

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2026–27 Budget Estimates

Melbourne – Friday 22 May 2026

MEMBERS

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak

WITNESSES

Sonya Kilkenny MP, Minister for Planning; and

Jeroen Weimar, Secretary,

Colleen Peterson, Deputy Secretary, Planning and Land Services, and

Stuart Moseley, Deputy Secretary, Housing, Building and Land Delivery, Department of Transport and Planning.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee, and I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Planning the Honourable Sonya Kilkenny, as well as officials from DTP. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time the committee will ask you some questions. Your time starts now.

Sonya KILKENNY: Thanks very much, Chair. The planning portfolio is focused on delivering more homes sooner, improving certainty in the planning system, supporting growth areas, enabling jobs and protecting the places Victorians value, all while working closely with councils, industry and communities.

Visual presentation.

Sonya KILKENNY: Through *Plan for Victoria* we have set housing targets to deliver 2.24 million homes by 2051, and this budget supports *Plan for Victoria* by investing \$13.9 million to continue our key planning reforms, including the train and tram zone activity centres program and the 'better decisions made faster' reforms. Victoria continues to lead the nation in housing approvals, starts and completions, with the highest number of new home completions of any state or territory in every quarter since September 2019. In 2026 we brought in the biggest reform of the planning system in decades, updating and modernising the *Planning and Environment Act*. We are replacing a rigid one-size-fits-all approval system and streamlining planning scheme amendments so it is faster and easier for councils to fix zoning issues, unlock land for housing and meet their housing targets. This budget includes funding of \$11 million over two years to implement these reforms.

To make the housing system more affordable in the places people want to live, we need to unlock more capacity for homes in well-connected suburbs. We are doing this with our train and tram zone activity centres program. Clearer planning controls across 60 locations will enable more than 300,000 new homes by 2051 – you can see the spread there of train and tram zone centres. That is around 20 per cent of Melbourne's expected housing growth over the next 25 years, and this year's budget will support the delivery of plans for local infrastructure to support these growing communities, investing \$2.9 million over three years.

Delivering new housing: we have introduced three new residential design standards. The Townhouse and Low-Rise Code was introduced in March 2025, the Single Home Code in October 2025 and the Mid-Rise Code in March 2026. Each code includes clear and measurable standards for residential development. A new VicSmart 10-day permit pathway has been introduced for dual occupancies that meet key standards under the Townhouse and Low-Rise Code and for any application that meets key standards under the Single Home Code. Nine months since we introduced the townhouse code, we have seen a nearly 45 per cent increase in townhouse applications compared to the same time last year. The 10-year plan for Melbourne's greenfields, a big part of building more homes for our growing population, is making sure we have enough land supply along with the

jobs and infrastructure future communities need. Through our 10-year plan for Melbourne's greenfields, 27 new precinct structure plans are earmarked for delivery over three horizons, unlocking 180,000 homes in Melbourne's south-east, northern and western growth corridors. Work is already underway to unlock more land for homes and jobs in Merrifield North, Clyde South and Derrimut Fields, which we have already commenced this financial year. To keep this pipeline moving, the budget allocates \$15.6 million over four years.

The development facilitation program is included in the budget: \$9.9 million to help us continue to make good decisions faster for eligible projects through this program. Since September 2023, the DFP has approved more than 11,300 homes, with a nearly 20 per cent affordable housing contribution. Approvals of housing and residential projects are averaging four months, significantly shorter than the average council process.

Finally, the renewable energy transition: alongside our focus on homes, the Allan Labor government remains committed to the renewable energy transition, and this budget includes \$4.9 million to support faster approvals and environmental assessments for renewable energy projects including wind, solar and batteries. Since expanding the DFP on April 24 to include renewable energy projects, approximately 26 major projects have been approved, which has invested \$9.7 billion into the Victorian economy. These projects will power around 785,000 households each year. We are going to continue this work alongside rigorous and transparent environment protections and standards.

The CHAIR: Thank you, Minister. The first 7 minutes are going to Mr Riordan.

Richard RIORDAN: Thank you, Chair. Minister, good morning. Planning of course is a central part of how the government is having to deal with the housing crisis that we have in Victoria. Yesterday a report was released by the UDIA that said that infill supply against a target of 48,000 had only completed 17,155 homes last year, whereas in growth areas, against a target of 20,500, there have been 21,400 homes completed. Minister, do you and your government still maintain that you can deliver a 70 per cent infill housing and 30 per cent growth areas housing target?

Sonya KILKENNY: Thank you for your question. That is exactly the policy that we are committed to.

Richard RIORDAN: But the market is at odds with you, isn't it?

Sonya KILKENNY: That is exactly the policy that we are committed to. What we have seen for too long is that the status quo has locked out too many Victorians from finding a home and from having choice in areas that are well established areas with great connections to public transport to jobs and to services.

Richard RIORDAN: Minister, do you seriously think it is the planning that is locking people out, or would you agree with reports such as the KPMG report last year that says that the average cost to build in Victoria is just too much? At a price point of around \$680,000 – that is what most Victorians can afford for a mortgage. Your housing policy is delivering houses that, as every person in the industry says, will have a starting point for a two-bedroom apartment at \$1 million, and if you want a three-bedroom or something that is family suitable you will pay \$1.3 million-plus to get into a home under your current planning policies, such as the 70/30 rule.

