

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2024–25 Budget Estimates**

Melbourne – Wednesday 22 May 2024

### **MEMBERS**

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak



**WITNESSES**

Sonya Kilkenny MP, Minister for Planning; and

Paul Younis, Secretary,

Andrew McKeegan, Deputy Secretary, Planning and Land Services,

Natalie Reiter, Deputy Secretary, Strategy and Precincts, and

Bruce Abernathy, Executive Director, Planning Facilitation, Department of Transport and Planning; and

Luke Exell, Director, Legal, Commercial and Procurement, Cladding Safety Victoria; and

Anna Cronin, Chief Executive Officer, Victorian Building Authority; and

Stuart Moseley, Chief Executive Officer, Victorian Planning Authority.

**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 2024–25 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 today is protected by parliamentary privilege. However, any comments you make outside of this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

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 the Department of Transport and Planning. Minister, I am going to invite you to make an opening statement or presentation of no more than 10 minutes, after which time committee members will ask you some questions. Your time starts now.

**Sonya KILKENNY:** Thank you, Chair, and thank you for the opportunity to talk about how the Victorian government is planning for the future of our state.

I would first like to acknowledge that we are meeting on the traditional lands of the Wurundjeri Woiwurrung people. I pay my deepest respects to elders past and present, and I extend that respect to any Aboriginal and Torres Strait Islander people joining us today either in person or online.

**Visual presentation.**

**Sonya KILKENNY:** Chair, since I was last before this committee Melbourne has become Australia's largest city, and there has been a considerable and sharper focus on ensuring that as we continue to grow we plan for that growth in a sustainable and equitable way to ensure that existing and future communities can thrive and prosper. Chair, in the last 12 months we have witnessed the challenges of increasing interest rates, cost escalation and housing supply shortages. We have seen this cause constraints within the market which have slowed the rate of supply. This government, through its release of its landmark housing statement, in which planning plays a really critical role, is pulling every lever to increase the rate of supply of new homes.

Next slide, please. This government's commitment to a planning system which facilitates a sustainable and thriving future for all Victorians and enables the delivery of more affordable and quality homes continues this year. This includes \$7 million over two years for the Victorian Planning Authority to ensure we have enough zoned capacity to bring on new supply, because we know a strong supply of zoned land will help keep

downward pressure on house prices. Chair, \$63.3 million has been allocated for building reforms to support the successful delivery of Victoria's housing statement as we create the conditions to build 800,000 homes over the next decade. In addition, this government's commitment to reducing energy bills and cost-of-living pressures on Victorian households is being supported by \$7.3 million in added resources to speed up approvals of large-scale renewable energy projects. Large-scale renewable energy projects are critical to this government meeting its target to achieve net zero emissions by 2045.

Next slide, please. Chair, I have made it very clear that the status quo is no longer an option. We must look to pull every lever we can to bring on supply of more homes for Victorians. This is why the government released *Victoria's Housing Statement*, representing the biggest reform to planning and housing in generations. This includes immediate measures such as the development facilitation program. This has facilitated 71 projects with an estimated value of more than \$7.5 billion. The housing statement formalised the development facilitation program within all Victorian planning provisions and schemes to ensure we get good decisions faster. Now, as you know, major residential applications with a value of \$50 million in metropolitan Melbourne and \$15 million in regional Victoria, with a 10 per cent affordable housing contribution, can be facilitated through this expedited pathway. Communities will still be able to have their say and projects will be reviewed by the Office of the Victorian Government Architect.

We recognise, Chair, that housing affordability for both first home buyers and renters is one of the biggest challenges that Victorians face. The housing statement helps create the conditions to build 800,000 new homes over 10 years right across the state, delivered through an affordability partnership with the housing industry. The planning system has a key role to play as we work towards this ambitious target. This government understands that building more homes and increasing supply will make housing more affordable. By unlocking new spaces and making it easier to build homes in established areas through programs such as the activity centre pilot and the codifying of residential development standards, we will ensure that more Victorians can have a choice about where they live, whether that is in established Melbourne or regional centres, while at the same time we will ensure we have adequate supply of homes in new communities, where many Victorians choose to live.

Speaking of new communities, Chair, there is the growth areas infrastructure contribution, which we introduced in 2010. Since its commencement GAIC has collected \$1.343 billion in contributions. Chair, just prior to this year's budget I joined the Premier to announce a \$400 million package of infrastructure projects through GAIC. These projects complement more than \$685 million worth of initiatives the Labor government has already delivered across Melbourne's growth areas through the GAIC fund, including ambulance stations, parks, schools and public transport. A total of 37 projects will be funded through the GAIC, including 10 from the Growth Areas Public Transport Fund and 27 from the Building New Communities Fund. You can see on the slide here some of the projects that will be funded out of the government's \$400 million package.

Thank you; next slide. Through the housing statement we are delivering planning certainty for community and industry. We have made it easier to build a home by removing planning permit requirements for thousands of Victorians to build or renovate their homes. We have also made it easier to build a small second home or granny flat across all of Victoria, and later this year we will release a full set of deemed-to-comply residential standards to streamline the approval of homes below three storeys. What is often referred to as the missing middle or gentle density, for example, townhouses or three-story apartment buildings, is critical to enabling incremental change in our established parts of Victoria that are close to services and close to jobs and public transport. By providing deemed-to-comply standards, both community and industry will have clear parameters within which they can get a streamlined permit. Another key initiative, Chair, you will recall, is the 10 activity centres pilot. Working with local councils and community, the state will take a lead role in developing clear planning controls to enable the delivery of an estimated 60,000 homes across those 10 activity centres. Those locations have been chosen because they are well connected to public transport, to jobs and to services. By focusing on these areas, we are really encouraging investment in these suburbs, giving Victorians more housing choice and more affordable options.

On to this slide now. Chair, we are also at the same time reforming Victoria's building system to ensure families can build, can renovate or buy a home with confidence. This 2024–25 budget provides \$63 million for a building reform package to deliver a stronger oversight of the building industry, making sure that the consumer is front and centre. Victorians need to have confidence that when they build, they are going to get what they paid for: an affordable, safe and quality home which is built to last. Included in this package is

funding to strengthen the Victorian Building Authority, with a 50 per cent increase in its auditors and inspectors on the ground as well as improved technology and intelligence to better protect consumers. The budget will also support a program of work underway through the building reform program, including increasing access to domestic building insurance and delivering reforms to support the use of modern methods of construction with a regulatory system that is going to support all of this.

