

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2006–07

Melbourne — 20 June 2006

Members

Mr W. R. Baxter

Ms C. M. Campbell

Mr R. W. Clark

Mr B. Forwood

Ms D. L. Green

Mr J. Merlino

Mr G. K. Rich-Phillips

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Mr A. Somyurek

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Witnesses

Mr R. Hulls, Minister for Planning;

Ms G. Overell, deputy secretary;

Mr A. McDonald, chief financial officer; and

Mr P. Reed, under secretary, portfolio performance, Department of Sustainability and Environment.

The CHAIR — Thank you very much. To those who have just joined us, could you turn your mobile phones off. Can I say what a pleasure it is to have people of all ages here as guests; I think that is terrific. I now formally welcome Ms Genevieve Overell, deputy secretary, built environment; Mr Andrew McDonald, chief financial officer; and Mr Philip Reed, under secretary, portfolio performance, Department of Sustainability and Environment. We have a time allocation of 5 minutes for your overhead presentation, Minister; thank you for being so concise with your earlier presentations. We will then have questions until 12.30 p.m.

Overheads shown.

Mr HULLS — Thank you. Here we go — priorities. As Minister for Planning I have articulated a number of broad priorities for the portfolio, including continually improving the planning system, swift and clear decision making, protecting biodiversity and promoting sensible coastal development, promoting the sustainable economic growth of Victoria, and achieving social justice outcomes through the planning portfolio. I think we have achieved pretty good results over the last 12 months.

The next slide shows you a breakdown of the budget for the portfolio. You have that slide so I will not go through it, save to say that new initiatives for the portfolio in 2006–07 include \$219 million for the transit cities program, \$20.5 million for the Victorian heritage strategy and \$20.6 million to establish the Growth Areas Authority.

The next slide shows that 2005 has been another stellar year for the building and plumbing sectors. Despite some predictions, we continue to issue historically high levels of building permits — just under 100 000 building permits were issued during 2005 for a total value of \$15.3 billion. Figures to date are pointing to a successful 2006 with the March quarter recording \$3.8 billion, which is 16.8 per cent higher than for the same quarter in 2005.

The particular note on the next slide is that in November last year, with the Premier, I released a plan for Melbourne's growth areas. That plan announced an extension of the urban growth boundary to provide around 25 years supply of residential, industrial and commercial land in growth areas. A new Growth Areas Authority will work cooperatively with local councils and the development industry and government agencies to achieve its objectives of promotion of affordable housing, housing choices, good planning, timely infrastructure provision, well-ordered sequencing of land development and quality developments in new communities.

The other issues in relation to this slide show transit cities and the progress that has been made there. The figures show \$197 million for Dandenong, \$11.6 million for Frankston, \$1.2 million for Geelong and \$2.7 million for the redevelopment of the Ringwood transit cities. As far as activity centres are concerned, planning for activity centres is progressing well with 85 structure plans either complete or under way.

In 2005–06 we allocated \$12.5 million over four years for the Creating Better Places program. The first round of grants have been announced, supporting local councils and communities to create more livable, sustainable, secure and culturally rich environments in metropolitan activity centres and key regional cities and towns. The heritage strategy — we are investing \$20.4 million into Victoria's Heritage — Strengthening Our Communities strategy. This does provide a new framework for heritage management in Victoria by coordinating government services and strengthening community involvement.

The CHAIR — Can you speed up a bit?

Mr HULLS — This slide is all about improving the planning system. We have undertaken this through streamlining the planning process review. Elaine Carbines undertook that — that received some media. A two-stage report: first, some quick fixes, and second, a range of other initiatives that streamline proposals.

The CHAIR — While you are hurrying through, if there are figures attached to these, please add them.

Mr HULLS — In relation to rural zones, I made reference to that last year. Of the 65 councils with rural zones, I have approved 29 amendments and 22 are in progress.

We undertook the review of the environmental impact assessment system. Reforms have now been implemented. The priority development panel is up and running. The coastal spaces report — that initiative was released in April with John Thwaites. It focuses on a number of areas to improve coastal planning policy and to guide and manage the growth of settlements and protect our important green spaces along the valuable coastline.

The next slide deals with disability access and accessible housing. I established in October last year an accessibility task force to advise me on the next steps to promote accessibility through the planning system. There are a number of affordable housing initiatives, including increasing the supply of land.

In conclusion that really shows that we have demonstrated a commitment to an innovative approach to managing and enhancing our planning system.

The CHAIR — Are you, Minister, happy for those slides to go up with your transcript?

Mr HULLS — Yes.

The CHAIR — Minister, reference is made in budget paper 2 to the health of the construction industry in Victoria across a number of sectors including residential construction. As construction is a very clear indicator of the general health of the economy, I would ask you to please outline to the committee some of the specifics facts and figures on the number of building permits that have been issued in the past year and any other initiatives you have in mind to improve the building industry in Victoria.

Mr HULLS — As I have mentioned in my presentation, just under 100 000 building permits were issued in 2005 to the value of \$15.3 billion. This includes a record performance in regional Victoria with a total of \$3.8 billion invested. The high levels of activity certainly continued into 2006. As I said, the March quarter recorded 3.8 billion, which is 16.8 per cent higher than the same quarter in 2005. Building permits issued in the first quarter of 2006 compared to the previous year reveal a number of positives for Victoria.

Domestic home building increased by 4 per cent; residential building — that is, apartments — grew by 37 per cent; retail rose 40 per cent to \$240 million; hospital health care soared by 53 per cent; public buildings went up by 35 per cent. In regional Victoria the March 2006 quarter shows that all regions experienced an increase in building permit activity compared to the same time last year.