Sonya KILKENNY: I am saying that our outdated planning laws, the status quo, have locked out too many Victorians from established areas in Melbourne. It has meant that –

Richard RIORDAN: So you do not concede the price point is locking them out?

Sonya KILKENNY: The growing sprawl on our urban fringes has seen communities in our growing northern and western corridors carrying the burden of new homes, and what we need to do is to ensure that we amend our old, outdated planning system.

Richard RIORDAN: Minister, the construction industry continually points to the fact that our planning rules and the Victorian government are taking around 40 per cent of the cost of a new build in rates, charges, costs, levies, windfall gains tax and everything else you can imagine. Do you concede that the cost of development, the cost of actually buying a house, is what is holding people back from getting into a home?

Sonya KILKENNY: First of all, I need to dispute the matters that you put to me around Victoria's planning laws contributing to 40 per cent tax and other costs on the price of construction. That is not correct.

Richard RIORDAN: The developer levy charges? Land set aside for projects? Some developers are reporting nearly 50 per cent of the land allocated that they have got as a development site will be given up to the state. People are paying for that, Minister.

Sonya KILKENNY: In response, Mr Riordan, we have a housing situation now where too many Victorians, particularly young Victorians, are unable to find a home in the places where they want to live.

Richard RIORDAN: No, they cannot afford a home in the places they want to live.

Sonya KILKENNY: They cannot find a home. They are not given that choice.

Richard RIORDAN: Minister, how many brand new homes sit unsold within 5 kilometres of Melbourne's CBD that have been constructed in the last five years?

Sonya KILKENNY: The planning changes that we have brought in –

Richard RIORDAN: Minister, no, that is not the question. From the current planning laws and the ones that your government has overseen for the last 12 years, how many affordable apartments remain brand new, were constructed within 5 kilometres of the CBD and are not selling?

Sonya KILKENNY: Mr Riordan, I need to take you back to the planning laws that we have introduced, and we have done this not just for Melbourne's CBD. It is about ensuring that we are unlocking suburbs that have been locked up for generations.

Richard RIORDAN: Minister, how about we unlock – I think it is about 5000. Why don't we unlock the availability of the 5000 homes that are already sitting empty and built? Why haven't we progressed places such as Fishermans Bend, which you have had sole control over for 12 years? You have not even reached close to what has been allocated for housing in that area under your planning regime.

Sonya KILKENNY: Our government's planning reforms go to unlocking suburbs that have been locked up for too long under a planning system that is no longer fit for purpose and does not serve the interests of Victorians, particularly young Victorians.

Richard RIORDAN: Minister, we have got thousands of brand new empty homes within 5 k's of the city and we have got precincts such as Fishermans Bend within close proximity to the city sitting undeveloped because people cannot get through your planning regime, and you want us to focus on existing suburbs where everybody is telling you you will not get anyone into a home in those places for under a million dollars. Where is your affordability? You cannot have planning in isolation from affordability.

Sonya KILKENNY: That is correct.

Richard RIORDAN: So what are you doing to make them affordable?

Sonya KILKENNY: The planning reforms go to this very point. The way to make homes more affordable is to make sure that you are building more of them, and building more of them in all kinds of places where Victorians want to live. With respect, we went out with the largest consultation ever undertaken in this state for *Plan for Victoria*, and the response was overwhelming –

Richard RIORDAN: It has certainly been overwhelming.

Sonya KILKENNY: that Victorians want more choice.

Richard RIORDAN: Minister, you can filibuster with your friends over here. What I want to hear from you is what financial modelling you have done – and if you cannot answer, I am happy for Mr Weimar to take the question. But what modelling have you done with your policy that you are talking about? With the total focus on planning, what is the average cost of homes going to be?

The CHAIR: Thank you. We will go to Mr Galea.

Michael GALEA: Thank you, Chair. Good morning, Minister, Secretary, officials. Minister, budget paper 3, page 83, has output initiatives which go towards enacting things such as the Planning Amendment

(Better Decisions Made Faster) Bill, which was passed earlier this year. Indeed, Minister, we know that many experts, including the Grattan Institute, have said that the number one lever that any state government can pull when it comes to housing affordability is planning. This Bill clearly is a major step towards acquitting that, and as someone who is very proud to represent the outer suburbs, which are growing at a very fast rate, people in my community certainly know that we have been taking far more than our fair share of that growth. That is why these reforms are so important to provide that equity and, as you said, to unlock the suburbs where in some cases public school numbers are actually falling because of the population stagnation in those very well connected, very well serviced areas. So how will the output measures in this part of budget paper 3 help to achieve the Act?

Sonya KILKENNY: Thank you, Mr Galea. This year's budget includes \$11 million to implement reforms made possible through the 'better decisions made faster' Bill that passed the Parliament earlier this year. We are doing this because we have been, as I said to Mr Riordan, operating in a planning system that is now nearly 40 years old. It is out of date, it is archaic and it does not serve the interests of Victorians, particularly younger Victorians, who have told us in overwhelming numbers through our engagement and consultation on *Plan for Victoria* that what they want is more housing choice and more housing diversity. They want the opportunity to be able to live in some of these well-connected inner and middle-ring suburbs of Melbourne, which have been now made so out of reach because of planning laws that have locked up these suburbs. As you said in your question, in some of these suburbs, in some of these local government areas, we are seeing the population of people under 65 going backwards and we are seeing school enrolments decline, and that is in places like Kew in Boroondara. That is unacceptable. We know that those statistics are telling a pretty clear story, and that is that there is no available housing for younger Victorians to be able to live in those suburbs – and frankly, who would want to live in a suburb that is becoming childless with no families and no younger people there? That is not the kind of Melbourne, not the kind of Victoria that we want to see.