Chair, the portfolio continues to ensure that as we grow, we grow sustainably and protect the things that matter. In March the green wedges and agricultural land action plan was released, outlining a focus on preserving green wedges and agricultural land on Melbourne's outskirts. It contains 20 actions to protect green wedges and agricultural land from inappropriate development while ensuring agricultural businesses can grow. Not only do we need more homes, we need to ensure that we are setting Victorians up for a sustainable housing future. That is why from January this year new homes requiring a planning permit will be all-electric, saving Victorian households more than a thousand dollars every year on their energy bills. In March this year the criteria for the development facilitation program was expanded to ensure renewable energy projects can also benefit from their streamlined pathway assessment. And as part of this year's budget there will be even more funding put to the facilitation of large-scale renewable energy projects. Climate action and environmental sustainability are also one of the five pillars as we develop a new plan for Victoria.

A critical role for planning is of course thinking longer term, setting the vision and the path to get us there to ensure we can maintain a sustainable and equitable Victoria. In our housing statement this government announced it would be preparing a long-term plan for the state, a new plan for Victoria, to replace *Plan Melbourne*. We are getting on with this. We are consulting with industry, with communities, with local government. This far-reaching community engagement is the largest that we have seen in Victoria. We want Victorians to share their vision of the future of Victoria. We have a lot of work to do, but we are getting on with building more homes to make them more affordable for more Victorians.

**The CHAIR:** Thank you, Minister. The first 8 minutes is going to go to Mr O'Brien.

**Danny O'BRIEN:** Thank you, Chair. Good afternoon, Minister and team. Minister, with respect to the housing statement, in October last year in Parliament the Premier stated that the government will:

... build 80,000 homes a year, each and every year, for the next 10 years ...

Do you stand by the Premier's comment that you will build 80,000 homes each and every year?

**Sonya KILKENNY:** Thank you, Mr O'Brien. I understand that the question was put to the Premier earlier during PAEC and that it was dealt with at the time. The housing statement sets out a suite of initiatives that this government will undertake in the short and medium term to address what we know is a housing crisis.

**Danny O'BRIEN:** We understand the crisis. We understand the long-term figure, but we are trying to find out: are you planning 80,000 per year?

**Sonya KILKENNY:** As I was getting to, Mr O'Brien, the housing statement sets out the suite of initiatives that we are introducing. The government is pulling every lever to deliver on the commitment to build 800,000 homes over the next decade. The housing statement is about creating the conditions, getting the conditions right, to enable the delivery of those 800,000 homes over the next decade. It is working with industry; it is working alongside local government together with community to be able to create those conditions.

**Danny O'BRIEN:** I understand that, Minister. The question I am getting to – we know that there is a housing crisis now and people need homes as quickly as possible; the department's website still says it 'aims to deliver 80,000 new homes each year across the state'. Will we deliver 80,000 homes each year?

**Sonya KILKENNY:** The commitment is to deliver 800,000 homes –

**Danny O'BRIEN:** Okay.

**Sonya KILKENNY:** over the next decade, 2024 to 2034, and those are the initiatives that are set out in the housing statement. But of course they are just the start.

**Danny O'BRIEN:** Well, to go to that, the ABS estimates that 51,000 new homes will be built this year; the Housing Industry Association estimates that under 55,000 new homes will be built in the next two years – 52,000 and 55,000 respectively. In what year will the government first deliver on its promise to facilitate the building of 80,000 homes per year?

**Sonya KILKENNY:** Thank you, Mr O'Brien. I do not think anyone is in any doubt about the challenges for industry at the moment. We have seen 13 successive interest rate rises over the last couple of years. We have seen skills shortages. We have seen shortages of materials. All of this is impacting industry and its ability to be able to deliver more homes for more Victorians.

**Danny O'BRIEN:** That is actually not going to the question, Minister. When will you first deliver 80,000 homes per year?

**Sonya KILKENNY:** What we are doing is creating the conditions. The government is pulling the levers that are available to it to ensure we are creating the conditions that are going to enable the build of those 800,000 homes over the decade.

**Danny O'BRIEN:** I have heard that.

**Sonya KILKENNY:** So we will work with industry; we will continue to work with industry, as I said, along with local government.

**Danny O'BRIEN:** But the question is about when you will actually get the ramp up. I have just given you the figures. You are a long way short of 80,000 this year. What advice have you received on the number of new homes that will be built in Victoria between September last year and September this year – when the housing statement was first released?

**Sonya KILKENNY:** The ABS released its data earlier this year, and obviously that data revealed that Victoria is actually leading the nation in home building approvals. In fact for the quarter to March or April I think the number of approvals in Victoria actually increased by 3.2 per cent. The closest behind was Western Australia at a 1.8 per cent increase.

**Danny O'BRIEN:** We do see a lot of approvals made, though. We actually need to see the homes built. So when will we actually start to see the 80,000 that you promised being built?

**Sonya KILKENNY:** The role of government is to pull the levers that government has to ensure we create the conditions that are going to deliver those 800,000 homes built by industry. Of course when we announced the housing statement in September last year, we stood there together with industry. Industry signed an affordability partnership with government as a signal to say, 'We recognise there is a housing crisis. We understand the need that, in order to make more homes more affordable, we need to build more of them.'

**Danny O'BRIEN:** Exactly. So given the number of registered builders has fallen by 17 per cent over 2023–24 so far and continues to decline, what advice have you received about a commitment to increase the number of homes at a time when the trades and businesses building those homes are actually going backwards?

**Sonya KILKENNY:** What we are doing as a government is creating those conditions. We are looking at the planning system and we are seeing what improvements we can make here that are going to support industry in delivering those 800,000 homes. Where are the bottlenecks? What is within our control here? What can we be doing to support –

**Danny O'BRIEN:** That is exactly what the question goes to: what advice have you received about how you can achieve that when the number of builders is actually going backwards?

**Sonya KILKENNY:** What I am getting at, I guess the story is that as a government we need to be looking at the levers that we pull to ensure the conditions are best suited to enable the delivery of those 800,000 homes. We know the best way to make homes more affordable is to build more of them, but one of the best ways we can support industry is to create a stable pipeline of homes, and that is exactly what the housing statement goes to. It is saying –

**Danny O'BRIEN:** Since the housing statement was announced the number of construction starts has actually gone backwards. Why is that?

**Sonya KILKENNY:** Since the housing statement we have undertaken a suite of initiatives that are going to support creating those conditions to build 800,000 homes over the next decade. We know there are challenges –

**Danny O'BRIEN:** Okay. That goes to the environment, the suite of conditions. Since the government came to office, 29 of 55 new or increased taxes and charges have been on property. What advice have you got on the impacts these are having on the cost of a property?

