

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2010–11

Melbourne — 18 May 2010

Members

Mr R. Dalla-Riva

Ms J. Graley

Ms J. Huppert

Mr W. Noonan

Ms S. Pennicuik

Mr G. Rich-Phillips

Mr R. Scott

Mr B. Stensholt

Dr W. Sykes

Mr K. Wells

Chair: Mr B. Stensholt

Deputy Chair: Mr K. Wells

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr J. Madden, Minister for Planning,

Mr Y. Blacher, Secretary,

Mr S. Gregory, Chief Financial Officer,

Ms P. Digby, Deputy Secretary, Planning and Local Government,

Mr J. Gilmore, Executive Director, Planning, Policy and Reform, and

Ms M. Ferrie, Assistant Director, Business Support and Strategy, Department of Planning and Community Development.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2010–11 budget estimates for the portfolio of planning. On behalf of the committee I welcome Mr Justin Madden, Minister for Planning; Mr Yehudi Blacher, secretary; Mr Stephen Gregory, chief financial officer; Ms Prue Digby, deputy secretary, planning and local government; Mr Jeff Gilmore, executive director, planning, policy and reform; and Monica Ferrie, assistant director, business support and strategy, Department of Planning and Community Development. Departmental officers, members of the public and the media are also welcome.

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. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website. Following a 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 of no more than 10 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of planning.

Mr MADDEN — It is a pleasure to be here this afternoon. I just want to start with a short presentation, particularly with a brief overview of the department and a focus on the planning portfolio. I am happy to take any questions after that.

Overheads shown.

Mr MADDEN — Livability is one of the state's major assets. It represents a major part of our economic advantage as a state. That is relevant not only internationally but nationally as well. The Department of Planning and Community Development's goal is to assist in creating more livable communities that are sustainable, well connected and inclusive. Planning communities for growth and change is one of the major challenges in the portfolio. It has been a continuing theme over the last three years.

The 2010–11 overall budget priorities of the DPCD focus on creating jobs by building tomorrow's infrastructure and helping Victorian families by delivering better services. In terms of the last three years, we have delivered on a range of reforms that go to the heart of managing Melbourne's growth to provide for housing choice and respond to the challenges of climate change and transport by providing an efficient planning system to cut the costs of the development, bring forward housing supply to support a resilient economy and supporting rural and regional development.

In particular over the last three years we have delivered a comprehensive response to the challenges facing Victoria through Melbourne @ 5 Million, Melbourne 2030 and in the Victorian Transport Plan. These relate more specifically to a faster growing housing market, bringing more land supply into the market and helping to provide a diversity of housing stock in established areas. In relation to that, the urban growth zone has been applied within the urban growth boundary and Growth Areas Authority are on track to have more than 40-precinct structure plans completed by 2012. The government has legislation before Parliament to introduce the GAIC to support the provision of essential infrastructure in new suburbs. Appreciating that it is set to pass the upper house, we would expect on the basis that if it does, we would make adjustments to the urban growth boundary.

We are continuing to invest in activity centres and working with metropolitan councils on housing growth requirements and freeing up surplus government land for more housing are also key priorities. In terms of improving the efficiency of the planning system, the activity centre zone is a new one. We also have development assessment committees that are established or are being established. We are introducing new urban development zones to promote the redevelopment of urban brownfield sites. Subject to parliamentary

approval, we will streamline the assessment process for low-risk permit applications through amendments to the Planning and Environment Act.

Rural and regional development of course are critical. We have funded councils to develop coastal settlement plans and future coast programs. A Future Farming rural planning group has been working on plans for Future Farming and we have funded programs to conserve and restore heritage places.

As well as that, planning policies and their implementation are working. Victoria has recorded the highest number of dwelling approvals of any state or territory in the last 23 consecutive months. There were over 52 000 dwelling approvals for the year ending March 2010; there was a 28.2 per cent increase on the previous 12 months. For the December 2009 quarter Victoria recorded the highest value of building work of all states and territories in Australia. It was somewhere in the order of \$5.42 billion seasonally adjusted.

In terms of booming construction in Melbourne, there are large projects throughout the city. There is a steady increase in developments in other areas, the CBD and suburbs like Coburg, Camberwell and St Kilda. These have been reported in the *Australian Financial Review*. I refer to an article in the *Australian Financial Review* which talked about these in greater detail and which was reported by BIS Shrapnel.

The Project Home price index for Melbourne, based on the cost of constructing a dwelling on an existing block, remained the lowest of all Australian capital cities. Melbourne land costs make up about 7 per cent of costs of developing infill dwellings. The national average is about 10 to 15 per cent.

In all of those indicators we are travelling well. We have created an enormous number of jobs — close to 100 000 jobs over the past year. That also contributes to opportunity and further population growth. This year's budget builds on those strong foundations — \$72.1 million to manage growth, protect lifestyle and build for the future. Managing population growth, we see \$10.4 million over four years for central activity districts and employment corridors, and \$9.5 million over five years for renewable projects, particularly in and around Footscray. We see \$10.4 million over the next three years to bring Armstrong Creek to life, and \$25 million over four years for the new environmentally sustainable government services building in central Geelong as part of promoting development in those activity centres. We have allocated \$2.6 million for programs and community grants to preserve heritage. There is \$5.9 million over four years for housing and employment data to plan for the future, and \$8.4 million over four years for the Expert Assistance Program.

This funding continues the successful initiative commenced in 2006 to provide ongoing support for the planning system through a range of initiatives. As well as that we announced that there would be \$500 000 this financial year to assist the Melbourne City Council to expand the 1200 Buildings program, which delivers environmental retrofits to commercial buildings in the city. Then there is \$5 million to provide assistance to encourage Victoria's registered building practitioners to upgrade the environmental sustainability of related buildings.

Our program of work for 2010–11 will advance planning for the long-term sustainability and livability of Victorian communities. The specific initiatives will meet Victoria's needs arising from a growing population and demand for jobs, services and infrastructure, in particular where people live and work. The year 2010–11 is an important year for consolidating the work commenced to accommodate the challenges of continuing population growth and facilitating sustainable growth, particularly in established areas.

The CHAIR — Thank you very much, Minister, for that presentation. The budget provides funds in 2010–11 and the subsequent out years for government priorities against performance outcomes which are set down to be achieved. The committee is interested in what medium and long-term strategies and plans that you have underpinning your portfolio. Could you tell the committee about those and also whether there has been any change from the previous year?