The extensive reforms that we have brought in through the 'better decisions made faster' legislation will go to this very point. They will modernise our *Planning Act*, they will ensure that we have got a fit-for-purpose planning system and they will be supported in their implementation through \$11 million in the 2026 budget. This funding actually builds on investment in previous budgets, where we funded to develop the legislative reform and where we have supported councils to increase housing supply and diversity in established areas. I think what is really important is this is a really big shake-up to the planning system. We know that change can be difficult, but we are responding to a need that we see. This is a question of equity, and it is also ensuring that Victorians, particularly younger Victorians, are going to have the same opportunities that their parents enjoyed.

The reforms go to all aspects of the planning process, from planning scheme amendments to planning applications and approvals, to working with councils to ensure that we are meeting housing targets and to infrastructure contributions to make sure that as these communities grow there is dedicated funding that is going to support the services and the infrastructure that these growing communities will rely on. Since the Bill passed we have established what is called a planning regulations advisory committee, made up of experts, stakeholders and local government, to help advise us on the implementation pathway, particularly around the development of regulations to support the reforms in the 'better decisions made faster' legislation.

Importantly, economic analysis of the reforms that are included in the Act shows that we can expect to unlock more than \$900 million of economic value each year, and that is to enable us to get more homes built more quickly and development off the ground sooner. That is ensuring that we are leveraging off existing and planned significant infrastructure and infrastructure investments in these otherwise locked-up inner and middle-ring suburbs of Melbourne, which are fantastic places where people want to live, where they have got the tram or the train outside their door and where they can walk to local shops and supermarkets and schools and have the services that they need. That opportunity should be available to everyone, but our planning system has locked people out of that opportunity, and my role as planning minister has been to change our planning system so that the planning system is not the thing that is locking out Victorians, particularly young Victorians, from having the opportunity of choice and the opportunity to live in these terrifically well connected suburbs, where they can enjoy the opportunities that their parents also had.

Michael GALEA: Indeed. Thank you, Minister. Just reflecting on your comment about schools as well, in one growth suburb that I have, we have built six new schools that have all been very well used just in the last four years, so when you hear about other schools having their enrolments drop, there is a real imbalance that needs to be addressed. Thank you.

The CHAIR: Thank you. To the Deputy Chair now.

John PESUTTO: Thank you, Chair, Minister and officials. Good morning, Minister, just before I get into my questions, just following up from Mr Riordan's questioning: would you be prepared to undertake to provide this committee with the modelling that has informed the policies you have been speaking about? Would you be able to provide that to the committee at some point soon?

Sonya KILKENNY: Mr Pesutto, it is not just a case of modelling. What is also important here is listening to Victorians.

John PESUTTO: That is okay. But just the data and the modelling – I do not want to rehearse the questions that were already entertained between you and Mr Riordan. If you can provide any modelling, it would be appreciated by this committee.

Sonya KILKENNY: But I think it is really important, Mr Pesutto, that we recognise, when we talk about 70–30, 70–30 has been a longstanding policy not just of this government but of previous governments, Liberal–National coalition governments as well –

John PESUTTO: That is okay, Minister. You made those points very eloquently in your intro, but I do have some questions I need to get to. I was just following up something from Mr Riordan. Can I ask, Minister: in relation to the stamp duty exemption for off-the-plan apartments and townhouses, could you provide to the committee a breakdown of the exemptions and the dollar value of those exemptions, one, for properties above \$1.5 million and for those provided for properties below \$1.5 million? If you could do that, that would be appreciated. Would you be prepared to provide that data to the committee?

Sonya KILKENNY: Thank you, Mr Pesutto. On the issue of stamp duty concessions, we have of course extended –

John PESUTTO: I understand that.

Sonya KILKENNY: the concession for an additional six months to off-the-plan for strata developments, and that has obviously been really well received by industry. It is another way to pull a lever that is going to support us to build more of the types of housing in areas where people want to see more development.

John PESUTTO: Why isn't it a permanent exemption? You introduced it for a year, extended it for a year, extended it for six months. It is really just a measure to clear existing stock, right, that can't sell?

Sonya KILKENNY: Of course we have a stamp duty exemption for first home buyers, and we have a stamp duty exemption for developments in our greenfields. This is about ensuring that we are encouraging development in areas that have otherwise been locked up, encouraging the types of development that we want to see –

John PESUTTO: Well, can I come to the locked-up – that is a point you have made a number of times, Minister. Can I put it to you that this is how councils across the state feel, and I will ask for your comment. First of all, they feel that they have done a lot of work in their communities, on a collaborative basis with their communities, to determine how they can deliver more housing. Everybody wants more housing. They all want it. They feel like they have done that. Let me put that to you. And, Minister, secondly, what a number of councils – I am not here to defend them, but I am going to put their view to you – say is that they have approved permits. There are projects that are not being proceeded with because it is too costly. So they are saying, in their defence, 'We've done the work. Work off that. Secondly, don't blame us for stock not being delivered to market, because we've approved, for the most part, all of the applications that have come to us.' Yes, there are things they might have rejected. Now, can I put it to you that in fact your policy is trying to address a problem that does not really exist and is missing, as Mr Riordan said, the real problem, which is that it is just too expensive to build in this state.