**Sonya KILKENNY:** From planning, what I am focused on is supporting industry to get on and build those 800,000 homes.

**Danny O'BRIEN:** But that is exactly the question, Minister. When we have got 29 new or increased taxes on property alone, how is that actually helping to build new homes?

**Sonya KILKENNY:** What we are doing in planning and across government is pulling the levers available to us to create the conditions so that industry can get on and build. That means looking at: where are the bottlenecks, where are these applications getting stuck, what can we do to support these applications through to get these building approvals through the decision process?

**Danny O'BRIEN:** What you can do is create the environment. On budget day the property institute described Victoria's property tax environment as hostile. How is adding more taxes on property helping us to build more homes?

**Sonya KILKENNY:** We are creating the conditions to support industry –

**Danny O'BRIEN:** But you are not, because the extra taxes on property are causing a problem.

**The CHAIR:** Apologies, Mr O'Brien, your time is up. We are going to go to Mr Galea.

, **Michael GALEA:** Thank you, Chair. Good evening, Minister, Secretary and officials. Thank you for joining us. Minister, I would also like to ask you about approvals, but I would like to ask you about energy permit approvals. Noting the DTP output initiatives in budget paper 3, page 75, there is a line item which talks about accelerating those approvals. Minister, can you talk to me a little bit about that but also about how you can do so in a way that is still ensuring that we are engaging with local communities.

**Sonya KILKENNY:** Thank you. Thank you for the question. As you saw earlier from my presentation, with this budget \$7.3 million will be invested in this government's planning for the energy transition initiative. With this funding my department is working to deliver on-time environment effects statements and planning assessments for large-scale renewable energy projects. We are doing this because we have never seen this many applications for large-scale energy projects before and we need to ensure that our environment and planning assessment teams are fully resourced to make good decisions faster.

You will be aware that earlier this year changes were made, as I said, to the Victorian planning provisions to provide investment certainty to industry and to Victoria's growing renewable energy industry and to ensure that projects that have the capacity to bring down energy prices for Victorian households are going to be expedited through the system. The government's existing development facilitation program was expanded earlier this year to include renewable energy projects, and this actually brings it into line with other state-significant projects and gives it an expedited pathway to a planning decision, ensuring that we get the good decisions made faster.

I do want to acknowledge that there is a bit of misinformation out there about these changes to the development facilitation program, particularly in relation to renewable energy. I think it is important to explain how the accelerated assessments will work, because they will work while also ensuring that communities still have a really important opportunity to have their voice, to make submissions, to make objections and to have those considered as part of the decision-making process.

If I can start by saying what has not changed, what has not changed is the need for an environment effects statement for large high-risk projects that are deemed to have a potential significant impact on the environment.

What has not changed is the need to consider biodiversity, impacts on agriculture and impacts on landscape, and what has not changed is that any of that needs to be assessed. That all needs to be assessed as part of the decision-making process, and as is appropriate, that is what should happen. What has changed is the timeframe for assessments. This, as I said, is about making good decisions faster. A project with unacceptable impacts is no more likely to be approved because the rules for assessing that project have changed. What has changed is the timeframe within which that progresses. Second, we have not changed anything about the requirement to notify community about the projects. The Victorian planning framework is really clear on notice provisions and engagement with communities. There is a process for all planning decisions to ensure they are made on merit and in a way that considers a range of views, a range of factors, as is appropriate.

To be clear, including renewable energy projects in the accelerated pathway of the DFP does not remove the voices of communities or interest groups who want to have their say or raise concerns with any proposal that is going through this particular process. What this does is ensure that objections that are resolved or dealt with as part of that planning process cannot then later be taken to VCAT during the final notice-of-decision stage. For example, in the past five years we have seen a number of renewable energy projects end up in VCAT. For every single one of those projects VCAT has upheld the original decision to approve that project. So all VCAT has done is add time and money and uncertainty – uncertainty for industry and uncertainty for community as well. We want to preserve community voice – it is important to hear from community – but we also need to preserve our momentum in delivering large-scale renewable energy projects that are going to deliver cheaper, more efficient energy for Victorian households.

As I said, these actions in delivering cheaper renewable energy we know can save Victorians over \$1000 every year on their energy bill. This is a good thing for Victorians. It is a good thing for cost of living. It is a good thing for community. It gives certainty to community. It is good for industry. It gives certainty to industry around the parameters of the process. Since we have announced this planning change, renewable energy companies are telling us that this is making a difference. This is about encouraging investment into Victoria. It is about working with communities, so community voice –

*Members interjecting.*

**The CHAIR:** Order!

**Sonya KILKENNY:** Community voice has not been stifled. The process is very clear that community consultation, community engagement, is still required under the planning framework and will continue to form part of the decision-making process and be taken on board as part of that decision-making process.

**Michael GALEA:** Thanks, Minister. So you have talked about the environmental effects statements, the planning permits that are still obviously part of that process, and emphasised that it is about timelines, not a change in what is considered, despite what those to my left might be trying to run a scare campaign about. But I just want to clarify in terms of the environmental effects, will there be any reduction or any loss of rigour in the environmental assessment as a result of this, and will there be projects that will no longer be subject to an EES?

**Sonya KILKENNY:** As I said in the first question, large, complex projects with the potential for significant environmental impact need to be considered in our impact assessment framework. If it is decided that an EES is required given the potential impact on environment, that process continues. There is no change to that process, and that EES will run under the processes set out in the *Environment Effects Act* –

**The CHAIR:** Apologies, Minister.

**Michael GALEA:** Thank you, Minister.

**Danny O'BRIEN:** On a point of order, Chair, I am just seeking clarification.

**The CHAIR:** Mrs McArthur's time is about to start, Mr O'Brien. What is your point of order? Please be quick.

**Danny O'BRIEN:** The point of order is just to clarify the minister's comment. I thought I heard the minister say –

**Mathew HILAKARI:** That is a question, not a point of order.



**The CHAIR:** What is the point of order, Mr O'Brien?

**Danny O'BRIEN:** I thought I heard the minister say that all renewable energy projects that have gone to VCAT have been approved, so there was no issue. Is that what you said, or did I mishear? That is what I am wanting to clarify.

**The CHAIR:** Perhaps Mrs McArthur can ask and clarify that question during her time.

**Danny O'BRIEN:** No, no. It is in relation to the question just asked, because the minister should be aware that the Alberton wind farm went to VCAT and was knocked back.

