

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 16 May 2017

Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Mr Danny O'Brien

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Vicki Ward

Witnesses

Mr Richard Wynne, Minister for Planning,

Mr Adam Fennessy, Secretary,

Ms Carolyn Jackson, Chief Financial Officer, Finance and Planning, and

Mr Julian Lyngcoln, Acting Deputy Secretary, Planning, Department of Environment, Land, Water and Planning.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 Budget Estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Planning, the Honourable Richard Wynne; Mr Adam Fennessy, Secretary of the Department of Environment, Land, Water and Planning; Ms Carolyn Jackson, Chief Financial Officer, Finance and Planning; and Mr Julian Lyngcoln, Acting Deputy Secretary, Planning.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audio record or videorecord any part of these proceedings. Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I now invite the witness to make a very brief opening statement of no more than 10 minutes, and this will be followed by questions from the committee.

Visual presentation.

Mr WYNNE — Thank you very much, Chair, and I welcome the opportunity to meet with PAEC again this year.

With your indulgence I just want to provide a comment in relation to Mr O'Brien and his medical health issue. Members of the committee would well know it is a pathway that I have also had to tread. It is a very confronting thing for him and his family, no doubt, and I think all of us share the one wish, for a full and complete recovery for Mr O'Brien. I will seek to send him a message to that effect as soon as I possibly can.

Ms SHING — We are letting him know what he is missing out on during the course of the hearings.

Mr WYNNE — Yes, clearly what he is missing out on, and yet again on another day out. We do wish him a complete recovery and a return to the fray.

As indicated, Chair, I am joined today by the secretary of the department, Adam Fennessy, the acting deputy secretary, Julian Lyngcoln, and the chief financial officer, Carolyn Jackson. I will make a fairly brief presentation.

We are planning for growth, because Victoria is growing at the fastest rate of any state in Australia at 2.4 per cent. Growth is being driven by natural increases, more births than deaths, and migration from overseas and interstate. Victoria's population at June 2016 was just over 6 million people, and we are forecast to have a population of around 10 million by 2050, with close to 8 million in the Melbourne metropolitan area. We must ensure as we grow that we protect what we value most about our state, and indeed it is our livability. We know population growth brings great opportunity but also great challenges, and the 2017–18 state budget recognises this, as I will outline for you today.

As all of you know, the building and property industries are some of the largest sectors in the Victorian economy. The stimulus they provide make our state an attractive place in which to invest. In 2016 a total of \$32 billion worth of building permits were recorded, the highest ever. We also have the highest number of dwelling unit approvals at 68 000, or 29 per cent of the national total.

Victoria's greenfield market continues to outperform Sydney, with lot prices significantly lower. For example, the average house and land package in Melbourne is around \$200 000 to \$300 000 cheaper than an equivalent product in Sydney. We are also taking measures to ensure greenfield land supply, and recently the Victorian

Planning Authority released five new precinct structure plans, which will deliver 30 000 extra dwellings. The VPA is now seeking to deliver a further 17 more precinct structure plans by the end of 2018.

The government is committed to meeting the challenge that our population growth poses head on as we now have the plan in place to guide us. In March we released *Plan Melbourne 2017–2050*, our vision guiding our growth and protecting our livability. *Plan Melbourne* sets a vision for a sustainable and resilient Victoria made up of inclusive, livable and healthy neighbourhoods. We will be working to deliver *Plan Melbourne* in collaboration with all levels of government, business and the community, and with the Treasurer, housing and consumer affairs ministers the government released *Homes for Victorians* earlier this year. *Homes for Victorians* complements *Plan Melbourne* and supports first home owners by abolishing stamp duty on properties up to \$600 000, tackling affordability for renters and increasing social housing.

The state budget provides 12.5 million over four years to deliver actions outlined in *Plan Melbourne* and 27.7 million to deliver a range of initiatives contained in *Homes for Victorians*.

To support our growth we are planning for transport infrastructure, connecting our cities and people to jobs, working closely with other parts of government to deliver the transport infrastructure we need. We are supporting the work of the Level Crossing Removal Authority. Ten level crossings have already been removed: in Glen Iris, Ormond, Bentleigh, McKinnon, St Albans, Bayswater, Blackburn and Mitcham. We have also made planning approvals for the Mernda rail extension project and the Hurstbridge rail upgrade.

Last December I received the advisory committee report into the Metro Tunnel project and then approved a planning scheme amendment for the project, gazetted on 5 January this year. I anticipate that the first of a series of development plans for the project will be submitted for my approval next month. We are also working on a rigorous EES process for the West Gate tunnel project, a major city-shaping venture that will deliver a vital alternative to the West Gate Bridge, providing quicker and safer journeys and removing thousands of trucks off residential streets.

The state budget also provided 435 million for the Gippsland line upgrade as part of the regional rail revival package. We will ensure appropriate planning occurs to facilitate this huge investment, which will create hundreds of jobs in the Latrobe Valley.

We have delivered some major city-changing reforms during the past 12 months to strengthen our livability. We completed a central city built form review and delivered amendment C270, introducing new planning controls to address issues in Melbourne around plot ratios, setbacks and overshadowing. We released the Better Apartments design standards to improve apartment amenity. Apartments do play a key role in housing our future population so it is important to ensure that buyers and renters can enjoy comfortable, well-designed and healthy apartments.

We listened to the concerns of the community and completed a residential zones review, which found zones had been implemented in an inconsistent manner across Melbourne. We removed the cap on how many dwellings can be built on a block, at the same time requiring developments to include a mandatory percentage of garden space in their plans; and mandated heights in the neighbourhood residential zone and the general residential zone. These changes, in our view, protect suburban character, no matter what your postcode.

It is not just Melbourne that is experiencing population growth. Our regions are also growing, with many developing new industries and attracting young people away from the city. Most regional population growth has occurred in the three largest municipalities, Geelong, Bendigo and Ballarat. In 2015–16 they collectively grew by 9570 people, which is 7.7 per cent of Victoria's growth. A number of other municipalities also grew rapidly, notably Baw Baw, Moorabool, Bass Coast, Surf Coast and Golden Plains, all of which had an annual population growth of above 2 per cent.

This year's state budget invests in our regions, with initiatives including 16.5 million over four years for the Victorian Planning Authority to provide targeted assistance to regional, rural and metropolitan councils, and 15 million over two years to continue the implementation of the *Revitalising Central Geelong Action Plan*.

Chair, as you will recall, last year I announced 25.5 million for the smart planning program to improve the efficient operation of the Victorian planning system and give Victorians a quicker and simpler way to navigate it. We announced a further expansion of VicSmart to extend a 10-day fast-track permit process. This captures a

range of straightforward approvals for residential, industrial and commercial applications, such as simple extensions to a single-storey house. Smarter planning and faster approval is a win-win for developers and homebuyers alike.

We have also passed the new Heritage Act. The 2016–17 budget provided 30 million over four years to the Living Heritage program to safeguard the state's key heritage resources. The program has funded conservation projects across the state, like the *Polly Woodside* in Melbourne. We recently granted \$700 000 to Reid's coffee palace in Ballarat which offers low-income housing to those most in need. The program has proved extraordinarily popular, so that I can advise the committee that the 2017–18 budget provides an additional \$5 million to enable more of our state's heritage to be protected for future generations.

We have also made changes to the state's building legislation to address longstanding flaws in the building system. We passed the Building Legislation Amendment (Consumer Protection) Act last year which established mandatory conciliation. The new legislation protects quality builders and gives consumers more confidence. I am pleased to advise that our next tranche of building regulation, which as we know passed through Parliament last week, introduces tougher penalties and a new indictable offence for those who flout the law and operate without building or heritage permits.

With what has been delivered already and what is in store in the 2017–18 state budget, Victoria is well positioned to meet its growing population demands and provide for communities that are connected, inclusive and sustainable.

Thank you, Chair, for the opportunity to make an initial presentation.

The CHAIR — Minister, if I can bring you to budget paper 3, page 71, which relates to the implementation of *Plan Melbourne 2017–2050*, can you advise the committee what are the main changes of the *Plan Melbourne* policy, and can you advise the committee how the government proposes to implement this plan?

Mr WYNNE — Thank you very much for the question. *Plan Melbourne 2017–2050* was released in March of this year to guide the growth of the city and indeed as a roadmap for the state through to 2050. We are ensuring that we do not just grow bigger but also stronger and indeed fairer. Our *Plan Melbourne* provides a long-term vision to ensure affordable housing for Victorians to live closer to jobs, preparing for a changing climate, providing more infrastructure and public transport investment, and obviously we want to ensure that we maintain that much-vaunted title that we so deserve as the world's most livable city.

As I indicated in my presentation, Victoria's population is projected to reach 10 million people by 2051, so planning for growth now is vital to ensure Melbourne does remain the world's most livable city and that our regions grow in a way that is sustainable and respectful. Melbourne is currently home to 4.6 million people and it is currently growing at a record level of 2.4 per cent per annum. These are massive growth figures. Regional areas, as I indicated in my presentation, are also growing, with most of the growth being in our big regional centres, Geelong, Bendigo and Ballarat.

To accommodate this population growth, the economy will need to adapt and grow. We will need to create another 1.5 million jobs for a changing workforce, the city will need to build another 1.6 million homes in places where people want to live, and the city's transport network will need to cater for around 10 million more trips a day — and these are massive figures — an increase of more than 80 per cent.

The strategy's vision remains the same. Melbourne will continue to be a city and Victoria a state of opportunity and choice. *Plan Melbourne* has been strengthened to respond to issues that affect the community, such as housing affordability and climate change, the delivery of key transport infrastructure and, crucially, the importance of Melbourne's green wedges and of course our peri-urban areas. Importantly I would submit the difference between *Plan Melbourne* and its predecessors has been that *Plan Melbourne* now has its own implementation plan. The five-year implementation plan lists 112 short to medium-term actions to be delivered by a range of government departments and agencies.

The 2017–18 budget provides 12.5 million over four years to undertake this task. This funding will enable the department and the Victorian Planning Authority to commence delivery of the 68 actions allocated to them: ensuring housing is developed in the right places with good access to jobs, services and open space; developing framework plans for metropolitan regions to deliver 20-minute neighbourhoods; further developing framework

plans for our national employment and innovation clusters and indeed our activity centres. This funding will also support the joint work of state government and councils in developing subregional frameworks, housing strategies, activity centre planning, employment land planning and open space planning.