Sonya KILKENNY: No, I do not accept that comment, Mr Pesutto. What we are doing is acknowledging that in too many areas across Melbourne Victorians have been locked out, and we have pointed to the data to show we know that is the case because the population of younger people is declining and school enrolments are declining. We look at our planning laws, we look at our planning system and we see a system that has been

perpetuating this locking out, that has been used against the building of more homes. But that is not what a planning system should be.

John PESUTTO: But they have been approved, Minister. For the most part, the overwhelming majority of permit applications – sorry to interrupt – have been approved.

Sonya KILKENNY: Well, I am coming to this point. A planning system should be an enabler of more homes, particularly when we find ourselves in a housing crisis. The other point is to recognise that in these suburbs when I talk about being locked out what that means is there is not the capacity there. There are such restrictive planning rules in place that lock out the opportunity for more homes to be built. Their restrictive planning controls are stopping development. They are stopping development.

John PESUTTO: Okay. Thank you, Minister. You have addressed that point.

Sonya KILKENNY: So what –

John PESUTTO: Can I move on, because I do not have much time but I just want to put two things to you very quickly. You have made that point. In terms of the development facilitation program – I am not sure if I asked this earlier, but could you come back if I did not ask it earlier with a breakdown of those projects or dwellings that you have approved under the DFP that will sell for less than \$1 million on the modelling you have. The concern is that you as minister have approved, I think you said, over 11,000, and there is more to come presumably with no community input or say, and yet that is going to deliver, if they ever materialise, dwellings that are well over \$1 million.

The second thing I was going to ask you about, and you might address both in turn, is that your own government's population data, the Victoria in Future data, shows – these are your numbers – that for inner metropolitan Melbourne, when compared with the growth corridors right around Melbourne, the population in the growth corridors around Melbourne before your policy was about three times faster. People are wanting to go to these areas. They want to live in these areas, and yet your policy is trying to drive them in a different direction. My point to you is your policy does not answer the challenge that Victoria's population data is posing – that is, you need to provide infrastructure housing in the areas where people are going, even on your own data, to live. I might get you to comment on both of those.

Sonya KILKENNY: Thank you, Mr Pesutto. There were a lot of points in that question. I might pick up the last one first. Infrastructure Victoria prepared a terrific report that goes to your very point. They put a survey out, and what they found is that whilst the data might show that 30 per cent –

The CHAIR: Thank you, Minister. Ms Kathage.

Lauren KATHAGE: Thank you so much, Chair, Minister and officials. I want to ask about something you showed in your presentation, which was that great diagram of the train and tram zone activity centres. I can see on page 83 of BP3 an initiative there for supporting infrastructure contribution delivery. Can you explain how that train and tram zone program is delivering more homes and infrastructure around those 60 train and tram stops?

Sonya KILKENNY: Thank you for the question. This is a key feature of the planning changes and reforms that we have brought in, and it was to identify 60 train and tram zone activity centres and to rewrite the planning rules to encourage development in these locations. They were picked because they have great connection to public transport, there are lots of job opportunities, there are services and there is great access to schools. Many of them are benefiting from the opening of the new Metro Tunnel. These are great locations where we want to see more homes there – one, because there is this incredible existing infrastructure, but two, and this was the point I was going to go to with Mr Pesutto, Infrastructure Victoria has undertaken research to show that often a choice about where you live depends on affordability. So where places are cheaper and are affordable is where you will live.

So his argument is rather circular in saying, 'Clearly the fact that more people are moving to our growth areas shows that's what they want.' The statistics show that more people are moving to our growth areas. Yes, many of them want the choice of a home with a backyard in these beautiful, great growing suburbs – absolutely they do. Some of them have moved there because that is what they can afford. Some of them might say, 'If I had a

choice, I actually would want to live in a different location.’ Our planning reforms are not to say one is necessarily better than the other. Our planning reforms say at their core this is about offering choice and diversity. When we know that our planning system, our rules, have worked to lock out homes in areas, denying that choice, then there is something fundamentally wrong with our planning system, and we need to fix it. That is what our planning reforms do for the first time in three decades. Yes, we are going to continue working, but we are going to make sure we are pulling every planning lever we can so that our planning system is not the blocker of new homes. We will leave it to the opposition to be the blocker of new homes. But our planning system will be the system that is going to enable more Victorians to have choice about where they live and the types of lives they want to live.

Coming back to the train and tram zone activity centres, again this is about recognising many Victorians want the opportunity to live in these locations, so the reforms that we have introduced go to enabling a change in the rules at the activity centres as well as the catchments that surround those centres to make it easier, clearer and more certain for industry, for councils and for community to know what can be built and where, reduce timeframes and therefore reduce costs. When you come back to it, affordability is a key driver about where people choose to live.