**The CHAIR:** Excuse me, Mr O'Brien. There is no point of order. The time has come for Mrs McArthur.

**Bev McARTHUR:** Thank you, Chair. Thank you, Minister. Well, did VCAT knock back any proposals?

**Sonya KILKENNY:** In the last five years, no.

**Danny O'BRIEN:** Wrong.

**Bev McARTHUR:** Untrue.

**Danny O'BRIEN:** Alberton wind farm.

**Sonya KILKENNY:** I would take that on notice.

**Bev McARTHUR:** Do you want to correct it on notice? Perhaps go back and have a look.

**Sonya KILKENNY:** Certainly within –

**Bev McARTHUR:** In the last five years?

**Sonya KILKENNY:** Within the last five years my understanding is that –

*Members interjecting.*

**Bev McARTHUR:** Okay, Minister. I refer to the department's development facilitation program, including your expansion of the program to include accelerated approval of renewable energy projects, and I guess that is a VC261 amendment. How many project applications were received by the department in the 2023 calendar year for the development facilitation program across all development types? Maybe somebody might have that info, or do want to take it on notice?

**Paul YOUNIS:** Thank you, Mrs McArthur. The development facilitation program is facilitating 23 major project applications, currently on its books. They are considering about 180 pre-application requests that are coming through, and 98 requests of significant residential development type. Since the housing statement – I think you are talking about the last 12 months, which is around the housing statement – the DFP has facilitated just over 1000 dwellings, keeping in mind that I think the important part about the DFP is it provides a pathway. On the comment before in relation to confidence in the industry: what we have seen is a significant uplift in interest from the industry to find a pathway into being a part of that housing solution for Victoria, and that is what the DFP is providing. I think having 180 pre-applications – not all of those of course will turn into full applications, and we do not expect that, but there has been significant interest in the process. But we are ramping up our program. The minister has asked us to make sure we are ramped up so that when those development applications that have been in the pre-application phase come into the department to be assessed we are in the best position to do that, because there are quite a few steps to go through. I think the minister talked about at the very opening how we are also getting the Victorian Government Architect to review them as part of the residential development projects – as part of that. So there are a number of steps to work through.

**Bev McARTHUR:** Okay. So Secretary, what is the pre-application timeline?

**Paul YOUNIS:** That is actually a really good question, because the pre-application timeline is totally in the hands of the developer, and that does take –

**Bev McARTHUR:** I mean, we have heard figures of eight months – is that correct?

**Paul YOUNIS:** Of a pre-application?

**Bev McARTHUR:** Yes.

**Paul YOUNIS:** It can be longer, because often the developer will be wanting to make sure that they have their finance in place, and they will want to make sure they have all of their pre-sales in place. But they will be working with us before that. That is the benefit of the development facilitation program – it provides a pathway for developers to talk to us before they get to that stage. So we can be talking to some developers for quite a number of months while they prepare their application, making sure that when they do put in their application it meets the requirements. But there will be a number of constraints on them, and generally it is a financing issue, that they will be wanting to work through before they put an application in place. So we do not control that process; that is absolutely controlled by the developer.

**Bev McARTHUR:** So how many renewable energy project applications have been received, Minister, since the government announced the new pathway on 14 March?

**Paul YOUNIS:** I would be very surprised if any have coming in that period of time. I think I have got a signal from Bruce. We will give you that number. There is a number, yes.

**Bev McARTHUR:** Okay, but we are happy to take it on notice.

**Paul YOUNIS:** Yes.

**Bev McARTHUR:** Minister, are you aware of the ACCIONA tall tree wind farm proposal? That is 60 turbines around the Lethbridge Airport – that is the Geelong regional airport, a very significant airport because it provides all the firefighting and police services for the entire area. That proposal is going to clearly impact that airport. Are you aware of this?

**Sonya KILKENNY:** There is no application before me on this project. I am not aware of this having come through at all.

**Bev McARTHUR:** Really? Secretary, are you aware of the tall –

**Paul YOUNIS:** That is correct. My understanding is there is no application before us now. That is a proposal – it has been talked about, and I have read about it in the local papers, as you have, Mrs McArthur.

**Bev McARTHUR:** Oh, I have been at the public meetings –

**Paul YOUNIS:** I tend to get those papers – I saw the Saturday one as well.

**Bev McARTHUR:** you know, 700 people turning up, very concerned about the impacts to the community and very concerned that VC261 will mean they actually cannot go to VCAT – they would have to go to the Supreme Court if this was to go ahead, to challenge it. So maybe, with a bit of luck, they may have created so much stir it is not going to go ahead, but it is a –

**Paul YOUNIS:** Just to complete that answer, Mrs McArthur, there has been no application put to the department. We would not consider it unless it is part of a pre-application, and there is no pre-application for it being made to us at this stage. So until it is put towards us, we cannot assess it, but I am absolutely aware of the conversation in the community. I have been reading and seeing –

**Bev McARTHUR:** Reading what I have been saying, Mr Secretary, have you? Well done.

**Paul YOUNIS:** I absolutely have, yes.

**Bev McARTHUR:** Good. It is most important that you are on top of this. Minister, you also said with VC261 you will preserve the community voice. Now, I have got to tell you, out there in transmission line land there has been no community voice, because they have not. This farce of community meetings to engage the community is a farce. Everybody has acknowledged that. This is not going to be any different – I cannot imagine it is going to be any different – so the people along this area where there are renewable energy projects

and the transmission lines, which are the critical part of the whole thing, are not going to have a voice. It will be great for people inside the tram tracks of Melbourne, but out there in the land of transmission lines and renewable projects their voice has not been heard and I cannot see with this VC261 how they are going to be heard now.

**Sonya KILKENNY:** Thank you, Mrs McArthur. The development facilitation program, as I said, introduces an expanded pathway, an accelerated pathway for renewable energy projects that have the capacity to deliver cheaper energy. Nothing has changed in terms of the requirement to give notice or for community to be able to provide its voice through submissions, through objections, which must be taken on board and included in any consideration through that decision-making process. That has not changed. There has been no change there, nor has there been a change to the environment effects statement process.

**The CHAIR:** Thank you, Minister. We will go straight to Mr Tak.

**Meng Heang TAK:** Thank you, Chair. Thank you, Minister, and officials. Minister, if I can refer to budget paper 3, page 75, and to your presentation, which referenced investments that the government is making to reform Victoria's building systems, could you please explain this investment and how it will support the delivery of the government's housing statement?