Mr MADDEN — I have touched on some of those in the presentation, but to give you a bit more of a detailed brief, the budget for planning output for 2010–11 is \$152.6 million. It is focused on delivering the output aims of implementing government strategies for sustainable development, delivering associated urban design and development systems, streamlining planning and regulation systems, administering the planning system and my statutory responsibilities in protecting and managing Victoria's cultural and natural heritage. It delivers the government's objectives stated in Growing Victoria Together, creating a thriving economy by growing and linking all of Victoria. This agenda does not change in the medium or long term.

As the presentation demonstrated, the past three years have delivered a range of achievements in key focus areas — managing Melbourne’s growth to provide for housing choice and to respond to the changes and challenges of climate and transport, providing an efficient planning system to cut costs of development and bring forward housing supply to support a resilient economy, and supporting rural and regional development. Over the last three years we have developed a comprehensive response to the challenges facing Victoria through Melbourne @ 5 Million, building on Melbourne 2030, and integrated with the Victorian Transport Plan. The medium and longer term is about building and continuing to build on those reforms, consolidating what is an excellent position in relative terms with the rest of the country and across the world. Our planning strategy and our budget certainly reflect that.

Mr WELLS — Minister, I refer you to the need for integrity in the planning system and the report in the *Age* this morning about branch stacking in the Labor Party and the fraudulent activities with membership and funds operating out of electorate offices. Can you confirm that when this morning’s *Age* refers to other people conducting these activities, it was referring to your former staff member, Hakki Suleyman, and is this not exactly the same situation that we spoke to you about last year with regard to Brimbank — that a person was working in your office to stack out branches?

Mr NOONAN — On a point of order, Chair. I question the relevance of that question. We are looking at the budget estimates as it relates to the planning portfolio.

The CHAIR — Thank you for that. I will deal with this. I appreciate the assistance. The estimates hearing deals with the estimates and so, Mr Wells, you may wish to rephrase your question in order to have a question about the estimates.

Mr WELLS — Chair, I refer you to budget paper 3, page 161, under the heading ‘Planning communities for growth and change’, where it states:

... administration of the planning system and statutory responsibilities of the Minister for Planning ...

The CHAIR — This is the fourth dot point, is it?

Mr WELLS — Yes. This is about the integrity of the minister, and this point is most relevant with regard to the forward estimates that this minister’s integrity is now under scrutiny when it comes to people that have worked in his office to stack out Labor Party branches.

The CHAIR — Insofar as the minister wishes to talk about the administration of the planning system, I am happy to hear him in terms of going forward. Insofar as the other aspects of the question which related to material in the *Age* this morning are concerned, it is actually nothing to do with the hearing today. So, Minister, in respect of what Mr Wells has asked about the administration of the planning system — —

Mr WELLS — No, with respect, Chair, this is about — —

The CHAIR — If you wish to — —

Mr WELLS — This is about the integrity of the minister. He has had someone working in his office who has been named in an Ombudsman’s report. We are asking the minister to clarify the position of Hakki Suleyman. Was he in his office to stack out Labor Party branches? It is a pretty straightforward question.

The CHAIR — It is just not related to the estimates. So, Minister, insofar as Mr Wells has asked you about the administration of the planning system and your statutory responsibilities going forward, that is fine; you can answer in regard to that. Ignore the other parts of the question relating to the political activities.

Mr WELLS — So are you saying as Chair — —

The CHAIR — I am saying, as Chair, I am making a ruling — —

Mr WELLS — I am seeking clarification of your ruling that we cannot ask the minister any questions about his integrity. Are you saying that?

The CHAIR — I am saying that you need to ask questions about the estimates. They are the terms of reference of this particular committee hearing. It is absolutely nothing to do with some of the issues that you have raised. Minister?

Mr WELLS — Hang on, we need to seek clarification — —

The CHAIR — Minister to answer please, Mr Wells!

Mr WELLS — We need to seek clarification on this point.

The CHAIR — I have given you the clarification; I have clarified the point of order — —

Mr WELLS — Are we able to ask the questions about his integrity?

The CHAIR — You are able to ask questions about the budget estimates.

Mr WELLS — But not his integrity?

The CHAIR — The minister is to answer, Mr Wells, without assistance.

Mr WELLS — I would have thought the minister's integrity — —

The CHAIR — I would have thought that you would like to keep quiet while the answer is being given!

Mr WELLS — Okay, so we are going to exclude integrity from the forward estimates.

Mr MADDEN — We have a planning system in this state of the highest integrity, and we have made significant reforms in these areas over recent years. I bring to Mr Wells' attention the changes that we have made in terms of the planning system over the last decade, in particular the reporting to Parliament of where and why any interventions were made by the minister. They are tabled annually, reasons are given and any justification that is necessary for those interventions is provided to Parliament.

It is also worth recalling the contrast with prior to those changes being introduced by this government over a number of years. The contrast with prior to that is that interventions by previous planning ministers in previous governments averaged almost one in every business day for the term of that government. It was as if previous planning ministers woke up each morning and thought about what they could intervene in on that particular day. This government is not like that — —

The CHAIR — I am not sure that is particularly relevant. I am interested in going forward.

Mr WELLS — My question about integrity — —

The CHAIR — You have had five opportunities to clarify and ask your question. I will move onto the next one; you may well get another question later on.

Ms GRALEY — Minister, I would like to ask you a question about a matter that is of real importance to all Victorians — about getting and keeping a job. I refer you to your presentation where you talk about creating jobs and building tomorrow's infrastructure. Page 12 of budget paper — —

Mr WELLS — Building branches!

The CHAIR — It is very rude and improper for any member of this committee, or a minister or any witness, to interrupt while somebody else is speaking. I would ask everyone to refrain from that, please. Ms Graley, perhaps you should start again.

Ms GRALEY — I am going to start again, thank you. Minister, as I was saying, an issue of real importance to all Victorians is getting and keeping a job. I refer you to your presentation earlier about creating jobs and building tomorrow's infrastructure. Budget paper 3 refers to the Jobs for the Future Economy strategy. If you can, I would like you to tell the committee what your role will be in rolling out the program Jobs for the Future Economy?

Mr MADDEN — I would like to refer to page 12 of chapter 1 of budget paper 3, in relation to the section entitled ‘Jobs for the Future Economy’. We do know that there has been significant change over the last decade in the economy, particularly around a number of technological advances and a number of changes in relation to the environment and sustainability.

