

TRANSCRIPT

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Apartment Design Standards

Melbourne—Wednesday, 16 February 2022

MEMBERS

Ms Sarah Connolly—Chair

Mr David Morris—Deputy Chair

Mr Will Fowles

Ms Danielle Green

Mr Paul Hamer

Mr Tim McCurdy

Ms Cindy McLeish

WITNESSES

Dr Jonathan Spear, Acting Chief Executive Officer,

Dr Kath Phelan, Principal Planner, and

Mr Peter Kartsidimas, Director, Networks and Planning, Infrastructure Victoria.

The CHAIR: We are now starting the live broadcast. I advise that the sessions today are being live broadcast on the Parliament's website. Rebroadcast of the hearing is only permitted in accordance with Legislative Assembly standing order 234.

Thank you, Peter, Jonathan and Kath, for joining us today at this public hearing for the Inquiry into Apartment Design Standards.

On behalf of the committee I acknowledge the traditional Aboriginal owners of this land, and we pay our respects to them, their culture, their elders past, present and emerging and any who may be joining us here today. I also extend a very warm welcome to any members of the public and the media who may be watching from afar today.

This is one of several public hearings that the Environment and Planning Committee is conducting to inform itself about the issues relevant to the inquiry. Before we begin I need to point out a couple of things to you. All evidence taken today will be recorded by Hansard, and it is protected by parliamentary privilege. What this means is that you can speak freely without fear of legal action in relation to the evidence that you give. However, it is really important to remember that parliamentary privilege does not apply to any comments that you make outside the hearing, even if you are just simply restating what you said here before us today. You will receive a draft transcript of your evidence in the next week or so to check and approve, and corrected transcripts are published on the committee's website and may be quoted from in our final report.

Thanks again for making the time this morning. My name is Sarah Connolly. I am the Chair of the Environment and Planning Committee and the Member for Tarneit.

Mr MORRIS: And I am David Morris, the Member for Mornington and Deputy Chair of the committee.

Mr HAMER: I am Paul Hamer. I am the Member for Box Hill.

Ms McLEISH: Cindy McLeish. I am the Member for Eildon.

Ms GREEN: Danielle Green. And I am the Member for Yan Yean and the Parliamentary Secretary for Regional Victoria and for sport.

The CHAIR: Jonathan, I am going to hand over to you.

Dr SPEAR: Great. Thank you very much, Chair. And thank you very much for the opportunity to speak with the committee today to our submission. I would also like to acknowledge the traditional owners of the land on which we are meeting and pay respects to their elders past, present and emerging and any who may be joining us today. I am Jonathan Spear, Acting CEO of Infrastructure Victoria. With me is Peter Kartsidimas, who is our Director of Networks and Planning, and Dr Kath Phelan, who is a Principal Planner with Infrastructure Victoria.

Now, we are Infrastructure Victoria. So you may well ask, 'Why is Infrastructure Victoria interested in apartment design standards?'. There are a couple of steps to this which I think are probably worth explaining to give the context about why we think that design standards and design quality are really important and interact with infrastructure provision. We have a focus as the state's independent infrastructure adviser on making sure that infrastructure planning is done to both deliver infrastructure where we most need it and in the right time but also make the really best use of the infrastructure that we currently have or that we are going to have into the future.

We also have a very strong focus therefore on integration of land use planning and infrastructure planning and the critical interplay that happens between those two things. One of the things that our research has identified—and we published this several years ago—is that the cost of providing infrastructure in a greenfields setting is between two and four times more expensive than delivering it in an established area. That research on infrastructure provision in different development settings is research that is published on our website, and of course we are very happy to share that with the committee as well.

What that means is that then when we look to better using the infrastructure that we have got, continuing to develop housing density in established areas of Melbourne where there is good infrastructure provision already or there is planned to be further infrastructure is a really good way of both making best use of that infrastructure but also achieving some of the objectives of *Plan Melbourne* and the development of our population growth both in growth areas of Melbourne and regional cities as well as established areas of Melbourne. We have to have the infrastructure there to do that, and we know that there is an opportunity to do so.

