

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 29 May 2007

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
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Ms J. Munt	Dr W. Sykes
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Witnesses

Mr J. Madden, Minister for Planning;
Mr P. Harris, secretary;
Mr M. Clancy, acting chief finance officer; and
Ms G. Overell, general manager, Office of Planning and Urban Design, Department of Sustainability and Environment.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2007–08 budget estimates for the planning portfolio. On behalf of the committee I welcome the Honourable Justin Madden, MLC, Minister for Planning; Mr Peter Harris, Secretary of the Department of Sustainability and Environment; Ms Genevieve Overell, general manager, Office of Planning and Urban Design; and Mr Matthew Clancy, acting chief finance officer, Department of Sustainability and Environment. I also welcome departmental officers, members of the public and the media.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review; there is no need for evidence to be sworn. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript. The committee requests that verifications be forwarded to the committee within three working days of receiving the proof version — and I would actually prefer it a little quicker than that, if possible. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following the presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off. I now call on the minister to give a brief presentation on the more complex financial and performance information relating to the budget estimates for the planning portfolio.

Mr MADDEN — Thank you very much, and I wish everyone a good morning. I will take you to our PowerPoint display. In terms of this year's budget, the 2007-2008 state budget delivers on many of the government's election commitments, building on the achievements of our first two terms, and providing a framework for our future.

We continue to fund and support the implementation of key planning, urban design and heritage policies through this year's budget process. I would like to outline some of those initiatives across the planning portfolio, and some of the major achievements to date on which these initiatives are built. They clearly demonstrate the government's strong commitment to a framework for sustainable and effective planning decisions to benefit all Victorians.

Overheads shown.

Mr MADDEN — This slide provides a breakdown of the budget by output for the planning portfolio; \$169.8 million in output funding was allocated to the planning portfolio in the budget this year. Planning and urban design and housing affordability received \$71.5 million to implement the government's strategies for sustainable metropolitan and regional development, in particular the transit cities program. If you are interested in that, it is in budget paper 3 on page 196. Land administration and property information received \$88.1 million, and finally heritage protection was allocated \$10.2 million.

The next slide shows Melbourne 2030, activities centres, and structure planning. Planning for the activity centres generally contributes to progress well. Around 60 per cent of activity centres have completed structure plans or have one on the way. This year an additional \$3 million has been provided to the activity centres expert assistance program to help metropolitan councils more effectively implement planning for activity centres.

We also continue to work with local government to secure public and private investment. For example, this year the state government provided \$7 million over two years towards Banyule City Council's \$400 million Greensborough project.

There has been major government investment in the transit cities program; \$219 million was allocated in the 2006–07 budget, and a further \$63 million additional funding is allocated this year to kick-start developments in Footscray, Ringwood and Geelong and vital infrastructure in urban design work.

Work on the Melbourne 2030 audit has commenced. The initial focus will be on a stocktake to assess the progress of the delivery of Melbourne 2030 to date. Stage 2 of the audit will commence around the middle of this year and will include opportunities for input by local government, industry and the general community. The audit of 2030 will not involve a fundamental re-examination of the principles and directions. A million dollars has been committed in the state budget to undertake the audit. This will be in addition to the current departmental resources.

The Creating Better Places program, a \$12.5 million, four-year program, has so far funded over 100 projects across the state, and \$7 million has been allocated since the program started in the 2005–06 financial year.

In terms of coastal spaces, a number of coastal councils — Moyne, Colac-Otway and Surf Coast — have begun a process which will see the recommendations of the coastal spaces landscape assessment implemented into their respective planning schemes. This is being done through the assistance of the state government at a cost of \$115 000 through the environmental sustainability action statement. The recommendations will assist councils in guiding and managing growth of settlements and protecting Victoria's valuable coasts.

On green wedge management plans, green wedges represent some of the most valuable land in the state in terms of environment, agriculture and tourism, and it is important that councils have comprehensive plans in place to safeguard these important areas. An additional \$350 000 in direct funding is being provided to selected councils this financial year to assist in the completion of plans.

Good progress has been made in delivering the cutting of red tape in planning program. Actions include a procedure to fast-track removal of redundant planning provisions, initiatives to speed up the planning scheme amendment process and the availability of local planning policy review teams to assist councils.

In terms of rural zones, last year the previous planning minister reported to this committee that just under half the councils with rural zones had completed their rural zones translation. I am pleased to announce that 80 per cent of councils have now completed their rural zones translations. A further \$500 000 has been allocated this year to help councils develop agricultural and rural strategies in response to the changing trends and pressures facing rural Victoria.

In the past year three wind farms were approved by the previous Minister for Planning, bringing the total to 11 approved in Victoria. I recently approved the 64-turbine Mount Mercer wind farm, which is expected to generate around 160 megawatts — that is enough energy to power around about 73 000 homes. Approval of these wind farms not only represents a substantial investment of 1.2 billion in regional Victoria, but the wind farms will result in a potential saving of approximately 2.8 million tonnes of greenhouse gases.

In terms of building activity, 2006 was another record year for the building and plumbing sectors, with total building activity being \$16.65 billion — an 8.9 per cent increase on 2005 — and total building activity in rural Victoria being an additional 3.99 billion worth of building permits. This is a 5.8 per cent increase on 2005.

On sustainability, energy efficiency requirements for new commercial dwellings were introduced in May 2006 as part of the Building Code of Australia. These requirements have been implemented smoothly over the last 12 months. I am pleased to note that Victoria's leadership on the 5-star led to the adoption of 5-star nationally under the Building Code of Australia in May 2006.

On the urban development program, the 2006 annual report identifies that overall there was a total supply of approximately 25 years of residential land and over 25 years of industrial land available across metropolitan Melbourne and the Geelong region. However, deficiencies have been identified with regard to the supply of zoned land in some locations.

Geelong region and the Casey-Cardinia growth area: the Growth Areas Authority is currently working with local councils in the growth areas to get zoned land supplies to a more satisfactory level.

In terms of heritage, the heritage strategy has supported local councils and communities managing heritage places and collection through \$2.5 million in grants. As a result, heritage preservation works have proceeded for many important sites across the state.

Electronic conveyancing is a world-leading initiative that brings the property conveyancing process into the e-commerce world. Additional funding of \$6 million was provided in the state budget to complete the electronic

conveyancing (EC) system. The EC is estimated to result in \$70 million worth of annual savings to Victorian industry and the community by 2012, and this equates to a saving of \$395 per four-party settlement.

In terms of priorities for the forthcoming year, I have identified a number of priorities for the coming year for the planning portfolio. Briefly, high on my priorities will be continuing the implementation of Melbourne 2030 through facilitation of investment in activity centres around public transport nodes, delivering further efficiencies in the planning system through electronic delivery and cutting red tape, building sustainability to support climate change response, providing a greater certainty to councils to assist them in managing change and protecting valued neighbourhood character, and, of course, given we are in the 21st century, increasing the recognition of Victoria's 20th century heritage as well.

I think I have covered a fair amount there, and I am happy to proceed to questions, Chair.

The CHAIR — Thank you very much for that, Minister, and thank you also for the response to the department's questionnaire. I might add that as we learn a little bit more about this as we go along, I wonder about the different figures that are often provided in this regard. There seems to be a different figure, for example, in terms of output for the department in budget paper 3 from what you get in budget paper 4 and in your response to the budget estimates questionnaire in regard to the administered statements.

Here it says there are no commonwealth-specific purpose grants, yet in the budget paper it says there are \$98 million worth. Maybe the department can perhaps look at some of these things or maybe we should look at it in terms of getting these things in sync in terms of the responses.

My interest and the committee's interest is an interest in productivity. Productivity is very important for the future of the state. I would like to ask you what impact will your portfolio's spend have on productivity, particularly new initiatives in your portfolio?

Mr MADDEN — I suppose in terms of productivity savings, we are always looking for the opportunity to improve productivity and across this forthcoming financial year the department, broadly right across the department, is looking, I understand, for a \$14.8 million productivity savings in terms of what we are currently dealing with. We expect those savings to be delivered through a range of measures.

My understanding is that the department is currently working through the best options to find those productivity savings, but I am confident that can be done. I know that we have a good track record when it comes to productivity, and we look forward to making productivity savings in the future, based on the figures that I am reporting today.

The CHAIR — How do you see what you are doing on Melbourne 2030 in planning actually helping productivity overall across the state?

Mr MADDEN — In terms of employment, building activity and also just the economy, building is a key driver for that. Whether it is domestic, commercial or industrial, it provides an enormous number of jobs right across the community and is a key driver for the economy right across the community.

So it is important that if we can speed up the process, we can deliver efficiencies. If we can cut red tape, we can deliver efficiencies in the planning permit application process, whether it is the bigger projects that we deal with at a state government level or whether it is assisting local governments at a more local level to improve their efficiency. If we can get projects off the ground sooner, it means there is a great opportunity for increased growth in the economy and more jobs to go with it.

I see one of the priorities in my portfolio as being also to improve that efficiency, and if we can improve that efficiency it means we can bring more jobs online, more productivity right across the community and give people greater confidence not only in the planning and building processes but also to see that translate into the uses of those buildings, whether they are domestic, commercial or industrial. We can bring on board more jobs which flow on from that just by getting these projects brought to fruition by implementing the project sooner, by having a swift and effective planning system.

The CHAIR — Thanks very much for that.

Mr WELLS — Minister, on pages 212 and 213 of budget paper 3 there is a reduction in the funding for the department, in planning, urban design and housing affordability, and a target in 06–07 of \$73.9 million which has now been cut to 71.5 million. Given what you said in the previous answer, can you explain what sections of your department are going to be reduced, and how much of these line items will be directly related to combating or providing strategies to address the crisis in housing affordability?

