

Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Minister for Priority Precincts
Witness:	Gavin Jennings MP
Committee member:	Hon Philip Dalidakis MLC
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Relevant text:

The CHAIR: If I can be a little bit selfish and talk to you about an area within my electorate of Southern Metropolitan Region—and continuing with the same PAEC budget paper reference number—can you give us an update in relation to the Fishermans Bend precinct and how we can make sure that that precinct is developed properly with both community and other uses in mind which may have been missing from previous planning around Fishermans Bend?

Mr JENNINGS: Thank you for that. Unsurprisingly what had actually happened before the current government had come into office in 2014 was a rezoning that actually occurred during the life of the Baillieu-Napthine government that gave huge windfall profits to developers who actually accumulated parcels of land without any precinct planning or community planning that was actually associated with it—so basically almost, if you consider it, 485 hectares of, in theory, open-slather development without necessarily any overlay about how those spaces should relate to each other, what type of development was appropriate apart from skyscrapers being developed in an opportunistic fashion, when do schools arrive, how does parkland get protected, how do you create transport links, how do you actually try to get the appropriate investment between educational institutions and industry to actually get a nice synergy between those things—

The CHAIR: Minister, I will look to you to finish that answer on notice.

Answer:

Fishermans Bend is one of the government's priority precincts of state significance. The government is committed to developing Fishermans Bend into a series of distinct neighbourhoods which showcase best practice urban renewal.

Through delivery of the Fishermans Bend Framework, we will expand our central city and bring Fishermans Bend to life by 2050:

- It will be home for 80,000 new residents and 80,000 new jobs.
- It will create a global hub for engineering and design, with University of Melbourne establishing a campus.
- It will provide open space equivalent to two thirds the size of Docklands.
- New developments will have a target for 6 per cent affordable housing.

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The Fishermans Bend Development Board and the Fishermans Bend Taskforce within Department of Jobs, Precincts and Regions, continue to work with the community and stakeholders to progress actions in the Framework. This includes catalyst projects such as planning for public transport, a new community hospital, secondary school and a world leading water recycling facility.

Engagement activities are also underway with landowners, residents, businesses, developers, service providers and councils to develop precinct implementation plans which will provide the fine detail for each neighbourhood.

A key component in the development of Fishermans Bend is the delivery of infrastructure at the right time to align with community needs, population and employment growth. Essential infrastructure will be delivered through funding mechanisms to be identified in an Infrastructure Contributions Plan (ICP) for the four Capital City Zoned precincts that is being prepared.

The ICP is part of a wider Funding and Finance Plan for Fishermans Bend. It will include funding models to fund the infrastructure delivery requirements of the precinct. In addition a master plan for a Precinct of Excellence on the former General Motors Holden site is being developed by the government in consultation with other public sector and industry partners.

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Witness:	Gavin Jennings MP
Committee member:	Mr Danny O'Brien MP
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Relevant text:

Mr D O'BRIEN: Okay. Minister, with respect to the Suburban Rail Loop, it refers to the need for value-capture opportunities as part of the funding of a project. That is in the actual documents. So what proportion of the final cost of construction will be in value capture, and will there be ongoing charges on businesses and homes in the areas of this loop development?

Mr JENNINGS: The way in which a value-capture mechanism, value creation, is actually assessed is something that the government is thinking about very seriously in the name of trying to work out what is the added value that is created if you get this mix right in terms of the desirability of businesses to settle there.

Mr D O'BRIEN: Can you give me a proportion, Minister? Sorry, I know you are running out of time.

Mr JENNINGS: No, there is no set figure in relation to the proportion, although there would be an expectation that value-capture mechanisms will be a feature of the way in which this project gets funded, but that has not been determined.

The CHAIR: And now they will be a feature of your question on notice.

Answer:

The Suburban Rail Loop will improve the way Victorians move around Melbourne, providing greater access and choice in relation to jobs, housing, health and education services.

Planning for the Suburban Rail Loop has commenced, including careful consideration of the types of value the Government will seek to create by unlocking precincts around new stations.

The proportion of the final cost of construction that value capture mechanisms will seek to achieve is yet to be determined.

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Committee member:	Mr S Hibbins
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Relevant text:

Mr HIBBINS: Thank you. Can I go to the performance measures in terms of the Priority Precincts portfolio, and it is in relation to the delivery of financial obligations for departmental public-private partnership projects. Are they in relation to the priority precincts or are they in relation to what Development Victoria is doing?

Mr JENNINGS: They are in relation to what Development Victoria does.

Mr HIBBINS: Okay. In terms of delivery of financial obligations, is that from the government to the PPP, like the payment from the government, or is it the other way around?

Mr JENNINGS: The four PPP projects that this relates to are the Royal Melbourne Showgrounds development, the Biosciences Research Centre, the Melbourne Convention Centre development and the Melbourne Exhibition Centre expansion. The measure of the 85 per cent of financial obligations for departmental PPPs relates to the contractual quarterly service payments to the concessionaires.

Mr HIBBINS: So why is it only 85 per cent? Why isn't it 100 per cent?

Mr JENNINGS: Ultimately at the end of the day it requires two parts. Ultimately it is giving a bill and then paying it—

The CHAIR: It requires you to take it on notice

Answer:

The Department of Jobs, Precincts and Regions' Public Private Partnership contracted service payments are substantial in quantum and typically consist of a number of elements that need to be independently verified against the approved financial model. Accordingly, the target of 85% was derived to provide the department with the appropriate risk mitigation mechanism to investigate and clarify the amounts being claimed before the actual invoice is authorised for payment.