**Sonya KILKENNY:** Thank you very much for the question. There have been comments that housing may well be the defining issue of our time, and I think that is right. I think, given the nature of this housing crisis, the impact on housing affordability and the inability of so many Victorians to be able to afford a home in the place where they want to live, it has never been more prominent. I think housing, as I said, and also climate change are issues that are certainly front and centre for so many Victorians and really go to the legacy that we are going to be leaving for future generations.

The reason that housing is so important is because it is actually captured by the opening line of our housing statement that nothing is more important than finding a home. Of course there are many reasons for that. Your home is your place of pride, it is your place of comfort, and it is your place of safety and hopefully of many, many happy memories for years to come. But unfortunately what we have seen, perhaps most significantly and most recently with the cladding audits and the cladding rectification program, is home ownership for some become just an absolute nightmare. We saw it with the cladding issue, and we have seen it more recently as well with the Porter Davis collapse and the impact that that has had on many Victorians who were left through no fault of their own out of pocket by thousands and thousands of dollars because their builder did the wrong thing.

We know that not only does this have a terrible human cost but it is also terrible for confidence in the industry at a time when we really need confidence in the industry. We need that confidence because, as you know, we need to build those 800,000 homes over the next decade, but we need to build more. As we look at to 2051, we need to build 2.34 million homes. It is a lot of homes to build, and we need confidence in the industry. I should say that we know of course that the overwhelming majority of homes that are built are built well, but when you see those terrible experiences or read about them through media, it feels like they are everywhere and that there is a big issue. However, I really want to stress that each year tens and tens of thousands of homes are built, most without any issue, but there are some where builders are doing the wrong thing. So rebuilding our confidence in the building system, as I said, is going to be really critical in supporting us to achieve our ambitious targets in the housing statement and of course critical to government in being able to deliver on housing affordability for so many Victorians.

The budget this year includes a \$63 million reform package for the building system, and we have already laid quite significant groundwork for that piece of reform. The building system expert panel has been working for several years and providing recommendations to government. It was a staged review of Victoria's building system, and the 2024–25 budget picks up on that review, as I said, with the \$63 million building reform package. This work will go towards increasing accessibility to domestic building insurance. It is going to deliver reform options for the use of modern methods of construction, and those are things like modular prefabrication. We know innovation in building is going to be part of the solution to the housing crisis as well. It opens up new methods of construction. It can support industry to innovate to be able to deliver homes more quickly. They can be built offsite and brought and established onsite. It improves productivity in the workforce

as well. I think there is something to be said for opening up the workforce to women in this innovative method of construction. So it is a very important part of the solution to the housing crisis as well.

Of course the building package will also help us deliver a whole new legislative model for the building system. The package will also strengthen, importantly, our regulator the Victorian Building Authority. We want to drive a regulator that Victorians can trust, and the new CEO and now commissioner of the regulator, Anna Cronin, who is actually with us today, has been leading a program of really rapid reform at the regulator. This budget is going to really support that work by increasing by 50 per cent the number of inspectors, the number of auditors on the ground, boots on the ground to really support the delivery of well-built homes and try to restore that confidence in the building industry.

**Meng Heang TAK:** Thank you, Minister. You also mentioned the importance of the regulator. Can you elaborate more on how the funding in this budget will support that work?

**Sonya KILKENNY:** As I mentioned, Anna Cronin was appointed CEO of the regulator last year. She has really been leading and driving this reform work at the VBA, driving both performance and of course culture at the regulator too, and I think it is fair to say she has hit the ground running. At the end of last year the VBA released its regulatory policy statement, which emphasises their refreshed approach to building. It emphasises the way they are going to regulate the industry with a really clear focus on putting the consumer front and centre of all the work. The regulatory policy statement sets out the VBA's objectives to improve consumer outcomes, how it will use the powers it already has and how it intends to regulate and ensure compliance with building regulations. You will recall the government also made earlier this year some changes to the governance of the VBA. Anna Cronin is now the sole commissioner of the VBA, and that is going to enable us to do reform in a more rapid, more agile way as well.

**Meng Heang TAK:** Thank you, Minister. Thank you, Chair.

**The CHAIR:** Thank you, Mr Tak. We are going to Mrs McArthur.

**Bev McARTHUR:** Thank you, Chair. Thank you, Minister. Let us move on to cultural heritage management plans. Is the minister aware that the Bunurong Land Council was placed into administration over allegations of fraud?

**Sonya KILKENNY:** Thank you for your question. The cultural heritage management plans are an important tool to support self-determination and recognition of Aboriginal and First Peoples cultural heritage. The Victorian government is committed to supporting registered Aboriginal parties and First Peoples to meet deadlines in the cultural heritage management plans.

**Bev McARTHUR:** Well, that is exactly where we are going, Minister –

**Sonya KILKENNY:** Yes, I know.

**Bev McARTHUR:** because the council being placed into administration has led to long delays in development plans. So what are you doing about that?

**Sonya KILKENNY:** I will pick up on that. I am not sure about the long delays –

**Bev McARTHUR:** Over six months, Minister.

**Sonya KILKENNY:** I think the budget papers might disclose something different – that in fact they have been meeting their performance standards and targets. However –

**Danny O'Brien** interjected.

**Sonya KILKENNY:** Sorry, for meeting the CHMPs. You spoke about delays to CHMPs, so I was referencing the budget paper.

**Bev McARTHUR:** Well, they have seriously affected developments in the areas of Melton, Mornington Peninsula and Gippsland – the fact that that council is in administration and cannot do assessments. You talked

about confidence in the building industry. There is none when this sort of thing happens, and they cannot move forward with their cultural heritage management plan because of being placed into administration.

**Sonya KILKENNY:** Well, the government is absolutely committed to supporting these parties and First Peoples more broadly to meet their statutory timelines for cultural heritage management plans.

**Bev McARTHUR:** Well, Minister, what options do developers have to proceed with developments when a land council cannot perform its heritage processes?

**Sonya KILKENNY:** Could I put this into context this way: we know that actually less than 1 per cent of development applications across Victoria that require a planning permit require a cultural heritage management plan. I do acknowledge that cultural heritage management plans' requirements are concentrated in the supply of our greenfields land, but the fact is less than 1 per cent of development applications require a CHMP.

**Bev McARTHUR:** Well, Minister, can you give us a breakdown of the average application times required?

**Sonya KILKENNY:** I think you will need to refer to the budget paper.

**The CHAIR:** Mr Hilakari, do you have a point of order?

**Mathew HILAKARI:** Yes, I am just hoping to understand which budget paper we are referring to.

**Bev McARTHUR:** Budget paper 3, page 172, Mr Hilakari – 'Planning and Heritage'. Get it?

**Sonya KILKENNY:** I should clarify for you, Mrs McArthur, that heritage is building heritage. Cultural heritage is dealt with separately by a separate minister, but I understand –

**Bev McARTHUR:** It is still a very important part of building –

**Danny O'BRIEN:** Planning.

**Bev McARTHUR:** And planning. So are there any legislative guidelines over the costs that a land council charges for cultural heritage work?