Mr MADDEN — Thank you very much for the question, Deputy Chair. It is a little bit technical so bear with me as I run through some of the issues in relation to the one which is reported. There are two issues that you have raised: one is the reporting of the department through the budget papers and the other is housing affordability, and I am happy to address both of those.

In 2007–08 the planning portfolio output budget shown in budget paper 3 is \$169.8 million, which represents 14.2 per cent of the total 2007–08 DSE recurrent budget. This is represented by the planning, urban design and housing affordability output budget of 71.5 million, land administration and property information output budget of \$88.1 million, and heritage protection output of \$10.2 million. The planning, urban design and housing affordability output budget comprises \$43.2 million for planning and urban design output, \$18.2 million for housing affordability output, and \$300 000 is dedicated to housing affordability programs with the balance attributed to capital asset charges appreciation and corporate overheads.

There are a number of new initiatives which I have announced, and I am happy to refer to those again. Expert planning teams output is \$3 million over two years; Footscray transit city output is \$13.6 million over four years; Geelong transit city output is \$2.2 million over two years; Melbourne 2030 five-year audit output is \$1 million over two years; regional town development output is \$0.5 million over two years, and the Ringwood transit city output is \$2 million in 07–08, and then the rural zones output is 0.5 over two years. So that is basically the portfolio.

In terms of some of the detail that you want in relation to the differences between previous years, I am happy to refer to that more specifically. The significant movement is due, and it is technical, to the redistribution of corporate overheads — I understand minus 18.3 million — to more accurately reflect the allocation across the department than the original allocation. This removed the historical allocation, and the corporate overhead is now based on a share of the output budget. The land data fees, which were overstated by, I understand, minus — —

Mr HARRIS — Nine million.

Mr MADDEN — Minus 9 million, when a decision was made to move from a trust account management to a section 29 revenue retention arrangement. This accounting error has been rectified with a downward revision to the estimate.

In terms of housing affordability, Mr Wells, I think we have got a pretty good track record when it comes to housing affordability. That has been reflected by national figures and also even more recently by a presentation to the HIA by its main economist in relation to how we are performing in terms of housing affordability in this state. We have got planning policies that are addressing housing affordability on a number of levels. The success of those policies is demonstrated by the fact that, as I mentioned, we are doing much better than other states in responding to the impacts of strong housing demand on house prices and affordability.

For example, according to the HIA *Land Monitor Report*, the average price for vacant land in Victoria is \$155 000 compared with \$357 000 in New South Wales, so there is a fairly significant difference there even with the sorts of numbers that we have got coming into the state. Victoria is the only state that has committed to maintaining a minimum of 15 years and up to 25 years of land supply. The government established the urban development program in 2003 to monitor land supply and project demand for residential and industrial land in Melbourne and Geelong, and in 2006 the urban development program report confirmed that the government was more than meeting the overall residential land supply target. However, the government is giving priority to increasing zone land supply in Melbourne's south-east corridor and in Geelong.

As a government we have established five metropolitan regional housing working groups, which have now produced their reports on responding to future needs for housing, including affordable housing. The Growth Areas Authority has been given a specific directive to address housing affordability in growth areas as part of its planning processes. Precinct structure planning guidelines for growth areas now include a requirement to provide a variety of housing types, sizes and costs, and priority has been given to streamlining the planning system to reduce delays, as I mentioned before to the Chair, and holding costs associated with residential developments.

This includes targets for reducing the time taken by DSE to process rezoning applications. DSE was given the responsibility after the 2006 elections to lead a whole-of-government policy on affordability in the housing market and with the Office of Housing and DHS to implement the government towards an integrated housing strategy initiative. That is progressing quite soundly at this point in time.

Mr WELLS — Can I clarify my original question: so the reason for the reduction in the 06–07 target and the 07–08 target is because of an accounting error and that the corporate overheads have been distributed to other sections? Is that the reason there has been a reduction?

Mr HARRIS — Practical effect.

Mr MADDEN — I am advised that is the practical effect.

Mr HARRIS — If I could, Chair. There is a note on page 196 that supports that. On page 196 you will see those numbers that the Deputy Chair listed run across the page, the lowest line on that table on page 196, and you will see the note (f) which describes this in the same terms.

The CHAIR — So that is page 196, note (f) on table 3.8.

Ms GRALEY — I have a particular interest in growth areas. I am interested in the establishment of the Growth Areas Authority, which was announced last year with the funding of \$20 million over five years. It undoubtedly has an important role in delivering many of the budget initiatives highlighted in this year's budget papers. Could you please update the committee on what the GAA has achieved to date as a result of the funding it has received and any important future plans?

Mr MADDEN — The Growth Area Authority, as I mentioned, is certainly making a significant difference in terms of not only land affordability but also availability, as I have mentioned in my previous answer, to manage the future growth of Melbourne 2030 in particular in trials of the urban growth boundary for the Melbourne metropolitan five designated growth areas.

Melbourne's growth areas, I just highlight to the committee, are Casey-Cardinia, Hume, Melton-Caroline Springs, Whittlesea and Wyndham, and these areas contain three of the fastest-growing municipalities in Australia — Melton, Wyndham and Casey. As well as defining where growth areas are, the government is setting the development parameters for growth areas in a plan for Melbourne's growth areas, which was released in 2005 and which created that new authority, the Growth Areas Authority, to better coordinate development in these areas.

The Growth Areas Authority is charged with ensuring that the building blocks of sustainable new communities — infrastructure and services — are coordinated with new housing planned in the growth areas, and this means providing better access to and the timely provision of infrastructure and services like transport, jobs, shops, open spaces and recreation facilities. Sufficient land has been set aside to ensure the adequate availability of developable land to maintain housing affordability, as mentioned. There are three main tasks before the Growth Areas Authority: coordinating the state development contributions plan to guide, fund and deliver infrastructure; provide strategic advice on precincts to help streamline planning processes; and advising me on development issues in Melbourne's growth areas.

One of the first achievements of the Growth Areas Authority is the release of the precinct structure planning guidelines. Precinct structure plans will ensure new development is well serviced and integrated with existing communities. The structure plans will set objectives for housing yields, choice and affordability; provide for dwelling densities in line with government strategies; provide for reliable public transport, activity centres and services; ensure communities have better access to services, transport, jobs, shops, open space and recreation facilities; and give developers and investors in local communities greater certainty and confidence about future development. The Growth Areas Authority brings together councils, developers and government agencies to plan and negotiate the desired outcomes of precincts. I have used the word collaboration many times since coming into this portfolio, and this is one of those examples where the collaboration will see a direct impact on the ground. The process is focused on providing certainty and speedier decision making.

There are currently 20 precinct structure plans under way, with eight of these to be completed by the end of 2007. In combination, the area of land being planned equates to 5850 hectares, and five of the precinct structure plans — those in the Casey-Cardinia area — will address the projected shortfall of zoned land in the south-east corridor. The

Growth Areas Authority is also working on identifying the components of livable communities, and developing the strategies for faster planning processes in the growth areas. This links to an overall commitment to reducing red tape and improving timing of planning outcomes. So I am looking forward to further achievements of the Growth Areas Authority over the next few years, and I am very keen to report the progress of the Growth Areas Authority and its success stories to the committee in future PAEC hearings.

The CHAIR — That would be great.

Dr SYKES — My interest is in rural zones. Minister, I noted in your presentation that you indicated 80 per cent of councils had made the transition from the old zones to the new and that \$500 000 has been allocated this year to aid councils with the zoning issues. Just by way of background, when the zoning legislation changed, many councils in fact wanted to use that as an opportunity to review their existing zones rather than just do a direct translation of old zones to equivalent new zones, but they ran into two problems. One was that it was going to cost them about \$100 000 per council to do it, and secondly, there was a lack of planners available to do it.

How will the \$500 000 be allocated amongst councils, and how will it then be used by them? Secondly, given the background I have given you, would you give consideration to increasing the amount of financial assistance available to councils, given the \$100 000 cost for each one, and would you give consideration, or take action, to attempt to increase the number of planners that are available to carry out these tasks?

Mr MADDEN — Thank you very much, Dr Sykes. There is a lot in that question, and I am going to spend some time answering it.

Dr SYKES — Very simply it is more dollars on the table.

Mr MADDEN — That is right. There are a few issues there. First of all, generally the councils have been a very good in making that transition. Members of the committee may not be aware, so I will just give them a little bit of context to where the answer is going. The new rural zones were introduced into the planning provisions in 2004 in response to a wide concern that existing zones did not reflect or protect the right to farm and were leading to land use conflicts by allowing a range of non-farming uses in rural areas. These zones were developed and finalised during extensive consultation with rural communities, farmers and councils over a number of years.

But I do acknowledge some of the smaller municipalities, or those with added complexity, are a little slower in making that transition. Because of that, \$150 000 was provided in 2004 through the Municipal Association of Victoria to support the program. However, a number of those councils, 12 months after that contribution, were still struggling to apply those zones. So we recognise that there are some municipalities that are not making the sort of ground that we would like them to make. I understand there are only 12 councils that are yet to complete that transition, and a number of those I expect will be finalised shortly. The 500 000 we expect will go a long way. We also anticipate that we will work with the Municipal Association of Victoria to make sure that we get the best value for those councils so that they can make a significant impact on the ground.

There are some municipalities where we have got just a little bit of complexity in dealing with that. I will give you an example: yesterday we were in Mildura with the Mildura community cabinet process, and there were issues there. You would appreciate this, Dr Sykes: I was speaking to a local vet, and he had some issues around some of the conflicts of land usage, particularly the definition of where a vet can locate a new development, particularly for large animals, as opposed to a vet who deals with smaller animals. That was a worthwhile discussion, and I am looking forward to being able to accommodate some of those requests from those vets in rural Victoria who need to fit within the respective zones in a way that is applicable to what they do.