The 2017–18 budget further supports a number of key priorities: 27 million to deliver on the planning aspects of our housing strategy, *Homes for Victorians*; 11.6 million to improve Land Use Victoria's strategic management of land and cut red tape; over 10 million to deliver our vision for Fishermans Bend, including funding for the Montague Community Park; 6.5 million to begin delivering on the Yarra River Action Plan, including establishing the Birrarung Council traditional owner engagement and the Bulleen framework plan; 15 million to support the work of the Geelong Authority to deliver the revitalisation of the central Geelong action plan; and a further 5 million, as I indicated in my initial presentation, for the Living Heritage fund.

So, *Plan Melbourne* aims to make the 20-minute neighbourhood a reality for every Melburnian, giving them the ability to live locally. Our aspiration is to create a city where most of everyday needs are within a 20-minute walk, cycle or local public transport trip. We will encourage the development of mixed-use neighbourhoods at varying densities to deliver this ambition. Demographic change also means there will be a need for more diverse housing for different household types and lifestyles. People need to be able to live closer to their jobs, public transport and services, so we are ensuring that there is a choice in housing. That is choice in location, type and indeed tenure as well.

The other aspect of it, can I say, Chair, is we are also managing growth through infrastructure delivery. *Plan Melbourne* has an integrated approach to planning and development that includes land use, transport, and social and community infrastructure. The ambitions align with this government's infrastructure agenda: building the Melbourne Metro, removing level crossings, and delivering major road projects across the state and suburbs.

Employment of course has to be at the heart of *Plan Melbourne*, because it sets out a strategy for supporting jobs and growth with a priority of providing jobs, as I indicated, close to where people live. Our national employment and innovation clusters present opportunities for new industries and are identified to be developed with a concentration of linked businesses and institutions. This will provide a major contribution to the Victorian economy, with excellent transport links and potential to accommodate significant future job growth, and in some instances housing associated with that.

So, the national employment clusters, as I am sure members know, are obviously at Monash, Parkville, Dandenong, the new one at Fishermans Bend, Latrobe, Sunshine and Werribee. Together with key industrial precincts, transport gateways, health and education precincts and metropolitan activity centres, these clusters we are very confident will attract further investment and stimulate employment.

The CHAIR — These clusters will drive most of the job growth in the future, Minister?

Mr WYNNE — That is right. The balance that is being sought here is to ensure that not all jobs are clustered in and around the CBD of Melbourne. A classic example of how the lead of state government investment, as I think I indicated at the last PAEC hearing, was when the previous Bracks-Brumby government invested in the synchrotron out at Monash University. At the time, people did not fully understand really what the enormous power of the synchrotron was in terms of its ability to attract world-leading researchers who obviously access the synchrotron but also the clustering of other medical and research facilities around that particular facility. Indeed the linking of, say, the synchrotron with Monash University is a classic example of where government has led through that form of investment and you have seen both public and private sector investment as well.

I point you obviously to the Parkville precinct as well, a huge national employment cluster in its own right. Again, as I have spoken of before here, Chair, Flemington Road has really been regarded as the billion dollar boulevard of Melbourne. When you drive up Flemington Road, you have got of course the completely renewed Royal Children's Hospital; you have got Bio21, a world-leading research facility; you have got the investments that have been made in the Comprehensive Cancer Centre, in the top five in the world; and of course Melbourne University. All of the research facilities that have clustered around this employment precinct really, I think, speak to how with the lead investment that government has made you find private sector investment following in behind that as well.

If you are going out to the airport on Flemington Road, you will now see also what has followed has been private sector investment in residential. Where in the past there was virtually no substantial residential

investment on Flemington Road, you are seeing now the clustering of high-quality, medium-density, apartment-style dwellings which have followed obviously from the investment and the jobs that have been created in that cluster.

That is the sense in which we are trying to ensure that these national employment clusters do in their own right ensure that the strategic investment of government is followed by private sector investment, and we do in fact share the jobs right across the Melbourne metropolitan area.

The CHAIR — Thank you, Minister. I am conscious of time, so briefly: how would compare and contrast this latest version of *Plan Melbourne* in terms of managing growth with its predecessor?

Mr WYNNE — As I have said on a number of occasions, Chair, I did not do what most politicians would do when they come into government. I actually did not trash the work of my predecessor, because I think a lot of the work that was done was subject to very extensive consultation, extensive community input and in many respects there are aspects of the *Plan Melbourne* that do enjoy bipartisan support. But as I indicated, I think at last year's PAEC, there were a number of areas that were simply underdone or in fact neglected. There was no commentary in relation to housing affordability — —

The CHAIR — Order! Thank you, minister.

Mr MORRIS — Good afternoon, minister.

Mr WYNNE — Good afternoon.

Mr MORRIS — Output summary, which is BP 3, page 218, and in particular the funding for the department which provides advice to the minister, can I ask Mr Fennessy — —

Mr WYNNE — Or the chief financial officer?

Mr MORRIS — No, no, Mr Fennessy, the secretary. Did the department consistently advise the minister to approve a 30-storey tower in Moonee Ponds, despite the fact that that is more than three times the height of the tallest neighbouring building and despite the fact that he had the capacity to insist on a more modest proposal?

Mr FENNESSY — I think in relation to the Moonee Ponds development the department has taken a very consistent approach across what we would describe as middle-to-inner-urban development. We very much look to the local council approach. If there is any requirement for us to advise the minister under the Planning and Environment Act as to whether a development should be so-called 'called in', under section 20(4), then we do so on the evidence before us. I think with the Moonee Ponds development that you referred to it was very much information that the council had already considered. We had some level of information, but we needed more of an interim approach. I think that is the approach that the department has taken.

That was not an isolated instance. There were quite a number of middle-to-inner-city developments the department provided advice on around those so-called section 20(4) decisions. And our approach is very consistent. It is looking to what is legally required under the Planning and Environment Act but also whether local government has got an existing framework that is sufficient to give us the basis for that advice, or in some cases, if there is a lack of local government framework, we will advise on an interim approach, interim planning controls.

So that is the general approach with the Moonee Ponds site. And that then went through the VCAT process late last year, as you would probably be aware, and I think, as we will do in pretty much every case with a section 20(4) call-in, we will work with the minister to appoint an advisory committee. So in that case it was very consistent with the advice of the advisory committee. To me that is the clearest and most transparent way to advise the minister.

Mr MORRIS — Thank you for that. Minister, the City of Moonee Valley sought a development of half that height — 15 storeys, I believe.

Mr WYNNE — Yes, 16.

Mr MORRIS — Sixteen? Okay. Why did you reject the municipality's submission?

Mr WYNNE — Thank you for the question, Mr Morris. I just want to slightly correct one comment that the secretary made in relation to VCAT. I actually called in the Hall Street application from VCAT — so it was not actually heard at VCAT — in response to a request from the Moonee Valley council. The applicant originally proposed a 34-storey tower in the area of the Moonee Ponds activity centre. The council had put in place a 16-level discretionary height limit. As prescribed in the Planning and Environment Act, after calling in the application, as the secretary quite rightly has said, I formed an independent advisory committee to review the application in a normal way — hold hearings and provide recommendations on whether the permit should be granted.

After hearing from council and the applicant, the committee found — this is the independent committee, Mr Morris — that the overwhelming weight of evidence was in favour of the permit being granted. The committee was unable to identify any basis — this is pretty much directly quoting or summarising the committee's position — on which the height of the Everage Street building should be further reduced from 30 storeys. Whilst acknowledging the 16-storey discretionary height limit in the planning scheme, the Moonee Valley council also argued at the hearing that the proposed building height should be revised up from the discretionary height of 16 to 23 storeys — so 23/30. In its report the committee stated, and I quote verbatim:

It is tempting for the committee to choose the middle ground —

between council's preference of 23 storeys and the applicant's 30 storeys —

but ultimately it has no grounds to do so.

So this is the report of the independent panel. Like VCAT, if the permit had not been called in, I was obliged to consider the application within the framework established by the Planning and Environment Act and the Moonee Valley planning scheme. Based on the findings of the committee and the lack of compelling alternative evidence presented in the hearings, there was no proper basis for me to do anything other than accept the committee's recommendations — and indeed, as the secretary has indicated, that was also the very strong advice of my department.

Mr MORRIS — Thank you.

Mr WYNNE — So just to summarise, Mr Morris — —

Mr MORRIS — Yes, all right. I think — —

Mr WYNNE — Do you want to keep going with it?

Mr MORRIS — I think we have the picture. I understand that you do not always accept panel advice.

Mr WYNNE — Pardon me?

Mr MORRIS — I understand that you do not always accept the advice of the panel. That matter aside, can I contrast the —

Mr WYNNE — Yes, sure. I mean, yes. Your point is: yes, obviously you can reject. Indeed there are occasions when for compelling reasons you may in fact reject the advice of the panel, but in this circumstance, let me just read to you that last bit again, because — —

Mr MORRIS — No, we are limited for time. I just want to contrast that decision with another decision, in North Fitzroy — the old gasworks site — where in fact you have put a very strict height limit on that site, and coincidentally of course that site is in your electorate. Some might argue that that is a decision simply to protect you from the marauding hordes associated with Ms Pennicuik down here with the Greens.

Mr WYNNE — Sorry, what did you call them? The marauding hordes? That is very uncharitable.

Ms PENNICUIK — I think you should withdraw that comment.

Mr MORRIS — It was not intended to be offensive, but I will certainly withdrew it.

Mr WYNNE — No. It was intended to have a go at me, not you.

Mr MORRIS — The substantial point is that we have got a 30-storey building in Moonee Ponds. We have got another application in North Fitzroy which has been trimmed to a point where it is no longer viable. What was the background to that? The background, as it appears to me, is that it is in your seat, it is a highly marginal seat and it is likely to cause offence to people who may no longer support you.

Mr WYNNE — Mr Morris, you can choose to take that frame, and it suits you in terms of your question, but I have to judge applications as they come before me. In the circumstance of this particular development, there was no appropriate planning framework in place for the entire length of Queens Parade. The council had done quite a deal of work back in 2006 in terms of putting in place an appropriate framework for development in Queens Parade and, as you know, the area has become extraordinarily popular over that journey. But they actually failed to finalise that work and incorporate it into the planning scheme so the protections would then be in place, so there would be security for both existing residents, but also anyone who wanted to come and develop in the area would have an understanding of what was the appropriate framework for the area. And not surprisingly a developer comes along and says, ‘Well, this is a ripping site, and I am going to, not surprisingly’ — —

Mr MORRIS — Look, I — —

Mr WYNNE — Well, I am giving you the background, because I think — —

Mr MORRIS — I am just conscious of time. Could I ask whether you will release all the documents upon which you relied? You are giving us a verbal summary, but will you release all the documents that you relied on to make these two rather irreconcilable decisions?