**Sonya KILKENNY:** If you refer to page 119 of the 'Department Performance Statement':

*Timeliness*

Average days to process applications, to register an Aboriginal Cultural Heritage Place ... on the Victorian Aboriginal Cultural Heritage Register –

it has met the target in each year, including the expected outcome for this year.

**Bev McARTHUR:** Well, Minister, are there any legislative guidelines around what might constitute a significant artefact relating to cultural heritage under a cultural heritage management plan?

**Sonya KILKENNY:** Mrs McArthur, I think you would best direct that question to the Minister for First Peoples, who I understand was here before PAEC yesterday.

**The CHAIR:** Which you have had the opportunity to do, Mrs McArthur. I suggest you move on.

**Bev McARTHUR:** Well, I will move on. It is interesting you said in your presentation that we are going to have all these wonderful all-electric homes. Now, let us just go to that. Are you aware that to have an all-electric home in the country in my electorate of Avoca it will cost \$100,000 to upgrade the network to Powercor to have an all-electric home? That is planning. I mean, if you are planning to have all-electric homes, how do you allow for that cost in the building of a three-bedroom house in a country town?

**Sonya KILKENNY:** Mrs McArthur, earlier this year the announcement by government was that from 1 January 2024 all planning permit applications for a new home will require those new homes to be all electric. Those are for new homes.

**Bev McARTHUR:** Are you aware of the cost, Minister, to go all electric? You have to upgrade the Powercor network. Are you aware of that?

**Sonya KILKENNY:** From 1 January 2024 all new homes that require a planning permit application will be required to be all electric.

**Bev McARTHUR:** Well, they just add \$100,000 to the cost of a house. Well done!

**Danny O'BRIEN:** Minister, can I go to the new environmental audit overlay for Wonthaggi's north-east precinct, which I am sure you are aware of, where home owners are facing up to \$80,000 in costs to clear their land of this unprecedented overlay that has been imposed after, in some cases, houses have been built. Minister, did the government fail to properly detect or oversight these developments?

**Sonya KILKENNY:** Thank you for your question, and I actually genuinely appreciate you asking me about this matter. I have personally written to every resident who has written to me expressing their concerns with the environment audit overlay, and I want to extend to landowners who may be impacted my acknowledgement that this is a difficult situation –

**Danny O'BRIEN:** Very difficult. Was it a mistake, Minister, that it was not picked up?

**Sonya KILKENNY:** and that certainly recent media coverage that this is potentially contaminated land can obviously be very upsetting for those residents. No-one wants to purchase their dream block of land to find out that the land could be contaminated.

**Danny O'BRIEN:** But there are people who have actually built houses already.

**Sonya KILKENNY:** I am very concerned about reports that some home owners were not aware of these risks when they actually purchased their land, but I want to assure landowners that my focus is on good outcomes for these residents.

**Danny O'BRIEN:** Well, what would that be? What is the action now?

**Sonya KILKENNY:** That is the EPA working with the VPA to support Bass Coast council in addressing this issue. I should also add that an environment audit overlay does not create the contamination. It is really the planning tool to manage risks from potential contamination.

**Danny O'BRIEN:** I would be interested if you could advise what is being done to address it.

**The CHAIR:** Thank you, Mr O'Brien. Apologies, your time is up. We are going to go to Ms Kathage.

**Lauren KATHAGE:** Thank you, Chair, Minister, officials. I want to take you to page 75 of BP3. I can see there the line item 'Unlocking new communities and affordable housing'. This funding here over the two years, how is that going to facilitate delivering new communities, employment opportunities et cetera for Melbourne but also for regional Victoria?

**Sonya KILKENNY:** Thank you. Thanks for the question. As I said earlier in my presentation, we know that a strong supply of land obviously helps to keep downward pressure on house prices, helps address housing supply and provides businesses, industry, government and communities with suitable locations to grow. The budget includes \$3.5 million this year and \$3.5 million next year for the Victorian Planning Authority to make more land available across the state to help improve housing supply and housing affordability as well as employment opportunities. The way it works is the VPA develops precinct structure plans that then facilitate rezoning of land within those PSPs – that is land for homes and land for jobs – and to ensure that those new precincts are planned and delivered in line with government's strategic growth objectives. PSPs can also be prepared for designated places like, for example, activity centres, our growth areas of course and regional areas – regional cities – as well.

The program that you referenced, unlocking new communities and affordable housing, has been a really key feature and a key lever for government to unlock land for growth in strategic locations to support projected population growth. It also ensures that new communities get the infrastructure that they need to thrive and that developers also pay their way via infrastructure contributions. Just some statistics: since its inception in 2020–21 the program has supported 38 plans and related projects to maintain a pipeline of land supply which will ultimately deliver an estimated 124,000 homes and 127,000 jobs. And in 2023–24 a total of eight regional and

metropolitan projects were funded via this program for a total value of \$3.5 million, and that is going to support delivery of an estimated future 38,000 homes and 41,000 jobs.

More broadly, I guess the VPA's work has been about unlocking new housing opportunities right across the state. If you go back in time, it was actually established back in 2006 and it was originally known as the Growth Areas Authority. That was to plan new suburbs across Melbourne's growth corridors; it was tasked originally with preparing PSPs out to 10 years, and that has now gone out to 15 years. But an important part of why it was established was local councils at the time were actually responsible for rezoning greenfield land for housing, but we saw delays there. What that meant was that Victoria did not have that reliable pipeline of supply of land and that was considered to be impacting housing affordability and availability. Since then the government has had a pretty successful program in unlocking that land, and since the gazettal of the first PSP back in 2009, more than 70 PSPs have now been gazetted, rezoning nearly 40,000 hectares. That has capacity for around 371,000 homes and 318,000 jobs.