For some of those councils, too, they have some of their own local complexities which they have to deal with. An example of that in Mildura was some of the old soldier settlements. You have a different type of use that has historically come to be disaggregated over a long period of time. Some of those councils we will work with in consultation, we will assist them with some advice, but we will also work with them through that funding to make sure we get them over the line in relation to this. As you would realise, the right to farm is particularly important. It is important not only for those to give assistance and assurance to those farmers and to agriculture but also to make sure that we do not subdivide the land to a point where farms are no longer feasible or sustainable — that you have the critical mass to make farming operate.

When you look at some of the old soldier settlements in Mildura, they were nice allocations historically at the time for those who settled in those areas, but, of course, farming practices may not be necessarily sustainable in those locations going into the future, or they may never have been, really. We have to bear that in mind. Within that historical context and also acknowledging some of the technical requirements in some of those local areas, we are conscious that we need to work with councils and support them through the funding.

We are finalising the details of how we will apply that funding, but preference will be given to councils that provide an integrated response to rural issues. That is common to a range of councils. They have to be, in a sense, enthusiastic about the process as well. We would be looking for some complementary contribution in some way to combine with the funding that we are making available. That might, in a sense, grow the critical mass of that funding to a point where it will provide greater opportunities for those councils, potentially through the MAV, in a way to make sure that we get all these councils over the line.

Dr SYKES — Is the \$500 000 just going to those 12 councils that have not yet made the transition?

Mr MADDEN — We are still working through the detail of that. It has not been brought to my attention that those councils that have made the transition are facing any added complexity, but I will take advice in relation to what is out there in the regions as to either the complexities that some may be facing if they have already implemented it, or the complexities facing those who are yet to implement it. I use the word ‘collaboration’, and this is an instance where I think the more we collaborate on this issue the better result we will get for everybody. Of course there will always be a degree of tension around these matters, but we are eager to make sure that we protect the right to farm and that we also get these other local governments across the line in terms of clarifying the status of the new zones.

The CHAIR — Thanks for that.

Dr SYKES — Could I just make a comment?

The CHAIR — I think we have — —

Dr SYKES — Just a comment quickly — —

The CHAIR — A very quick comment, please.

Dr SYKES — I am just letting you know that the previous planning minister had particularly strong powers of persuasion, and a number of councils felt obliged to comply because of the powers of persuasion that were exerted upon them rather than because they really wanted to, but if you are going to be prepared to look at that, that would be encouraging.

Mr MADDEN — Just a quick comment: I appreciate that a lot of councils have shown very good faith to do this. They have recognised and agreed in principle to do it. They have implemented it. We recognise the good faith in which that has been done, and as a minister I am keen to make sure that not only do we get the other councils across the line, but we also have to work with the other councils to make sure that the implementation over and above just the integration of it works effectively. No doubt there will be some teething problems, but we are keen to work with councils to make sure that it operates in the way it is expected to.

Mr SCOTT — Minister, I refer to you to budget paper 3 on page 213, where it makes reference to the urban development program. Can you please advise the committee about the urban development program and the benefits it will provide for forward planning in our growth areas?

Mr MADDEN — The urban development program was established in 2002. It is a very important tool. It provides us with a better understanding of the land supply relative to demand and the infrastructure requirements of future residential and industrial development in Melbourne and Geelong. We monitor the land supply to ensure that the land supply is not unduly influencing housing affordability in Melbourne, and sufficient planning is undertaken so that the physical transport, education and community infrastructure can be in place as new communities develop and that land speculation is also minimised.

The 2007 urban development program report shows that we have 25 years of broad hectare residential land available for new housing in Melbourne’s growth areas. A recent report released by the HIA and the Australian Property Monitors confirms that Victoria’s track record has been much better than some other states. The report

also cautions that to maintain this position we need to avoid extreme pressure being placed on available land supply. To this end our priority has always been on increasing the total available supply. We are now at a point where there is adequate supply in Whittlesea, Wyndham, Melton and Hume to meet the 10-year zoned land supply benchmark. Action is now being taken to ensure sufficient supply of zoned land in the Casey–Cardinia growth corridor. The Growth Areas Authority is giving this area its full attention. I have also asked the department to look into land supply in our key regional cities, because, as you would appreciate, recent figures confirm that the growth in regional areas is quite substantial, and that growth is exceeding that of metropolitan Melbourne.

My department is working with the City of Greater Geelong to facilitate the supply of zoned land in the Armstrong Creek area. There is also pressure on land, I understand, in Torquay and Bacchus Marsh. The urban development program also tells me about industrial land. In six industrial areas across Melbourne there is an estimated stock of more than 25 years, and overall industrial land stocks are adequate. However, there are localised shortfalls of zoned land in the south industrial node and the north industrial node, and action is being taken to bring these areas up to the 15-year supply of zoned land.

This knowledge allows us to take measured steps to address any shortfalls of residential or industrial land. Importantly the urban development program also allows for us to more rigorously plan the rollout of infrastructure — physical infrastructure such as power, water and sewerage; community infrastructure such as schools, child-care and aged facilities; and of course important environmental infrastructure such as our open space network and paths and trails. This is all set out in *A plan for Melbourne's growth areas*, a plan that would not have been possible without the urban development program.

It certainly places us in a good position in comparison to other states and other cities to have this program so that we can monitor and make that knowledge public and work to ensure that we have sufficient and adequate stocks of land provided for development in the future.

The CHAIR — Thank you, Minister. I might note regarding outputs and deliverables, and refer to your budget estimates questionnaire, where the department has provided a brief outline of these changes — the ones we are just talking about in terms of the urban development program report — there has actually been a renaming of that from residential and industrial land supply assessment.

I wonder if the department could actually give us a more detailed response in terms of the changes to performance measures. I know we have at the back of the budget paper the ones which have been discontinued, but where there have been changes, for example, it would be useful if we could have them more clearly set out for us rather than having to find them in footnotes.

Mr MADDEN — Would you like me to provide that to you on notice?

The CHAIR — On notice, please.

Mr BARBER — I am interested in the \$1 million for the Melbourne 2030 audit over the next two years and obviously what that 1 million will deliver. Will it look at the specific objectives of Melbourne 2030 and how they have been delivered — for example, one of the objectives is to have more development around activity centres? Will there be an analysis? You could use the 2001 and 2006 census if you wanted to do an analysis of whether more jobs or more housing are now to be found around activity centres.

Mr MADDEN — Thanks for that question. There are a number of elements to that. Melbourne 2030 is no doubt the framework — the plan — for development in Melbourne going into the future. There are a couple of critical issues that are worth bearing in mind with the support for activity centres, so we manage that growth within existing suburbs in a way that does not take us back to the old days of just dual-occupancy development across any suburban block as of right, which was the case for many years prior to us coming into government.

The other element of that is not only the focus on the activity centres per se and the development around that — that is done in order to protect the suburbs that we have, the green leafy suburbs, the elements that we know and love about Melbourne — it is also about ensuring that suburban development on the fringes is managed, and part of that is, as I have mentioned, the Growth Areas Authority so that we are not hamstrung by the focus on the activity centres, so we still provide growth on the fringes but also that we provide protection to the green wedge, as it is affectionately known. That is also necessary for all those other elements that make for good consolidated urban planning.

In terms of the audit that we will be conducting over the next two years and the funding for that — the million dollars — that is basically to examine the extent to which it is being implemented and the success of the implementation. I would like to point out it is not a reiteration of the case for Melbourne 2030. I know there has been criticism from the opposition in relation to this matter. I know that the Deputy Chair himself, in his budget reply speech, has even threatened to dismantle the Melbourne 2030 boundaries. It is all right to make that assertion, but what is the alternative? If you do not have an alternative, and I know the opposition does not have one, it does not have policies in this area, it is vacant in this area, then — —

Mr WELLS — That is a bit rich. I thought the election was 2010!

The CHAIR — Please, Minister.

Mr BARBER — Will the audit be an audit of councils' strategic planning activities, or will it be an audit of the success of the policy's objectives?

Mr MADDEN — What we will do is — we are currently undertaking stocktake and that stocktake is basically to find out the relevant information in many of those areas that you are talking about; to critically examine where we can access the information that will assist us on many of these fronts, and then based on that there will be a second stage. I do not want to telegraph those yet, but we will be making announcements in terms of the second stage of that process once we have consolidated that information and done some examination of that information as part of that overall stock take.

Mr BARBER — You have telegraphed a million dollars so can you tell us what the million dollars will be spent on?

Mr MADDEN — It will be involved in that extensive process. I know that, Mr Barber, you are very keen for the community to be involved in that, and we are very keen for the community to be involved in the process as well. So some of it will be — as I said the first stage is primarily about bringing together information and seeking that information, and consolidating it in a way that makes sense in relation to 2030 — then the next stage will be about hearing from the community or the relevant stakeholders in relation to many of these issues as well.

Ms MUNT — Minister I refer you to budget paper 3, page 277, under the heading 'Assets initiatives-government-wide' which details funding for transit cities in 2007-08 of \$17.2 million. Can you please outline to this committee how that funding will be used, and what will be the benefit to Victorians from that funding, now and in the future?

Mr MADDEN — There are a number of issues in relation to transit-city initiatives and the status of that. I have responsibility for quite a number of them, but not all of them. Some of the other elements are delivered by other ministers, but there is quite a range between this year's announcements and last year's announcements, as well. I will go through some of those; some of those are more obvious in relation to this year's but also some of the others in previous years.

Basically the intent of transit cities is to make sure that we focus development around many of those older transport stations or transport network areas. What we have seen over many, many years historically, as some of the infrastructure of those stations has got old or was not seen as attractive at the time, although it might look very attractive now because of the heritage values of some of those locations, many of those retail or service centres turn their backs on many of those stations. Rather than link themselves to those stations and have a strategic link, many of those shopping centres, or those local communities, turn their backs on the stations. Rather than draw people from the stations or into the stations, that created a blockade.