Mr WYNNE — The documents in relation to Moonee Ponds are all public. The panel report — I have read in the elements of that. But it is important, Mr Morris, for completeness, that I do point you to the fact that — —

Mr MORRIS — I take it that is a no?

Mr WYNNE — I point you to the fact that at Yarra council’s request I introduced the design and development overlay for this particular piece of land and indeed the amendment introduced mandatory height controls — —

Mr MORRIS — So there were no height controls when the application was received and you placed controls on — —

Mr WYNNE — Sorry? I am having difficulty hearing you.

Mr MORRIS — There were no controls, or no extensive controls, and you have placed controls on the site. Is that what you are saying?

Mr WYNNE — That is correct. I have put in place interim controls whilst a full planning scheme amendment process for permanent controls will be undertaken by council over the two years — —

Mr MORRIS — Effectively stymieing this application, which had already been made.

Mr WYNNE — That is in fact not correct because the City of Yarra, in their wisdom, when they developed the design and development overlay, actually supported a development at eight levels when in fact their own officer’s report and the expert advice that was provided to them suggested that a 10-level development was appropriate. Can I say to you, Mr Morris, the applicant himself — —

Mr MORRIS — A little bit different to 30.

Mr WYNNE — Mr Morris — —

The CHAIR — Order! Ms Pennicuik until 3.25 p.m.

Mr WYNNE — So the applicant — —

The CHAIR — Order! Minister! Ms Pennicuik until 3.25 p.m.

Mr WYNNE — The applicant himself wanted 12 and it is at 10.

Ms PENNICUIK — Thank you, Minister —

Mr WYNNE — Thank you, Ms Pennicuk.

Ms PENNICUIK — thank you, Secretary and deputy secretaries, for attending today.

Mr WYNNE — It is a delight.

Ms PENNICUIK — If I could take you back to *Plan Melbourne* and some of the comments you made, could I just make a comment that you were reading out an awful lot of figures but they were not included on the PowerPoint. Most other presentations include that, which is very helpful for us when we need to go back to things.

Mr WYNNE — They are up on the screen, I think. I hope.

Ms PENNICUIK — Anyway, I just make that comment. Can we move along?

Mr WYNNE — Sorry.

Ms PENNICUIK — I am just writing things down as you say them.

Mr WYNNE — They were up on the screen, I think you will find. Or you could just turn around and look at the screen.

Ms PENNICUIK — Yes, sure. Thank you, Minister. It is nice to have them in front of us.

Mr WYNNE — All right. I will learn from that for next year.

Ms PENNICUIK — If you could refer to page 65 of budget paper 3, which refers to the \$3.1 million per annum for the next four years for the implementation of *Plan Melbourne*. I did manage to write down that you mentioned 112 actions under the plan. It seems a very modest amount for that many actions and such an ambitious plan, so my question is: what will those funds, the \$3.1 million over four years, be spent on? What specifically will that be spent on?

Mr WYNNE — There are a range of initiatives across government. If you look at Housing for Victorians, that is a companion piece to *Plan Melbourne* because, as I indicated earlier, one of the deficiencies of the previous *Plan Melbourne* was that it said absolutely nothing about housing affordability and — —

Ms PENNICUIK — Excuse me, Minister, I do not have much time so I am just clarifying: are you saying that the funding for that is part of this funding — the 3.1 — or is that separate funding?

Mr WYNNE — No, entirely separate funding. I mean, this — —

Ms PENNICUIK — So what is this \$3.1 million of funding every year for?

Mr WYNNE — It will enable the department and the Victorian Planning Authority to commence delivery of the 68 actions, ensuring housing is developed in the right places, developing frameworks for metropolitan regions to deliver the 20-minute neighbourhoods and further developing plans for our national employment innovation clusters. I have indicated that that is part of the core elements of *Plan Melbourne*, but it is supplemented by all of the other commitments that the government has made within the broader ambit of *Plan Melbourne*. So if you think about *Plan Melbourne* — why do you keep looking at the clock?

Ms PENNICUIK — Because we are on the clock, that is why. We do not have much time.

Mr WYNNE — Can we just pause for a second? I do not quite understand what that is up there. What are we doing there?

Ms PENNICUIK — That is the clock. It is a countdown.

Mr WYNNE — I can see it is a clock, but what is it doing?

Ms PENNICUIK — It is counting down.

Ms WARD — It is telling you how long you have got to talk.

Ms PATTEN — Sue has got 6 minutes.

The CHAIR — Yes, so at 3.25 p.m. we will go to government questions.

Ms PENNICUIK — Yes, and there are not many of them left, Minister, so if we could return to the question. That is why I am interrupting you. Just to follow on from what you were saying, will this funding be about coordinating things such as other public sector agencies, for example?

Mr WYNNE — Yes, absolutely.

Ms PENNICUIK — So will it be a special unit in the department that is being funded by this? I am still trying to get to what specifically will be funded by this \$3.1 million.

Mr WYNNE — If you think about *Plan Melbourne* as being the umbrella under which government shelters, this is the guiding document for a whole range of government issues. Whether it is in the area of transport, whether it is in the area of housing or whether it is in the area of the employment clusters, this is the guiding document for government, and that is where the commitment of these funds, the 12.5 million over the four years, is in fact to ensure that all of the initiatives that have been articulated and the implementation of those are in fact enacted.

Ms PENNICUIK — And how will that be ensured by that \$3.1 million every year?

Mr WYNNE — Because we will have people working on each of these key 68 actions.

Ms PENNICUIK — Working where? In the department or in other departments? It is not clear, Minister.

Mr WYNNE — In our department and in the Victorian Planning Authority.

Ms PENNICUIK — Thank you; that is what I was looking for. So that will be new staff, will it, or existing staff?

Mr WYNNE — No, existing staff.

Ms PENNICUIK — So if it is existing staff, what is the extra money for?

Mr WYNNE — Do you want me to repeat it?

Ms PENNICUIK — No, you have said it is existing staff, and they will be coordinating — I think I heard you say — what goes on in other departments. The question is: what is the actual specific \$3.1 million for? Perhaps Mr Fennessy could help. He is nodding at me.

Mr FENNESSY — I could make some comments. Some of the money will go to staff who are currently within the department or the VPA who are on specific appointment terms, and they can be then extended or converted to longer term.

Mr WYNNE — And there will be consultancies as well, obviously.

Ms PENNICUIK — Consultancies?

Mr WYNNE — Well, sometimes you will buy an expertise for the particular elements of it.

Ms PENNICUIK — Sure. So it has taken us 6 minutes to get there. Anything more, Mr Hennessy, that you could tell me about the \$3.1 million?

Mr FENNESSY — I think that covers it other than we work with the VPA.

The CHAIR — Order! Ms Ward until 3.36 p.m.

Ms WARD — I think we have 10 minutes on the clock.

The CHAIR — Eleven minutes, until 3.36 p.m.

Mr WYNNE — It is a weird way of doing it. It used to be a countdown clock.

Ms PENNICUIK — So they were not the figures attached to *Plan Melbourne*; that is just the clock.

Ms SHING — Nobody said this was a sensible process, Minister.

Mr WYNNE — Righto, we will push on.

Ms WARD — Can I get you to please flick through to budget paper 3, page 19, and it goes over to page 20. I want to talk about housing affordability, Minister. Can you talk us through how the planning portfolio is actually going to help the government reach their targets?

Mr WYNNE — Okay, thanks very much. So as I indicated, Ms Ward, in my introductory comments, housing affordability was one of the areas where the previous *Plan Melbourne* was in fact deficient. I am particularly proud of the work that has been done, obviously led by the Treasurer, with myself, the minister for consumer affairs and the Special Minister of State to develop *Homes for Victorians*. So it is a companion piece to *Plan Melbourne 2017–2050*.

Ms SHING — Even Scott Morrison loves it.

Mr WYNNE — Well, indeed, Ms Shing. I was very heartened to see that Scott Morrison in fact gave an endorsement of our *Homes for Victorians* when he started to push out his conversation about housing affordability, and yes, we were quite excited about this. The two big levers federally obviously are capital gains and negative gearing, but clearly the government did not have an appetite for that, and without going on a ‘bash the feds’ campaign, I have to say that the announcement in the last couple of days that the federal government are not going to continue to treat with Victoria on that magnificent parcel of land, the Maribyrnong defence land, is a really, really bad decision.

So just for the committee’s knowledge, the state government, across alternative governments, have been negotiating with the commonwealth I think since 2006 for this parcel of land which is likely to house in the order of 3000 houses. The federal government are talking about 6000; I think that is frankly way a bridge too far, but it is a beautiful parcel of land, very well connected — literally within a few kilometres of the CBD of Melbourne. It is to really deep regret that the commonwealth, in spite of the fact that Places Victoria — now under the responsibility of my colleague Minister Allan — were prepared to actually offer up a sale price for this parcel of land, have now indicated that they are going to take it to the market. I think that is a huge mistake, and frankly —

Ms WARD — So how would that help housing affordability, with them undertaking that action?

Mr WYNNE — Well, the answer is it will not. It will be a highest and best use, whereas from our perspective we have always indicated in all of our negotiations with the commonwealth that we saw an opportunity for a mixed development, we saw an opportunity for social housing, we saw a big opportunity for some public housing being in there, certainly housing associations being a part of this and obviously private sector investment as well. Potentially all of that is lost, and that is a huge loss to us going forward.

Ms WARD — So would that agreement going forward have been additional social and other affordable housing on top of what Victoria was already offering?

Mr WYNNE — Yes, absolutely. So our whole negotiation with the commonwealth was to really extract out of it a fantastic outcome. Sure there is a great opportunity for private sector involvement here — of course there is — but we were looking for some social good. Clearly with social housing, public housing and the not-for-profit sector, this would have been a magnificent opportunity for us, which potentially has now been thrown away through, can I say, a rather cavalier and disrespectful attitude that the commonwealth has taken to what has been an extraordinarily long negotiation that Victoria has undertaken with the commonwealth about this incredible parcel of land and an incredible opportunity.

Ms WARD — You are talking about a conversation that has lasted 11 years.

Mr WYNNE — Sorry, say that again?

Ms WARD — A conversation that has lasted 11 years.

Mr WYNNE — The negotiation, I am advised, started in 2006. So it has been going on and on and on for a very, very long time.

Ms SHING — Arguably unless you are in New South Wales you do not get much from the federal government.

Ms WARD — So it would seem.

Mr WYNNE — People will make their own judgements about that. I think there will be nobody around a table, frankly, from either side of politics who can support a circumstance where Victoria is getting, what, 8, 9 per cent.