In Victoria's 30-year infrastructure strategy, which was tabled in Parliament last year, we have a recommendation, recommendation 35, that talks about the importance of identifying established areas of Melbourne which are well suited to greater density and then the state government working with local governments to facilitate planning provision changes to increase that density and also to use design review panels as one of the ways in which the design quality can be improved. And I know that is something that has been at the core of the considerations of this committee. This is where we start to see the intersection then between infrastructure planning and apartment design, because with that greater density, much of that density is going to come in apartments that are being delivered in areas that have got often really good public transport infrastructure but also other utilities that can be relatively cheaply and easily improved and upgraded to meet that demand.

Of course one of the key things that really concerns communities is the quality of design and the acceptability of increased density in established areas. That is something that we are really conscious of at Infrastructure Victoria. We understand that this is not just a technical issue of changing planning and building apartments, it is also an issue about: how can we increase density in established areas in a way that the community is willing to accept and in a way that future residents are going to find gives them a really great lifestyle too? And so for that reason we undertook a deliberative consultation a couple of years ago where we spent several weeks with ordinary, normal members of the community, a diverse range of Victorians who lived in communities where they actually have had increases in density in their areas. We talked to residents of Camberwell, of Heidelberg and of Footscray. These were a mix of randomly selected participants but also people who volunteered because they were interested, and we spent some weeks with them talking through 'What does density done well mean to you?'—so 'What do you like? What do you not like? And what would you like to have in the future?'

That was a really interesting insight, and we provided the committee with the report on that. What it told us is that communities are really actually quite willing to embrace increased density when it is done well, and they identified for us the characteristics of what density done well looks like. What we have provided you is a summary one-page handout which talks about that, and that is in the report as well. The important thing is that quality of design was the number one consideration that the community had, and that was followed by good public transport connections and many of those other considerations around green space in the community and safety. They were all important too, but when we talked to the community members about what was the most important, far and away design quality was the number one thing. So that obviously is really important when it comes to the work that the committee is looking at around design quality for apartments.

What the community gave us, I suppose, were some leading indicators about what they think really matters here, because what design quality is of course is subjective and somewhat contestable. I know you are hearing from other witnesses who are experts in architecture and design and planning, and of course they can inform you around that. What the community told us was that this is about more than just the bare minimum of space and more than just the bare minimum of green space, and they were very conscious about having open green space both in the apartments and in the dwellings as well as nearby. So it is a consideration. When they think about good quality design, it is the design of the buildings themselves, but it is also the surrounding areas. So that is an important component of it, rather than just looking at the design of the apartment or the dwelling itself.

They also told us that they wanted diversity of available product, if I can put it that way, a diversity of available housing types, which may really transfer across one, two or three bedrooms, in separated buildings as well as apartment buildings, and generally in the sort of locations that we were talking about, not really high high-rises. Six or eight storeys was around the sort of maximum that the community were telling us about. So we think that that is important because it gives us a sense of the conditions under which greater density will be acceptable to the community, and we think that that is useful for this committee to be thinking about when thinking about design standards.

The recommendation that we have got in our strategy, which is to make greater use of design panels which could work with local government and developers very early in the stage of significant planning proposals, may well be a good opportunity to de-risk it for the developers, to get some of these outcomes that the community tell us that they want and, going back to where I started, to make sure that the infrastructure we are providing is being best used, and where it is suitable to deliver greater density of dwellings in established areas of Melbourne, that we can do so. Chair, I might leave that there, but we would be really happy to expand upon that. Kath, who is with us, was integrally involved in this research, so we are really happy to discuss that further with you.

The CHAIR: Thanks, Jonathan. I have got a big smile because I am very pleased to hear that you are thinking about it from the community's perspective. Whether it is medium density or high density, they are part of neighbourhoods and they are there for a long time. People have to live and exist around them. They are part of neighbourhoods, and we need communities to embrace them.