You can appreciate today more than ever that the use of public transport is on the rise, and that is a great thing. If people had said four or five years ago that we would see an increase of somewhere between 16 or 20 per cent in the use of public transport, people would have thought that that was not possible, particularly in Melbourne, given people's habits. To see that shift has been a quantum leap, and that is a great result, but of course there are challenges in dealing with it.

Transport cities are a great avenue in which we can focus people's attention around public transport and get more people using the system out of peak as well. We know there is peak demand, but also if we can get people using it

throughout their daily lives over and above just for commuting into the city, then that is a great outcome and transit cities is a great way to do that.

Recently announced, the \$52 million over four years for Footscray, and the project planning is currently under way; Geelong, \$5.8 million over two years and that project planning is under way. The work down at Geelong is also complemented by the relocation of the TAC, and the ability to link the Geelong station as a transit city with the jobs from the TAC down in Geelong will really help drive that.

In terms of Footscray, Footscray is a great initiative because that will complement the regional services that also come through and stop at Footscray. It means that there is a great ability to have a strategic link to the regions and, whether it is the Bendigo, Ballarat or Geelong lines, to link those in a way which forms a strategic link to Footscray and the city as well. There are some great opportunities there.

Given that Victoria University is very keen to expand its campus into the retail precinct and to link that in and around the station precinct, there are some great opportunities for that Footscray transit city to be a model for urban renewal. We are very excited, and you can tell I am very excited about the prospect of that.

In terms of Ringwood, there is \$5.4 million in the 2007-08 budget for project planning. In terms of the previous year's budget, 06-07, for Dandenong there is \$290 million and the projects are currently under way. That is a big project. No doubt people will be eager to see the result of that, but it is not a plan that will take place over one, two, three or four years; this is a long-term project with big parcels of land being redeveloped. It will take some time to come to fruition, but it will happen and the result of that will be quite spectacular.

In Ringwood we have also seen, in the 2006-07 year, \$791 000 over two years to assist council and get projects under way. I want to compliment the council for the outstanding work it has done in really embracing this. In that year as well Footscray received \$1.2 million, a funding deed was signed with council and the Nicholson Street Mall upgrade was commenced. That has been a great result. At Frankston, \$11.6 million over four years, the funding deed was signed with council in June and the project is under way; at Box Hill, \$378 000 in 2006-07, funding deed signed by council, the project is under way; at Werribee, \$855 000 over four years, funding deed signed with council and the project is under way; Epping, \$477 000 over four years, funding deed signed with council and the project is under way; Broadmeadows, \$720 000 over four years, funding deed signed with council, the project is under way; Latrobe-Warragul, \$450 000 over four years, funding deed signed with council, the project is under way; Bendigo, \$369 000 over four years, funding deed is signed — —

Mr WELLS — Maybe just table the document.

Mr MADDEN — And under way. The last one — —

Mr WELLS — Maybe just table the document.

Mr MADDEN — Mr Wells, Ballarat, \$11 million in railway improvements — under way. I was very keen to get those on the record, Mr Wells.

Mr WELLS — Yes, I know, but you could have just tabled the document and saved us a lot of time.

Mr MADDEN — But they are all good stories, and whilst I know that transport and the demand for transport is in the news at the moment, we are making those strategic investments. They need to be on the record; they need to be recognised. What this is saying is that we are making that investment; we are getting communities to work together, particularly local governments. The local governments that have made the quantum leap and have really embraced it and done the strategic work have seen funding come to fruition this year. We look forward to seeing the relationships with many local governments continue to develop in a collaborative way, to see greater investment in many of these areas in years to come.

The CHAIR — Thank you, Minister, for the comprehensive reply.

Mr RICH-PHILLIPS — Minister, this is the first time you have appeared since relinquishing the Commonwealth Games portfolio, but I am pleased to see the Premier has given you a portfolio where you can maintain your positive relationship with Julianne Bell and the protectors of public lands!

I would like to ask you about the funding for the electronic conveyancing system — firstly, about the contradiction in the information contained in the budget overview which refers to the funding being provided, \$6 million over four years, and budget paper 3, which refers to the funding being provided in one year, being the 07–08 year.

The CHAIR — What page is this?

Mr RICH-PHILLIPS — That is page 333. Can you just clarify, please, which is correct — the overview or the budget paper? Is it one year or is it four years?

Mr MADDEN — I am informed that it is over one year.

Mr RICH-PHILLIPS — I understand that is \$6 million in addition to \$24 million that was provided for the land exchange program. Can you tell the committee how that existing money has been expended in setting up this electronic conveyancing system and how the additional \$6 million was spent?

Mr MADDEN — I might ask Peter Harris, secretary of the department, to reply to that. I would ask, Chair, that if there are any supplementary questions that they come through me so that I can respond.

The CHAIR — That is fine. They always do, Minister; don't worry.

Mr HARRIS — In answer to the basic question for the committee's benefit, the electronic conveyancing project has proved to be very successful and has met its technical milestones for being deliverable. If I could just ensure that it is in everybody's mind that this electronic exchange will effectively replace the exchange that might occur otherwise, which would be managed by conveyancers. So when cheques are handed over and titles are provided as a result of a property transaction, this will now be able to occur electronically, with a significant estimated saving for every property transaction of the order of \$300 or \$400 on average.

It is quite an important piece of technological development for the property industry. It has substantial application outside Victoria — it is potentially a national system — and it has generated quite a lot of interest from the kind of institutions that are involved in electronic conveyancing.

In terms of the funding, the project was supplied with funding on an incremental basis, and it has built up by cost over time according to its success. So having met each of its individual technical milestones, this last segment of funding approved by the government budget for this year will ensure that in effect this system is available in Victoria. I believe — I might look across at my adviser at this point — it will be available in the early part of 2008, if not earlier than that.

Ms OVERELL — Yes; the middle of 2008.

Mr HARRIS — Certainly it will be completed in the coming year. Those savings will then flow on to institutions and obviously on behalf of purchasers who care to use the electronic system. The paper-based system will nevertheless remain available for those who do not want to take advantage of that, and there undoubtedly will be some reasons determined by the individual institutions — banks and the like — as to whether or not they choose to go down this path. But we think the savings are very attractive, and the project is therefore likely to be considered quite a success.

Mr RICH-PHILLIPS — I understand the project has been on trial since 2005 and that there have been a couple of trials. I am curious as to why the extra \$6 million is required now, if the project is already to a trial stage.

Mr MADDEN — First of all, in terms of the development of this, I understand that it has been ongoing for some time. This is the sort of technology you do not just do on your own. I also understand that you have got to bring people along with you, particularly if you are relying on many of the large financial institutions.

I understand that financial institutions such as Westpac, ANZ, Commonwealth Bank, National Australia Bank, Macquarie Bank and Bendigo Bank are already using the mortgage transaction as part of their electronic conveyancing systems, so it is important that those sorts of stakeholders have confidence in the product and that when the extension of that is fully operating, people can feel completely confident about that.

Mr RICH-PHILLIPS — Are there concerns now?

Mr MADDEN — Let us also appreciate that this puts Victoria at the forefront of other Australian states and that in actual fact it is a world leader in terms of financial property settlement and lodgement of land transfers and mortgages. This is groundbreaking, and in terms of the intellectual property that goes with this we will see countries from around the world wanting to replicate what we are doing here in this state. I am not sure whether you have any more comments, Peter, in relation to any of those matters.

Mr RICH-PHILLIPS — You mentioned the banks that are trialling the system now. Have there been any problems in the trial? Have they expressed any concerns with the system that is currently running?

Mr MADDEN — My understanding is that those financial institutions are currently using the system and at this point it appears that they are very supportive of it, so I think all the indications are very supportive. But, of course, I suppose you have to trial these things before you roll them out completely, and that is just the cautious nature of how you would manage something that could have quite profound change and significant implications for the operation of any organisation. As I said, one of the great elements of this is that what we will see —

I do not know if you are aware of the way in which they exchange titles and mortgages and all sorts of things at the last minute. Everyone has to come together at the last minute and often you have four parties involved, sitting around the table, and they all have to find a place to meet, and what you do not want is a glitch at the last minute because not only does it stop that transaction, but because there are a lot of linked transactions often for similar times of the day, people sell one property, purchase, and try to combine the dates so that they are not having to use different forms of credit. So it is important that the operation of this is absolutely sound, and no doubt you would not have the banks supportive of it if they did not feel confident about it, and we would expect that when they take it on board fully, it will be a world leader.

The CHAIR — Our family had a transaction last week and it went through very smoothly. In fact it was a day or so ahead of what they originally expected, so I am very grateful for the new system.

Mr PAKULA — Minister, in the last question from Ms Munt you touched on the Footscray transit cities program. My recollection is that all up it is a \$52 million investment. I suppose I am interested in some more detail as would you be, Minister, given that we share an electorate. I am interested in the details of the outcomes of that inner Footscray area that we can expect from the transit city program.

Mr MADDEN — Thank you for that question, Mr Pakula. I know this is a matter that is very close to your heart, and I know that you are very conscious of the opportunity for urban renewal in that Footscray precinct. If members of the committee have not been out to Footscray I would encourage them to go out and have a look now and get a sense of what it looks like because it will be different over the next few years through this investment. It is a tremendous opportunity waiting to happen, and what we will see is \$52.1 million invested over four years to renew and revitalise central Footscray. The strategic location of Footscray is quite remarkable, and sometimes you forget how well located it is in relation to the ports, the city and many of these logistical aspects. Given the number of trains that come through the precinct as well, it is a fairly substantial commercial precinct, but it needs a catalyst for renewal, and there are some marvellous opportunities there.