Ms WARD — Eight per cent. It has dropped from 9 per cent to 8 per cent, Minister.

Mr WYNNE — It has gone down to 8 per cent, as I understand the Treasurer indicated in his presentation, of infrastructure spend. I mean, this is scandalous.

Ms WARD — Absolutely it is, and we have heard continually about how much our population is growing in Victoria and that it is outstripping all of our other states, yet we are still well behind when it comes to infrastructure spend.

Mr WYNNE — Absolutely we are.

Ms WARD — Can I bring you back to some comments that you made earlier to our Chair here today about red tape. With Smart Planning and VicSmart, I understand that with the time lines of housing supply, part of the challenge to that is red tape and the complexity around applications and so on. How is this being addressed?

Mr WYNNE — *Homes for Victorians* commits 53 million for initiatives and reforms to maintain housing supply and obviously improve social housing stock. Twenty-seven million will go to planning mechanisms and reforms specifically, Ms Ward, which clearly support the social and affordable housing sector, ensuring that we do continue to have a strong supply of social housing.

I have established the Fast Track Government Land Service to deliver planning scheme changes for Victorian government land in a timely, transparent and, can I say, consultative fashion. The service assists agencies and departments which have already determined that a site is surplus or needs changes to planning provisions to deliver priority government projects. In 2015–16 three sites were rezoned at a value of about 9.9 million, and in 2016–17, 18 sites were rezoned with an estimated value of about \$126 million.

The other important element of this is in relation to affordable housing. I know that in fact the Chair of PAEC is taking a leadership role here. With the standing advisory committee that we have, we are looking at nine sites for potential redevelopment, and these are very, very significant sites.

Ms WARD — That would include social housing?

Mr WYNNE — Well, they will end up being potentially a mix of private sector housing, public housing and social housing. Just in the minute or so I have got left for this, sites such as Holland Court in Flemington.

Ms WARD — We have got 3 minutes.

Mr WYNNE — Have we? Okay. Gronn Place in Brunswick West; the Bella Bardia and Tarakan estates in Heidelberg West; Walker Street, Northcote; the Ascot Vale estate itself, in the Chair's electorate; Abbotsford Street in North Melbourne; Noone Street in Clifton Hill, in my own electorate; New Street, Brighton; and Bills Street, Hawthorn. These are fantastic opportunities for us, through the standing advisory committee process, to get this land into a form where we can get to the market and see, I think, really potentially fantastic redevelopments of, frankly, some of the worst concrete public housing.

Ms WARD — Absolutely. I am very familiar with the one in West Heidelberg that you talked about, Tarakan.

Mr WYNNE — Yes, it is a shocker.

Ms WARD — It is just a shocker.

Mr WYNNE — And some of those, you see where in fact the concrete panelling is actually all breaking away. You are getting draughts through and shocking mould on some of those buildings. Terrible, terrible places for people. So this really, I think, speaks to the government's commitment in relation to being on the ground and ensuring that we do actually have real affordable housing opportunities for people going forward. I really want to commend the work of *Homes for Victorians* but also commend the real drive of Minister Foley to actually get these projects away.

Ms WARD — With social housing, you spoke about six sites that you mentioned then. Are there further projects to go out into our regions, is there more work going on to help expand and ensure that there is social housing accessible to as many people?

Mr WYNNE — Indeed. Obviously one of the really important areas that we are looking at is an affordable housing tool for local government. Local governments right across metropolitan Melbourne have been calling for this for a very long time. The housing strategy aims to support councils to set up voluntary arrangements with developers and landowners. To provide affordable housing in exchange for rezoning and to provide a clear framework for these voluntary arrangements the housing strategy proposes a legal definition of 'affordable housing' in legislation. So the head of power will be available, and I foreshadow to the committee that we will be bringing that particular matter as part of some reforms to the Planning and Environment Act to Parliament for introduction, hopefully by midyear.

Mr T. SMITH — Welcome, Minister.

Mr WYNNE — Thank you, Mr Smith.

Mr T. SMITH — Table 4.2 in budget paper 5, page 149, shows that the state government is increasingly reliant on property taxes as a proportion of state revenue. Your decision to tear up the neighbourhood residential zone protections introduced by the previous government and permit unlimited developments on a single lot in place of the previous maximum of two will dramatically alter the streetscapes and residential amenity of Melbourne's established suburbs and further increase property tax receipts. Will you tell the committee what is the maximum number of residences your weakened neighbourhood residential zone will permit on a 1000-square metre lot?

Mr WYNNE — On a 1000-square metre lot?

Mr T. SMITH — Yes.

Mr WYNNE — Okay. Let me take you back firstly, Mr Smith, to my initial presentation when I talked about the fact that we have got an enormous population increase. We predicted a population increase of about 100 000 a year, and we got 127 500 in the year to 30 September.

Mr T. SMITH — I am aware of that.

Mr WYNNE — You are very aware of that because you have got your own population task force.

Mr T. SMITH — I do.

Mr WYNNE — I am very much looking forward to the outcomes of your deliberations.

Mr T. SMITH — So you should. Someone has got to do it for you.

Mr WYNNE — Obviously you have not read *Plan Melbourne*, but that is all right. That is okay.

Mr T. SMITH — Well, you have stuffed it up, but anyway, go on.

Mr WYNNE — You might learn a little bit on the way through. You never know. There is always hope.

So our new residential zones have to respond to this growth by ensuring that our suburbs and towns grow in the right way.

Mr T. SMITH — The Labor way, wrecking established suburbs.

The CHAIR — Sorry, was that a question, Mr Smith?

Mr WYNNE — Chair, we did go through a process of review of these zones, which by any measure was not the finest hour; let us just call it as that. I am being very charitable today, Mr Smith. I do not want to have a — —

Mr T. SMITH — I always enjoy our banter, Minister, so go for it.

Mr WYNNE — I do not want to have a difficult conversation with you.

Mr T. SMITH — We always do, so why are you changing this year?

Mr WYNNE — Well, this is true. We might as well just get into it. You want to go outside and we will have a go, or what? What do you reckon?

Mr T. SMITH — Here is fine, mate. There are witnesses.

Mr WYNNE — The brawler from Kew. In November 2015 — —

Mr MORRIS — Are we going to get an answer anytime soon?

Mr WYNNE — He has just distracted me.

In November 2015 I did appoint the managing residential zones development advisory committee, as you know. The committee was tasked with reviewing the implementation of the residential zones, including their effectiveness to manage growth in a sustained manner and to recommend improvements to the zones. You are well aware of that. The committee consulted extensively with councils, and can I say to you, Mr Smith, including your very own Boroondara.

Mr T. SMITH — Yes, yes, I am aware of that.

Mr WYNNE — And are they not doing a cracker job? They are doing a cracker job. The committee consulted extensively. We had public hearings held during April and May of 2016 — 352 submissions, lots of interest.

Mr T. SMITH — Yes. What is the answer to the question? Come on.

Mr WYNNE — Well, if I can, Chair, it is important that people do understand — —

Mr T. SMITH — You have never been called succinct, Minister, have you?

Members interjecting.

The CHAIR — Order! The minister to continue.

Mr WYNNE — Mr Smith, I am seeking, as you know, to provide the context —

Mr T. SMITH — You are providing a lot of context — most of it I am aware of, so — —

Mr WYNNE — because it is important that people do understand the botched residential zones that I inherited.

Mr T. SMITH — My residents would disagree with you about that, but anyway.

Mr WYNNE — I have got a bit more to say about that in a moment. The committee delivered its report in July 2016, finding an alarming number of issues with the previous implementation — vast areas of Melbourne's

east protected and effectively locked up from development while other parts of the city were expected to take on more than their fair share of growth. Let me give you a couple of excerpts, Mr Smith. This is from the committee's work

... the rollout and application of the reformed zones has caused widespread angst and confusion.

... planning processes used to introduce the reformed zones, resulting in a lack of clarity, transparency and consistency.

... it is clear from submissions that there is a perception, amongst some councils and some submitters, that the application of the zones has been unfair.

... there are perceptions that the implementation process in some municipalities was driven —

Mr Smith —

by politics — —

Mr T. SMITH — Yes, Minister. Could you please get on with your answer.

Mr WYNNE —

rather than sound — —

Mr T. SMITH — Could you please get on with your answer.

Mr WYNNE — Chair, please.

The CHAIR — The minister is answering the member's question.

Mr T. SMITH — The minister is going a long way around on purpose.

Mr WYNNE —

... there are perceptions that the implementation process in some municipalities was driven by politics —

No, that is not possible, surely —

rather than sound strategic planning, and that the implementation of the zones has not been fair or transparent.

So, Chair, I would submit to you we now have a consistent policy that treats everybody fairly across Victoria —

Mr T. SMITH — What is the number?

Mr WYNNE — no matter what —

Mr T. SMITH — What is the number? He has not answered my question.

Mr WYNNE — your postcode is. So in the context of the implementation of these new residential zones, we have established height controls over — —

Mr T. SMITH — I know about height controls. I want to know the maximum number of residences.

Mr WYNNE — If your property is between 400 and 500 square metres, the minimum garden size will be 25 per cent. If your property is between 501 and 650 square metres, Mr Smith, you will require 30 per cent garden space; and if you are above 650 square metres, which is essentially where your question goes, you will require 35 per cent open space — garden space. Garden space, as you know, because no doubt you have read the documentation fully, does not include things like driveways. It has to be permeable space — that is, the water can get through. So in that context there is no direct answer to your question because it will depend on the design of the buildings.

Mr T. SMITH — You cannot give me an answer?

Mr WYNNE — The answer to the question is: on a 1000-square metre block of land, 35 per cent of that land, excluding driveways, hard surfaces and so forth, will have to be open space. How you then choose to

design your building or buildings and how many buildings can be fitted on that site will be borne out by the ratio of the square meterage to the open space. There is not a definitive answer of five, six, four, 10 — it will depend on the design of the building.

Mr T. SMITH — Is it not a fact that in the case of many local government areas existing open space overlays provide for more open space than your new garden requirements and that your so-called reform of residential zones will in fact result in less garden space in the future?

Mr WYNNE — No, I can point you in your own municipality to any number of examples of where people have built their properties boundary to boundary. I do not regard that as a particularly good outcome in terms of both good planning or good urban design. What we are ensuring is that we are going to protect the residential amenity that is enjoyed in suburbs such as your own. I think it is to the great regret of the City of Boroondara, that has spent \$70 000 on a direct mail-out to all of the residents, basically trying to scare people — \$70 000 of ratepayers money with a letter from the — —

Mr T. SMITH — You think that removing the restriction on the maximum number of dwellings per lot is nothing to be concerned about in Boroondara?