The funding in the budget goes to implementation of infrastructure contributions, because alongside the reforms we are making to the planning rules in these activity centres we are also introducing, commencing from 1 January next year, infrastructure contribution charging, which will require developers to make a contribution per dwelling. That will go to a split between local community assets – so local government assets, whether that is parks and playgrounds, footpaths, community centres – and part of that funding will go to state infrastructure, whether that is major roads, schools, major transport. It is ensuring that as these train and tram zones and activity centres grow slowly over time there is also funding that developers will be providing that will be directed towards improving the infrastructure, the services and the facilities to meet those growing communities.

It is a really important part of our reform – just one part of it – but it is anticipated that this reform alone will deliver about 300,000 new homes in these locations, which represents 20 per cent of the total housing that we are going to need out to 2051. This is going to be pulling its weight to deliver those homes, enabling greater choice and diversity and driving down the cost of homes, particularly for younger Victorians, noting that townhouses, mid-rise developments and apartments provide a lower entry-level option for first home buyers, and we are enabling them in great locations that have great access to public transport – the kinds of places where young Victorians want to live, where you have got the cafes and the bars and the shops. Then, as they grow, life changes and they may look to other areas. But it is fundamentally about ensuring that our planning system is enabling these homes in the right places and giving choice and diversity and opportunity to Victorians.

Lauren KATHAGE: Thank you. As someone who has chosen to live in the growth suburbs, I thank you for your focus on both the inner and the outer suburbs and ensuring that infrastructure is available for communities no matter where people choose to live. I know we are appreciative of that, Minister.

Sonya KILKENNY: Thank you.

The CHAIR: Thank you. We are going to go to Ms Benham.

Jade BENHAM: Thank you, Chair. Minister, I would like to refer you to a letter you wrote, I think it was in 2018, in which you stated that a housing project in your electorate was ‘inconsistent with neighbourhood character’. It was reported in the *Herald Sun*. Now, this housing project was just three storeys high, so how can you possibly contend that your 20-storey towers will not impact the neighbourhood character of places such as Malvern and Hawthorn?

Sonya KILKENNY: Thank you, Ms Benham. I note that that letter was written back in 2018, and times have changed since then. Certainly in my position as Minister for Planning now, and as someone who lives in Melbourne’s suburbs, I know that our suburban areas need to do more of the heavy lifting when it comes to new homes and more homes for Victorians.

Jade BENHAM: Would you support those now?

Sonya KILKENNY: I am supporting more homes across our communities and across our suburban areas where there is great access to public transport, to shops and to services. But to your point about approving 20-storey towers, that is not the case. Every single train and tram zone centre is different, and local context matters. If I take you through various draft maps – for example, I have got one here, which is Sandringham – the highest building we have here in the activity core centre is 12 storeys. Then if I go –

Jade BENHAM: I appreciate that, but I cannot see the map, Minister. Further to your comments, when you said it sets a really bad precedent, how is it when you oppose developments like that in your own electorate it sets a really bad precedent but when other locals oppose 20-storey towers – or 80-metre transmission line towers, for that matter – they are just being NIMBYs?

Sonya KILKENNY: I think, Ms Benham, it is really important: context matters. I also think it is important to recognise that we are now in 2026, and what we are seeing is a shortage of homes and a housing affordability issue for so many Victorians, particularly young Victorians. We need to make sure that in areas where Victorians have been locked out because of outdated planning rules, things need to change. The status quo is no longer an option, and that is what these planning reforms go to. It is saying where there are centres with great access to public transport, where these centres have benefited from significant government investment in major infrastructure – those on the Metro train corridor, those where upgrades have been made –

Jade BENHAM: Okay. I appreciate that, thank you. Minister, you were happy to have your own constituents have the ability to oppose developments like that, so why do you think it is appropriate to remove that right from the rest of Victorians to appeal against overdevelopment or transmission line projects?

Sonya KILKENNY: First of all, everyone has the right to make submissions on any planning application. On any planning application anyone can make a submission, and those submissions are taken into account in the decision-making process. That is really important for communities to know.

Jade BENHAM: You have taken appeal rights away, though. You have taken away the ability for property owners' third-party right of appeal. True or not?

Sonya KILKENNY: Not quite.

Jade BENHAM: Not quite?

Sonya KILKENNY: Ms Benham, the way –

Jade BENHAM: It is a yes or no.

Sonya KILKENNY: The way it works is that we have introduced codes – we have introduced the Townhouse and Low-Rise Code, we have introduced the Mid-Rise Code and we have introduced the single dwelling on a lot code – and we have set out standards within those codes. Where a development meets every single standard, then that matter, that project, that development, will be deemed to comply and will be able to be built.

Jade BENHAM: Would a 20-storey tower in your electorate comply?

Sonya KILKENNY: It would depend on the planning rules that are in place. For example, down in the Frankston activity centre we have brought in a new built-form overlay that sets out the various building heights amongst the topography there that enables a deemed-to-comply pathway for developments that meet those certain standards. This is about giving certainty to industry to be able to get on and build, and I know that you want to support industry to be able to deliver those homes.

Jade BENHAM: Thank you, Minister, I appreciate that. Secretary, of the 11,000 new homes approved under DFP, how many of these are actually being built, referring to the slide presentation figures?