The initial work that will take place will include the modernisation of the pedestrian bridge at the station, so basically a new pedestrian bridge, which will take you past the old Olympic Doughnuts caravan; and anybody who has been out there would feel a sense of nostalgia for that caravan. I have not tried the doughnuts recently, but I am told they are very good. The old bridge traverses from one side of the station to the other, and — —

Mr BARBER — Termites are holding hands to keep it together!

Mr MADDEN — Yes, it is probably a bit like that. It is a pretty old bridge, it needs the upgrade and this will make a significant difference. It will be a catalyst because the bridge is used by enormous numbers of people, and students in particular. Lots of Victoria University students who get off the train move through the shopping precinct up to Victoria University at the other end. There are huge numbers throughout the course of the day, not just at peak times. That will straight away improve the amenity of the precinct. It is also a signpost for those who are thinking about investing in the precinct. The government is committed. We are putting money into this and encouraging people to do the same.

We expect it will facilitate development particularly around a number of strategic sites around the station. We will have to acquire some of those as part of that upgrade. Probably most critically there will be a one-stop shop for the

marketing and development of central Footscray. We are doing this in conjunction with Maribyrnong council. It has been very supportive, and I would also like to compliment the council for the enthusiastic way it has embraced the opportunities here. Of course that has translated into this financial support from the government.

It is likely that I will become the responsible authority for development applications in a defined area of central Footscray, but major applications however will be considered by a planning partnership committee, it is anticipated, with the City of Maribyrnong — again, collaboration. The investment builds on the outstanding work that, as I mentioned, has been done by the City of Maribyrnong in recent years, and that has come about through a shared vision for Footscray's future.

The council also went to great lengths, I understand, to consult on this and really allowed the residents of Footscray the chance to express what they love about the area. They are very keen to not lose either those diverse qualities or the eccentricities, in some ways, that make Footscray different from many other centres. So we are looking forward to making sure that we retain that but also renew it.

Mr DALLA-RIVA — They would like a pool, I think.

Mr MADDEN — I also expect that there will be an increase in affordable housing and sustainable options, reinforcing the safety of public transport and the creation of, most importantly, as I mentioned, a sense of place. That does not come overnight, but it will come eventually.

Again, in terms of the strategic location of Footscray it has unique opportunities. It is less than 10 kilometres from the Melbourne CBD, it has great transport options, it has a really large shopping precinct and civic district, and as well as that Victoria University is a world-class educational institution. The university is also committed to engaging with the local community so that it is not just a stand-alone university but is connected to the community and works through this process to make sure that it is well and truly embedded in the whole urban renewal.

It is also one of the most culturally diverse communities in Melbourne, and we are committed to trying to maintain that. We expect that we will be able to do that. We are committed to stimulating investment in the centre but most importantly improving employment options and providing the facilities for such a unique community. This will be a wonderful example of urban renewal. I am particularly excited about it, as you can tell, and I know Mr Pakula will be able to sing its praises as this progresses.

The CHAIR — I can see the Council members are very excited by this. We will take a break for a few minutes and Mr Dalla-Riva will then have the call.

Mr DALLA-RIVA — Minister, I refer to budget paper 3, page 327. You referenced it earlier in relation to the Melbourne 2030 five-year audit. I see the five-year audit has only an additional two years of funding, so I thought that three years had already been audited, but that is not the case. Can the minister detail how the money will be allocated — that is, how many staff will work directly on the audit, the facilities, reports, printing et cetera? What is the final reporting date of the audit? Will it be made public and, if not, why not? Who will be overseeing the audit?

Will you be engaging any external consultants, as part of the expenditure of the \$1 million, to assist in the audit? Will they be advertised appropriately under the normal terms of employing consultants? In part of that process of consulting with the community, my understanding is — you may correct me in this — that as part of the \$1 million that is going to be used for the five-year audit there are no architects, councils or community groups involved, just the MAV and a few Labor-friendly groups. Can you just clarify what the \$1 million is, in the context of all those questions?

The CHAIR — There are quite a lot of questions there. I should note I think that the five years reflects the fact that it has been around for five years, not in terms of the budget matter.

Mr MADDEN — In relation to Mr Dalla-Riva's question, there are obviously quite a lot of questions there and I am happy to try to answer as many of those as I possibly can. I know and we know that the Liberal Party does not support Melbourne 2030 — —

Mr DALLA-RIVA — No, no — —

Mr WELLS — We want to know what you want.

The CHAIR — Thank you.

Mr WELLS — Is there a problem with the question?

Mr MADDEN — There is no problem with the question; I am going to answer it.

Mr WELLS — Let's get to an answer.

The CHAIR — Can we have the minister's — —

Mr WELLS — He is inciting interjections.

The CHAIR — I wish you would ignore them.

Mr MADDEN — Thanks, Chair. It is always interesting after the half-time break — —

Mr DALLA-RIVA — We are coming out a bit stronger after three-quarter — —

The CHAIR — On with the answer, please.

Mr MADDEN — On Melbourne 2030 we have said we are committed to undertaking a review five years after its implementation. We are at that stage, and we are committed to doing that. As mentioned, we have committed \$1 million to that audit, and basically it will take place in two stages. The first stage of the audit is a stocktake, and that is led by DSE to assist the progress on the delivery of Melbourne 2030. The stocktake is being informed by meetings with key stakeholders. Stakeholders have so far confirmed widespread support for the principles of Melbourne 2030 and emphasised the importance of focusing on the implementation of Melbourne 2030. Even in my meetings with stakeholders aside from this audit, when very early on I met with them in relation to this portfolio, what was reinforced to me, which was not prompted in any way, was the broad support of the many, many stakeholders for Melbourne 2030. Now what — —

Mr DALLA-RIVA — So what is an example? Is it architects, Minister?

The CHAIR — You have asked that question. Keep going, Minister, please.

Mr MADDEN — The implementation of Melbourne 2030 is what is being reviewed or audited or assessed through this process. It is anticipated that I will announce the details of that second stage of the audit by the middle of this year, and it will include opportunities for input by local government, industry and the general community. This is an election commitment and we will fulfil that commitment. Again I reinforce that the audit of Melbourne 2030 will not involve a fundamental re-examination of the principles and the direction. I will say that again. The audit of Melbourne 2030 will not involve a fundamental re-examination of the principles or the direction. I know the opposition would like — —

Mr DALLA-RIVA — Keep focused, Minister.

Mr WELLS — Do not lose your place. We are going to be here all day if you lose your place.

Mr DALLA-RIVA — Focus.

The CHAIR — Minister, please.

Mr MADDEN — They are very sensitive, Chair.

Mr WELLS — No, we are concerned about you losing your spot.

Mr MADDEN — We will concentrate on finetuning it and making it work better. So the audit will focus on whether new development on the ground reflects the policy intent of Melbourne 2030; whether the initial implementation plans have been completed and effective; and what new initiatives need to be completed over the next five years to continue to effectively implement the plan.

The audit will fully utilise the \$1 million allocated in accordance with our election commitments, and any extra requirements will be funded within existing DSE resources. This will ensure that we continue our focus on creating

a more sustainable, prosperous and livable Melbourne. We will not abandon our commitment, as I suspect the opposition is prepared to — —

Mr DALLA-RIVA — No, no. Focus, Minister, you are doing all right. Keep focusing.

Mr WELLS — Is that actually writing on your sheets?

Mr MADDEN — To keeping Melbourne as one of the world's most livable cities, Mr Wells.

Mr WELLS — What about we table the document so we can have a look at what is actually written there?

The CHAIR — Can we have the answer, please, Deputy Chair? We need to have questions and answers and not necessarily interjections and responses to the interjections. The clarifications have been made.

Mr DALLA-RIVA — I am surprised that he has actually gone down the path and answered the questions, except for the final one. When will the results be made public as a result of that stocktake and audit?

Mr MADDEN — I seek clarification of your question, Mr Dalla-Riva.

Mr DALLA-RIVA — You are undertaking that you are spending \$1 million of taxpayers money on an audit. Are there going to be any expectations that the money that has been spent will be as part of that audit and that the results of that audit and stocktake on Melbourne 2030 will be made publicly available?

Mr MADDEN — This will be a public process. I mean, it is a public process.

Mr DALLA-RIVA — I understand that. You have answered that.

The CHAIR — Let the minister answer please.

Mr MADDEN — We have already committed to it being a public process.

Mr DALLA-RIVA — The final report, Minister, that is all.

Mr MADDEN — The Melbourne 2030 report will be released, and we will make a statement to it. That is the whole idea of the whole review. It is not — —

Mr WELLS — The audit?

Mr MADDEN — It is not a review. Yes, the audit.

Mr WELLS — It is going to be made public?

Mr MADDEN — The audit — we will release the audit as a response. The audit is a response to what is happening on the ground, and we will release that. I mean it is not intended that this is as you might like to portray it.

Mr WELLS — The results of the audit?

Mr MADDEN — You might like to portray it as some grand conspiracy.

Mr DALLA-RIVA — No!

Mr MADDEN — This is not a grand conspiracy, Mr Dalla-Riva. I hate to disappoint you, but it is not and it will not be.

Mr DALLA-RIVA — I am surprised you mentioned it.

Mr MADDEN — I have had the misfortune of having to listen to many of your speeches in the Council chamber.

The CHAIR — We are not in the Council chamber now.

Mr MADDEN — They are often premised on conspiracies, Mr Dalla-Riva.

Mr DALLA-RIVA — So you will make them public — the results of the audit?

The CHAIR — We have an answer from the minister, Mr Dalla-Riva. I also ask you, Minister, whether in terms of employing any consultants of people to do this you will employ them and do it in the normal processes of the public sector?