Gippsland increased by 5 per cent to \$174 million; south-west jumped 52 per cent to \$320 million; north-west went up by 16 per cent to \$171 million; north-central was up 23 per cent to \$161 million; and the north-east grew 17 per cent to \$155 million. These are pretty good figures. We hope they will continue.

Mr FORWOOD — Minister, I want to refer to the toxic dump that is being built up in the Mallee. I understand that your Labor mate, Mark Dreyfus, was in today's paper as being supported by Tom Cargill in his preselection ballot against poor old Ms Corcoran. He has been chosen by the department as the QC supporting the government. Can you tell us why he was chosen and what process was followed? Is it true that he is being paid \$7000 a day? Is he going to get 12 or 14 days work, and therefore \$100 000 before he goes into the federal Parliament? What is the total cost of the EES process and how can the people of Victoria have any faith in what you are doing in sighting a toxic dump in a national park?

Mr HULLS — There are a number of questions there. I think, with due respect, you need to do your research a little better because as I understand it, Mark Dreyfus is actually the counsel for the proponent.

Mr FORWOOD — Who is the proponent?

Mr HULLS — Major Projects Victoria.

Mr FORWOOD — I see!

Mr HULLS — I am not the proponent.

Mr FORWOOD — You are not the proponent?

Mr HULLS — So the basis in fact is not only am I not the proponent, but I have to play an independent impartial role as the Minister for Planning in relation to this matter — —

Mr FORWOOD — Same story, wrong minister.

Mr HULLS — As you would know, a panel has been set up headed by Professor Bill Russell. He is hearing submissions in relation to the proposal. He will then report back ultimately to me. I will have to make recommendations in relation to this matter. It is important that I be impartial.

Mr FORWOOD — You have never met him, have you?

Mr HULLS — Counsel has been chosen by the proponent to act in this matter. You asked on what basis they had chosen Mr Dreyfus. That entirely is a matter for them; however, I think you have been in this game long enough to know that Mr Dreyfus is a highly regarded and highly respected QC who has enormous amount of expertise — —

Mr FORWOOD — A preselected Labor candidate.

Mr HULLS — He has an enormous amount of expertise in the planning area. But that really is a matter you will have to address to the proponent.

Mr FORWOOD — What is the cost?

The CHAIR — Excuse me, Mr Forwood. There were three components to the question, Minister. The second part was in relation to the cost and then the third part was in relation to sighting. Take what is relevant to your portfolio.

Mr HULLS — The sighting issue is what is currently being assessed, basically. It has to be assessed thoroughly, and it is being assessed thoroughly. That is why we have a panel hearing. You may have a view as to whether or not this waste containment facility should go in at Nowingi or not, or you may have a policy in relation to these types of matters. I know the shadow spokesperson for planning has indicated his view that this should not be placed at Nowingi but that a facility should be built within a 120 kilometre arc of Melbourne. If that is the case, he should be saying exactly where.

Mr FORWOOD — Niddrie.

Mr HULLS — To answer you, the fact is that Mr Dreyfus has been chosen by the proponent. I do not have any final figures in relation to the cost of this matter. In fact I do not have any figures in relation to them.

Mr FORWOOD — Will you get them for us?

Mr HULLS — I am advised that the process has obviously some months to run.

Mr FORWOOD — Surely you have budgeted for it.

Mr HULLS — The fact is that the time that this matter takes is entirely a matter for the panel. The panel is conducting its inquiries independently, and it is not being dictated to in relation to how much time it should take, except to say that once it has concluded its hearings, I think it has been asked to report to me within eight weeks of the final hearing date.

Ms ROMANES — Minister, page 215 of budget paper 3 states that a major policy direction is:

healthy, productive and accessible marine, coastal and estuarine environments.

In relation to that, I noticed that the output summary in table 3.8 on page 217 includes programs to meet these objectives. I ask you, Minister, to outline any recent initiatives to further the protection of our coastal areas which are included under this output.

Mr HULLS — That is an important question. We have 87 coastal settlements of varying size within two kilometres of Victoria's coastline. The increasing pressure for development in often very fragile environments is of real concern to coastal communities and requires a long-term approach. In light of that we have firstly, put in place the Victorian coastal strategy of 2002 which has established a world first system of marine parks and reserves.

Secondly, we have completed the Coastal Spaces Landscape Assessment, which is a comprehensive assessment of visually significant landscapes along the Victorian coast. It covers the entire coastline from the South Australian border to Warrnambool to the Bellarine Peninsula to Bass Coast to the New South Wales border.

Thirdly, as I said earlier, I think the recently announced coastal spaces recommendations report is further evidence of our commitment. That report actually endorses the containment of development within township boundaries to ensure that new development along our coast is sustainable for future generations. That report sets out a number of actions to ensure that: coastal and landscape values of non-urban areas can be protected and maintained; areas of environmental landscape significance and productive agricultural activity are protected; the use of existing infrastructure and services within settlements is optimised; and separate clearly identifiable settlements are maintained in line with community desires.

To support those recommendations we have set aside \$2 million — \$1 million from the provincial statement to support coastal councils manage change through strategic township planning, \$600 000 to work with councils to implement the coastal spaces landscape assessment and Great Ocean Road regional landscape assessment studies, \$325 000 of commonwealth National Heritage Trust funding to develop policy guidelines to address issues such as coastal acid sulphate soils, and \$100 000 to work with the Wellington shire to deal with old undesirable subdivisions on Gippsland's coast.

We think this is a very important report. As I said at the time of the launch it is important that councils have a look at their strategic planning frameworks and ensure that they do the work so that changes to town boundaries are not developer driven — it is the other way around — and developments should take into account the strategic work that councils have done.