Ms SHING — On a point of order, again you are asking for an opinion, Mr Smith. You might wish to rephrase the question.

Mr T. SMITH — I am not rephrasing my question.

The CHAIR — I will let the question stand. The member is asking the minister for an opinion. The minister can offer up an opinion if he so wishes.

Mr T. SMITH — You do not think there is anything that would be concerning, shall we say, to Boroondara residents with what you are doing to neighbourhood residential zones — for example, removal of the previous restriction on the maximum number of dwellings per lot?

Mr WYNNE — What we have done, Mr Smith, as you know very well, is put in place mandatory height controls, so in the future you are not going to get these excessive sorts of developments that we have seen right throughout metropolitan Melbourne. This will temper — —

Mr T. SMITH — Seventy-six per cent of Boroondara had the highest protections at the last election, Minister, so what you are saying here is ridiculous.

Mr WYNNE — I rest my case, then, because I simply go back to the commentary that was provided by the committee itself. The inconsistent application of — —

Mr T. SMITH — I would not be lecturing us about inconsistent application.

Mr WYNNE — The inconsistent application of residential zones in areas, can I say, like your own, Mr Smith, are a legacy of the former government and — —

Mr T. SMITH — Hang on. I have got 1 minute left. You talk all day.

The CHAIR — No, you have got 10 seconds, actually.

Mr T. SMITH — Okay, I will come back.

Ms PATTEN — Thank you, Minister and the team. I note that in the introduction to *Plan Melbourne* — and I will acknowledge here and now before I get accused of it that I have not read the whole of *Plan Melbourne*

Mr WYNNE — That is all right.

Ms PATTEN — I did notice in the growth section the introduction says:

There will also be a greater proportion of lone-person and couple-only households, although families with children are expected to continue to be the most common household type.

Given the growth and the quite often reported oversupply of small single and double apartments, has there been any attention paid in this budget to family-friendly apartments?

Mr WYNNE — Thanks very much, Ms Patten, for your question. This really goes to a couple of issues. When I was first given the opportunity to take up the position of Minister for Planning, virtually all of the applications that would come to me, particularly in the CBD, Southbank and so forth, these big applications, would be for projects that had a disproportionate number of one-bedroom apartments in them — and many of them very small.

I well recall some of my staff coming back from a site inspection that they had undertaken of a property that was under construction in Southbank where the size of the apartment was well below 50 square metres. The bedroom of the apartment was so small it did not have a wardrobe in it — so there was nowhere to hang your clothes — and the door of the bedroom could not be a swinging door, because the bedroom was so small. It had to be a sliding door. There was no window and no natural light. The size of the room was so small that you could in fact just get not a queen-size bed but a double bed into the room, and you might just be able to creep around to get into the bed if you were to launch yourself off from the doorway.

This was ridiculous. My staff are here today. They came back and told me this, and I said, ‘Are you serious? Is this the best that we can do in Melbourne in terms of quality of apartments?’. Some of these apartments — and some of these have been built — will have really poor resale value. They will have really poor rental values going forward, and if that is — —

Ms PATTEN — Just going back to the family-size apartments, have we mandated anything in that regard?

Mr WYNNE — I am coming to it. What we have sought to do is to actually put in place new apartment guidelines. These are important because 30 per cent of dwelling approvals in Victoria are now apartments — 30 per cent. The circumstance that we found I frankly thought was intolerable. What we have put in place are new standards for apartments. But to specifically answer your question, have we mandated three-bedroom apartments? No, we have not. But can I say to you that is absolutely clear that the market has shifted significantly. I point you to examples of where poor planning in the past has not accounted for the fact that families were going to live in the Docklands.

Ms PATTEN — That is right.

Mr WYNNE — So poor old City of Melbourne, God bless them, have had to spend an absolute fortune retrofitting back in — do you want me to keep going on this?

Ms PATTEN — I am just again conscious of time. The clock is going up, not down. It is confusing; I appreciate that, Minister.

Mr WYNNE — I am telling you, Fiona, it has got me tossed. I do not know what is going on here.

Ms PATTEN — I think you have answered my question there.

Mr WYNNE — Can I keep going on the Docklands or not? It is important only in the context of really what was at the core of your question: how we are catering for families. How we are catering for families is of course — —

Ms PATTEN — And now just adding into that: how we are catering for families and key workers.

Mr WYNNE — Yes, I am getting there.

Ms PATTEN — There we go. I will get my second part in.

Mr WYNNE — It is a long run-up, but I am getting there. Just tell me when we have got 2 minutes and I will shut up.

The CHAIR — You have 1 minute.

Mr WYNNE — You are kidding.

The CHAIR — No.

Mr WYNNE — The answer is that the market is shifting. It is shifting away from one-bedroom apartments. Lots of people want two, three or four-bedroom apartments. We need to learn from Docklands that the social infrastructure has to be put in place to support families. We have got a school site now in Docklands. These are the sorts of things that were not retrofitted in the past. They have come at a huge cost, particularly to the City of Melbourne, with their library, their maternal and child health — —

Ms PATTEN — But the government is not doing anything to ensure that. We are just hoping the market — —

Mr WYNNE — No, we are not mandating it. The market is shifting itself.

Ms PATTEN — And key workers, are you mandating on that?

Mr WYNNE — We are not mandating on key workers, but certainly in terms of inclusionary zoning and our social housing sector they are actually looking at the whole question of key worker housing. Yes?

Ms PATTEN — Yes, unless you wanted to add to that.

Mr WYNNE — No, that will do, I think. I am completely spooked.

Ms SHING — Do not be. You will be right. Thanks, Minister and witnesses, for attending this afternoon for the presentation. I would like to talk about regional planning, which has been a key focus of population growth discussions, and also the policy development around stamp duty cuts and assistance for first home buyers and builders in regional Victoria. You spoke about the Baw Baw Shire Council as being one of the five LGA areas with a growth of over 2 per cent anticipated, and that is something which, from my neck of the woods in Gippsland, is putting increasing pressure on resources and infrastructure but also serving as an opportunity for people to consider moves to regional parts of the state.

Minister, can I ask you to talk us through how it is that the housing affordability package that was developed for first home buyers and builders in relation to regional homebuyers and the stamp duty cuts will in fact address the issue of shortfall in supply on the one hand whilst addressing decentralisation opportunities on the other?

Mr WYNNE — Thank you very much, Ms Shing. It is a very good question. The budget has been unambiguously a budget that has supported regional Victoria, and there are fantastic initiatives. Whether it is around the transport initiatives, the stamp duty exemptions, the first home owners grants, these are all pitched towards what I think is a very clear position of the government to support the further development of regional Victoria.

When I talked at the outset about how this huge population increase has to be spread around, the figures in relation to Geelong, Bendigo and Ballarat, I think, are very clear in terms of population growth. I think we saw in the newspapers on the weekend the population data for the last five years in Geelong alone increasing on average at about 2 per cent. Geelong for the first time — the central city of Geelong — just approved very recently an apartment tower of a think 12 levels in Geelong. This speaks to the sorts of investments that you are actually seeing in our regional cities.

If you think about it in terms of the earlier commentary that I provided in relation to our national employment hubs — think about a place like Bendigo. Bendigo, a beautiful city, has done all of the strategic planning that needs to be done to ensure that they can manage population growth. You have seen commentary in the newspapers only very recently where people have actually taken up the opportunity and the incentives that have been provided by government to actually move to these regional cities, and the investment, say for instance, that the government has made in the hospital precinct in Bendigo is a classic example of where, as I indicated earlier, private sector development is in fact following it.

Ms SHING — So, clustering.

Mr WYNNE — Clustering, absolutely. So — —

Ms SHING — So when we look at initiatives that are designed to address a shortfall in supply, what are the levers that the state government can employ — particularly where we do not necessarily have what we want from the federal government around negative gearing or other tax relief — to draw people into the regions so that then they have a better opportunity, firstly, to buy a home and, secondly, to have a greater degree of control over what sort of home they buy, how they can then raise a family, find a job and enjoy a quality of life that is distinct from that medium-density or outer-suburban lifestyle?

Mr WYNNE — I think you have articulated it very eloquently. The opportunities that are available in our regional cities are endless, but you have to ensure where you possibly can — and that is the whole goal of what *Plan Melbourne* has been about — that you have jobs and housing located together. That is why a place like Bendigo is a classic example, where the Bendigo city council have done all of the strategic planning. They have said, ‘We can cater for population growth in Bendigo within an existing urban growth boundary’. That is very important so you are not getting that conflict that occurs between the encroachment of residential housing onto established farming land — and that is, as you know, a very significant problem in regional Victoria. The leadership that government plays by way of its investment in places like Bendigo, other private sector investment does follow that, and obviously the upgrade of the public transport system is a fundamental plank in that whole strategy.

Ms SHING — For that connectivity.

Mr WYNNE — Absolutely.

Ms SHING — I might just ask you further to that, Minister, you have referenced agricultural land — —

Mr WYNNE — I was just going to say one other thing, Ms Shing, if I can, because — —

Mr T. SMITH — Well done, Minister. You got a word in. Well done.

Mr WYNNE — The other telling element of this is that the planners of Bendigo tell me that for the first time there are more people commuting to Bendigo in the morning than actually coming to Melbourne. I mean, it is an amazing turnaround that has occurred. Sorry, I interrupted you.

Ms SHING — Not at all. The way in which people use rail lines in particular is changing from commuter corridor usage through to travel within a particular line. It is starting to show evidence of that decentralisation movement and the growth of regional centres. I would like to touch, though, on what you referred to earlier around encroachment into agricultural land and the way in which that has been identified, firstly, as an issue. We have seen a lot of development through the south-east corridor, and some of the best volcanic soil and productive land you could possibly imagine is now covered in houses. The growth there has been stemmed to some extent, but how do we actually make sure that we strike the right balance — particularly as we head out to the east where we have some of Australia’s very best, prime, production as far as land and horticultural and protein production is concerned — to make sure that that is not in fact traded off while we grapple with the challenge of population growth and decentralised community growth?

Mr WYNNE — It is about finding that happy balance, is it not? *Plan Melbourne* speaks to the capacity for us to ensure that this very significant population surge that we have got — both intrastate and obviously local births exceeding deaths and also overseas migration — is in fact catered for in a way that is sustainable, and this budget actually speaks to exactly those questions, because we have dedicated in the last budget, Ms Shing, \$4 billion towards our regions.