The Jobs for the Future Economy statement is the Brumby Labor government’s action plan for green jobs which was released recently by the Premier. This statement includes funding of \$175 million over five years for 18 priority actions which will capitalise on opportunities created by recent reforms, particularly around climate change policy.

The Green Door for renewable energy — renewable energy sits across a number of portfolios — element is particularly relevant to the planning system and is one of the 18 priority actions that planning has a particular interest in. The Green Door will enhance facilitation and community consultation processes for renewable energy projects and help ensure that regional Victoria is well placed to attract \$4 billion of investment over the next decade.

Project proponents will be rewarded with investment facilitation and support from the Victorian government for applying good practice community consultation principles. We have also been working hard in the renewable energy space. I have to say that unlike the opposition, who last week released a wind farm policy that would equal less wind farms and less renewable energy in Victoria — —

Mr WELLS — Minister, where are the forward estimates in that? Where is the coalition policy? Could you point to that?

The CHAIR — Without assistance, please!

Mr WELLS — Chair, why are you not bringing him back into line?

The CHAIR — I am. I do not need your assistance, Mr Wells. The minister is to answer the question, please.

Mr WELLS — Just on the forward estimates, which page is it?

The CHAIR — Without assistance, Mr Wells, thank you.

Mr MADDEN — In fact, councils said they wanted more involvement from state government rather than less; they wanted more involvement and support, particularly in planning wind farms. Of course we want to work in partnership with councils on any projects, but if they seek that in relation to wind farms, we are happy to provide expert guidance while ensuring communities and councils are involved in all areas of wind farm planning and monitoring. In 2009 we released the policy and planning guidelines for the development of wind farms in Victoria, and we will continue working with the Municipal Association of Victoria to update in anticipation of greater benchmarks being set around guidelines, and of improvement to those guidelines.

Currently local councils are the responsible authority for wind farms under 30 megawatts, whereas the Victorian government is the responsible authority for projects above 30 megawatts. It is particularly important to assess the cumulative impact of wind farms, which cannot be done if councils are working in isolation. For exactly that reason, today from VCAT I called in the development of a wind farm at Yaloak South in the Moorabool Shire; I agreed to the request from the Moorabool Shire Council to call in the 29.9 megawatt proposal, to ensure that the cumulative impacts of both this application and another application, the Moorabool wind farm, will be considered in a coordinated manner.

These two proposed wind farms are located 1.3 kilometres apart; the community is concerned about the cumulative impact of these two separate developments. We believe the appropriate way to address those concerns is to have a public forum for both proposals. That is in contrast to alternate policy positions by other parties. We are supportive of real action on climate change, but particularly conscious of the involvement of local government.

The CHAIR — Could whoever has that phone in the audience take it outside and leave it outside.

Dr SYKES — I have a bucket of water here. Drop it in that.

The CHAIR — Take the phone outside, please. Thank you. Sorry, Minister.

Mr MADDEN — That is okay. I am finished now, Chair.

Mr RICH-PHILLIPS — My question also goes to the integrity of the planning scheme and indeed the integrity of the minister's office. I refer to the comments by Costa Socratous in the *Age* this morning in reference to branch stacking activities he was engaged in, in Labor members' offices in the western suburbs and his claim that he was provided with up to \$5500 a year for branch stacking through members of Parliament's offices and via shadowy fundraising events. Can you assure the committee, Minister, that when Hakki Suleyman worked in your office he was not engaged in branch stacking events, and can you assure the committee now that your office has never been used as a giant branch stacking factory?

The CHAIR — The question is out of order. Mr Noonan.

Mr RICH-PHILLIPS — On a point of order, Chair.

Mr NOONAN — Thank you, Chair.

Mr WELLS — Hang on.

The CHAIR — Mr Noonan has the call.

Mr RICH-PHILLIPS — The question relates to the ongoing function of the minister's taxpayer-funded office.

Mr WELLS — Why are you trying to shut this hearing down?

The CHAIR — I am not shutting anything down. Mr Noonan has the call.

Mr WELLS — No. You are trying to shut down the hearing when we have questions.

Mr RICH-PHILLIPS — You are arbitrarily shutting it down, Chair. The question relates — —

The CHAIR — Mr Noonan has the call.

Members interjecting.

Mr RICH-PHILLIPS — On a point order, Chair.

The CHAIR — There is a point of order.

Mr RICH-PHILLIPS — On a point of order — —

The CHAIR — Let me give you the call first. Mr Rich-Phillips has a point of order.

Mr RICH-PHILLIPS — The point of order, Chair, is that the question relates to the activities that take place in the minister's taxpayer-funded office, which is an ongoing forward estimates issue. The question is whether it has ever been used and is being used as a giant branch stacking factory. I cannot see why someone who is the chair of this committee would want to shut down a line of questioning like that.

The CHAIR — I will rule on the point of order. Mr Rich-Phillips, the way you framed the question related to the past. In the way you originally framed the question you did not mention anything into the future. Secondly, we are dealing here with the budget estimates for the planning portfolio; we are not dealing with the estimates of the parliamentary departments, so the question is out of order. Mr Noonan has the call.

Mr RICH-PHILLIPS — I did not draw a distinction between the parliamentary office or the ministerial office.

Mr WELLS — On a further point of order — —

The CHAIR — Okay. Mr Wells.

Mr WELLS — Chair, I am not sure why you are wanting to shut down this hearing.

Members interjecting.

Mr WELLS — It is a preamble to my point of order. The issue that the opposition has — —

The CHAIR — Just a moment, Mr Wells. If you are going to make a point of order, I ask that you make it without seeking to debate the item or to make a statement which is irrelevant to a possible point of order. If you persist in doing that, you will not get the call for points of order. Make your point of order with regard to the way we proceed in terms of the committee.

Mr WELLS — Pages 160 and 161 of budget paper 3 talk about the administration of the planning system and the statutory responsibilities of the Minister for Planning. I would also interpret that as going to the integrity of this particular minister. We have had two opposition questions now which you have been very keen to shut down, I do not know for what reason, but the integrity of the planning system and the minister is under a cloud here. We have a right to ask these questions, and we would expect that you give the minister the opportunity to answer those questions. If you do not do that, then we can only suspect there is something to hide and this is a complete and utter cover-up.

The CHAIR — Thank you for that point of order. I completely reject any implication you might have made in regard to my integrity as chair of this committee. In fact if we were in the house, I would be asking you to withdraw those comments. Leaving that aside, in terms of the point of order in regard to the proceedings of this committee and whether the question asked applies to these hearings, the estimates hearings, I continue to rule that the question is not in order under the terms of reference of this particular hearing. Mr Noonan has the call.