Mr CLARK — As you know, Minister, there has been some controversy in recent times about some of the removals of planning powers from councils that you have undertaken — for example, the power to initiate planning scheme amendments. You may also be aware of a proposal from Marcus Spiller, president of the planning institute, that he put forward at a conference of sustainable cities in June 2005 calling for a metropolitan commission for Melbourne to take over some of the planning powers of local government.

Can you tell the committee whether you are contemplating going down the route advocated by Mr Spiller in establishing a metropolitan commission, and are you contemplating any other removals of planning powers from local government?

Mr HULLS — I laugh because I obviously read as widely as you do in relation to reports about planning and ministerial interventions and the like. From memory — I will be corrected if I am wrong — I think I have called in three matters, so we are clear.

Mr CLARK — Tooronga is one of them. Do you recall the other two?

Mr HULLS — Yes, Tooronga is one of them. I think Banco in Collingwood was one, and I think there was a broiler farm at Poowong. I think those are the three matters I have called in, so we need to be clear about that.

In relation to using my powers, there have been 94 ministerial amendments to planning schemes for the 12 months to April 2006. They are not call-ins; the majority of those interventions were actually at the request of local councils. I have to remind you — and that is why I guess I had a bit of a smile on my face — that between 1997 and 1999 the former government used its intervention powers on 495 occasions, an average of one per working day. So I think that if you really want to look at it objectively, I have been a pretty non-interventionist — —

Mr CLARK — There is more to intervention than call-ins. There is the restriction of councils' power to what they can put in their municipal statements or initiate planning scheme amendments.

Mr HULLS — You are talking about a situation where pre-authorisation has to be obtained. It basically means that work is being done at the front end rather than at the back end. In the past what was happening was that a whole range of work was being done and costs expended and ultimately an application made to the minister to put something on exhibition, and it was sometimes being knocked off at that late stage after all that expenditure had taken place. I would have thought that the current process of pre-authorisation sets pretty clear guidelines that the work ought be done at the front end.

But to get to the substantive aspect of your question, am I proposing to go down the path that South Australia has gone down and setting up a new — —

Ms OVERELL — Western Australia.

Mr HULLS — And Western Australia as well, I am advised, where as I understand it the system takes planning powers away from the hands of councils and puts them into the supposedly independent body. No, I am not planning to do that. I believe that councils have a very important role to play in planning. It is true that some councils do it better than others. Some councils have a pretty poor track record in relation to planning. Other councils have a very good track record, but by and large I think council officers do an excellent job. They work very hard, and I do not have any plans to go down Marcus Spiller's path.

Mr CLARK — In relation to the second point of my question, do you have any other restrictions intended on local planning powers?

Mr HULLS — You say 'restrictions' but I would have thought that the collaboration and cooperation that takes place between me as planning minister and my office and councils is at an all-time high. It does not mean that we always agree. You mentioned Boroondara — —

Mr CLARK — Whitehorse as well and the Mitcham towers?

Mr HULLS — You mentioned Boroondara. We do not always agree. If you ask the mayor of Boroondara I suspect he would say that we do have an open relationship where he can voice his concerns to me, and we meet, and it is the same with other councils. This government and I as minister will continue to work collaboratively and cooperatively with local government to ensure the best planning outcomes for the state.

Mr SOMYUREK — Minister, I am sorry I missed your presentation.

Mr HULLS — It was good!

Mr SOMYUREK — I will take your word for it

Mr HULLS — It was well delivered.

Mr SOMYUREK — Poetry in motion! I refer to your PowerPoint presentation notes which I have in front of me and specifically I refer to the implementation of the Melbourne 2030 strategy. I seem to recall last year it was Mr Gordon Rich-Phillips who referred to a question in relation to clause 12 of the planning scheme. Clause 12 gives legal effect to Melbourne 2030 objectives within the planning scheme. I think Mr Rich-Phillips was concerned at that stage that the planning scheme had not incorporated clause 12. Minister, can you update the committee as to what has occurred with respect to clause 12?

Mr HULLS — You are right. I foreshadowed at last year's hearing that I would be looking at incorporating clause 12. That was amended. The state section of all planning schemes was amended on 22 September 2005 to give full legal effect to the objectives and strategies of Melbourne 2030. So those amendments confirmed that Melbourne 2030 is to be given legal weight as a guiding policy when determining development proposals. This is important because I believe there is community support for implementing this plan. There will be arguments about the actual way it is being implemented, but I think everybody agrees with the overall philosophy underlying Melbourne 2030.

In relation to the specific issue that you raised, I think it was the shadow Treasurer, Robert Clark, who raised this issue last year. He wanted to know why I had not incorporated clause 12 into the planning scheme. I do find it a little ironic. I think the underlying thrust of that question was, 'You support Melbourne 2030 and yet you have not put it into the planning scheme — why not?'. We now have, yet I noticed in the last few weeks the opposition has actually been calling for me in Parliament to withdraw this very same ministerial direction in relation to Melbourne 2030 and indeed is calling for moratorium.

Mr CLARK — For the whole of Melbourne 2030 it would be even better.

Mr HULLS — I take up that interjection. Mr Clark said, 'We are calling not for a moratorium but a withdrawal of Melbourne 2030', which would be nothing short of chaos, absolute chaos.

Mr FORWOOD — What do you think we have got now?

Ms GREEN — You want to chew up the green wedges?

Mr HULLS — Tearing up a plan which is fundamentally the right plan is totally irresponsible. It would create absolute chaos and uncertainty for communities and developers alike. It would result in untrammelled urban sprawl. It would create a two-year policy vacuum whilst the plan was supposedly being reviewed. It would be a disaster, and frankly in my view it is an outrageous thing to be proposing. It is a lazy option. It simply says: withdraw Melbourne 2030. Melbourne 2030 has widespread support. I brought along with me a whole range of quotes, which I will not bore you with, about people who support Melbourne 2030. I am happy to have the argument about how we can better implement 2030, how we can have even more cooperation with councils and the like, but to be saying that we should throw 2030 out the window would create absolute chaos; it is the wrong way to go.