Jeroen WEIMAR: So of the 11,000 homes currently approved, the DFP, I think across 65 schemes from memory, 90 per cent of those were approved in the last two years, 65 per cent of those were approved in the last 12 months. So we are seeing the development of momentum.

Jade BENHAM: How many have been built?

Jeroen WEIMAR: The work is underway.

Jade BENHAM: Because we cannot live in an approval.

Jeroen WEIMAR: Thank you. We have got 17 projects approved, 4200 dwellings are now underway with construction, so 17 sites –

Jade BENHAM: They are underway. Okay. How many of those are affordable homes?

Jeroen WEIMAR: Of the 11,200 homes approved, 20 per cent of those are affordable, under the DFP.

Jade BENHAM: Right. How many applications did the department receive over the last budget period?

Jeroen WEIMAR: For the DFP?

Jade BENHAM: Yes.

Jeroen WEIMAR: I might ask my colleague Ms Peterson just to pick up that question.

Colleen PETERSON: 39 projects with 6251 dwellings.

Jade BENHAM: 6251 dwellings. And of those, how many have been completed?

Colleen PETERSON: I would expect none given that for significant projects that come through the DFP pathway there is typically a two-year post-approval construction process. There will be detailed design, there will be pre-sales, there will be tendering and other work, so it typically takes two years from when a planning permit is issued to actual commencement of construction.

Sonya KILKENNY: Also, the majority of approvals have been made in the last 12 months.

The CHAIR: Thank you. We are going to go to Mr Tak.

Meng Heang TAK: Thank you, Chair, Minister and officials. Minister, in your presentation you referred to the extensive community consultation the government has undertaken in the development of Plan Victoria. How is the plan tracking since it was released in February 2025? How are we tracking against the actions and the councils' housing targets? The last question is: how are we living up to its vision, and what does the community say?

Sonya KILKENNY: Thank you for that question. If you take us back, back in 2024 it was decided that we needed a new plan for Victoria, and for the first time ever it was to be a new plan that covered all of Victoria, not just a plan for Melbourne with sort of regional add-ons but a whole plan that covered the whole state so that everyone can enjoy the opportunity that comes with the economic growth that is being delivered here. The other point of difference was that the plan was going to be a plan written by Victorians for Victorians.

I come back to this point because it is really important. This was the biggest community consultation and engagement ever undertaken in the state's history. We went to every part of the state, meeting people where they were at schools, shopping centres, talking to them about their vision for this great state out to 2050. We heard from more than 110,000 people – that is a significant response. The response was overwhelming. First of all, we need more homes. We need them in all kinds of places that offer greater choice to Victorians. We need more trees, and we need the things that make our suburbs really livable. So all of the infrastructure that comes along with that. Building on all of that feedback, I pulled together a people's panel who then helped draft the plan for Victoria and actually set the vision for the plan for Victoria, which still sits at the front of the document. They, supported by the department, helped us draft the plan. The plan, importantly, includes 22 initial actions which we are already well underway to either completing or are close to completing. The other important point here – and I can take you through what those actions are – are things like setting housing targets for every local government area – tick; setting a 30 per cent tree canopy across all of our metropolitan areas, and we have done those; working with local councils to start establishing settlement boundaries in regional areas – we have done that; working with council and industry around an infrastructure contribution regime – we have done that.

But importantly, *Plan for Victoria* was never ever going to be a set and forget. We have the action items. We are focused on delivering those. We are working through those and delivering those across government as well. We are now working on the next horizon of action items. This is a really iterative document that will make sure that we continue to build on the reforms, that we continue to respond to community and that we continue to maintain our commitment to the vision that Victorians have set for us, and that is to create a state that is liveable, that has housing for all Victorians and housing choice, that is sustainable, that recognises First Peoples and self-determination, but ensures that the next generation has the opportunity that we have all enjoyed. It is a lot of work driven by the voices of Victorians, as it should be. I think that is really important in any conversation around housing.

We have to remember that, one, it cannot be the status quo anymore that dictates how we live and the opportunities that we are giving to Victorians, but also it cannot just be the loudest voices that get the opportunity to say no and to block out younger and younger Victorians from that opportunity and that choice to live in those areas where they want to live. Nor should we be relying on our planning system to act as a mechanism to block. That is where we found ourselves, and that is not a good planning system. We need a planning system that responds to circumstances of today, that responds to the needs of today, and that is ensuring that our planning system enables development, good decisions made faster – not any decision, but good projects that deliver good, comfortable homes that are well built, that fit well into the neighbourhoods, that enable canopy trees, that ensure that we are greening our environments but also that provide opportunity for more Victorians.

Meng Heang TAK: Thank you, Minister. Just one last question from me: can you please outline how this plan delivers more home for regional Victorians?

Sonya KILKENNY: Thank you. It is really important. The amendments that we have made to the *Planning and Environment Act* for the first time recognise First Peoples. Our *Planning and Environment Act* did not recognise First Peoples. I think this is an important and significant change here to ensure that they are recognised in the planning system and in the broader decisions around our planning schemes and how we are planning for future delivery of homes, infrastructure and jobs in the state.

Meng Heang TAK: Thank you, Minister.