Mr DALLA-RIVA — On a point of order, Chair.

The CHAIR — Yes, Mr Dalla-Riva. You have a point of order.

Mr DALLA-RIVA — I do have a point of order and it relates to pages 160 and 161 of budget paper 3, which is also referred to in the forward estimates. I, like Mr Wells and Mr Rich-Phillips, am pretty confused about the fact that this budget allocates in the forward estimates \$152.6 million of taxpayers money. Part of that planning output of \$152.6 million talks about the administration of the planning system and the responsibilities of the planning minister. There are issues that have been raised in the paper; there are issues that have been ongoing. This is about taxpayers money — \$152.6 million. I think it is incumbent upon you to allow the minister to answer the question that was put forward, to respond to the request that planning communities for growth and change, as outlined in the budget papers, be explained fully, that he detail any involvement with the branch stacking allegations that have been made in the paper today, and that the minister be given an opportunity to respond to the question. To shut it down would paint a bleak picture about what is actually occurring in the minister's office and indeed what is occurring within the ALP, given the allegations today.

The CHAIR — Thank you, Mr Dalla-Riva, for that point of order. My responsibility as chair is to conduct these hearings into the budget estimates.

Mr WELLS — And not look after any of your mates.

The CHAIR — Mr Wells, I think you should withdraw that comment and apologise. Your continued interruptions are not appreciated and are completely out of order. I am trying to rule on Mr Dalla-Riva's point of order. This is a hearing about the budget estimates. I am happy to hear questions relating to the \$152 million plus in regard to the planning portfolio, and that is what I expect members of this committee will ask questions about.

I reject any imputation that there is any shutting down of that. In fact I welcome and indeed encourage questions about the planning portfolio in respect of the forward estimates. However, I have consistently ruled, over a number of years now, that this is an estimates hearing and it deals with questions about the budget estimates in respect to the portfolio which is before us. In fact the question which was asked by Mr Rich-Phillips was in regard to a member of Parliament's office and mainly about something which happened in the past. In that respect it is a different arrangement and should have been asked of the President or the Speaker when they were

here if indeed it had relevance to their responsibilities. I have ruled that this is not a relevant question, and I continue to so rule. Mr Noonan has the call.

Mr DALLA-RIVA — How do you know it is not happening?

Mr WELLS — Can we seek clarification once again?

The CHAIR — No, if you wish to make a point of order, make a point of order.

Mr WELLS — Can we seek clarification on your point of order?

Mr RICH-PHILLIPS — On a further point of order, Chair — —

The CHAIR — No, I have ruled on the point of order. If you wish to make a further point of order — —

Mr RICH-PHILLIPS — On a further point of order — —

The CHAIR — Mr Rich-Phillips, do you have a further point of order?

Mr RICH-PHILLIPS — My further point of order is the subject of the question. You have indicated in your rulings twice now that it relates to a parliamentary office. The question was not restricted to a parliamentary office — it went to all taxpayer-funded offices the minister has, including his ministerial office, which is the subject, obviously, of planning estimates today.

The CHAIR — If the minister wishes to comment on the role of his ministerial office regarding the planning portfolio and the estimates — the \$152 million — I am happy to hear an answer about that. I am not particularly interested in him answering in regard to other aspects which are not part of the planning portfolio.

Mr DALLA-RIVA — Why not?

The CHAIR — The minister.

Mr MADDEN — Thank you, Chair. As I said before, we have a transparent and robust planning system. It is the envy of other jurisdictions around the world, and because of that we have one of the world's most livable cities. As I have said before, we have an open and transparent planning system. It is reported on where the minister is the relevant planning authority, and that is reported to Parliament on regular occasions. That stands in stark contrast to previous governments and previous planning ministers.

The CHAIR — Thank you, Minister. Mr Noonan.

Mr RICH-PHILLIPS — You are not willing to clear the air about your own office.

Mr NOONAN — Thanks, Chair.

Mr WELLS — There is a real smell about this.

The CHAIR — Without assistance, please!

Mr WELLS — We have got the opportunity to clear the air — —

The CHAIR — Mr Wells, without assistance.

Mr WELLS — Are we able to say 'No, it does not happen'?

The CHAIR — Mr Noonan has the call, thank you.

Mr WELLS — When he does not say no — —

The CHAIR — Mr Wells, be quiet, please!

Mr WELLS — It gives a smell about branch stacking.

The CHAIR — Mr Wells, we do not appreciate the comments that you are making.

Mr WELLS — Who is ‘we’?

The CHAIR — The committee, and I am speaking as chair of the committee. This committee is dealing with the budget estimates. Interrupting the process, which is happening, is not parliamentary and is disorderly. Mr Noonan, please.

Mr NOONAN — Thank you, Chair. Minister, can I take you to budget paper 3, page 338, which lists the asset initiatives, and specifically go to the Geelong transit city stage 3. You did mention in your opening slides the initiative to invest in a growing Geelong. I wonder whether you can provide the committee with further details about this particular initiative and how it will progress over the forward estimates period?

Mr MADDEN — Thank you very much, Mr Noonan. As I mentioned in the initial presentation, we are committed as a government to maintaining and enhancing the lifestyle and the livability of Victorian communities, and in particular the lifestyle that Victorian families have, by delivering a planning strategy to complement and manage the population growth as we build for the future. Many people want to live in Victoria because of our enviable lifestyle and the high quality of services and infrastructure. This government is determined to deliver the right planning strategy that supports Victorian families, particularly with jobs — prosperity and opportunity come from jobs — and to complement that with services and transport mix.

Geelong is probably our fastest growing regional city. It has quite rightly been a major focus for investment of this government. Since 2006 the government has committed more than \$30 million for what was the Transit Cities initiative to encourage residential and commercial development in central Geelong. The initiatives have included improving the station precinct with a new road connection and improved security and operational parking at the court and police complex. If you recall the location of the station, it is alongside the court and police complex. We are also preparing the surrounding land and that site for a major mixed-use development. We have been working to facilitate more residential developments in the city through the central Geelong urban living pilot project, facilitating urban development and investment by investigating development opportunities in key sites in the station and arts precincts and upgrading pedestrian links between the Geelong station, the TAC offices, the cultural precinct, the city centre and the waterfront.