Mr RICH-PHILLIPS — Minister, I would like to ask you about the Victorian Code for Broiler Farms and the call-ins that have taken place since that code was put in place in 2001. You mentioned one yourself before: the Poowong example. I understand you also called in one in Rockbank, and your predecessors called in a couple as well in relation to that code. With the Poowong one, that particular application went to VCAT as a result of the council having not determined the application, and VCAT found that the application was consistent with the requirements of the government's broiler code, and following that determination by VCAT you attempted to call it in. Subsequently VCAT found that your intervention did not have legal effect, to use Justice Morris's comments. Why did you act to call this matter in after VCAT had determined the application was consistent with the government's code, and does your intervention in this particular matter and the intervention of previous planning ministers in similar matters represent a failure of the broiler policy?

Mr HULLS — A couple of things — first of all I will talk about the broiler code of practice. A broiler farm proposal must meet the requirements of the code of practice, as you are aware, and a planning permit is required for a broiler farm in the rural farming, green wedge and rural activity zones. Other requirements in the planning scheme must also be met — that is, overlay requirements and the like. The code — just so we are clear — was developed by the broiler code committee, with representatives from industry and relevant agencies and councils, and the final form of that code, whilst it comes under the auspices of the Minister for Agriculture, is certainly a whole-of-government response to the issues raised in the development of the code.

The code actually specifies best practice siting and operation requirements when considering permit applications. It requires specific buffers within property boundaries and separation from other sensitive land uses, like dwellings, and it encourages the industry to locate in areas where maximum separation can be provided. The government's objective with the code is to provide guidance and certainty for the industry to expand in appropriate locations and certainty to the community by specifying specific requirements.

The Minister for Agriculture, Bob Cameron — I do not know whether he has been before this committee yet or not — —

Mr RICH-PHILLIPS — He has.

Mr HULLS — He re-established the broiler code committee, including community representation to review the operation of the code and to provide ongoing advice on best practice improvement in the industry. The code does include an expected review every five years or when new technological advances become available, and it is planned for review, as I understand it, at the end of this year, and that will be led by Bob Cameron.

In relation to the Poowong decision, I sought to call this proposal in because I was concerned that, amongst other things, the proposal had the potential to involve assessment of an application on land with steep topography, and this is a matter that is probably not covered as best it could be by the code. I also made it pretty clear in public statements that I made that I thought public input in relation to this proposal ought be sought and that people who objected to it should have an opportunity to present their views. Ultimately, you are right, the tribunal did not support the call-in request because of the consideration I gave — if you actually read the judgment you see it says that they did not support my call-in request because of the consideration I gave to third-party appeal rights. I can say to you that I do not intend to take this matter further. I do not intend to appeal that decision. I am sure that these issues can now be well canvassed at the forthcoming hearing, and the tribunal will, of course, make a decision on the merits of that case. In any event, these issues and how the code deals with or should deal with applications on steep land will be fed into the overall review of the code that is scheduled to commence at the end of this year.

You also said I called in another matter.

Mr RICH-PHILLIPS — The Rockbank one.

Mr HULLS — No, I did not call that in.

Mr RICH-PHILLIPS — Will the planning area of DSE be represented in that review of the code?

Mr HULLS — That is a good question. I would expect so. I would expect that the review that is going to be undertaken will obviously take into account planning issues, and my department will be represented. I will make sure of that.

Mr RICH-PHILLIPS — Are there other planning areas, such as steep ground, that have been identified in relation to the broiler code that you would expect to change from that review?

Mr HULLS — The code is the responsibility of Bob Cameron, the Minister for Agriculture. I am well aware of this decision. I think that the judgment of Stuart Morris is a thorough judgment. It really does address a number of the issues that have been raised. I have said publicly that there is always going to be a review of the code, and I think it is important that my department be involved in that. If other matters arise that have planning implications, of course they will be raised in relation to the review, but I do not want to pre-empt that review.

Mr MERLINO — Minister, I refer you to the summary of the sustainability and environment output initiatives at page 331 of budget paper 3. Around \$5 million per year for four years has been allocated for a Victorian heritage strategy. Is this funding in addition to the funds for heritage grants provided within the Creating Better Places initiative in last year's budget, and can you provide the committee with an update on the performance of the Creating Better Places program?

Mr HULLS — I am pleased to advise you that the funding for the heritage strategy is actually separate from the funding for the heritage grants under Creating Better Places. It is new investment in Victoria's heritage. The 2005 budget allocated \$12.5 million over four years for grants programs under Creating Better Places. That program comprises an annual \$2 million urban improvement grants stream and an annual \$1 million heritage grants stream. It is designed to improve suburban, regional and town centres and protect heritage assets across the state.

The grants underline our commitment to preserve Victoria's heritage. It means that Victorian communities have benefited from \$3 million in grants to rejuvenate their suburbs and restore and protect heritage assets in 2005–06. These grants will support local councils and communities in creating more livable, sustainable, secure and culturally rich environments in metropolitan activity centres and regional cities and towns. Thirty-eight projects were announced in the first round about two months ago. They range from things like physical works to develop pedestrian linkages within key urban hubs to the restoration of historically significant sporting pavilions for the next generation of young footballers to bike path links and the renovation of treasured historic buildings.

In 2006–07 the Creating Better Places program is going to provide another \$2 million for the urban development stream and \$1 million for the heritage stream. Applications for those grants opened on Monday, 22 May, and close on 5 July, so it is worthwhile advising your local heritage groups that they have until 5 July to apply.