I have got two questions. The first is on design panels. Who would be on them, and can you explore a bit more how they would work? And the second one is: from your research and the information and data you collect, when you say people are talking to you and thinking about good-quality design, where you have got owner-occupiers, so they are buying off the plan or they are looking to rent, would you say at that stage of the purchase or entering into the contract and moving into the property that they have any idea what good-quality design is, or are they realising this after—particularly after two years of lockdown and living inside their apartment in those four walls for more periods of time than perhaps they ever have—thinking about what quality design is and what would enhance their standard of living?

Dr SPEAR: So two good questions, Chair. I might start with the second one, and then what I will do is hand over to my colleague Kath—

The CHAIR: I thought the first would be easier.

Dr SPEAR: to talk around the first one, because there are a number of models around design panels, and I know Kath has looked at that quite closely. So we have not done detailed research around the consumer choices that people are making or the purchaser choices, and the research we did, importantly, was pre COVID. What we do know, I think, from just reading newspapers and research on the housing market more generally is that there are different categories of purchasers of properties, and it would appear that at least some apartments are serving as a form of investment commodity rather than being for the person who is ultimately going to dwell in it. So the person who is purchasing it and never living in it may well have a different set of incentives to the people who are ultimately going to live in it.

I think the second thing is that that may be of some concern because these are long-lived investments and long-lived buildings. When we look to the future livability of our city and if we look to achieving some of the density outcomes that are important to achieve—*Plan Melbourne's* aspirations and to make best use of the infrastructure we have got—then those denser properties must be livable and they must be sustainably livable over time. While some purchasers are well researched in terms of the way in which properties perform and what they need and so forth, the reason we have standards in all sorts of areas of policy is to at least provide a minimum that we as a state expect people to live with. I think that is probably relevant then to the work of the committee. Kath, would you like to talk a bit more about design panels?

Dr PHELAN: Yes, sure. Thanks, Jonathan. We had a look at the work that the City of Melbourne had been doing on design review panels when working out our recommendation 35, and I would suggest—I know they are appearing before you today—that you actually ask them specifically about their design review panels because I believe they are the best equipped to really talk about this in detail. But in general, when it comes to

these panels we have an existing design review process through the Office of the Victorian Government Architect, but that is only for state projects and it is not even clear exactly which state projects go there. It is not a clearly defined criteria. At the moment the City of Melbourne actually have a pilot for their own design review panels, so they got that through in October last year. They have a few more criteria for what projects will go in front of that, so they are council projects, anything that is locally significant, and they have spent quite a bit of time defining what that actually means.

Ultimately really we believe that the state should be running this rather than expecting local governments to individually form their own design review panels. We see a role very much for the state and of course for the Office of the Victorian Government Architect to be very closely involved with that. If it is a state role, then really it is for government to decide the details, I believe, around who should really sit on that panel, but I think looking at the City of Melbourne experience with their pilot would be really valuable. They have a range of built environment experts that sit on that panel, but it is certainly not something that we looked into in any great detail as far as the composition of that panel goes. We focused more on the concept of actually introducing that panel in an attempt to really have more scrutiny earlier of projects to try and increase that design quality outcome for these apartment buildings.

The CHAIR: Do you think that that would help bridge the gap or assist with the communication between local councils and developers as well in knowledge building, knowledge base and what the drivers are between parties?

Dr PHELAN: Absolutely, yes. I think local government plays a very, very important role, so we would never suggest that local government should be cut out of that just because we are suggesting it is a state role to do this. But local government needs to be an integral player there because they are so important in representing their local communities' interests. So yes, absolutely, and having those communication lines open between local government and developers early in these processes so we do not end up at VCAT every time when there is a complex project that comes before a local government I think is really, really important.

The CHAIR: Thank you.