The budget delivers and builds on these initiatives with a \$25 million allocation over four years to facilitate the development of a new environmentally sustainable Geelong government services building. The building will be delivered by the private sector, with a total construction value of more than \$90 million. It will be built in the railway station precinct. It will co-locate the departments of Justice, Planning and Community Development, Education and Early Childhood Development as well as the Environmental Protection Authority and Barwon Water. It will create more than 280 direct construction jobs in Geelong and more than 100 indirect jobs to support design, fit-out and associated activities. The development will have flow-on effects and benefit for the local economy by increasing the number of people using local businesses and services. Its anticipated completion date is 2013. This significant investment will build market confidence in Geelong. It will help attract more commercial development, especially in the growing employment sectors of finance, property, education and business services — in a sense many of the white-collar jobs that sometimes people commute long distances for. They will either receive those services or work in those industries. This will provide a lot of those local jobs. It will also allow the reuse and the future reuse of sites currently occupied by government for private sector business and activity. It will free up other sites, and we anticipate there will be development in these sites.

In addition to greater activity in the station precinct, we will also improve the safety and amenity. I am pleased with the significant budget initiative for growing Geelong. Together with other major investments in the Geelong region as part of the state budget, this project will play an important role in delivering on our commitment to manage population growth and build for Victoria’s future.

The CHAIR — Thank you, Minister.

Mr DALLA-RIVA — Minister, I refer you to page 161 of budget paper 3 dealing with ‘Planning communities for growth and change’. I note that there is a need for integrity in the planning system. I contrast that to the report in the *Age* this morning about branch stacking in the Labor Party — the fraudulent activities with membership — and funds operating out of electorate office, and I ask: Minister, will you cooperate fully in

any inquiries by the Ombudsman or the electoral commission into branch stacking and fraud within the Victorian Labor Party, including allowing full access to relevant documents from your electorate office?

Mr NOONAN — On a point of order, Chair.

Mr DALLA-RIVA — You do not need a point of order. This is straightforward. There was a significant report today, Chair.

The CHAIR — Thank you. A point of order has been taken. Mr Noonan has — —

Mr WELLS — Why is everyone so touchy about branch stacking in the Labor Party?

Mr DALLA-RIVA — Because it is endemic in Labor.

The CHAIR — Without assistance.

Mr NOONAN — I want to question the relevance of that question as it relates to the budget estimates. I thought the first part of that question, which relates to planning integrity, was relevant but I thought that everything — —

Mr DALLA-RIVA — It is going to be pretty hard if you have a planning minister who is under a police investigation or an Ombudsman's investigation. Don't you think that is relevant?

The CHAIR — Mr Dalla-Riva, I would like you and other members of the committee to listen to the point of order in silence, then I will rule on it.

Mr NOONAN — I thought that everything that followed that in relation to the matters that Mr Dalla-Riva raised in relation to the *Age* and the nonsense thereafter was irrelevant to these hearings.

Mr DALLA-RIVA — On the point of order, Chair. I think it has very much relevance to the forward estimates. If we have a planning minister who is under investigation for some very serious allegations that have come out of his office, I think that is going to have a huge impact on the planning portfolio into the forward estimates. What is going to happen? Are we going to have a planning minister who is more focused about looking after his back and less about worrying about planning?

The CHAIR — I have heard enough on the point of order.

Mr DALLA-RIVA — Is that what it is about?

The CHAIR — You are now getting into hypotheticals, but I have heard enough on the point of order. I am able to rule on the point of order.

Mr WELLS — Let me guess which way it is going.

The CHAIR — Mr Wells, your continual interruption when I am speaking is not appreciated. I have now reminded you of this many, many times. You are a senior member of this Parliament and you should know how the parliamentary processes work. You may wish to interrupt in order to perhaps grandstand or whatever you wish to do.

Ms GRALEY — Get on the TV.

The CHAIR — Thank you, Ms Graley. But whatever you do, in doing it is actually unparliamentary. I would ask you to reflect on your behaviour and not do it in future. I am ruling on the point of order. I thank you for that. I was going to rule on the question anyway. The question is in order in respect of mentioning the planning arrangements and the planning processes but, Minister, you should ignore any other parts of the question which do not relate to the planning portfolio. The minister, in respect to that part of the question which relates to the planning processes.

Mr MADDEN — Thank you very much, Chair. As I have said before, we have a planning system of the highest integrity.

Mr WELLS — No, it is not.

Mr RICH-PHILLIPS — Yes, we saw the media plan.

The CHAIR — Without assistance!

Ms GRALEY — Show some respect!

The CHAIR — Show some respect for the process.

Mr DALLA-RIVA — How can you say that?

Mr RICH-PHILLIPS — We saw the media plan!

Mr DALLA-RIVA — How can you say that?

Mr WELLS — Look at the Windsor, for example. There was more focus on a media plan.

Mr MADDEN — I repeat, Chair, that we report to the Parliament, we report regularly, we report for the reasons that the relevant planning authority makes decisions if we need to intervene and they are reported to the Parliament. That stands in stark contrast to — —

Members interjecting.

The CHAIR — Through the Chair, Mr Wells.

Mr DALLA-RIVA — Are you going to allow full access to the police or to the Ombudsman?

Mr MADDEN — That stands in stark contrast to the Kennett government and their time and their planning system.

Members interjecting.

Mr WELLS — Give me a break! Why don't you pull him into line? You do not allow anyone else to talk in the past, but you are allowing the minister to talk in the past.

The CHAIR — Mr Wells!

Mr WELLS — And you, as Chairman, are saying that is okay. You have double standards: one for the minister; one for the opposition.

The CHAIR — I do not have two standards; I have one standard.

Mr WELLS — Yes, you do. You allowed him to talk about the Kennett government.

Members interjecting.

Ms HUPPERT — Minister, I would like to return to the issue of managing our population growth and creating livable communities, which of course is noted in budget paper 3 on page 158 as one of the significant challenges facing the department in the medium term. In your presentation you mentioned that the Growth Areas Authority was on track to complete 40 precinct structure plans by 2012. Could you tell us a little about this work, which will be carried out during the estimates period, and the benefits it will deliver?

The CHAIR — Talk about the future, please, Minister, not the past.

Mr MADDEN — Thank you very much, Ms Huppert, because this is a period of very high population growth and that is a particularly pertinent question. Maintaining land supply for housing and jobs is central to the work of the Growth Areas Authority, which is involved in a series of important planning reforms, from streamlining the precinct structure planning process to improving biodiversity outcomes in Melbourne's growth areas. We should not underestimate the importance of this work.