A number of projects have been funded. I know Glenyys Romanes was pleased with the \$75 000 allocated to the Moreland council for urban improvements in Coburg. The City of Yarra received \$124 000 to revamp the reading room in the Fitzroy town hall; Moonee Valley council received \$150 000 to develop the Crown Street stables for Flemington. The member for Box Hill, I know, would recall the \$30 000 given to the Whitehorse council to rejuvenate Box Hill's city centre laneways. I am sure he put out a media release in relation to that.

Mr CLARK — I went to the opening.

Mr HULLS — He went to the opening, that is good — he no doubt claimed credit for it. And there have been a whole range of other grants as well. It is a pretty good program.

Mr CLARK — It was not that good.

Mr BAXTER — Minister, in your briefing you referred to the rural zones implementation and gave some statistics about the number of councils that have either adopted it or are in the process of adopting it. Of the remaining approximately one-third, is the reason why there has been no progress that those councils have had

serious issues with the new zones or are they perhaps seeking some assistance with doing a land classification study before they proceed? What is their status? Could you advise the committee please?

Mr HULLS — It is a good question. I know it is an issue that would be of interest to you. I know that the rural zones generally are supported. I know that the VFF is fully supportive of the rural zones. The whole point of the rural zones is to protect our productive agricultural regions. They protect the right of farmers to farm, and they prevent ad hoc development. It is important that they be implemented to protect our \$15 billion agricultural industry.

I did write to each rural council between August and November last year about the implementation of the new zones. I offered to assist in the direct translation to the new zones by progressively making an amendment to each planning scheme to translate the rural zone to the farming zone and the environmental rural zone to the rural conservation zone. As I said in my opening, since that offer to do the transitional amendments, the take-up has been pretty strong, with 29 of the 65 councils with rural zones now translated — that is 45 per cent. A further 22 — or 34 per cent — are in progress. Introducing the new zones by ministerial amendment has, I think, been a substantial saving to councils, since all the mapping and documentation is actually done by my department with no cost to councils or payment of amendment fees.

You asked about the remaining councils. My department is in discussion with the remaining councils to clarify with them the benefits of the zones for their councils and their communities and to address any issues they have identified. Introducing the new zones by ministerial amendment is a significant resource saving to councils. The government provided, I think, \$150 000 to councils through the MAV to implement the new zones. You asked, ‘Why aren’t other councils doing the work? What problems do they have with the translations?’. Some councils have indicated that they do wish to carry out further strategic work or that there are parts of their municipalities where a different zoning could apply. Some of those councils have very small planning departments, as you would be aware, and are perhaps short on the expertise that is required. I welcome the strategic work being undertaken by these councils; however, I do want to see these new zones in place as soon as possible in order to achieve the objectives of developing the new zones. My department will continue to work with those councils that have some issues, but I think you would agree that these zones be implemented as soon as possible.

Mr BAXTER — As a supplementary question, of the remaining councils, are they scattered across the state or are they particularly concentrated in one direction?

Mr HULLS — That is a good question. The initial advice I get is that they are across the place.

Mr BAXTER — So it is not a regional problem so much?

Mr HULLS — No, my understanding is that it is not. My understanding is that there are a whole range of different issues — although not many of them — affecting different councils. There is no one common denominator, as I understand it.

Ms GREEN — Minister, my question relates to an issue of great importance to the area I represent, being the new Growth Areas Authority, which is referred to on page 331 of budget paper 3. The authority is to receive funding of around \$20 million over the next four years, which is a significant investment by government. Could you advise the committee what the government expects the new Growth Areas Authority to achieve.

Mr HULLS — The objectives of the Growth Areas Authority are to ensure that development in growth areas occurs in a coordinated and timely manner; to ensure that infrastructure, services and facilities are provided in growth areas in a coordinated and timely manner; to promote sustainable development of land in growth areas; to promote housing diversity and affordability in growth areas; to promote employment opportunities in growth areas; to ensure that land is provided for commercial and industrial purposes in growth areas in a coordinated and timely manner; and to foster the development of communities in growth areas.

The functions of the authority are to make recommendations and report to me on the use, development and protection of land in growth areas. Already we have established a task force, with industry leader Chris Banks as its chair. Chris is being supported by Carol Schwartz of the Sussan Property Group, and Rob Spence, who would be known to most of us, from the MAV.

The Planning and Environment (Growth Areas Authority) Bill went through the upper house on 6 June, I think, and there will be a board with between five and seven members. We are in the process of recruiting that board. It will be skills based, with members having skills, experience or knowledge in the areas of planning, development, economics, financial management, local government and housing. The board, the office and business systems are being finalised. I expect to be able to formally make some announcements and for it to open its doors within the coming months.

This is really about a new partnership with local government. The last thing I want — and I have said this publicly — is another layer of red tape that holds up planning and planning approvals in growth areas. That is why it is absolutely crucial that the Growth Areas Authority, the GAA, works closely with councils and developers to form partnerships. Initial feedback is that it is a great concept, a great idea, but it is important that it works properly.

Mr RICH-PHILLIPS — Just on the authority, Minister, will you be delegating any of your powers as Minister for Planning to the authority? Also, on the issue of funding it, will it have access to development contributions?

Mr HULLS — In relation to delegation of powers, I do not intend to delegate powers to the authority. Mike Scrafton is here from the department in relation to the funding. We have actually allocated funding in the budget, and it is in the budget papers. It is not envisaged — in fact it has been ruled out — that the GAA have any access to developer levies in relation to its operations.

Mr CLARK — Can I come back to your previous answer to me. If I may paraphrase, I think you said that you believe the mayor of Boroondara would consider you were a good fellow.