Dr SPEAR: Chair, I might just add that while of course every development has to consider the particular context in which it is being developed—that is part of good design—having panels like this could potentially be of benefit also for greater levels of predictability for local governments and developers. We are really conscious that, from the side of developers, they want to be able to have some level of certainty as they finish their design process and that that time spent up front may be of benefit to save time and cost later on as well.

The CHAIR: Thank you.

Ms GREEN: Chair, do you mind if I just follow up relating to the evidence we heard yesterday?

The CHAIR: Sure.

Ms GREEN: We had the property council and the UDIA in yesterday. In the City of Whittlesea when they do greenfields development they have development conferences. So they get all the parties around the table—the developer, the council, the utilities; they do not actually have the community there—because they want to nut out all the nuts and bolts, and it is done over a series of days. I think the people before us yesterday said, 'Yes, that'd be good, but we don't necessarily want community in there because we've already expended money. We've looked at all these things in terms of our time lines for when we've got money'. They said it takes about six years to get from finding the site to actually getting something built. So they were very much: 'Community would push this back. Everyone's an expert'. I think that was their response to that. How would we overcome that, do you think, and how would we get that active, 'Yes, this is a good idea' rather than 'We want to pull this back and diminish the profits for the investors'?

Dr SPEAR: It is a really interesting and practical question. I think some of the research that we have done actually gives us a start to thinking about this, because it is probably not efficient or consistent to have community members expecting to be engaged in every single one of these panel reviews, and it may not be actually what the greatest value out of the panel is. But what is really important is that when design panels and developers and local government are sitting down to assess and look at applications, they really understand what the community cares about. We have done an exercise in three different areas that have been through this.

It may be that there are slightly different expectations that the community has in different areas. It would be very useful I think to engage upon this review process with the knowledge of what the community thinks about design and what matters for them most in that particular area.

The other thing I think that is important here is not just capturing the views of those who currently live in the area but also future residents as well, because they are the other potential people that are going to live in these buildings and join these communities. So if we can be more consistently capturing those views of existing and future communities—not redoing that every time but perhaps periodically checking in to make sure that their views about good design are being reflected in that review panel process—that might be a practical way of doing it that actually adds value.

The CHAIR: Thank you. David.

Mr MORRIS: Thanks, Sarah. I just want to ask a quick question about the ‘density done well’ process, and then I will come back to energy efficiency standards. With density done well, from the way you described the process it sounded not like you were preaching to the converted but that you were engaging with people who are already disposed to having an interest in higher density development or perhaps are more sympathetic to higher density development. Is that a fair comment?

Dr SPEAR: No, that is not quite correct. Kath, would you like to describe the process of the selection of the participants? It is a really important point.

Dr PHELAN: Sure. So in choosing Camberwell, Footscray and Heidelberg we did decide that we wanted to recruit people from places that had some experience with density. We did not want to talk to residents in the City of Melbourne because we see that as a very different sort of issue; the City of Melbourne is a wonderful exception. Really we were interested in those middle suburbs. We decided that we would take an approach of getting a group in each of those places where people actually self-selected to participate, so they knew what the sessions were about and they chose to come along. But we also recruited people randomly and tried to get a generally representative sample of the local populations from those areas. So they did not know what the project was—they were recruited by an external contractor and came along—and it was only when we started the sessions that they were introduced to the whole topic.

Mr MORRIS: Right. And what were the proportions?

Dr PHELAN: The groups were exactly the same size.

Dr SPEAR: It was even, and they were split—they were deliberately split—so we heard their views and they did their deliberations split. Then we brought them together at the end too, which we thought was useful. And so the data around that is all in the report, but that is a really important methodology point, because we are really conscious of making sure that we are getting as representative a view from the community as possible.

Mr MORRIS: Thanks for that. With the most recent infrastructure strategy, there was a note in there that there had been, I believe the words were, ‘significant feedback’ that the government should strengthen compliance and enforcement to support energy efficiency standards, particularly under the National Construction Code. I am wondering whether there was any feedback on (a) the sustainable design of apartments but also about whether there is anything useful, really, in the *Better Apartments Design Standards* in terms of energy efficiency.