The Australian Bureau of Statistics tells us that Melbourne's population grew by more than 100 000 people in the last financial year, with the majority of that growth occurring in our designated growth areas, and that is where the Growth Areas Authority operates: in Wyndham, Casey-Cardinia, Melton, Whittlesea and Hume. The Growth Areas Authority's precinct structure planning program is vital for ensuring that these residents are able to move into suburbs that are well planned, vibrant and innovative, with access to local jobs and community facilities.

For those unfamiliar with the precinct structure planning, PSPs are in a sense big picture plans; they are master plans for designing new suburbs on greenfield sites. They map out where everything from local schools to roads, open space, shopping centres, offices and transport will go. By using this single, consistent process for the planning of Melbourne's newest communities, we provide certainty to councils and developers about what is required, while ensuring that community needs are planned for and met. The Growth Areas Authority is tasked with and on track to deliver 40 precinct structure plans, as you mentioned, by 2012.

So far the Growth Areas Authority has completed 13 precinct structure plans with as many as 9 more expected to be completed by the end of this year. In fact, just last Friday I announced the approval of the Cranbourne East precinct structure plan, which will provide housing, schools, kindergartens, retirement villages, open space and three local town centres to accommodate up to 20 000 people over the next 15 years. Notably, most residents will be within 400 metres of at least two parks, which is no doubt a triumph of good planning.

This particular precinct structure plan also used concurrent land rezoning and subdivision approval processes for the first time, speeding up the subdivision process by at least six months, which will help bring land to market faster. Aligning these processes has been so successful in this case that the Growth Areas Authority will now use this as a template for future precinct structure plans.

Precinct structure planning is about creating diverse, compact, well-connected communities that are affordable and offer local jobs, transport access, open space, services and culture while also protecting Melbourne's valuable natural and historic features and using the land more efficiently. It is not just about building houses, of course; it is about creating real communities that residents can be proud of.

The Growth Areas Authority is doing great work in this space, informed by updated Precinct Structure Planning Guidelines which I released in October last year. Amongst other features, the guidelines are aimed to provide a number of ways of resolving these matters in these growth areas: the structure for all new suburbs to enable walking distance to local centres, transport and shops; creation of one job for every new household by creating businesses close to home with a wider range of jobs nearby; development of a sense of place in the community which will attract a broad range of residents and employers; increasing housing density, with an average of 15 houses per developable hectare; broader housing choice, from large family homes to one-person units and home offices; and sustainable living with a new efficiency check to test developers' plans against key performance measures relating to cost, land and water use.

I am very pleased with the work being done by the Growth Areas Authority, which will help young families into their first homes, create thousands of jobs for homebuilders and increase Victoria's housing supply. It is just another example of how our government is complementing and managing Melbourne's growth and helping families secure their lifestyle.

Dr SYKES — Minister, I refer you to budget paper 3, page 158. Following 'Significant challenges facing the department in the medium term', there are a number of dot points including 'promoting shared approaches'. Can you inform the committee how much your department spends on external communication works or firms, and specifically, have you employed any external firms to assist with the Windsor Hotel fiasco, either in advice or communications strategies or media plans?

The CHAIR — You have referred to the challenges facing the department in the medium term. Minister, can you answer the question in regard to the budget estimates, please, as I have said to other ministers?

Mr MADDEN — In relation to any expenditure in relation to communication of any part of the planning portfolio, I will have to take that on notice, and I am happy to provide the committee with specific information.

The CHAIR — In respect of promoting shared approaches et cetera, do you wish to comment on that?

Mr MADDEN — Certainly in terms of shared approaches more broadly, there are a number of areas where we are working with local government on a lot of matters at the moment. I have just mentioned the Growth Areas Authority. We are working with them and local communities to bring land to market much faster than has been the case and to coordinate the work of relevant authorities in order to bring those services to those new communities. That is particularly important, of course, because traditionally many of the outer suburbs of Melbourne had been developed as dormitory suburbs, and often the infrastructure arrived later rather than sooner. My experience was growing up in one of those dormitory suburbs. It is important to communicate to all those groups and to work through that accordingly.

In relation to the likes of the development assessment committees, again that is another partnering approach with local governments to accommodate in nominated market-ready principal activity centres a partnered approach to determining and decision making around relevant planning applications. Recently we had the announcement with the City of Melbourne. Again we have been keen to partner with them in the assessment of projects over 25 000 square metres, where prior to that I had been the designated authority for those sorts of projects.

In all instances, whether it be in housing or whether it is the likes of the question I answered earlier on in relation to wind farm proposals, we believe that a partnered approach is a much better way to resolve the matters that need to be considered on their merits, of course, but that need to bring into account state and local policy. Of course there will always be a bit of tension in terms of the immediate concerns of the local community and the long-term interests of the broader community, particularly at a state level. Those tensions we believe can be resolved through partnership approaches, particularly when it comes to decision-making approaches, and I have just mentioned a number of those fronts.

Certainly it is an area of work that we have been concentrating on in my time in the portfolio. I believe local communities and local councils are enthusiastic and becoming more enthusiastic about that approach, to share the decision making rather than leave it for what was traditionally one authority or the other. The instance is that if it became bound up at a local government level, for whatever reason, traditionally the only alternative was for the minister to intervene, whereas I am very enthusiastic about having a partnered approach and having in a sense a third way of dealing with these, rather than the minister or the local authority — having a partnership approach to as many of these planning decisions as practically possible, particularly if they are highly complex. Those local governments do not necessarily have the capacity of potentially resourcing or there is a lack of experience at a local level to deal with many of these more complex projects.

The CHAIR — Dr Sykes, you wish clarification?

Dr SYKES — Yes, through you, Chair. I appreciate that the minister has indicated he will take my question on notice, but I have to say I am intrigued, with the resources that are available and the time that the minister has created, with that part of the answer, that he is not able to provide an answer to a very simple question, which was — —

The CHAIR — You have made your comment, which is not normally the case. If you wish to ask for clarification, ask for clarification. As I have mentioned to other members, it is not the time to make statements; you can make them in other places. A clarification, or else we will move on to the next.

Mr WELLS — Hang on. It is a straightforward question.

Dr SYKES — Thank you, Chair. I would rather do it at my pace, thank you.

The CHAIR — I am happy for you to do it at your pace, but I wish you would follow the processes, so clarification, please.