Mr HULLS — I would not go that far.

Mr CLARK — Your department gets on well with the planning officers at Boroondara and you do not call in many development proposals. Jack Wegman said in relation to your Tooronga call-in that it made a mockery of local government, it was unfair and a disgrace, and planning director Philip Storer said that the council ought to be left to undertake the planning issues that affect its own community. In view of their reaction to your Tooronga decision, will you guarantee that you will not call in future proposals such as the Henley Honda site in Camberwell Junction?

Mr HULLS — Can I say a couple of things in relation to comments that the mayor has made. Because he makes comments that show he disagrees with me does not mean we cannot have a good working relationship. I am in the game of politics, as is he. People often will say things publicly, but that does not mean they cannot have a good working relationship. I would consider that I have a good working relationship with members of this committee, but that does not mean we will always agree on particular issues.

In relation to the Tooronga issue, that has a fairly substantial history, and I made it quite clear to the council in mid-2005, I think, that that redevelopment was significant in the context of state policy. My understanding is that the proponent is proposing a \$450 million transformation of this notorious bomb site, which has been crying out for development for more than 20 years. I advised council in mid-2005 that once plans were prepared for the site I expected council to those put those plans on public exhibition. After months of discussions the council decided it was not prepared to exhibit the proposal put forward by the proponent. The state government — my department — tried to find a compromise solution to this stand-off. The council decided that it was not under any circumstances prepared to even place the proponent's proposal on public exhibition. It wanted to exhibit something that the developer was not proposing to build.

I made it clear to the mayor that I thought that was unacceptable, and as a result I assumed responsibility as the planning authority for this site. I have to say I reluctantly assumed authority. I had hoped that we could reach a compromise, and I think the final offer put forward by council was that it would exhibit both proposals. Ultimately what was exhibited was the proponent's proposal with a notation of some of the councillors' concerns. I have to say I think it is regrettable that that council decided it did not want to be the planning authority for this project.

Mr CLARK — That does not seem to be a fair accusation. You are overriding them!

Mr HULLS — I would have preferred the council to remain the planning authority by exhibiting — —

Mr CLARK — As long as it does what you tell it to do.

Mr HULLS — By exhibiting the proposal, which is the normal course of events. It is their right, though, and in my view it is now time to move on and get this project back on track.

You asked about the Henley Honda site. I received a request from Boroondara council seeking my authorisation to prepare an amendment to introduce specific controls into the Boroondara planning scheme over the Henley Honda precinct. I understand that an urban development framework was prepared by the council working group without any external consultation, and I am sure you will have consultation with the council over that matter. I referred the matter to the priority development panel for advice. The advice of the priority development panel was forwarded to council in January. I advised the council that I would take account of council's views on the priority development panel assessment prior to completing my consideration of council's request. Council finally replied to my January letter on 24 May, and I am currently awaiting advice from my department on council's response to the panel report before completing my consideration of council's request.

In the meantime — this gets a bit technical, but it is important to be thorough — I have been advised that on 2 December 2005 the owner of the site lodged with the council a planning permit application for a significant building that includes two towers of 8 and 14 storeys for its land. The proposed development entails a mix of uses including a significant residential development. That application will now continue to be assessed by the council. I have not been asked by any party to intervene in respect of this proposal.

Mr CLARK — So at the moment you are not contemplating a call-in?

Mr HULLS — No, I have not been asked by any party to intervene, and on that basis, of course, I am not contemplating intervening.

Mr SOMYUREK — Minister, I refer you to Dandenong transit cities on page 287 of budget paper 3. Last week we had as a witness the Minister for Major Projects, Mr John Lenders, who gave us a comprehensive outline of the Dandenong rejuvenation or the Dandenong transit city project. Can give us a bit of an outline from the planning perspective, in particular the planning arrangements that have been put in place to support the project's success?

Mr HULLS — I am sure that Minister Lenders did a great job here last week. He would have indicated that the Premier announced that we will deliver a \$197 million infrastructure package to support of the renewal of central Dandenong, and this comes on top of \$92.8 million announced last year to kick-start the area's revamp. The Dandenong transit city initiative is the result of extensive consultation with the local community, council and also businesses. It will stimulate a range of business, residential and public infrastructure developments in the area over the next two decades and will totally revitalise central Dandenong. It is a great project. It is estimated to create 5000 jobs, attract more than \$1 billion in private sector investment, create quality affordable housing options and provide transport and traffic solutions, in addition to improving the precinct's appearance and amenity. John Lenders would have gone through the specific projects, so I will not go through them.

Over the last few years my department has worked very closely with the council and the Dandenong Development Board to put together the overall renewal program for central Dandenong. In relation to the planning issues, I am responsible for approving plans and development proposals in central Dandenong. This was undertaken as a result of consultation with the local council. I have established a one-stop shop to coordinate planning and development in the area. The service will be resourced by planners from my department as well as from the Greater Dandenong council and also VicUrban. We want to ensure that central Dandenong is in the best position to attract private commercial development, and simplifying the planning process is absolutely crucial in making this happen.

The one-stop shop will enable community input into planning decisions while providing developers and investors with the certainty that they need, the certainty they are looking for to invest. This one-stop shop is yet another example of how the government is cutting red tape, streamlining planning processes and is indeed working in partnership with local government. The initiative not only has the full support of the City of Greater Dandenong, but it has won the support of the Property Council of Australia. In fact the executive director of the property council in April this year said that the decision shows that the government understands the need for matters of metropolitan and state significance to be coordinated at a state level. I think this is a great program, and we have agreement with the City of Greater Dandenong in relation to the planning issues.