Dr SPEAR: Yes. So we have made a number of recommendations about energy efficiency in the 30-year strategy. Some of it is in relation to building standards, where absolutely we are advocating moving the national process to increase to seven stars and then ultimately to eight, and we are conscious that that is a process that is currently ongoing. We think that there is very significant opportunity there. And really it is very much a no-regrets measure, because for relatively little additional investment and a bit of further thinking about design—the quality of design, passive solar et cetera—you get big benefits to the owners and occupiers of the building for a long time, but it is also very important in terms of the energy transition because it reduces the demand. It makes the effort that we have got over the next decade or so a lot easier, so that is why you see recommendations in relation to building standards, to government buildings, to rentals and to social housing. We think that that should be a very high priority. It has got a very good return on investment.

What we have not done is a specific analysis of the current apartment design standards and energy efficiency. But I think what we would say is that a focus on that would be useful and that actually what it does is it keys then into many of the things that the community told us too. Because—

Mr MORRIS: Right. That is what I am interested in.

Dr SPEAR: That is where it comes back, right? Because it is not just about the energy efficiency, it is actually about the quality of life in these houses, where you have natural light, natural ventilation, good insulation, open spaces that are accessible and tree canopy cover. Those are elements that the community told us they really highly value. They are also key components of sustainable design and energy efficiency, so that is where that all connects up.

Mr MORRIS: Thank you for that; that is useful. Thanks, Chair.

The CHAIR: Thank you. Paul.

Mr HAMER: Thank you. I just wanted to tease out a little bit more—you talked about, in the density done well process, one of the elements that came out was about the diversity of product. I guess ‘diversity of product’ could be interpreted in a lot of different ways—it could be shape, it could be the different people who are living there, it could be affordability—so I am interested in understanding a bit more about that element to it. And related to that, who was actually calling for the diversity of product? Because I am assuming that if it was both self-selected and randomly selected, based on the suburbs that you chose most of the participants would not be current apartment dwellers. I mean, there was probably a bit of a mix and it varied from suburb to suburb, but that sort of desire for diversity, where was that coming from? Is it just about, say, back to a neighbourhood perspective, or is it something that they wanted to, say, see themselves living in at a future time, so they wanted a product that they could visualise—just a little bit more information on that.

Dr SPEAR: Yes, excellent question, and one we explored, didn’t we, Kath, quite a lot?

Dr PHELAN: Yes.

Dr SPEAR: I might let you start in answering this. We spent quite a lot of time with the panels around this, didn’t we?

Dr PHELAN: We did, yes, so it is a really terrific question. I think the responses that we got really reflected the experiences that these communities had had with density, and they were different. So we have sort of got Camberwell and we have got Footscray, which are quite different in their perspectives. Footscray just generally, the participants had had more experience with density. A couple of our participants who were in the self-selected group were actually already living in apartments in Footscray. We had an older lady who was living by herself in an apartment and was very involved in the Footscray Community Arts centre, so was very engaged in her local community, and really was interested in attending because she wanted better design in Footscray. She wanted to see her kind of experience, but she wanted basically better buildings in the area that respected the local character. We also had another gentleman who was a participant, again self-selected in, who was living in Footscray in an apartment himself as well with his partner and was very, very enthusiastic about it. So they were enthusiasts about density. So that is to your point, Mr Morris: absolutely, they were the converted. They were definitely converted.

It was very interesting then to have the conversations in Camberwell, where we had a couple of women who were mothers, and they had chosen to live in townhouses in Camberwell. Both had anticipated they would live in a detached dwelling somewhere, but they had actually traded off space for the location. They wanted to be close to all the activity around Camberwell Junction. One of them said, ‘I would actually even prefer to live in an apartment, but I can’t find anything that actually suits my needs. I have children. The only kind of apartments that are available are these penthouses that would actually suit my family; I can’t afford it. They have three bathrooms, and I am not cleaning three bathrooms’, she said. So she was a very, very strong advocate for more density.