Dr SYKES — Thank you, Chair. The information I am requesting, Minister, is how much your department spends on external communications in the budget period, which often in the budget report goes back to 2008–09, 2009–10, 2010–11 and so forth. How much do you spend, and has any money been spent or is it going to be spent on communication strategies or communications in general in relation to the Windsor Hotel?

Mr MADDEN — Again, I do not have that information directly in front of me, Dr Sykes. I am happy to answer that and account for any resourcing that my department spends in any area. Communications is

obviously a concern of yours. I am happy to provide more detailed information to you through the department, on notice, Chair.

Mr SCOTT — Minister, I refer you to budget paper 3 on page 330, where it makes reference to ‘Victoria’s heritage: strengthening our communities’. Can you please advise the committee how this heritage strategy will continue to evolve over the estimates period?

Mr MADDEN — One of the great pressures in terms of rapid population growth is ensuring that we do preserve our heritage. There are those who believe our heritage is threatened because of population growth, but we do have one of the best heritage systems, I believe, not only in Australia but by contrast around the world in preserving our heritage. Preserving our heritage contributes to the livability and the sustainability of the state. That is why I was delighted to receive \$2.6 million to continue the implementation of priority actions consistent with the government’s heritage strategy and grants program.

Victoria’s Heritage — Strengthening Our Communities is a strategic framework that recognises and protects Victoria’s heritage as a living heritage and is built around six key directions. They are recognising a rich and diverse heritage, using our heritage for a sustainable future, managing for growth, telling Victoria’s story, building strong and inclusive networks and partnerships, and resourcing the community. Heritage aims to improve the coordination of government heritage resources across Victoria and deliver programs that strengthen community involvement in caring for heritage places and objects. Our grants program is directed at realising the objectives of that strategy.

The grants program aids in the repair and conservation of heritage places and objects that are listed on the Victorian Heritage Register or included in the heritage overlay of a local planning scheme. These places and objects must be accessible by the general public in order to apply for funding. The strategy provides new ways of recognising and protecting the state’s precious heritage and increases our understanding of the stories associated with the past.

The state’s heritage comprises many different layers of history and meaning, from areas of natural significance to past and present Aboriginal traditions. Heritage encompasses places created by early and recent settlers and includes customs, celebrations and special characteristics that build community pride and enhance social cohesion. Interpretation grants provide funding for heritage specialists to undertake projects that will improve both the understanding of and the public access to Victoria’s important heritage places, objects and collections.

The range of heritage interpretation projects of course is broad. Projects might include heritage trails, exhibitions, interpretive plaques, artworks, online interpretation or oral histories. Funding is also available to local government authorities to appoint heritage advisers, to commission heritage area studies and to digitise existing heritage studies. I have noticed one of the most important ways of protecting collections is to assist communities and volunteers in particular to digitise their information or their cataloguing so that if at any time items are lost or threatened or damaged, then they do have a record of what existed and some documentation.

Heritage advisers both assist with the effective conservation of places that are subject to heritage controls and promote heritage conservation within a local government area. The purpose of heritage studies is to identify, assess and document all places of heritage significance within the municipality and make recommendations for their future conservation. The community collections category provides funding to preserve and provide access to important community collections. These collections contain a wealth of information about Victoria’s past and the custodians who care for them. These grants provide practical support for the community museums to ensure their collections are better managed, but it also entices volunteers so that they are recognised, and maintains that support at a local level through their volunteering.

Victoria’s heritage strategy provides a framework for heritage management in Victoria. Victoria’s heritage acknowledges the diversity of the state’s heritage and presents strategies and actions to ensure Victoria’s heritage will be sustained into the future. The strategy provides for a comprehensive and coordinated approach to managing heritage issues in Victoria and complements other Victorian government policies and strategies.

Victoria’s Heritage — Strengthening Our Communities has relevance to all Victorians. Community and non-government organisations can and will work alongside the Victorian government and local councils in delivering many of the strategy’s actions. It involves partnerships, educators, volunteers, professional organisations.

The 2009–10 heritage strategy grants program funded \$2 million for heritage place and object conservation projects. Heritage interpretation and collection management projects included, just as examples, \$45 000 for the Phillip Island Baptist Church cottage at Cowes; \$60 000 for the Bessiebelle sheep wash restoration project, which I am sure Dr Sykes — —

The CHAIR — Bessiebelle.

Mr MADDEN — That is right; did I not say Bessiebelle? The Bessiebelle sheep wash restoration project, and I am sure you would be interested in the great history behind that, too, Dr Sykes, given your former vocation. And there is \$90 000 for the Hamilton botanic garden fence restoration. They are just a few of the local examples of where not only are locals getting great results but it is also enthusing local volunteers and local communities. I can see Ms Huppert is very enthusiastic, too, about these projects.

The CHAIR — I probably climbed the fence at the Hamilton botanic gardens in my youth. Minister, can you ask Monica to put up the last page of the presentation? The top section talks about managing population growth, Melbourne @ 5 Million, and money for the central activities districts. You talked a little bit about them in your presentation. Can you elaborate a little bit more about how you are going to manage population growth in terms of urban renewal, new housing, employment opportunities et cetera through the planning portfolio into the future?

Mr MADDEN — I know these sorts of locations — the activities districts and other locations for additional housing — are of particular interest to you. We have more and more people calling Victoria home, and a lot of that is coming out of the economic prosperity and opportunity that is provided for in Victoria, because if you have got the jobs, it is a great attractor and it also retains people. It is also worth appreciating, as no doubt many of us do, that even without that population pressure and that population growth we would still need more houses, because of the way in which people are forming their houses. One of the great benefits of living in this day and age is on average we live longer, but in living longer we might spend more of our life in a smaller household. Whether it is downsizing from a larger family household or people living longer on their own, it means that more and more people will need a different type of dwelling. In that sense this is where those central activity districts come into their own in many ways.

I have talked about the Growth Areas Authority and the ability to deliver housing in the greenfield locations and those new communities, but given that there is enormous demand for housing in existing suburbs, as I said — because regardless of population growth more people want to remain in their existing suburb but might want to downsize or look for a different opportunity or a different sort of housing stock — then it is important that we provide that opportunity. In terms of doing that, we are planning for new communities, new jobs and new housing opportunities in areas that people want to live. Not everybody wants to live in a new suburb; lots of people want to live in existing suburbs.

We are not leaving that to chance. We have got a plan, and we are working to implement that. That has been identified in Melbourne @ 5 Million. Central to the government's land use and transport planning strategies is the development of the central activity districts, but also importantly the employment corridors. We have seen tens of thousands of jobs developed in central Melbourne in the last decade, and that is a great compliment to the economic activity, but it also puts a lot of pressure on the central activity district of Melbourne.