Mr RICH-PHILLIPS — My follow-up question relates to the role of the Dandenong Development Board. You passed legislation three years ago or thereabouts setting up the board. The statutory composition was roughly 75 per cent bureaucrats — either state or local government — and you were funding it to the tune of \$1 million a year. What role will it have under this new proposal, and will you continue to fund it to the tune of \$1 million a year?

Mr HULLS — The Dandenong Development Board is obviously a very important authority. It is part of the consultation in relation to the redevelopment of Dandenong, but there are ongoing consultations between the department, the council and the board in relation to the future role of that board. It is working with the council in relation to areas such as community development focus and social development focus, but its ongoing role is being discussed, and it may well be that in the longer term its shift will be from economic to social and broader community issues.

Mr SOMYUREK — When?

Mr HULLS — It has already started that.

Mr RICH-PHILLIPS — Under this budget does it continue to have funding until 2009–10?

Mr HULLS — Yes, it does.

Mr RICH-PHILLIPS — Same rate of \$1 million a year?

Mr HULLS — I think it is \$1 million a year, yes.

Mr CLARK — I want to clarify your role as planning minister in relation to transit cities like Dandenong. I gather you have possibly taken a step back from Dandenong because it has gone to VicUrban, but do you have a planning role generally in relation to transit cities like Dandenong, and is it the same role for each transit city?

The CHAIR — That is a long bow for a follow-up question, but given no-one is shouting you can have it.

Mr HULLS — Each transit city is different. In relation to Dandenong I am the ultimate planning authority, and that is because the council wanted that to be the case. There is consultation, and we have set up consultation mechanisms in relation to Dandenong. I am not the planning authority in relation to other transit cities. Councils are still in effect in charge. No transit city is the same, and Dandenong is a special initiative undertaken by the government — an urban renewal program — and to be able to leverage private investment off government investment investors wanted planning certainty.

Substantial consultation took place with the City of Greater Dandenong and it agreed, for this project, that in order to have the substantial impact it wanted it to have and the local community wanted it to have, planning certainty was required, and that is why after consultation with the council ultimately I am the planning authority.

Mr BAXTER — In respect of municipal strategic plans, when a municipality makes a democratic decision to issue a planning permit that might be considered by your department to be contrary to that strategic plan, why does the department feel obliged to take it off to VCAT to oppose the issues on the basis that it is not in accordance with the strategic plan when the council itself has initially adopted the strategic plan but then made a democratic decision to issue a permit? I specifically refer to the Oasis Homes case in the Shire of Moira, which may or may not be familiar to you, but I am more interested in the principle rather than the particular here.

Mr HULLS — It is an interesting question. We have an overall state planning policy and local councils have their own policies — putting it in layperson's language — and it is important that the two are integrated. Sometimes councils will make decisions that are in breach of their own planning policies and in breach of state planning policies. To ensure that that does not occur and that money is not expended at an early stage and funds wasted, we have a prior authorisation process, which I have already spoken about.

In relation to the issue you raised about Moira, it is true that DSE has requested a review by VCAT of two decisions by the Moira shire to grant planning permits in a rural zone for 750 residential units and an industrial complex in Cobram and 350 residential units in Bundalong. You really ask why DSE has taken this step when the local council has decided this is appropriate. I am advised that my department has had discussions about these proposals with the Moira Shire Council pointing out the concerns with both proposals, in that they would result in

substantial residential development in areas that are zoned rural. These proposals would be prohibited if the sites were translated to the farming zone, which is progressively being implemented throughout Victoria, which gets back to your previous question.

I wrote to each council in August and November, as I said, about the implementation of the new rural zones. Moira is one of those councils that did not accept that invitation, and instead the council made a decision to issue, as far as my department is concerned, two inappropriate planning permits in locations zoned rural. The proposals are absolutely unrelated to agriculture and contrary to the proposed purpose of the rural zone. That is why the department has initiated the request to VCAT to review the decisions of the council.

I suppose I conclude on this note: proposals of this kind that have the effect of changing land use from rural to residential should only occur by a change to the planning scheme, and only then if the change can be strategically justified. So the department is going to argue before VCAT in relation to this matter. I think VCAT has a valuable role in relation to the system as an important point of review. People often complain about VCAT, but it has to be remembered that VCAT only deals with about 7 per cent of decisions. Planning schemes in Victoria provide councils with a clear ability to provide for local requirements in their local planning policy framework and local revisions to zones and overlays, but in this particular instance it will be tested in VCAT because the department's very strong view is that this is a totally inappropriate use of rural land.

Ms ROMANES — Further to my previous question on protection of coastal spaces and your response, I am also interested in the protection of our significant waterways such as the Maribyrnong River. I note that in budget paper 3 there are major output deliverables referred to on pages 234 to 235 that relate to this kind of work. Can you outline specifically what work is under way in relation to the protection of the Maribyrnong River and indicate how it relates to work under way to protect the Yarra as well?

Mr HULLS — I have a soft spot for the Maribyrnong River, and I know the member for Pascoe Vale does too. When I can I jog around parts of the Maribyrnong River just outside my electorate, and it is really — —

The CHAIR — It is a hidden secret.

Mr HULLS — It is. It is a hidden secret, so I had better not answer the question! The Yarra and Maribyrnong river corridors are certainly highly significant assets in terms of their open space, recreation, conservation, tourism values and the like, and development on adjoining land can certainly pose real threats to these riverside values. I think in the past some developments along the rivers have been real testimony to that fact. When we launched Melbourne 2030 we made a commitment to put in place plans and controls to protect both the Yarra and the Maribyrnong rivers, and major plans have now been launched for both the Yarra and Maribyrnong over the past 12 months.