Mr MADDEN — There will be people involved in this process, the second stage, and I will release those details in relation to that second stage when we get to that point. But can I just say that the current work, the stocktake, is being done within DSE. The next stage will involve external experts of one form or another, and I will make public the details of that when we get to that point.

The CHAIR — Thank you, Minister. I just refer you to page 266 of budget paper 3 regarding Labor's financial statement 2006 output initiatives. Under 'Planning' you have got 'Expert planning teams'. Certainly in my local area we always like to see more expert planning and resources, because it is something that people are very interested in. Can you give us some details on how you are wishing to implement this particular initiative?

Mr MADDEN — Basically the planning system, as it works, has local government predominantly delivering the vast majority of the planning system at a local level. I understand there is in the order of about 55 000 planning permits issued each year, and the vast majority of those, of course, are done through local government. So local government is really the coalface of the planning permit process. We have councils that do an excellent job; some do a very good job, and some struggle a bit for various reasons.

That is not to lay the blame for any particular reason, but where we can assist a local government in doing a more effective job, then we are eager to do that. Some of that may be capacity, it might be their own strategies, it might be the zone — there are a whole lot of reasons or elements where certain local governments can be more effective in delivering the planning system. As I said, the more effective, the more efficient the planning system, the better in terms of productivity efficiency right across the building sector and the housing sector, and the more economic activity and jobs that go with it. So the better the system, the better the outcome.

We realise we need to assist our local governments with expert assistance from time to time, and of course Melbourne 2030 is our blueprint for development in metropolitan Melbourne and regional cities. Major elements of the plan include accommodating growth in our growth areas. Whether one likes it or not, Melbourne's reputation as a liveable city draws people to the city. Of course that will be a challenge — to accommodate that growth — and we have to do that bearing in mind we have to accommodate growth in our growth areas, protecting our green wedges and directing growth into established areas to activity centres and around principal public transport networks.

We have worked in partnership with local councils to implement Melbourne 2030, particularly around establishing appropriate development parameters in activity centres. Since Melbourne 2030 was released the government has provided councils with more than \$23 million support for strategic planning. As mentioned in my presentation, around 60 per cent of principal and major activity centres now have completed structure plans or they are significantly under way. I am proud of the work of many councils, but I would like to single out a couple.

I would like to mention Manningham council and its plans for Doncaster Hill, and the Banyule council and its work in relation to Greensborough. Both Doncaster Hill and Greensborough plans contain all the elements that government expects in good activity centre planning — a long-term vision that the council passionately believes in; a holistic approach to the planning and promotion; local government infrastructure and community services funding; public seed funding; and a healthy dose of private investment.

It is worth remembering these are 20-year plans and improvements will not just happen overnight. But the councils have made significant progress. It is this work that gives certainty and confidence to private companies such as Westfield and LendLease to invest substantially in those activity centres. The development industry has told us that the structure planning process is at times hindering investment in activity centres, and the best way we can help is to hasten the finalisation of the plans to allow both developers and councils to get on with business.

Up to \$3 million over two years is provided in the budget to help metropolitan councils finalise and implement their structure plans for activity centres. The Melbourne 2030 activity centres expert assistance program has been

developed to support councils with specialist technical advice to progress structure planning in activity centres and work with councils to identify blockages or gaps of knowledge or expertise that are hindering the completion or implementation of activity centre structure plans.

The expert assistance program will include advice about commercial feasibility, transport planning, community consultation, built form and 3D design. The type of advice required will vary, depending on where councils are up to in their structure planning. Whilst the specifics of the new program are still being finalised and are yet to be announced, councils will be selected for the program based on a demonstrated commitment to revitalising their activity centres where there is scope for significant further private investment and development, and I have indicated on a number of occasions that I am committed to working with councils and the development industry to identify barriers to private investment and ensure that planning frameworks are as simple, certain and transparent as they can be.

The expert assistance program will work in partnership with local councils over the two years of the program to deliver real improvements in activity centres, build long-term planning capabilities and exemplary outcomes of Melbourne 2030 activity centres.

The CHAIR — Thanks, Minister. I hope that part of this process will also be to push down into the neighbourhood activity centres as well, particularly if councils are at that stage?

Mr MADDEN — Yes, very much so. I think we will have some good news on that front, Chair, in the not too distant future.

The CHAIR — I know there is a lot of interest in my area in that regard.

Mr WELLS — Can I just clarify a point on the same question: will the guidelines that they work to —

The CHAIR — Is this your question?

Mr WELLS — No, I just want to clarify a point on the same issue. Who will these expert planning teams report to, and what guidelines will they have to work to?

Mr MADDEN — As I said, Mr Wells, we are still finalising the implementation of that. I have used the word ‘collaboration’ on a number of occasions. This is not going to be a one-sided approach. I would expect that councils would work collaboratively and positively in good faith, as we would, with those councils to make sure that the outcome is well supported by councils as well as by the state government.

Mr WELLS — Who would they report to?

Mr MADDEN — We will work through that process. If the outcome directly relates to me, then no doubt I will have to consider the structure. It might be one thing for me to determine what the effect might be, but if councils have to implement it, then they need to be supported as well. In the long term they may well report to me. That is yet to be finalised, but I would expect that the outcome would have to be a positive experience for both stakeholders — state government and local government — throughout the process.

Mr WELLS — So that is not determined yet? My question is in regards to heritage planning protection, which is a similar question to my first one, on pages 214 and 215 of budget paper 3. We have had a target of 12.3 million. This year it has been reduced to 10.2 million. What is the reason for the reduction? Is this another accounting error, or is it another redistribution of overheads?

Mr MADDEN — You would appreciate our government’s commitment to heritage. I personally feel very strongly about heritage issues. In a sense, you cannot celebrate your future unless you know the present and understand it and also unless you recognise what has taken place in the past. We have to draw upon our heritage not only to maintain and keep that heritage but also to understand and interpret that heritage as well.

Many of the funding grants that have been announced — and I have announced a number just recently — were in relation to supporting many of the community groups who work at a local level in terms of heritage. It is worth bearing that in mind because, whilst we sometimes look at magnificent collections or we look at magnificent buildings, much of the support for or the driver of the maintenance for that is very much based around local community groups.

Significant amounts of funding in recent times have been provided to those community groups to make sure that they are well supported. We are eager to not only ensure that we maintain and restore the built form, the fabric or the collections — whatever it might be that comes under the definition of ‘heritage’ — but we also support those who seek to be actively involved in heritage maintenance.

I made some of those announcements recently. I made a visit to Clunes earlier in the year. The local community in Clunes have done a marvellous job of looking after their local town hall, and they were at a point where they had quite a unique interior. The stage and the stage curtain — made by a local, hand-painted, absolutely magnificent — were deteriorating. They were very keen to look after that, and we gave that group funding to restore the interior of the stage and the setting as well.

That grant acted on two fronts. It was not just about the restoration or the upgrade of the facility but it also complemented members of the community who had for so long worked particularly hard to find a proper use for the building. Now what is happening — —

Mr WELLS — Minister, the question is actually about the reduction in expenditure, not examples of an increase in expenditure.

Mr MADDEN — Yes, I will get there. The great outcomes of that are that we have seen increased use of that hall to the point where now the local community is able to attract weddings into the Clunes area. So some of the students who might have been at the school camp up there — —

Mr WELLS — Wesley.

Mr MADDEN — The Wesley school camp. They were telling me the story that a number of those students are now coming back and having their weddings in Clunes and using the old Clunes town hall as a reception area. A little grant can go a long way to build economy activity in a community, and we are committed to continue doing that.

In terms of the technical question about the funding amounts, I refer you back to my answer earlier on in terms of the reporting mechanisms. That is a technical one, I understand, Mr Wells, in relation to the overheads we distributed across the department in the expression — —

Mr WELLS — Is this another accounting — —

Mr MADDEN — The redistribution of the corporate overheads more accurately reflects the allocation across the department than the original allocation. So on the ground it will not make any difference. It is just a technical expression, an accounting expression in relation to that allocation, so it will make no difference at ground level.

Mr WELLS — So this is another accounting error and a redistribution of overheads?

Mr MADDEN — My understanding is it is not accounting error; it is an accounting treatment, Mr Wells. I do not profess to be an expert in the technicalities of accounting, but on the advice I received from the department, it is a more accurate reflection of the required accounting treatment within the department.

The CHAIR — We would like the minister to ask the department to provide us with more details of that, because it does not just occur in the two that Mr Wells has mentioned, it also occurs elsewhere. A fuller explanation on notice I think would be very useful for the committee.

Mr MADDEN — Chair, I am happy provide it, because I know from time to time, having come to the Public Accounts and Estimates Committee across a number of years, if there is a different treatment from year to year, there needs to be a recognition of the change in consistency of approach so that the members of the Public Accounts and Estimates Committee can fully understand the difference from year to year in relation to the treatment.

The CHAIR — That would be very useful. I must admit that I notice from the chapter of the department that there is a much fuller description of outputs than for many other departments. We obviously appreciate the fact that the committee has good information.

Ms GRALEY — Minister, in budget paper 3 on page 212 it is stated that your department will implement strategies for sustainable metropolitan and regional development. There has been a lot of media talk around about sea changers. I ask you to inform the committee what initiatives are being implemented in coastal areas to help councils manage development and growth? It is a big issue out there.

Mr MADDEN — It is, thanks for the question. As I mentioned before, people are flocking to Victoria in droves. We have seen enormous growth not only in the Melbourne metropolitan area but also across the regions. We are also not only attracting growth but also getting a shift in growth, in a sense. So we are getting many people who are very eager to move to coastal regions, and, I suppose, there is not only the sea change but also the tree change. Of course the great challenge of that is accommodating that demand and growth, so in a sense we — and I have used this term before — do not love our coast to death, but we are great risk of that if it is not well managed.