Now, going forward, we know that as we transition towards delivering more homes and jobs in established areas, the work of our departments and the work of the VPA and our planning authority is going to need to transition as well. The housing statement outlines that the Victorian Planning Authority will continue preparing precinct structure plans for new housing and jobs in Melbourne and regional Victoria, and it identified 21 priority precinct structure plans that it will continue to progress. The VPA will also be undertaking the work on our activity centre pilots across those 10 activity centre locations, to deliver as I said those state-led planning controls to deliver about 60,000 new homes in those locations. As I mentioned earlier, those locations were chosen because they are prime sites for more housing diversity to give greater choice in areas that are really well serviced by public transport, services are close by, the jobs are close by and education is there. So they are really, really ripe for this kind of development and obviously very close to public transport. We are working closely with the VPA on how we can best use their expertise, not only for the greenfield growth areas but in terms of the established areas of Melbourne and Victoria as well.

As you know, providing the sustainable supply of zoned greenfield land will continue to be really important. But over future years we will need to refocus our efforts a bit and start looking more at established areas of Melbourne and regional Victoria to make sure that we are not just growing out but we are growing up as well, so a sustainable solution. But it is also about more housing choice and diversity, and also it is a question of equity, making sure that Victorians can access the investments in government infrastructure and that Victorians can access the services and the jobs that they need to be most productive. Ultimately, what we all want to do is just lead good, healthy, prosperous lives.

**Lauren KATHAGE:** Thank you, Minister. I like the talk of the jobs as well that are being created through that. So you are talking about PSPs as unlocking new land; what are the stages or the steps to go from the initial identification through to the end process or the end stage?

**Sonya KILKENNY:** The home, if you like.

**Lauren KATHAGE:** Yes.

**Sonya KILKENNY:** Well, I remember when I was first introduced to PSPs and the path that it follows, if you like, from paddock to home. If you can picture a funnel, like this, and up the top of the funnel is all the land within the urban growth boundary and then the steps that it needs to progress through until ultimately, you know, a front door is open and the family moves in. The urban growth boundary is set aside for future greenfield urban development, and we have got four growth areas across Melbourne. And until a PSP is gazetted for that land, that land is actually just held in place.

**The CHAIR:** Apologies, Ms Kathage. We are going to go over to Mr Puglielli.

**Aiv PUGLIELLI:** Thank you, Chair. Good evening.

**Sonya KILKENNY:** Hello.

**Aiv PUGLIELLI:** In October 2022 in the floods we saw houses around Flemington Racecourse completely destroyed by that flooding while the course itself was more or less pristine thanks to the flood wall around it. Now, a few weeks back an independent report commissioned by Melbourne Water found the flood wall had a

material and significant impact on the flood and more homes were flooded than if the wall had not been built. Minister, will the Labor government now demand that the flood wall be taken down?

**Sonya KILKENNY:** Thank you for your question. In terms of looking at planning's role in responding to recent flood events and also flood modelling, I think it is important to note that the Victorian government as a whole continues to play a really key role in supporting Victorian communities through what might be natural disasters, whether it is bushfire or flood, and dealing with those issues, helping those communities to rebuild and revive. But also there is an important part in this too, and that is planning has a key role in helping communities develop resilience in terms of being able to meet future natural disasters and impacts of climate change.

**Aiv PUGLIELLI:** Sure, I totally appreciate that. But the wall – is it coming down?

**Sonya KILKENNY:** I will go through the – if I can answer it –

**Aiv PUGLIELLI:** It sounds like you are leaning towards no, but I just want to give you the opportunity – just for time.

**Sonya KILKENNY:** Well, I think the question is really around the role of planning in looking at natural disasters, in looking at the ways we mitigate risk from whether it is bushfire or flood and the way the government works with agencies to ensure that Victorians are aware of the risk and then what needs to be done to mitigate those risks to best protect Victorians from things like a one-in-100-year flood event.

**Aiv PUGLIELLI:** I appreciate that. With respect to planning, the flood wall was approved back in 2007. It was by a former Labor planning minister, Mary Delahunty, and it was against the advice of many experts and local councils. In the interests of planning, does the current Labor government stand by the decision that was made?

**Sonya KILKENNY:** An independent panel has reviewed this matter, and the independent review has made recommendations in relation to that matter. There are steps taken by water catchment authorities, by Melbourne Water, by local governments more generally to regularly update their flood mapping and to embed that flood mapping into their planning schemes. That is important because it is information for Victorians about the risk to property. And like any overlay – like the overlay we were talking about before in Wonthaggi, which is an environment audit overlay – the overlays do not create the issue, if you like; they draw attention to the risk of that issue and then enable decision-makers to be best informed about how to address that risk and to minimise and mitigate that risk to Victorians.

**Aiv PUGLIELLI:** Totally. I mean, this actually goes quite well into my next question. Melbourne Water recently changed the flood maps for Kensington Banks. People had bought homes in the area, which are only between 10 and 25 years old, based on state government information that said that their homes were above the flood level. Now they are being told, following the change, that they are in a high flood risk area, and this has serious implications for around 900 homes. Following that change, will the state government give compensation or introduce a home c scheme for these residents, given they bought homes based on state government advice that has now changed?

**Sonya KILKENNY:** I know Melbourne Water has been reviewing flood modelling along the Maribyrnong River, and of course we have seen an updated flood zone map for the Kensington Banks estate. I know the Victorian government is working very closely with Melbourne Water on these updates and what potential impact they will have on residents and homes in this area.

**Aiv PUGLIELLI:** Any compensation?

**Sonya KILKENNY:** I am the planning minister, so I am speaking about what these flood mappings mean and then what the modelling means – that is, that it identifies a one-in-100-year flood event and the impacts that that could have on those residents there. What it does, as I said, is provide Victorians with information about how to mitigate those risks, how best to manage it, what processes we need to put in place to manage that risk from that flood modelling. That is a matter for government, it is a matter for Melbourne Water, it is a matter for residents and it is a matter for local governments to ensure that planning schemes are updated with the most recent data that relate to flood mapping as well as of course bushfire risks.



**Aiv PUGLIELLI:** Thank you. Yes, you have canvassed that quite well. I have a question regarding planning system reform. In Victoria if someone wanted to operate a full-time year-round commercial business out of a residential property, would they be free to, or would they need licences or something similar?

**Sonya KILKENNY:** Planning has, obviously, zoning requirements, whether that is general residential or neighbourhood residential; it might be mixed use, it might be commercial. There are certain restrictions that apply to each of those zones, as in what is permissible and what is prohibited. For your specific example, that would need to go to –

**Aiv PUGLIELLI:** The reason I ask is just because my understanding is that under the current provisions there are entire homes, short-stay accommodation sites, in residential zones that are currently operating unlawfully. What is your plan to fix this?

**Sonya KILKENNY:** The zones specify general residential or neighbourhood residential; there might be mixed-use zones. Those zones set out what is permitted and what is prohibited and what can be built in there, with a planning permit or not with a planning permit.