In June of last year I got on a boat and launched a plan to protect the Yarra River. I also approved amendments to the Yarra and Stonnington planning schemes to prevent inappropriate development on former industrial land next to the river. In April this year I released a similar plan for the Maribyrnong River, and I think it is a pretty comprehensive plan that outlines how the entire Maribyrnong River valley will be protected and enhanced. Both those rivers, as you know, flow through a number of municipalities, and therefore they have been subject to differing planning controls along each stretch of those rivers. Many of those controls have actually lacked consistency in respect of the types of development that are acceptable. In many parts of the river there just simply were not adequate planning controls in place. The only way this situation could be realistically addressed was for the state government to take the lead in preparing such a plan, and we have now done that.

For the first time we have an integrated, whole-of-government vision inclusive of the community and local government views, and that has been developed for both those rivers. The plans put forward a number of recommendations, which include a commitment to a coordinated governance arrangement amongst councils and government agencies for each river, revising planning controls on land adjoining the river, incorporating proposed design guidelines, detailed planning of a number of critical locations, some possible future land acquisitions to protect landscape and important native vegetation and connect existing walking trails, and funding for capital works, including the completion of walking and bike trails, signage, pontoons and the like. I think these are very important initiatives and some would say long overdue.

Mr CLARK — In one of your earlier answers you told us about your role in relation to the Dandenong transit city. I want to ask you more generally about the remaining transit cities, which clearly also have their own

pressing needs. To take my own area of Box Hill for example, we have had something like five different studies in six years, and we seem to be getting the high rise, high density but none of the other improvements that are supposed to go along with transit cities. What can you tell the committee about how you see your role vis-à-vis the Minister for Transport in relation to transit cities? Who is driving the process and what is the game plan for actually getting some results in terms of the sort of transport and other improvements that transit cities are supposed to be receiving?

Mr HULLS — In relation to transit cities generally, as planning minister, I in effect oversight the planning requirements for the transit cities. In relation to the budget, there has been some \$219 million to facilitate major new recreation, residential and also business developments for the 13 transit cities in both regional cities and also suburbs under our Transit Cities program. The program concentrates new development around transport hubs as a valuable planning tool, obviously to reduce private car dependence and increase public transport use. As you would know, Transit Cities also provides greater lifestyle choice, it puts people much closer to jobs, schools, services and it encourages development of a right mix of homes, shops, offices, recreation and business developments.

In the budget, as I said, \$219 million was allocated; \$197 million over the next 15 years for Central Dandenong — and I have spoken about that; a further \$11.6 million over four years for the transformation of Frankston, turning the city centre back towards the bay — that project includes new recreation, housing and business development and a new boardwalk to link the community to the foreshore; \$2.7 million for the redevelopment of Ringwood into a vibrant hub with detailed design work around the station and redevelopment of the Maroondah Highway; \$1.2 million for Geelong to make the most of its, obviously exceptional, waterfront with a better mix of residential and retail development and the like; \$1.5 million for Footscray in relation to the redevelopment of the Nicholson Street mall, to improve the attractiveness of the Footscray area and make the station precinct safer and a much livelier part of town.

You spoke about Box Hill. A further \$4.3 million is going to be provided over the next four years for improvements in the Bendigo, Box Hill, Broadmeadows, Epping, Latrobe Valley, Sydenham and Werribee transit cities, and I expect there will be ongoing consultation with those communities in relation to the allocation of that funding.

Mr CLARK — With respect Minister, all of those latter amounts that you have mentioned are very modest indeed, given the scale of the tasks that are necessary if you really want to achieve your transit city objective. Otherwise, as I said, you will end up with these cities coping the high rise, high density but none of the public transport or other enhancements that are supposed to go with them. So my question remains: what is the game plan to achieve what you claim are the government's objectives in relation to these transit cities, and are you driving it or is Minister Batchelor driving it? Where does the buck stop?

Mr HULLS — There are certain ministers that have been allocated in relation to particular transit cities, but as Minister for Planning of course I am the coordinating minister for the transit cities. There are regular reviews and updates of the program that are taken to a subcommittee of cabinet, in relation to transit cities. There is an IDC which coordinates agencies, and Genevieve Overell from my department chairs that, and obviously the Minister for Transport is central to improvements to the public transport aspects of those transit cities, but I am a coordinating minister in relation to my planning portfolio.

Some of these transit cities are further advanced than others, and funding is allocated accordingly. It is not a one-size-fits-all for transit cities; some are being developed with a view to attracting private investment. Obviously there is more government funding going into some than others, and it is an ongoing process basically.

The CHAIR — Minister, we have only got time for this quick supplementary question in terms of Mr Clark's question. In terms of the community benefit that he outlined, is there anything that you want to add — in that regard — to the community as a whole? Have you got any thoughts on specifics on what would be the community benefit? Could the community benefit, for example, not only be the open environment but perhaps the built environment?

Mr HULLS — There is enormous community — I think the community benefits for transit cities are along the lines of the ones I outlined in relation to Dandenong basically. We are talking about making these places more vibrant, we are talking about affordable housing options, we are talking about urban renewal — a whole range of community benefits. But I guess it is fair to say that you cannot expect major restructuring of existing

centres overnight. This is a long-term program, and you need to undertake appropriate feasibility studies and get the detail right before you actually fund major projects. You have got to remember this program is only a few years old, and I think we have made enormous inroads to date, but no one transit city is the same as the other.

The CHAIR — Thank you, Minister. That concludes the budget estimates for the portfolios of planning, industrial relations and Attorney-General. Thank you very much to your departmental officers, particularly those who have joined us from DSE this last session. It has been extremely helpful. Witnesses will be provided by email with proof versions of their transcript and you have 48 hours, after which we will put that up on our web site. Thank you, good afternoon.

Witnesses withdrew.