The CHAIR: Thank you. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good morning. Starting on budget paper 3, pages 83 and 84, the development facilitation program is being used by developers to fast-track approval for developments, and often it includes exemptions around things like building heights in exchange for things like affordable and social housing contributions. There have been several examples lately, like Assemble in Brunswick and Coburg, where developers have reneged on their affordable and social housing commitments after approvals have been granted and building has commenced. Can I ask of the department who are overseeing this program in practice: what penalties are there for developers who do not hold up their end of the agreement?

Sonya KILKENNY: Is that for me?

Aiv PUGLIELLI: For the department.

Colleen PETERSON: To this stage, we do not have any examples of projects where developers have not met their obligations or are meeting their obligations. In the instance of the Assemble project, what happened is that there was a reconfiguration of the nature of the affordable housing provided. The overall value of that contribution actually increased. The original proposal set to have –

Aiv PUGLIELLI: Which of the values? Sorry, do you mean of the development?

Colleen PETERSON: The value of the overall development. As it was originally approved, the contribution sat at 5.67 per cent of the total developable value of the development, but under the new proposal it actually increased to 7.2 per cent.

Aiv PUGLIELLI: The value of those homes – is that what you are referring to?

Colleen PETERSON: Of the total development.

Aiv PUGLIELLI: So that is how it is been allowed to proceed in that reconfiguration, as you have described.

Colleen PETERSON: Correct. It is more than double the threshold requirement for entry into the program.

Aiv PUGLIELLI: Right. Is that expected to be commonplace for this program going forward? We have seen approvals being granted, the building has commenced and then a reconfiguration like that happens. Is that how this program is meant to be operated?

Colleen PETERSON: I think it is fair to say that that was a unique set of circumstances. The typical ways in which affordable housing is provided will either be the physical contributions of the homes themselves provided on site, and there will sometimes be a financial contribution, such as 3 per cent into the housing growth fund. In the instance of Assemble, which is the example of a relatively unique developer that specialises in affordable housing provision, they actually hold onto the assets long term. In this instance they moved from a rent-to-own model to a build-to-rent where they will retain ownership of the dwellings but they would remain in the affordable housing pool for much longer.

Jeroen WEIMAR: I might just add, Mr Puglielli, as I think we said earlier, of the 11,000 homes approved currently under the DFP, 2188 dwellings of those are affordable or social housing. There is also \$30 million in cash contributions to the Social Housing Growth Fund when those developments are complete. That is how the program ensures we can deliver affordable and social housing to key Victorians.

Aiv PUGLIELLI: Can I pick you up on that dataset? How many public homes have been approved under the DFP?

Colleen PETERSON: The answer is none. The focus is on social and affordable housing and working in conjunction with social housing providers.

Aiv PUGLIELLI: So it is not the intention of the program to deliver public homes.

Colleen PETERSON: Not public housing in that truer sense, no.

Aiv PUGLIELLI: Okay. Can I ask specifically about community homes then? Out of that social number that you have just given, how many community homes have been approved?

Colleen PETERSON: I think we will need to take that on notice and get back to you.

Aiv PUGLIELLI: That is all right. Actually, if you can say how many have been built, just to have that disaggregated, that would be great as well.

Colleen PETERSON: We can say that there have been 11 social housing homes provided to date. They have been completed and are in occupation. The remaining are currently under construction.

Aiv PUGLIELLI: Okay. Can I ask in terms of enforcement, what enforcement measures are in place to ensure that the public benefit contribution required by developers as part of the condition of the DFP approval is actually delivered.

Colleen PETERSON: We will obviously do that on a case-by-case basis should the issue arise, but the planning scheme and the enforcement provisions would allow for prosecution of developers that did not comply with their requirements. But there are no instances of that to date.

Aiv PUGLIELLI: Okay. Are those types of penalties listed somewhere that we can review?

Colleen PETERSON: Yes, they will be contained within the planning scheme. Again, we can get back to you with that.

Aiv PUGLIELLI: Thank you. That is appreciated. I am moving on but on same budget page. The *Planning Amendment (Better Decisions Made Faster) Bill* was enacted in February, including a new affordable housing

contributions head of power that was agreed to by both houses. New regulations are needed to give the head of power effect, and the minister, during the committee stage of that bill, said:

It is not government's intention to drag our heels on this at all but in fact to act as soon as is practicable ...

Can I ask the department, when can we expect those regulations?

Sonya KILKENNY: Implementation is due by I think it is 29 October 2027, and we have established the advisory committee, as I mentioned earlier, made up of industry, of local government, of various stakeholders, including social housing stakes. They are working to advise government on the drafting of regulations, so that work has commenced and will continue now up into next year, with full commencement by October 2027.

Aiv PUGLIELLI: Okay. Thank you. Beyond that consultation you have described, can we expect any broader consultation on draft regulations before the caretaker period?

Colleen PETERSON: Yes, there will – sorry, Minister.

Sonya KILKENNY: No, no.

Colleen PETERSON: We are commencing what we call phase 2 of the implementation of the Act reforms. In the short term, before the Act, we are focusing on the components of the reform that relate to planning scheme amendments so that councils can take advantage of those reforms when they do their planning scheme reviews, which are due with the minister in October of this year.

Aiv PUGLIELLI: Okay. Thank you. Can I ask: for the \$11 million over two years allocated for implementing the Bill, how much of that \$11 million is going to councils?

Colleen PETERSON: The focus of the funding is on First Nations engagement funding. There will be direct funding to registered Aboriginal parties, and the remainder of the funding will support the department in its delivery of the reforms but also in the consultation that we are doing with local government.

