2100 timeframe. We need to just pick a time and make sure that we are planning to deal with the hazard. The hazards will change, our understanding, the technology, the science will change over time, but we can do our best by picking a particular point and making sure that we are at least recognising those areas that are high-risk taking that into account.

The CHAIR: We are out of time for this session. Thank you, both, so much for coming in. It was a very interesting discussion and set of evidence. You will receive a copy of the transcript for review in about a week.

With that the committee will take a short break.

Witnesses withdrew.