We are unambiguously saying that there is a really significant role that can be played by our regional cities — and they are all up for it. Geelong is up for it, Bendigo and Ballarat are up for this, but in a way that is sustainable. The 1.12 billion for regional public transport, an absolutely fundamental plank of ensuring that we are able to move people around within regions. Five hundred and thirty million towards upgrading of roads and bridges, 76 million for rural and regional schools, 50 million to double the first home owner grant to \$20 000 for new homes in regional areas. This is fantastic. The 25 per cent payroll tax cut for all businesses operating in regional Victoria — I mean this is about the point I was making earlier. It is about job generation. You want to ensure that you are making those links.

Ms SHING — The \$16.5 million that has been allocated to local councils to expedite planning decisions will then be provided by the Victorian Planning Authority, as I understand.

Mr WYNNE — Correct. That is right.

Ms SHING — How will that be used by local councils to the best effect to speed up those planning decisions and also to make sure that there is rigour and consistency around them wherever possible? Because we cannot afford to get this wrong is the bottom line on these decisions.

Mr WYNNE — Absolutely, so the 16 million is really the next iteration of what used to be called the planning flying squads. There is a new remit that is available to the newly formed Victorian Planning Authority, and as you know the legislation is through the Parliament to give it an appropriate head of power to do its work, and they will work in concert and alongside. They will be invited in. So the Victorian Planning Authority is not going to come in as some — —

Mr DIMOPOULOS — Overlord.

Mr WYNNE — Overlord. Thank you, Mr Dimopoulos. They will be invited in by local government to work alongside the local government and to provide the expertise to develop the strategic planning that is going to be required by many of these municipalities. There are some leaders. I mean, Bendigo has done some fantastic work in terms of strategic planning, but we see great opportunities right across regional Victoria to partner up between our regional councils and our rural councils who really have got an appetite for more population and housing — and jobs.

Ms SHING — How will that help deal with backlogs in relation to planning matters that are currently before a number of councils? We have seen councils with varying degrees of success in clearing their backlog, but as population grows and decentralises, I cannot see how that is not going to continue to be a challenge.

Mr WYNNE — This goes to quite a significant and actually systemic problem that there is in being able to attract and retain statutory planners within municipal councils. It is a serious problem and one that I know the MAV have been particularly concerned about, so that is why the funding that we have made available to regional and rural councils will actually help to supplement where the expertise is not necessarily available, particularly when you get difficult and quite technical projects like mining and stuff like that, which is really tricky.

Mr MORRIS — Minister, budget paper 5, page 149, the growth areas infrastructure charge. According to the DELWP annual report, GAIC receipts at 30 June last year were 176 million. BP 5, the reference I just gave you, anticipates a further 166 million to 30 June this year and another 175 million to 30 June 2018, so \$509 million — more than half a billion dollars. Your presentation talked about a population growth rate of 2.4 per cent, yet despite having a significant amount of money in this fund you have recently announced spending of \$60 million, or less than 10 per cent. Given the growth rate, given the quantum of funds, what is the point of having all this money if we are not going to spend it on infrastructure we desperately need?

Mr WYNNE — Thanks very much, Mr Morris, and you will be well aware of course of the commentary on page 3 of today's *Age*, which you will have seen.

Mr MORRIS — In fact I have a copy in front of me.

Mr WYNNE — You have a copy in front of you. And you will be delighted, Ms Pennicuik, to see that your friend, the Leader of the Greens, got himself into the third paragraph of the yarn. So there you go — interesting, very interesting. I did not realise he was such an aficionado of GAIC and planning matters, but there you go, he is. Well, good luck to him.

The growth areas infrastructure fund, as Mr Morris says, we know captures money from developers to help fund community facilities and infrastructure such as schools, ambulance stations and public transport services. Frankly, I just simply make this point as a statement of fact that under the previous government only \$4 million was spent of the fund in four years.

Mr MORRIS — You also are aware when it was established, and collections have escalated rapidly in recent years.

Mr WYNNE — Yes, that is right.

Mr MORRIS — So let us get the whole thing into proportion, not just the headline figure. I read the press release too.

Mr WYNNE — Okay, that is fine. But the decisions that were made in the past really did not have, can I say, an appropriate rationale around them, even though it was a relatively small amount of money of \$4 million. We have set up a proper process — I want to take you through that — with clear guidelines, setting out the legislation and the priorities for each year.

Mr MORRIS — That is fine. But I am simply wondering why, if you have got \$509 million in a fund, you are only spending 60 —

Mr WYNNE — I am going to get to this.

Mr MORRIS — because that leaves \$369 million, which is helpful for the Treasurer's bottom line, but it does not do much for the outer suburbs.

Mr WYNNE — Trust me; I will get to it.

Mr MORRIS — As you are now aware, we are on a tight time frame.

Mr WYNNE — I have now worked that out. It runs on an annual cycle, as you know, and it is designed to ensure that grant recipients deliver projects on time. All departments are invited to submit their bids for GAIC infrastructure priorities in the growth corridors, and I work with the office of suburban development, my colleague Ms D'Ambrosio, on that.

A public service panel has been established to assess the bids and make recommendations to ensure there is equity and proper investigation on the merits of each proposal. So it is not just 'Get out your shopping list and let's see what you've got'; they have got to be strategic. It is chaired by a senior officer in the Minister for Suburban Development's area. The Victorian Planning Authority are involved, Treasury are involved and obviously planning are involved as the committee that assesses the applications. We send letters to all the major developers and to the growth corridor councils seeking their views about priorities, and indeed for the 2017 round, and their feedback will be considered by the assessment panel. The proposed projects are then submitted to me and the Minister for Suburban Development for consideration, and then, as you know, they go on to the Treasurer for final tick off.

Mr MORRIS — Can I perhaps put the question in a different way?

Mr WYNNE — I am coming to it.

Mr MORRIS — There is roughly \$360 million available for projects. How much of that will be spent in the coming financial year?

Mr WYNNE — There is about \$60 million in the forward estimates available for additional commitments in 2017–18 — \$60 million — as part of our current round of bids. But can I say, Mr Morris, and you would appreciate this, it is important to note that the total revenues shown in BP5, at page 149, and that is table 4.2, is not the actual cash revenue received by the government, because as you know, more than half of this is receivables owed to the government under arrangements that enable developers to defer payments of GAIC or to enter staged payment arrangements. The government obviously cannot spend against the receivable without impacting the surplus and obviously net debt. The total of \$2 billion expected over 20 years is on track, and you have seen the forward estimates, and it will build up over time as developments proceed due to these deferral arrangements, which I indicated earlier.

Mr MORRIS — Can we then ask: how much is available to be spent in the coming financial year?

Mr WYNNE — As I just indicated, \$60 million.

Mr MORRIS — No. That is what you indicated was in the budget to be spent. I am asking you how much is available, not how much you desire to spend.

Mr WYNNE — Well, I have indicated that in my answer, Mr Morris.

Mr MORRIS — No. You have indicated that \$60 million is the amount that is intended that you spend. What I am asking is: what is the available balance to be spent?

Mr WYNNE — I am just advised by the chief financial officer: \$142 million is available.

Mr MORRIS — If nothing further was received, you would still have \$82 million left after that?

Mr WYNNE — Yes.

Mr MORRIS — But you are expecting a total income of 175? Can we get information —

Mr WYNNE — Yes, of course you can.

Mr MORRIS — about what is actually in the fund and what the deferred income is likely to be?

Mr WYNNE — I will refer that particular aspect to the chief financial officer.

Ms JACKSON — Just to add to what the minister has flagged already, in terms of what flows through to the department that is available to be spent, it is actually on page 190 of BP5. There are two trust accounts that we can access, and of the 170-odd that is flagged as revenue in 16–17, there would be 62 cash that would come into the trust account that could be spent, so that is the budget.

Mr MORRIS — That 62, is that a matter determined by Treasury or is that actual cold, hard dollars?

Ms JACKSON — That is the cash. The revenue line in the other part of the budget papers is the receivable that the minister mentioned. When the cash is paid into the, I guess, government, that is what flows through.

Mr MORRIS — That is helpful. Thank you. Minister, an entirely different subject: the Western Highway duplication. As you know, the duplication has been deferred twice because of planning permit issues. Does anything stand in the way of you using your ministerial powers under section 20(4) of the Planning and Environment Act to issue a planning permit and get that project underway again?

Mr WYNNE — Mr Morris, I have to be a bit careful on this one, because as you know this is a matter currently before the Supreme Court, so I have to be somewhat circumspect. In November 2016 the plaintiff's application for interlocutory injunction was refused. Several adjournments to proceedings have been granted over the past months, and I understand the matter is set down for a directions hearing on 8 June 2017. The matter is before the courts, and I am acting on the advice of my department that I have to obviously be quite circumspect in providing any particular commentary on that matter.

Mr MORRIS — I accept that, and I will not ask you to go into specifics. Bearing in mind that obviously in that part of Victoria this is a huge project —

Mr WYNNE — Crucial, yes.

Mr MORRIS — it is terribly important in terms of local employment, earthmoving businesses, the whole thing. Is it your advice to the committee that because of the action you are unable to act — you are unable to issue a permit?

Mr WYNNE — At this stage VicRoads have not provided me with any further application on the matter.

Mr MORRIS — You cannot issue a permit without an application.

Mr WYNNE — No, there is no application at the moment. As you know, as you have already indicated, the permit was out of time. We have got this application afoot at the moment and we have got this Supreme Court action afoot at the moment, and there is no further matter that VicRoads have put before me for any consideration, whether by way of planning scheme amendment or indeed application of section 20(4) of the act. But I could perhaps leave it at saying I am very cognisant of the importance of this project to regional Victoria.

Ms PENNICUIK — Minister, if I could just follow up briefly on the question of the GAIC. We have found out the amounts that are available et cetera, and you were mentioning that entities put in bids that are assessed by an assessment panel —

Mr WYNNE — Yes.

Ms PENNICUIK — and that projects have to be strategic. Two questions: one is that an analysis of the funds spent to date seems to be that most have been directed to roads and car parking at railway stations?

Mr WYNNE — Yes.

Ms PENNICUIK — And whether there are any criteria about other more strategic services such as public transport in the outer suburbs, particularly SmartBuses and feeder buses to railway stations. Also, just going back to my original question regarding the implementation of *Plan Melbourne*, is there any connection between how this fund is assessed and spent and how *Plan Melbourne* is coordinating other things?