Ms GREEN: I’m with her.

Dr PHELAN: Yes, absolutely. And then we had a couple of young people who participated in the Camberwell sessions, actually in the randomly selected group. It was very interesting to see their conversations with some of the older participants in that group, and the older participants really could not understand why these young people would even live in apartments. So we did not get a uniform view from a particular location by any means; there were definitely differences of opinion. I think the Camberwell one just showed the diversity, even within a particular area, of expectations as well as actually what is available, and that differs by age, life stage, that type of thing.

Mr HAMER: I think you made that comment in your submission about the availability of larger apartments. In your research, do you think that there is an unmet demand for that market, and how would you see, I suppose, that changing? Would there need to be intervention, or is it just a maturity of the market, and then if enough people actually want it, the market will respond and provide that?

Dr SPEAR: It is a fascinating question, and not much work has been done on it in Victoria or Melbourne in recent years. Around 10 years ago the Grattan Institute did work on the housing we choose, which was around people's preferences for the sort of housing they would like to have versus what was available and trading off location and price and so forth. That work has not been replicated recently, and we think that that is an important question. So it is actually something that we are starting to look into. There is a hypothesis at least that there could be a mismatch between what people want and the availability of that, and that is certainly what the community panel members told us. I think some of the examples that Kath has just given you illustrate that. But it could well be that we have a chicken-and-egg situation here where people would like a certain type or a certain diversity of housing types in established areas of Melbourne but those are not being provided by the market, and the market is not providing it because people are not demanding it, because people cannot see it for themselves. It is a bit of a circular challenge, which is why we think that important things to address this are to identify those areas of established Melbourne which are well suited to additional density of development, particularly being well suited to the infrastructure that we have got, and then the state working with local governments to facilitate planning change. And then part of that planning change could be to facilitate a greater diversity of housing types that are available, along with addressing all of those design quality issues that we have been talking about and of course this committee is investigating.

Mr HAMER: Thanks for that. Can I just ask one more follow-up question. Do you think that that is a planning issue, or do you think that that is more of a financial, commercial issue that might need to be addressed through, say, financial incentives? It could be tax incentives or the like. Or would it be better addressed through the planning system, bearing in mind obviously that you said there is a lot of research that probably would need to be done first?

Dr SPEAR: We have not done the research to disentangle the causes of this, but what we do know is that when developers make development decisions and when we as individuals make property investment decisions it is probably a combination of financial considerations at state and commonwealth level and of planning and design requirements as well. We probably need to be looking at all those elements of it, but we have not come to a conclusion as to what the financial elements of that are.

Mr HAMER: Okay. Thank you.

The CHAIR: Thanks, Paul. Cindy.

Ms McLEISH: Thank you, Chair. Thank you for coming in today.

Dr SPEAR: Pleasure.

Ms McLEISH: I too want to have a look at 'density done well'. I have got a couple of questions, particularly around aesthetics. Now, the very first point you have here is about 'integrated into local design character, including green space'. You do not have to go far to see buildings that are completely out of place, and you might go to some of the inner-city suburbs where the industrial areas have been refitted and it all fits and it all looks fine. With your groups, was there much discussion about aesthetics?

Dr PHELAN: Absolutely.

Dr SPEAR: There certainly was. This was really important, and I am going to let Kath talk more about this. This is partly related to what I was saying to Ms Green before about understanding that what the community want in different areas is not necessarily universal, right? So this will vary, and part of the variation will be the context. We did have some really interesting discussions with the community members about this, so I will let Kath expand on that.