Aiv PUGLIELLI: Okay, but can you give us a figure of how much is going to councils?

Colleen PETERSON: There is no direct funding to local government itself.

Aiv PUGLIELLI: Oh, okay. Can you give us a more comprehensive breakdown of that \$11 million? Is that possible?

Colleen PETERSON: We are still working through how we will deliver that. It is over two years. So it is it is a series of staged decisions around how we undertake the implementation program.

Aiv PUGLIELLI: It is not finalised at this stage? Okay.

Colleen PETERSON: There is not a spreadsheet, for example.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thank you. We are going to Mr Hilakari.

Mathew HILAKARI: Thank you, Minister, and thank you, officials, for your attendance this morning. Minister, I would like to stick with regional Victoria for my questions for a moment, particularly in reference to the Geelong Authority. You also mentioned that, I understand, within the presentation as well. How are we supporting planning through the Geelong Authority?

Sonya KILKENNY: Thank you. *Plan for Victoria* funding here in the budget includes a contribution to the Geelong Authority for the Geelong Authority to continue its work. That is recognising of course that Geelong is our largest city outside metropolitan Melbourne, and it is going to carry and deliver many homes that will, you know, fit part of the target that we are aiming for by 2051. It is obviously a location in which government has invested significantly.

Mathew HILAKARI: And a thriving city as a result of that.

Sonya KILKENNY: Yes, that is right. And we want to ensure that, to maximise the benefit of that investment and all of that infrastructure, that housing is being delivered and being developed. Whether that is within the city centre, working very closely there with the Geelong Authority and with local council and of course the local member there, who is very keen to pursue greater developments and more opportunities for people to live –

Richard Riordan interjected.

Mathew HILAKARI: The Member for Polwarth is just jealous. He would love to ask questions about Geelong.

Sonya KILKENNY: It is a fabulous city.

Richard Riordan interjected.

Mathew HILAKARI: He just cannot contain himself. It has been a real issue these whole hearings, that he has not been able to control himself. But we might stick to Geelong.

Sonya KILKENNY: And also of course we are working to unlock further land in areas surrounding Geelong as well. Again, it is about providing that choice and diversity for Victorians who are wanting to live in Victoria's major city outside of Melbourne. So we are continuing that work, working closely with the Geelong Authority, who is providing advice to government, and also working of course with the local members down in the region and acknowledging again the significant government investment into infrastructure in that fabulous city out there.

Richard Riordan interjected.

Mathew HILAKARI: I will take up the chirping from the Member for Polwarth. I remember another set of Liberals, Minister, who almost crushed Geelong through wrecking the car industry. Thankfully Labor governments in Victoria turned up and delivered jobs for that region. It is a thriving city today in spite of what the Liberals tried to do.

Sonya KILKENNY: I remember recently driving past and seeing the big wind farms –

Members interjecting.

The CHAIR: Okay. All right.

Members interjecting.

The CHAIR: Okay, Mr Riordan. Enough of the interjections.

Mathew HILAKARI: I will move to a matter which I am sure will not increase the temperature in this room, which is planning the energy transition – incredibly important for the future of Victoria as well, not just the Geelong region. I take you again to budget paper 3, on page 83, 'Faster approvals for renewable energy projects'. We have got some funding set aside for that. Minister, I am hoping you can talk to how the rigorous planning processes are underway for this transition.

Sonya KILKENNY: Thank you, Mr Hilakari. Obviously we are looking at all options to ensure that we meet our legislated targets to reduce our emissions and to transition to renewable energy by 2035, and you correctly identified that in the 2026–27 budget we have allocated \$4.9 million towards supporting faster approvals and environmental assessments for renewable energy infrastructure to help meet Victoria's climate action commitments. Part of the funding will be used for projects being assessed under the *Environment Effects Act*, and that includes, of course, the environment effects statement and the use of environment reports. We have committed under the *Economic Growth Statement* to speed up the process of environment effects statements down to a timeframe of 18 months, and we have been able to do that by digitising a lot of the process as well, so a lot of it is online; faster engagement with industry; and where industry might be experiencing their own delays, having much closer collaboration to find out what the issues are and how we might be able to support them. We understand these are important investments, but equally it is important that projects that are shown to have an environmental impact must go through a rigorous and thorough environment

effects statement process to ensure that risks are identified and that, where they need to be, risks will be mitigated. Where they cannot be we need to make other decisions about how we address those matters.

This financial year we have approved 16 major renewable energy projects with a combined total investment of \$9.8 billion. That is seven battery energy storage systems, three wind farms and two solar farms. And we have only expanded the development facilitation program in April 2024 to enable renewable energy projects to come through, but that is 26 projects approved, creating over 3000 jobs in construction and operation and, as I said, supporting \$9.7 billion in renewable energy investment here in Victoria. It is obviously an area we want to lead in. It is important, as you have said, talking about jobs growth. It is important for economic growth. It is important because it will make our energy prices the cheapest in the nation and ensure also that we are meeting climate reduction in emissions.

The CHAIR: Minister and officials, thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request. The committee is going to take a break before beginning its consideration of the portfolio of finance at 11:30 am. I declare this hearing adjourned.

Witnesses withdrew.