Mr WYNNE — Yes, absolutely. So as indicated earlier, and you gave me a somewhat rueful smile when I talked about the fact that *Plan Melbourne* was the strategic umbrella under which the rest of government actually is informed in terms of decision-making about —

Ms WARD — I am sorry if the member for Kew down the back is distracting you with his voice, Minister.

Mr WYNNE — key infrastructure investments of government, obviously *Plan Melbourne* really provides the road map in terms of how we are going to manage population, how we are going to deal with infrastructure investment. As I indicated in my previous answer, we have now spent — —

Ms WARD — He says, walking away from the table.

Mr DIMOPOULOS — Exactly.

Ms PENNICUIK — Just continue on, Minister. We have not got much time.

Mr WYNNE — I am not going. We have now spent or committed 100 million in GAIC funding because we have now got, as I indicated, the process — —

Ms PENNICUIK — Spent mainly on roads and car parks.

Mr WYNNE — No, not mainly on roads at all. Are you ready?

Ms PENNICUIK — I am ready.

Mr WYNNE — There is 31.2 million towards public transport projects.

Ms PENNICUIK — One-third.

Mr WYNNE — Funding to add the Hawkstowe station to the Mernda rail project, early works for the Toolern station on the Melton line, station upgrades and car parking at Merinda Park and Donnybrook, and bus upgrades to Cranbourne and Caroline Springs — all good public transport projects.

In this year's budget, 29.8 has been committed to provide 50 per cent of the funding for eight growth area schools, which I know you will of course support, as part of the overall — —

Ms PENNICUIK — Is this coming out of GAIC funding?

Mr WYNNE — Yes, and — —

Ms PENNICUIK — Minister, can you provide what you are reading to the committee?

Mr WYNNE — I can provide that to you — no problem — but I will keep going if you do not mind.

Ms PENNICUIK — Yes.

Mr WYNNE — As part of the 70.4 million allocated in this year's budget for school land — just the school land across the state.

In 2016, 26.8 million was committed for community projects that went towards land for three schools, land for six ambulance stations going forward, an early childhood centre in Beveridge and a bike track on the upper Merri Creek, which I know will be near and dear to your heart, and mine. In 2015, 7 million was committed to two health hubs in Melton and Pakenham and 5 million to deliver projects approved and not delivered by the previous government. That is the sort of scope of the sorts of projects that — —

Ms PENNICUIK — That is good. Thank you, Minister. Sorry to cut you off, but I know the Chair will give me only a minute in a minute. So if you could —

Mr WYNNE — I am happy to provide — —

Ms PENNICUIK — That would be great if you could provide that to the committee.

Mr WYNNE — I am happy to provide you with — —

Ms PENNICUIK — So the original question was: how does this assessment panel fit in with the implementation group that we were talking about before? How are they all coordinated? Because that is the whole idea, you were saying, about coordinating, but I am not sure how that works.

Mr WYNNE — And as I indicated, the investment of government right across government is informed by the strategic work of *Plan Melbourne*. That is the answer to the question.

Ms PENNICUIK — Thank you. I have got one more to squeeze in if I could, Minister, which is regarding the revitalising central Geelong — the 10 million and then the 1.7 million. My question is: will that revitalising wait until the new council is elected in October?

Mr WYNNE — No. The work is ongoing. The Geelong Authority has been in place now for a period of time, chaired by Professor Roz Hansen, and they are doing fantastic work. This is a very unique opportunity. I know Geelong extremely well.

Ms PENNICUIK — So do I.

Mr WYNNE — Indeed. I think you would attest that the way that the Geelong community has rallied around and has really been looking for a leadership role has now been fulfilled by the administrators of the council and the state government actually working in harmony together. We are now getting some tremendous outcomes there already. You are well aware of the work that the government has done in terms of the development of the green spine, the pedestrianisation of Geelong — —

The CHAIR — Mr Dimopoulos, until 4.30 p.m.

Mr WYNNE — I was going to talk about the residential development that has occurred; Johnstone Park, the drainage issues there — big issues there around flooding in Geelong; and the link to the train station. These are all very strategic projects, and to actually have people now who are going to be living in the centre of Geelong — this is a fantastic thing for the city, a huge vote of confidence in Geelong.

Mr DIMOPOULOS — You are welcome, Ms Pennicuik —

Ms PENNICUIK — You do not have to thank me, Mr Dimopoulos.

Mr DIMOPOULOS — and thank you, Minister. The government has such a good story to tell so I do not blame you for going over time. I want to ask you some questions in relation to Better Apartments, Minister. Ms Shing just informed me that in Tokyo they are called coffin boxes. You were talking about dog boxes, and there was that example that your staff relayed about that extremely small apartment. I just want to get a sense: you mentioned it in your presentation, Minister, but in terms of the Better Apartments design standards and the process you went through and the design standards implemented, it may sound like a basic question but what was the need, essentially, for that? What was the evidence behind why we needed those — and I have a couple of supplementaries — standards?

Mr WYNNE — Well, Mr Dimopoulos, as I indicated, 30 per cent of all approvals are now apartments. I mean, they are here to stay. If we had gone back 25 years ago now, when I was down at the City of Melbourne, the place was in darkness at night. We had this modest ambition at that point. There was a project called Postcode 3000, and we said, ‘Maybe if we got 3000 people to live in the city’, and people said, ‘You’re crazy. What are you talking about? This is ridiculous’. Well, look at it now. It is quite phenomenal. And that is in our lifetime, in the last 25 years. Apartment dwelling living is now the norm and, as Ms Patten has indicated, we are talking families, whereas in the past if you talked about the Docklands, no-one thought of Docklands as being a place where families were going to live. As I indicated, the council has now had to backfill with the most basic things, such as the library. There is a beautiful library down there, by the way; you should go and see it. It is superb. There are maternal and child health services down there, and we have now got land for the school.

All of that core, basic infrastructure to support families and communities was in fact missing. That is why it has been so important to get in place guidelines that actually, can I say modestly, I think have shifted the market. As I indicated earlier, many of these developments would have been very poor quality, one-bedroom stuff. That is now in the minority. The developments that are both coming to market and are in fact being constructed now are of very high quality and are well located. There are minimal ones, lots of twos and threes, and in some cases four bedrooms. Clearly that is reflected by way of price as well, depending on the location of them.

But what has been very interesting as well is that there has been a lot of development on what I would call the edges of the city, so big developments around the North Melbourne train station and big developments up near the Queen Victoria market, just a bit further up heading towards the Peter MacCallum hospital, and not of particularly high density — they might be four, five, six, maybe seven levels, but developments that have always incorporated two and three-bedroom units. That has been reflective, I think, in the way that the apartment guidelines have in fact been implemented.

Mr DIMOPOULOS — Minister, obviously from what you have said so far the policy or rationale was an explosion, or whatever term we use, in apartments — more people choosing to live in apartments, affordability and a whole range of issues — and there was less regulation around them. Was there also the element of the fire? I cannot remember the location — I should — but was that fire at Docklands where the material was seen to basically contribute or was the driver — —

Ms SHING — External cladding, where it behaved as a wick.

Mr WYNNE — It was Lacrosse. The Lacrosse fire was a very, very serious incident. We have been prosecuting, through the forum of national building ministers, more stringent guidelines around conforming building products because of what happened with the Lacrosse fire. In fact Victoria has been leading the way nationally, because we know that there are any number of examples right across the building industry across Australia where building product is being used in a non-conforming way. So it can be used for some purposes but not for others, and this was the circumstance that we found at the fire in the Docklands.

I am pleased to say that we are making some national progress in relation to this issue, but it is one that is incredibly vexed because it also requires the commonwealth to be advising the states of when a non-compliant product is coming across the border from overseas. Again, we have had quite good success in working with the national regulatory regime, and the classic example of this was the terrible incident where there was asbestos-ridden plasterboard being installed in the children’s hospital in Perth — I mean, terrible.

Now that there is a much stronger working relationship with the commonwealth, who are responsible for what is coming over the border, they can then notify the states and go, ‘Hey, hang on a minute, this is a product that has come in which is not compliant. Please ensure that your industry is aware that this product cannot be used’ — such as asbestos-laden plasterboard. The commonwealth goes back and checks the original source where this stuff may have been generated from and raises a red flag for any future importation coming from that particular manufacturer or that particular country.

Mr DIMOPOULOS — In the under 3 minutes that we have left, I want to just unpack a bit of what you said around the Better Apartments design standards and requirements. You referenced essentially CBD living. I know obviously it is much broader. My community is surrounded by universities: the two Monash University campuses of Clayton and Caulfield and Deakin Uni. I have got a lot of apartments in my community — around Carnegie, as you know because you have come down there and visited with me, and Clayton, and increasingly the local activity centre. It is not just a CBD characteristic only. So those standards are very welcome in my

community. I just want to get a sense from you: you referenced Postcode 3000. My parents, when they first came to this country, referenced the fact that commercial and residential were so separate that you could not actually recreate in the same place that you lived. What are the amenity issues that the standards address in terms of noise — so apartments and bars all in the same vicinity?

Mr WYNNE — Yes. Some of the headline elements of the new standards are: building setbacks that provide for adequate access to daylight, outlook and privacy; requirements that ensure functional layout and room depth, making for comfortable and more usable bedrooms and living spaces; and requirements for the provision of both communal and private open space, servicing the needs of residents. The other six standards encapsulate things such as solar access, the communal open space — obviously if you are going into communal open space, you want to have air and light — natural ventilation. I mean, they all sound pretty simple, but I can assure you some of the examples we have seen — support access to daylight, storage space —

Mr T. SMITH — Minister, BP3 page 65, *Plan Melbourne* implementation.

Mr WYNNE — Sorry. Which one?

Mr T. SMITH — *Plan Melbourne* implementation, BP3 page 65. Your draft infrastructure strategy says that there will be massive intensification of population growth in Melbourne's east and south and established areas, further intensifying housing.

Mr WYNNE — You are saying Infrastructure Victoria have said this?

Mr T. SMITH — Your *Plan Melbourne* has said something similar.

Mr WYNNE — Yes.

Mr T. SMITH — You talked at length to begin with about population growth. One of the issues that *Plan Melbourne*, indeed Infrastructure Victoria's 30-year plan, fails to in any way, shape or form account for is the increased pressure on the sewerage system. I just wonder what your plan is to deal with this waste issue?

Mr WYNNE — Sewerage?

Mr T. SMITH — Population growth — there is a by-product.

Mr WYNNE — I am going to provide you with some general commentary.

Mr T. SMITH — You always do that. How about you answer the question whilst you are at it?

The CHAIR — Mr Smith, can you please speak to the witnesses with a degree of respect.

Mr WYNNE — Then I am going to ask the secretary of the department to provide you with perhaps some fuller commentary because he is far more expert in sewerage matters than me.