Dr PHELAN: Thanks, Jonathan. To just go back to Camberwell again, as you might expect, the residents of Camberwell, particularly some of the older participants, were very concerned about impact on heritage. So they really felt very strongly that there was little respect from these new apartment buildings for that neighbourhood character. That really contrasted, interestingly, with participants from Heidelberg, who were very interested in modern design—very enthusiastic about really well-designed but modern-looking buildings. I think that is a really good illustration of how, as Jonathan mentioned previously, aesthetics are very subjective. It is very hard for us to define precisely what a good-looking building actually is, and we struggle with this in planning all the time. You cannot just do a tick box when it comes to design, which is why we have proposed the design review panel, which would be a group of experts who really have a lot of training and experience around design issues. But I think absolutely the community are divided on what they would like to see in terms of the actual aesthetics, but they are clearly very, very concerned about it.

Ms McLEISH: With that point was about green space, and I see row upon row of townhouses in so many areas where there is no green space. I mean, it seems as though you are saying that on one hand people are really keen about that but they do not really care because they all go and live there anyway.

Dr PHELAN: I think you have got to sort of separate out who is perhaps living in high-density dwellings at the moment from the people that we necessarily talk to. A couple of people in Footscray I think would like to have seen more green space, and in fact there was quite a lot of discussion around the stealth privatisation of Footscray Park by Melbourne Victory soccer club, because they felt like they were losing their local green space there. I think the perspective of someone already living in high density is, 'We would like to have access to public open space. We don't expect to have a massive backyard, because we've chosen to trade off that for our building'. But nonetheless they wanted sustainable buildings, they wanted buildings that somehow incorporated nature. And, look, I think with the work that DELWP have done around the apartment standards and also just generally with the infill kind of development we have seen with the garden area requirement and deep soil requirements, there are efforts underway to do this, and I think it is really important that we monitor how those statutory changes actually play out in terms of actually increasing things like tree canopy cover and sufficient provision of open space.

Ms McLEISH: And what about common green space within the blocks?

Dr PHELAN: Yes. Look, I think there is a huge appetite for that. Often it comes down to a maintenance issue, which of course is something where Infrastructure Victoria are very interested in the struggles around asset maintenance. For an owners corporation, they are the ones who will be responsible for maintaining those common areas, and I think there is probably sometimes a little resistance to this—and you will probably hear about this in terms of internal spaces, communal spaces, that it pushes up the cost. But I think ultimately this is what your potential purchasers and renters are looking for, and the costs of those need to be factored into the whole development, because clearly the community want these things.

Dr SPEAR: Can I just add one other thing? We have done a lot of work on green space and open space more generally and consider it as infrastructure, and of course the previous inquiry that the committee had was looking at that and really investigating that. So there you see the very strong overlap I think between those two issues where greater density of housing is not incompatible—in fact it is probably a requirement that we have a greater focus on high-quality green space both in apartments, as we have just been talking about, but also in the surrounding areas. That is something that people really value, and the connectivity of that green space is really important—and the tree canopy cover, which of course we all examined in the previous inquiry.

Ms McLEISH: Have you visited many condominiums in the United States or Canada?

Dr PHELAN: I actually lived in Boston for a number of years.

Ms McLEISH: Okay. So the ones that I have been to actually seemed to be quite well designed even though they may have been built in the 1970s perhaps. They had lots of green space, and I particularly noticed some of

the one-bedroom apartments were actually very large. They were not, you know, ‘Okay, it is one-bedroom, so therefore your living space has to be small’. They were actually quite large. Do those sorts of things, do you think, ever get considered here?

Dr PHELAN: I probably really cannot comment because I am not an architect. I am more of a researcher and planner, but I think we need to look at those overseas examples and really do the analysis to sort of look to see what it is about some of the requirements in different places that we could actually learn from.

Ms McLEISH: Yes. And this is just a final quick one: who is the key driver for the lack of aesthetics or lack of diversity?

Dr PHELAN: Well, I was reading the transcript from last November when you met with some of the University of Melbourne lecturers, and I thought that was a very interesting description of how the construction industry has sort of changed since I started my career in the built environment. I think going back and reading their comments about that, you will get a lot of information from that. I do not think we as Infrastructure Victoria would be necessarily able to point to one particular party. I think they did a really good job of capturing the complexity of the situation with the changing roles of architects, developers, builders and subcontractors. I think they did a really good job of summarising that.