The coastal initiatives — the coastal space framework was launched last year, and it identified settlements capable of sustainable future growth as well as those with limited capacity to accommodate growth. Over \$2 million in funding was provided to coastal councils to help them develop coastal settlement framework plans. Many are well advanced. The Gippsland councils in a regional initiative are working together with a common strategic approach, and I want to compliment them on that. The framework plans have developed with their communities and have been adopted by East Gippsland and Bass Coast shires.

The City of Greater Geelong, the Borough of Queenscliffe and the Surf Coast Shire all have done significant work to develop framework plans. Overall 19 per cent of towns already have coastal settlement boundaries in their planning schemes. A further 58 per cent have framework or structure plans completed. Only 15 per cent are still in development, with 8 per cent not yet started. Whilst good progress has been made, I am keen to see that the settlement plans reflected in planning schemes are a key to local decision in these towns, so I intend to facilitate the planning scheme amendment process so that the coastal settlement boundaries can be put into planning schemes more quickly.

For those councils that are not well progressed we will focus the remaining funding on the completion of strategic work. I have also asked my department to provide specialist advice and skills to assist. The completion of coastal settlement boundaries work will enable councils to be firm about the developments that are clearly outside the boundaries and that are stand-alone developments. The coastal spaces landscape assessment study has now also been completed, and the study provides strategic identification of significant landscapes and advice around siting and landscape management, particularly for areas between settlements. It will play an important role in preventing the fragmentation of non-urban coastal landscapes.

The coastal spaces landscape study now needs to be implemented through local policy and controls in individual planning schemes. Recently I announced \$115 000 for funding to Surf Coast, Colac-Otway and Moyne shires to support implementation of the recommendations into planning schemes, and this funding forms part of the \$600 000 allocated to implementing findings of the coastal spaces landscapes study.

standing order a lot of work has been done and there is still a bit to do, but this will no doubt assist local governments, particularly in those coastal regions, to give clarity to what can and cannot happen in their regions. We are eager to support local governments to make sure, as I mentioned earlier, that in a sense as a community we do not love the coast to death.

The CHAIR — Thank you very much, Minister. I am sure Dr Sykes will be interested in that particular answer, although I think all the National Party seats are landlocked, except for your leader's. Is that correct?

Dr SYKES — The member for Lowan goes from near the New South Wales border to within 9 kilometres of the coastal communities.

The CHAIR — That is right.

Dr SYKES — Minister, I have got an interest in Lake Mokoan. I am aware that you have chosen to call in the planning aspects of the government proposal to decommission the lake, and I presume that you are aware an alternative proposal is being put forward by local irrigators assisted by Murrumbidgee Irrigation.

Does your calling-in process allow for the possibility of the minister accepting the irrigators' alternative proposal in preference to decommissioning, and are you prepared to work with the local community to achieve the best possible outcome for the future use of that site?

In particular, do you support the government-appointed Future Land Use Committee's request to the government that the government underwrite the first \$15 million of a \$23 million or \$33 million project to restore the wetlands, because that has budgetary implications for yours and the other departments we have?

The CHAIR — Minister, insofar as it relates to the budget and in terms of particular things in the past you do not need to answer it, but in terms of how it affects your budget and estimates, please — the protocols.

Mr MADDEN — Dr Sykes, the last two questions that you posed, can I ask you to repeat those? I got most of it, but it was a fairly comprehensive question.

Dr SYKES — Does your calling-in process allow for the consideration or the possibility that the minister will accept the irrigators' alternative proposal rather than the full decommissioning? Secondly, there is a recommendation by the government-appointed Future Land Use Committee that the government underwrite the first \$15 million of a \$23 million to \$33 million restoration of the wetland. Do you support that recommendation?

The CHAIR — Minister, your answer, insofar as it relates to your portfolio and with your processes.

Mr MADDEN — That is quite a substantial question, and I would not want to give you an incorrect answer.

Dr SYKES — I am happy to have it taken on notice.

Mr MADDEN — Given that some of that will probably reflect on the minister for the environment and his portfolio as well as any planning authority decisions I may have to make within my portfolio, I am happy to take that on notice and give you some answers in relation to those questions.

Mr SCOTT — Keeping with the regional theme that the question from Dr Sykes touched on, I refer you to budget paper no. 3 at page 327 and the item about regional town development plans. Could you provide the committee with further detail of what is involved with these plans and how they will assist, during the estimates period, regional councils plan for future growth?

Mr MADDEN — There are quite a few issues there in terms of regional plans. Of course the regional issues are quite a theme to what is taking place out there in the community. As I mentioned before, we have got substantial growth right across Victoria, and that is not a bad thing; but that growth also places a lot of pressure on local communities about how that is managed, how that is dealt with. As you would be aware, some of the regional areas in Victoria are growing faster than Melbourne. For the first time since 1986-87 we have seen two consecutive years of faster growth in regional Victoria than Melbourne, with growth to 30 June 2006 at 1.4 per cent.

Ms MUNT — That is great!

Mr MADDEN — That is pretty impressive really. It says a lot about people wanting to be in the regions. Of course all the flow-on effects for that is really quite substantial. It also reinforces this government's investment in the regions too. The regional fast rail, whilst I know it is much bemoaned by — —

Dr SYKES — The what?

Mr MADDEN — The regional fast rail. I know it is bemoaned by some. It has obviously complemented the growth in the regions and I think it has provided a greater vision for what can take place in the regions. Given that we have got provincial cities located, in a sense, so close to Melbourne, what we have seen is a natural growth in those areas. Victoria is in a sense geographically a small state in terms of land, and our regional cities are nicely located in a strategic sense in terms of being able to operate effectively with Melbourne, and vice versa. So we need to complement and help key regional centres plan for and attract the growth, and we are supporting this for a continued growth that we have seen.

In the budget \$500 000 has been allocated for town development plans in Geelong, Ballarat, Bendigo, Latrobe Valley and Wodonga. This delivers on commitments made in the 2006 state election. The objective of the program

is to enable land to be bought to market more quickly, through faster rezoning processes, ensuring that shortages are avoided, and any flow-on effect or impact on housing affordability is limited. The funding will provide customised assistance to councils for technology, training and land supply, and demand assessment. It is also intended to build council capacity to provide reliable land supply information, and monitor growth in the future.

The funding dovetails nicely with the audit of industrial land in provincial Victoria. That is a project funded under the Provincial Victoria Growth Fund. This project is gathering baseline data about the supply of and demand for industrial land in 177 towns in provincial Victoria. The urban development program, the program to monitor supply and demand of residential and industrial land, will be extended to regional cities so that both the councils and the state have the best possible data on which to base decisions about priorities for planning and investment in new urban development.

As a priority, however, my department is working very closely with the City of Greater Geelong to address the city's shortage of residential-zoned land. With financial support from the state, their efforts were focused on completing the planning and rezoning processes for the Armstrong Creek development area as quickly as possible. When planning is completed this area will provide residential growth for the next 25 years or more. So the great work this government has done in terms of focusing on the regions, celebrating the livability of the regions, celebrating the opportunity there and complementing that with the connectivity to Melbourne has really seen this tremendous growth in the regions, and we need to assist councils to manage that in a way that is compatible with the demands, the aspirations and the intentions of people in those communities. It is one of those great news stories of this government.

The CHAIR — Thank you very much, Minister.

Mr BARBER — In relation to cutting red tape, which you mentioned in your opening presentation — and I am now going back to the Carbines report of August 2006 — one of the recommended actions, action 15, was to free up the way councils charge fees for planning applications. Obviously it is a bit silly that the cost of the application would be the same for me if I put in an application for a pergola as for someone who puts in for a multimillion dollar shopping centre development. In relation to the recommended actions and the key milestones, the report says:

Compile the data needed to support an examination of planning fees so that the system is fairer for all stakeholders.

The key milestone is February 2007. Has the data been compiled? Is there an examination of planning fees under way or completed? And would we, in this coming year, expect to see some freeing up of those planning fees?

Mr MADDEN — That is a very good question on a number of fronts, Mr Barber. The cutting of red tape process, or the Carbines review, which has been referred to on a number of occasions, has been very successful in a number of ways. It has identified the red tape that often planners, or the planning process, get bogged down in. I know that earlier Dr Sykes mentioned demands for planners, or the resources for planners in country Victoria.

Where you have got planners who spend an inordinate amount of time dealing with, in a sense, the rats and mice of the planning system, the small-scale stuff, it stops them from being freed up to either do the strategic work or the bigger project work which, no doubt, is of great consequence in a community. From time to time planners will no doubt deal with the smaller stuff because they can, and some of the bigger, more complex stuff, because it is complex, might be put aside for a little while.

Sometimes that might also impact on the ability to consult with the community on these matters. So if planners or the system are dealing with the small-scale stuff — the aerials on roofs, or the palings on fences, or the painting of a fence, or a cubby house, or a shed or some of these sorts of things — and if the system is bogged down in the smaller stuff, then the big stuff that is important often cannot be dealt with in the degree or complexity that it needs to be.

In relation to your specific question, my understanding is that the process started in February in relation to that matter. I am advised that its anticipated completion is July. The study will advise what type of data needs to satisfy, I think it is, the regulatory impact process and how it needs to be obtained if it is not available already.

One of the — and I just extend the answer a bit too — critical elements about working collaboratively with local government, and for us to be able to recognise complexities or difficulties on a number of these fronts, is to have

the information, but also have a way of getting that information from local governments. That information to a local government may not provide any specific purpose to that local government other than be something they may already know or they could get from one of their personnel. But if we could compile that across a number of local governments, and other information like that, we could read that in an analytical and strategic way that would allow us to improve the planning process statewide.