**Aiv PUGLIELLI:** Just in the interest of time, I am so sorry: if a short-stay is operating in one of those zones where it is not meant to be, how as a government are you going to address that as a problem?

**Sonya KILKENNY:** With regard to your question – for example, we have just made it easier to build a granny flat in residential zones right across the state. Now, with those granny flats Victorians will be able to lease them out, will be able to secure a second income, or they might wish to have their ageing parents live there or children who will live there as well.

**Aiv PUGLIELLI:** I appreciate that. We are talking about entire homes, short-stay accommodation services that are running in some of these zones. If that is happening unlawfully, what is the government's plan to address that?

**Sonya KILKENNY:** As I said, the zones specify what is permissible and what is prohibited in each area.

**Aiv PUGLIELLI:** Right. Thank you.

**The CHAIR:** Thank you, Minister. I will go to Mr Hilakari.

**Mathew HILAKARI:** Thank you, Minister, Secretary and officials. I appreciate that this is the second-last session for tonight, and I am the last lot of questioners here. I am going to take you to budget paper 3, page 75, table 1.21, a particular line there 'Boosting planning resourcing', and \$20 million is allocated towards that. I am just hoping you can talk to how this is going to support planning operations and deliver on the agenda for the government around housing and energy. What work is yet to be done and has been done on this initiative already?

**Sonya KILKENNY:** Thank you, Mr Hilakari, for the question. As I said right at the outset of my presentation, I do not think there is any issue more important to Victorians right now than housing in all of its facets, and that is housing affordability, availability and suitability or choice, if you like. A key role of planning is to look at the supply of land for housing and to make sure that our regulations suit the needs there and will facilitate more homes being built as well. Work is usually undertaken by local government working with their communities to identify places that can be suitable for most change, areas that might be in transition and then areas that will see minimal change over the forward years. The Department of Transport and Planning often assists councils, especially regional ones, to fulfill their responsibility to prepare these plans and then implement them into their local planning schemes using the planning scheme amendment process.

The planning scheme amendment process is actually administered by the Department of Transport and Planning, and any time one of our 79 councils across Victoria wants to amend their planning scheme or amend their regulations in the planning scheme, the department are involved to review that and manage the proposal, conduct community consultation, work with council to get a suitable final outcome and then ultimately steward the process through gazettal. As you can appreciate, there are constant requests on the department for amendments as councils are working really diligently to make sure that their planning schemes are current and reflect the policy settings that have been set by state government and that align with state government as well.

Planning is also used to identify a long-term vision and that is a vision that explains what our cities, our suburbs, our towns, our regions, our state are going to look like from a development and land-use perspective, and that includes having enough supply of commercial and industrial land as well as identifying areas where specific design, heritage, environmental values need to be considered as well, or where environmental hazards need to be managed too. All of this work, as you can appreciate, is really resource intensive and requires coordination right across government too. You will understand boosting planning resources is critical to making sure that we have got available land supply, that we have got a land-use and development system that supports the ongoing productivity, livability and sustainability of our cities, towns, regions, and of course state. So a lot of work is being done by the department to work with councils to really set us up for not just the next 10 years in delivering the 800,000 homes, but certainly out to –

**Bev McARTHUR:** How many have you built this year, Minister?

**Mathew HILAKARI:** Mrs McArthur has woken up. This is fantastic.

**Sonya KILKENNY:** 2051 when it is expected that Victoria's population is going to exceed 10 million people. The amount of new homes we are going to need for that, the number of new jobs we are going to need for that as well is a massive effort. It is a big task ahead of us, and it is important that our department is resourced to take on those challenges and to respond appropriately as well.

**Mathew HILAKARI:** I just know Mrs McArthur spends every waking moment thinking about how we can get more homes in Victoria, as it is for the government. Developing a new plan for Victoria, I am just hoping you can update the committee on what has been done so far and what the next steps are. We have just talked about Plan Victoria before and you know my views on it, so I am really just keen to hear about the next part.

**Sonya KILKENNY:** Great, thank you. When we released the housing statement last year, the government indicated that we would be not just replacing *Plan Melbourne*, we would be developing a new plan for all of Victoria, for all of the state. This year is really about addressing the opportunities and challenges that are before us. It is looking out to 2051, as I said, when Victoria's population is expected to exceed 10 million and Melbourne will be the size of London today. So a lot of homes will be needed, a lot of jobs will be needed, but we also need to manage that growth sustainably and ensure that we are building better as well in the sense that we are sustainable and that we are leaving a legacy for future generations. At the end of last year, I convened quite a number of round tables with industry and with local government to talk about the development of this plan and really just to set out what pillars are going to guide this plan.

More recently, we have kicked off community engagement right across Victoria, and coming back to the voices of Victorians, I do not think the voices of Victorians have ever been more important. We have just embarked on a community engagement program that is probably the largest in this state's history. We are going from corner to corner of this state, as I said, meeting with Victorians where they live, where they work and where they go to school, asking them what their vision for Victoria is, what they want to see and how we are going to get there. The feedback already has been considerable – the feedback and the insights – and it will continue as well.

All of that is going to feed into the drafting of the plan, because what is going to make this plan so very different is that it is a plan written by Victorians for Victorians. This is their vision for their future state: how do we want to live? How do we grow – grow well, grow equitably and grow sustainably, bringing everyone along? And that is what is so crucial about this plan. It is about ensuring that the next generation are going to be able to afford a home in the area where they want to live.

**The CHAIR:** Thank you, Minister. Thank you, Mr Hilakari. Minister and officials, thank you very much for taking –

**Sonya KILKENNY:** Could I use one second, sorry, to come back to the matter you raised on VCAT. I have here a list before me that confirms – and I am happy to share this with you – that for the past five years VCAT has upheld every decision that was made for a renewable energy project.

**Danny O'BRIEN:** Well, I might be slightly out of the five-year zone, but go and have a look at Alberton wind farm, Minister. It was knocked back by VCAT after being approved by the department and the minister.

**Sonya KILKENNY:** It is the last five years.

**Danny O'BRIEN:** At the latest it was 2018.

**Sonya KILKENNY:** Yes. It was from 2019, applications made since 2019. Thank you, Chair.

**Danny O'BRIEN:** You were right in what you said, but the point remains.

**The CHAIR:** Thank you, Minister.

Minister and officials, thanks for appearing before the committee this evening. 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 will now take a very short break before beginning its consideration of the suburbs portfolio at 6:05 pm.

I declare this hearing adjourned.

**Witnesses withdrew.**