Ms McLEISH: Thank you.

The CHAIR: Danielle.

Ms GREEN: Thanks. I think it is really important, what you talked about—talking to people who currently do not live in apartments and looking at what that unmet demand might be, and that overseas thing too. I have never lived in an apartment, but if I could have lived in an apartment neighbourhood like my sister lived in and still owns in Barcelona and raised a child there, all of that—and Barcelona and Paris, I mean, six to seven storeys and wide space, boulevards, everyone walks and cycles everywhere, you know, that is just the dream, isn’t it? The development industry, who we heard from yesterday, were really strong on saying that we need to let the better apartment standards bed down and come through the system, and you can put to one side. We might all go, ‘Well, they’re perfect’, or we will wait to see them come through the system. But my interest is: what do we do with the enormous number of apartments that have been built this century and further? Because it seems to me like we are just going to have that stock there. I mean, we have got huge vacancy rates at the moment, and that is primarily overseas students and all of that. However, with one in five people living with disability at some point in their time, does Infrastructure Victoria have a view on what is the vehicle for us to try and retrofit those? Do we just detonate them? And with all of these disparate owners, do we go down the path of compulsory acquisition? Because this comes to energy efficiency, disability access, facilities for children, natural light—all of that stuff. How do we retrofit all the ones that have come before?

Dr SPEAR: It is obviously a really complex question. Some of the answer lies in the buildings themselves, but some of it is in what is beyond the buildings. You are probably better asking other witnesses who work in the actual construction sector about the technical feasibility and economics of retrofitting, because that is going to be a really significant factor. And that is why setting higher building standards as soon as possible is really important, because it sets us up for the future at least to deal with these legacy issues, as does the work of the committee in looking at apartment design standards. But as you point out, we have got this legacy, so some of it is going to be about the practicalities of retrofitting and the economics of that retrofitting. And where that is practical and economic, that would be good to do. We have certainly made recommendations about minimum energy efficiency standards for renters that should be improved over time to at least get to that bare minimum for those who are often the most vulnerable members or the least well-off members of our community. So that is one policy mechanism—to over time ratchet up the minimum energy standards for rentals.

Then part of the answer may well lie outside the envelope of the building. There is a high degree of potential for state and local government to be improving the amenity of those open areas and green spaces that are around, which we all know—from this inquiry, from the previous inquiry and from our research—people highly value. Improving active transport connections, having good public transport connections, having good green space and good tree canopy cover—they are all things that are relatively low cost, especially compared to what may be difficult challenges in retrofitting existing buildings. We have control over that space.

Ms GREEN: Many of the existing buildings might be in the CBD, though, so they have got all those connections.

Dr SPEAR: That is right, but not all of them are, and there still is opportunity to further improve the amenity of the CBD as well as other areas of Melbourne. Thinking about that combination of the envelope of the building but also what is outside it is a way of dealing with a legacy which of course is somewhat challenging, which is why we have this inquiry.

Ms GREEN: Could you see, now that we have got the build-to-rent vehicle, that potentially maybe morphing into retrofitting for rent?

Dr SPEAR: I am not sure, because we really have not looked at whether that is the right model for a retrofit. It could be, but we really have not done the work.

Ms GREEN: Finally, I would just hope that you get to present your research at a property council or UDIA event, because I think it would be really helpful. It would save them money having to do their own research if you have already done it.

Dr SPEAR: Thank you.

The CHAIR: Thanks, Danielle. Unfortunately we are out of time, but thank you so much for appearing today. It was a great discussion. It sounds like you have been doing a lot of work in this place as well, which is really great to know.

Dr SPEAR: Thank you. Thanks for the opportunity.

The CHAIR: Thank you.

Witnesses withdrew.