Some local governments, no doubt, have their own idiosyncratic complexities or problems, and some regions have it more than others. So if we are able to amass this information on a number of fronts — not just this, but other fronts — and analyse it that can provide us with a loop or information that we can deal with in a more strategic way and improve the efficiency of the system.

We have also got to develop those systems in consultation, conjunction and collaboration with local governments so they do not feel threatened. Sometimes local governments may think that we are trying to access high levels of information to make their life more difficult, but in actual fact we would like to access some of their information and make their life easier. If from time to time councils or their planners are defensive about some of this information, which is understandable I suppose, it might make it difficult for us to access that information. We are interested in getting that sort of information.

I have just been provided with some information about the fees and the regulations. I understand that review is still some time away. We are trying to get ahead of the process. It is probably not as timely as we might like, but again we have to get the support of many local governments, and that is often not easy to do if we are trying to collaborate with them on that. We want to make sure that those new fees and any fees that are set are based on proper data.

We want to free up those little things in the system that should not need planning permits so that there are not any fees. If there is still small-scale stuff that does need a planning fee and that is in the planning process, we want to make sure that that reflects — as you have mentioned — the scale of the project and the scale of the resources that local governments have to apply to it rather than having a big project that does not sort of sit pro rata with a smaller project in terms of the fee. Recognising your concern and your interest in it, we are concerned, and we are eager to get this matter processed and resolved as quickly as we can.

Mr BARBER — Did I hear you say that by July you think you will have the information needed to start a regulatory impact process if you decide that is what you need to do?

Mr MADDEN — My understanding is there is a scoping of the sort of data that is needed. My understanding is we will have an understanding of the scope by about July, then we will have to access that data or try to get councils to supply that data, which no doubt will need some negotiation. Then we would expect to have a regulatory impact review done, and hopefully we would get that completed within the next year or two.

Ms MUNT — Minister, I would like to follow up on red tape as well. As we know, everyone hates red tape, and I know some other government departments have already put in place some measures to try to cut red tape, in particular in small business, I understand. I also understand that some initiatives have already been put in place following the Cutting Red Tape in Planning report.

I refer you to page 212 of budget paper 3. Now that those initiatives have been put in place and some red tape has been cut, how do you think planning scheme amendments and planning permit activity numbers will be affected by those changes?

Mr MADDEN — Thanks for that question. Based on my previous answer to you, red tape occurs probably in two ways. One of them is just cumbersome and time consuming, but also for anybody who is making an application for a planning permit, if they have got a small-scale project they still have to make the same sort of application. But as well as that, in a planning department or a planning office in any local government they have to deal with that as well and go through the process of having to administer or process it; and if we can free up the system and reduce the workload on those offices, then they can go about the work that they need to do on some of the bigger stuff.

I mentioned earlier that somewhere between 53 000 and 55 000 permit applications are made annually, predominantly through local government. I know that the former minister, Rob Hulls, took the first step and slashed the need for planning permits on a number of minor matters, and that will reduce the number of applications by

about 4000 annually. I am currently exploring ways to reduce the annual amount, and I expect that I will be able to remove or simplify the process for a further 5000 permits each year.

Therefore, I am looking forward to making some announcements, and that is great for mums and dads who are trying to make minor improvements to their homes. It allows them to make changes more quickly and with less expense. It is also good for councils because it frees up their personnel for more difficult applications involved with strengthening their planning schemes.

We have now made it easier for councils to be master of their own planning schemes. We have cut out unnecessary or redundant requirements through a fast-track planning scheme amendment process. Moreland City Council and Melbourne Water were the first to use the new process and greeted it with great enthusiasm. They commented that what used to take months can now be done in a matter of weeks, and I welcome councils taking up the opportunity because it can remove controls from a large number of properties and relieve the burden of unnecessary regulation quickly.

A number of councils already have fast-track proposals in the pipeline. I have written to all councils to advise them of this service and they are all, I understand, busily examining their planning schemes to remove outdated requirements.

It is not just councils that I am asking to improve their performance but also my own department, the Department of Sustainability and Environment. DSE has just released a protocol with two key performance measures for planning scheme amendments. There is now a 15 business-day performance target for requests for authorisation of an amendment, and a 30-day business performance target for approval of planning scheme amendments, and I am very pleased to report that departments are performing very well against these.

There are a number of other projects that are progressing in cooperation with councils, with the aim of cutting red tape even further. We have completed trials of a simpler process for assessing straight forward planning applications, known as Code Assess, and this new process will save time and resources for both applicants and councils.

The trial suggests that it will be of most benefit to greenfield, industrial or commercial permit applications. We are now developing the detailed processes to implement the new approach in the system. I have appointed an expert working group to examine ways to improve the effectiveness of local policy, and I am due to receive that report shortly and will be giving careful consideration to its recommendations.

I am pleased that local government has made a positive contribution to this project, both through its members on the working group and its submissions. I have also provided an opportunity to local government to strengthen and clarify its local policies. Councils can ask for an expert team to improve their policies, as I mentioned earlier, so they can be clear, concise and unambiguous, and this is a service we are providing at no cost to councils.

I know councils have now volunteered to have expert teams review their local planning policy, so you can see there is a busy program of cutting red tape in planning, and I am pleased to be working with councils towards this objective and hope that together we can contribute to making progress in improving the performance of the planning system.

The CHAIR — One last question from Mr Dalla Riva.

Mr DALLA-RIVA — Minister, I refer you to budget paper 3, pages 212, 213, 214 and 215, which are the performance measures and outcomes for the liveable cities; responsible development; effective property markets and living cultural heritage. In the first range of questions we spoke about planning, urban design and housing affordability and the total output costs and the variation there, and I think you used the words — that there was an accounting error.

We then had a subsequent question in relation to heritage protection on page 215, where you indicated that there was an accounting adjustment or ‘an adjustment’ were the words you used — —

Mr MADDEN — I am not sure I used the word ‘error’. I think I might have used ‘treatment’ — an ‘accounting treatment.’ I am not an expert on accounting so we take advice from accountants in relation to these matters.

Mr DALLA-RIVA — Then I get to the middle one — Land administration and property information — and again the same issue is related to the accounting treatment to be adjusted or the accounting adjustment to be treated or whatever the words were that you may have used, but again there is a reduction there. Does that relate to the same issues in the other two total output costs in that there is an adjustment there, or a treatment?

The CHAIR — Thank you, Mr Dalla Riva. I must admit that I already asked, in respect of the accounting treatment, that the question be taken on notice and given a detailed answer. In so far as there are other elements with regard to that section on land administration and property information with regard to the bottom line, could you answer that please, Minister?

Mr MADDEN — Chair, I might ask the secretary, Peter Harris, to answer that — but I think it is just a flow-on effect.

Mr HARRIS — It is exactly that. We have reallocated corporate spending across the department according to output, as the note says that I drew attention to earlier at page 196, table 3.8, the last line, note (f):

2007–08 budget has decreased as a result of the reassignment of administrative support costs to other outputs which have been pro rated, based on budget share.

What that means in practical effect is we are saying that this output group previously had historically too much of the corporate responsibility the department allocated to it, so all of the cuts that have actually occurred, that you are drawing attention to on pages 212, 213 and 214, are a cascading effect of that \$18.3 million being taken out of the major output group, so that each of them are otherwise sub-output groups.

The difficulty in tracking that, obviously, from 18.3 to each group depends on how other additions have gone up, because 212, 213 and 214 include increases that the government has put in place.

Perhaps the best indication of the overall position of the planning output group are the numbers for the budgets, if I can just go back — you will not have these in your budget papers, but we have them here. For this output group the total output budget in 03–04 was 123.9 million for this group; the next year it is 134.3 million for this output group — that is 04–05; 05–06, 146.3 million for this output group. You can see it going up just in a standard sort of marginal way.

The revised 2006–07 budget without that additional corporate overhead effectively misaligned inside the department's accounting processes for 06–07 is 156.5. So if I just read them in sequence — 123.9, 134.3, 146.3, 156.5 — you can see it is the standard what I might call growth of activity that is quite consistent, and there has not been any shock, horror, major slash-burn cut.

In this year, predicting the budget for 07–08, 169.8, so again it is consistent with that what you might call for an output group standard incremental — a slight shift depending on how much additional initiatives the government is putting into those budget areas. So we have a one-off problem of a misallocation of corporate overhead, which we are affecting here, and that is the explanation.

Mr MADDEN — Just reinforcing, it is an accounting treatment — —

Mr WELLS — We have got misalignments, we have got misallocations — —

The CHAIR — Thank you, Minister. We will get some detail on that on notice.

Mr MADDEN — Sure, we are happy to provide that on notice.

The CHAIR — I know, for example, under statutory activities in environment protection, which is the responsibility of another minister, the obverse is occurring. So if we could get the detail there.

Mr HARRIS — It has to go back the other way.

The CHAIR — I have a question on notice in terms of green wedge planning management. I notice in table A.17 on page 327 of BP 3 there is some funding for green wedge planning management which actually comes out of this year's budget. Could you provide details of which councils have provided assistance under this line item.

I would also like the department, if I have not asked it before, to detail for us under the department's expenditure what it expects to allocate to supporting this committee in 2007–08 based on experience over the last couple of years.

I thank you, Minister, for your consideration and for answering our questions on the budget estimates for your portfolio. I thank witnesses and departmental officers for their attendance today. It has been very useful. Where questions have been taken on notice the committee will follow up with you in writing at a later date. We ask that those written responses to these matters be provided within 30 days, and they will form matter for consideration for inclusion in a further report of this committee.

Mr MADDEN — Thank you very much, Chair, and I thank the members of the committee. I always enjoy attending, I always look forward to attending, and I look forward to attending next year as well.

Committee adjourned.