Mr T. SMITH — I would have thought, given how much crap you speak, Minister, you would be perfect for it.

The CHAIR — Mr Smith, that is not parliamentary.

Mr T. SMITH — I withdraw.

Mr WYNNE — I did not take offence at it. Frankly, Chair, it is so puerile it does not really require a response. But let me give you some general overview, and I will ask the secretary to provide you with the technical answer, because obviously the secretary is responsible for a broader scope of areas that go to the very technical question around sewerage. I must say with all sincerity, Mr Smith, I am very much looking forward to your planning document.

Mr T. SMITH — You should be.

Mr WYNNE — Is it coming soon?

Mr T. SMITH — It is.

Mr WYNNE — Excellent. Will it address the question of sewerage, because I will look forward to it?

Mr T. SMITH — It shall.

Mr WYNNE — Excellent. We should not forget of course that it was in fact the Whitlam government that made the fundamental investment in sewerage of our cities.

Mr T. SMITH — What an apt description of the Whitlam government, if ever I have heard one, Minister.

Mr WYNNE — Mr Smith, if you actually understood the basis of your question, you would understand — —

Ms SHING — He does not. He is just reading out what Mr Davis down the back of the gallery wrote for him.

Mr WYNNE — Yes, that is all. Mr Davis can do that. That is all okay, but in fact it was one of the most fundamental infrastructure investments made by that great reforming government, the Whitlam government, who actually understood the importance of cities and who actually understood the importance of sewerage of our major cities.

Mr T. SMITH — Could you answer the question please, Minister.

Mr WYNNE — You have completely missed what I have been trying to say to you about the actual importance of your — —

Mr T. SMITH — We have got 6 minutes left, Minister, please.

Mr WYNNE — The actual importance of your question in relation to the issue of sewerage more generally, so the issue for us is that you have to ensure that the infrastructure does in fact keep up. That is basically at the core of your question. Can the infrastructure in Melbourne, can the infrastructure across the state keep up with the population growth that we have got? That is essentially the core of your question, is it not?

Mr T. SMITH — Absolutely.

Mr WYNNE — From our point of view what we say is that there are opportunities for population growth right across Melbourne, right across regional Victoria. In that context, and again I go back to the population question that I talked about earlier, if you are going to house people in regional Victoria, you have to ensure not only that you house them but that you actually give them jobs. Fourteen thousand new regional jobs were created in 2016 alone — 14 000 regional jobs.

Mr T. SMITH — Minister, I am asking about the sewerage system.

Mr WYNNE — Well, see, you just do not get it, do you?

Mr T. SMITH — No, Minister, I do get it. I get that I have only got 5 minutes left, so if you could answer the question.

Mr WYNNE — I am answering it.

Mr T. SMITH — You are not answering the question.

Mr T. SMITH — You are waffling, which you are very good at.

Mr WYNNE — I am answering the question by way of giving you an example of how you can take the pressure off the sewerage system if you in fact ensure that population is in fact spread across the — —

Mr T. SMITH — Ah!

Mr WYNNE — Oh, you have got it now, have you?

Mr T. SMITH — That sounds familiar.

Mr WYNNE — Have you actually got yourself tuned in on this one? Are you tuned in yet?

Mr T. SMITH — Can I hear from Mr Fennessy whilst you are — —

Mr WYNNE — No, you cannot, I have not finished. I have got more to go yet. Compared to the risible 5600 created under your mob last time around, 14 000 versus 5600; regional unemployment down from 6.6 to 5.9; and as I have indicated — —

Mr MORRIS — Chair, the question was about sewerage and about. It had nothing to do with regional Victoria. It was about pressures on the existing system under your plans to intensify development in the south-east particularly. That is going to put a lot more pressure on, and that is specifically what the question is about. It is your plans to intensify density in that area. That is what the question is about.

The CHAIR — Deputy Chair, I appreciate the point you are making. I think the minister is doing two things. One thing is that he is talking about what he can do in a planning policy sense in relation to distributing the flow of effluent across Victoria as opposed to Melbourne.

Mr MORRIS — Chair, the question is in the context of the explicit intention to increase density in metropolitan Melbourne specifically in the south-east. That is the government's stated intention, and we are asking them how the infrastructure, in particular the sewerage infrastructure — —

The CHAIR — Can I say respectfully, Deputy Chair, I do not believe that the Minister for Planning has got responsibility for sewerage as an infrastructure initiative. The question might be more appropriate to the Minister for Water, Deputy Chair.

Mr MORRIS — It is *Plan Melbourne*, it is his document and the responsibility for that includes planning for sewerage.

The CHAIR — Sure. I think the minister has — —

Mr MORRIS — It is a serious question that deserves a serious response.

The CHAIR — It deserves a serious response, absolutely, and I believe that the minister has been responsive to that question. I think the minister is due to conclude his answer.

Mr WYNNE — No, I have not, actually.

The CHAIR — I think you were about to conclude your answer.

Mr WYNNE — You want me to conclude? Okay, let us go on to the second bit.

Mr T. SMITH — That would be great.

Mr WYNNE — Away you go.

Mr FENNESSY — Thank you, Minister. Thank you, Chair. There are two elements to the answer. From the point of view of the planning portfolio, for the *Plan Melbourne* refresh process it was very much done closely with the department's water and catchments group and done in coordination with *Water for Victoria*, which is a document that the Minister for Water put out. Specific to the questions about Melbourne and our sewerage infrastructure, budget paper 4 sets out the state capital program for Melbourne Water Corporation as well as the urban retailers, including South East Water.

Some of these figures are indicative because they are very large spends. On page 107 there is a \$12 billion rolling investment program through Melbourne Water Corporation, which ranges across sewerage transfer, storage, water quality — a whole range of projects, including treatment plant investments. So Melbourne Water is responsible for both the eastern treatment plant and the western treatment plant. Then specific to the south-east of Melbourne, page 113 of budget paper 4, South East Water, sets out their capital spend, which goes to \$46 million, and that includes sewer backlogs for Cardinia shire, Baw Baw, Dandenong, Glen Eira, Mornington — various aspects of their catchment. Then, as the minister indicated, that will play out across

metropolitan Melbourne with City West Water, Yarra Valley Water and then indeed Coliban Water, Barwon Water and Central Highlands Water.

So the department is responsible for coordinating on behalf of the Minister for Planning the integration of water, sewerage and *Plan Melbourne*, and that was certainly done through the department and the *Plan Melbourne* refresh, and then the Minister for Water, in oversight of the water sector, is responsible for the state capital program.

Ms PATTEN — One of the outcomes from *Plan Melbourne* focused around recognising that Melbourne is famous for its design and our cultural identity. You also mentioned that having that attachment also improves our GDP and that connection. I am just wondering with regard to Queen Victoria Market, which I know is something that is close to your heart, Minister, as it is to mine, has the government made any decision around Queen Victoria Market and whether there is going to be a redevelopment? I suppose I am interested in, from my understanding, the conflict possibly between the state government and the City of Melbourne in regard to the proposed developments.

Mr WYNNE — Thank you, Ms Patten. Can I say immodestly that I do not think there is anybody who knows more about the Queen Victoria Market than I do. I have been shopping at the Queen Victoria Market at my mother's knee, and we shop there — my family shops there — every week.

Ms SHING — You may have gone to the stall that my grandparents ran, then.

Mr WYNNE — Quite possibly we did. It is the largest open-air market in the Southern Hemisphere, the largest open-air market, and one of, can I say, a handful in the world. Don't you want to hear about the Queen Vic market?

Mr T. SMITH — I have heard enough from you this afternoon.

Mr WYNNE — See you later. Thanks for coming. The Queen Victoria Market is the only surviving 19th century market in the Melbourne central business district. Of course we had in the past the eastern market, which was where the new 447 Collins Street is — the pantscraper building — and we had the western market, which of course was on the old Southern Cross. Both of those disappeared in the fullness of time. This is a very, very unique site for Melbourne.

We had a panel in May 2016. The panel reported in July of 2016. We had lots of people submit to it. So the project is essentially in a number of parts. The application that is currently before me at the moment is for a planning scheme amendment called C245, which is the Munro site. This is the site on Therry Street, directly opposite the delicatessen, where the council originally had a proposal for a 196-metre-high tower. Now to put that in context, just directly opposite the meat hall is the old Stork Hotel development. That is a bit over 200 metres. So this is a very, very big development for Therry Street — this side street of the Queen Victoria market. I have indicated, both publicly and privately, to the City of Melbourne that I have been very uncomfortable with the height of the building. But the project is in some ways underpinned by a development of the Munro site for residential developments, some child care and some car parking as well.

There is nobody who does not believe that the Queen Victoria Market does need some further redevelopment. The food hall is unacceptable. The back of house, the toilet facilities and so forth, are completely unacceptable. But the great beauty of the Queen Victoria Market is its historic integrity. It is on the Victorian register, and we have to ensure not just as the City of Melbourne but as a community that we do in fact ensure that we protect the very essence of this —

Ms PATTEN — So have you made any decisions?

Mr WYNNE — No. I have not made any decisions at this —

Ms PATTEN — Just while I have got 1 minute left, could I just quickly ask about Crown Towers and the perceived public benefit, because there has been some criticism of that decision and I think certainly the perceived public benefit of — what was it? — \$35 million for the viewing deck. Could you just expand a bit on that?

Mr WYNNE — What have we got — 30 seconds?

Ms PATTEN — In the 30 seconds, yes.

Ms SHING — Or take it on notice.

Mr WYNNE — I will take it on notice, but the sky deck was an element. Most of the community benefits were negotiated with the City of Melbourne — \$65 million negotiated directly between the City of Melbourne and the developer. Of the \$35 million, \$25 million is for the viewing platform and \$10 million is for a retail arcade and connections — —

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Minister for Planning, the Honourable Richard Wynne; Mr Fennessy; Ms Jackson; and Mr Lyngcoln. The committee will follow up on the one question taken on notice in writing. The response, answering the question in full, should be provided in writing within 10 working days of the committee's request.

Mr WYNNE — What was the question on notice?

Ms SHING — There were further —

Ms PENNICUIK — There were a couple.

The CHAIR — I am sorry. I thought there was only one. Sorry, the secretariat will go back through that.

Ms SHING — Ms Pennicuik and Ms Patten as well.

The CHAIR — I will start again. The committee will follow up on any questions taken on notice in writing. The responses, answering the questions in full, should be provided in writing within 10 working days of the committee's request. All broadcasting and recording equipment must now be turned off.

Committee adjourned.