What we would like to see and what we are investing in is the equivalent type of central activity districts located around Melbourne. There are six designated central activity districts, and some of these are near you, Chair, so I know you are particularly interested in a number of them. They include Ringwood, Frankston, Footscray, Dandenong, Box Hill and Broadmeadows. There might be the potential to add another in the west at some stage in the future.

What this does is give us the opportunity to locate more intense housing and more job opportunities — particularly white collar jobs which are traditionally located in the centre of Melbourne — and deliver those like functions closer to where people live. We would see that as minimising congestion flows in and out of the Melbourne CBD. Also, those employment corridors will offer substantial increases in employment, housing and education, and they will link better, in a sense, to those growing outer areas, so that people are not necessarily having to commute from the outer areas of Melbourne right to central Melbourne; they can commute to some of those central activity districts.

This year's state budget has delivered \$10.4 million over four years to our central activity districts and employment corridors, and that is referred to in budget paper 3, appendix A, pages 329 and 332, for those members of the committee who are particularly interested in where those are located in the budget papers. These funds will be used initially to undertake feasibility studies and stakeholder and community engagement programs, with a view to increasing development activity and housing and employment outcomes in these key areas.

As well as those central activity districts there are also three employment corridors that have been highlighted and given priority in Melbourne @ 5 Million. In some of those corridors there is pre-existing employment, but strategically, because of where they are located, there is an opportunity to build on that.

The Hume-Mitchell corridor — sort of Avalon Airport to Werribee, Melton, Melbourne Airport and Donnybrook. If you imagine that band across the outer edge of Melbourne and the connection between the Hume corridor out to the Geelong Road or Geelong freeway, there is a substantial opportunity to build in all those logistic-type transport and associated industries.

Then there is another corridor from Caulfield out to Dandenong, and you would expect that that would reflect a lot of the activities or services that might be needed in that corridor, particularly down towards the south-east. Then there is the Monash University—Chadstone—Box Hill—Austin Hospital—Bell Street corridor. Chair, I know you are particularly interested in matters around the Box Hill precinct.

Box Hill has a natural capacity to be a central activity district. It is probably a standout for that because it already has a lot of pre-existing development and will continue to attract that. It is well located, and that connection to some of those other surrounding areas — particularly in terms of Monash University and the knowledge-based and associated industries and out to the Austin Hospital and the medical services — also makes good sense strategically.

If we can distribute employment even closer to the growth areas, then there is certainly a well-connected workforce. That is complemented, too, by what you might have seen in the new SmartBus — I think it is the 903, if I remember the figure rightly, which runs right from Altona, down to Mordialloc, through Box Hill and through a lot of that corridor. That means you can commute using public transport in a way that makes these locations particularly attractive. The 2010 budget will deliver on these areas' urban development strategies and urban improvement projects and again secure the lifestyle and opportunities — —

Mr WELLS — Minister, how many pages more do we have to go on this?

Mr MADDEN — I have finished.

The CHAIR — Mr Wells, next question?

Mr WELLS — You have finished? I thought you were trying to talk it out till 4 o'clock.

The CHAIR — Mr Wells!

Mr WELLS — I was just asking you a question. Were you trying to talk it out till 4 o'clock?

The CHAIR — You were not actually, you were butting in. You did that three times then. I remind you and other members and also any witnesses that that is unparliamentary and not appropriate behaviour. I do not wish to tolerate it. You, as Deputy Chair, should understand as well that this is not parliamentary. Mr Wells, you have the call.

Mr WELLS — Minister, in regard to the Hotel Windsor, have you or your department seen or met any external consultants or lobbyists in relation to the Hotel Windsor fiasco and, if so, who are they? Secondly, does your department or private office report and record the lobbyists who come to meet you or your office about planning applications or development proposals; if so, will you release those documents to the committee, please?

The CHAIR — In regard to that question, Mr Wells, we are interested in the budget estimates. In respect of planning applications which have been dealt with in the past it is not actually — —

Mr WELLS — No, this is going — —

The CHAIR — Allow me to speak, thank you. Insofar as you are talking about procedures in your office in terms of the planning portfolio going forward, I have no problem with that part of the question. The minister, to answer.

Mr MADDEN — I am meeting with all sorts of people interested in the planning system. Whether that be community groups, whether it be local government, whether it be prospective proponents in relation to projects, I meet with those sorts of people all the time. In any given day it is likely I will meet with any one or more of those sorts — and have those sorts of meetings. I also meet with industry groups. I meet not only with industry groups but with specific representatives from industry who also might want to put a case either about specific proposals or strategies in relation to development or renewal or any issues that might present themselves about the planning system.

I would expect that at all those meetings I would be accompanied in one form or another not only by an adviser from my office but also accompanied by a member of the department, and where those meetings occur, of course, I would expect those departmental officers to take notes in relation to those meetings. Of course, they are fed into the system in relation to those matters.

In the vast majority of cases, if there are potential proponents, normally they might meet with us to inform us that they are considering a proposal — basically to see what our response might be — but also really to get direction from us as to the support of the department. We might ask the department to follow up an anticipated proposal in a way that allows it to be processed accordingly. In the vast majority of cases we meet with a whole lot of groups in relation to any specific or any particular proposal.

Once a proposal is entered into the system, or somebody makes an application, it would be extremely unusual for us to meet with a proponent, and it would be unusual for the department to meet with a proponent, because once somebody enters their application into the system, then there is a process that the planning system follows in relation to those, and at the end of the day there is a relevant decision or relevant resolution made in relation to that proposal.

Mr WELLS — Just to clarify a point, Chair?

The CHAIR — Yes, Mr Wells.

Mr WELLS — Minister, hand on heart you are saying that you have never met a lobbyist or a proponent about a development without a departmental person being with you?

Mr MADDEN — I believe that is the case.

The CHAIR — Okay. Ms Graley?

Mr WELLS — You believe it to be the case?

Mr MADDEN — I believe it to be the case.

Mr WELLS — And the list of lobbyists you have met — —

Mr MADDEN — Can I just make — —

Mr WELLS — You did say that.

Mr MADDEN — Can I just make this point, Mr Wells? When I meet with proponents — or potential proponents before they put in an application — there is often a roomful of consultants. I do not select or discriminate who those people bring to that meeting. If they are there, in a sense they are consultants or they are experts. Some of them will be architects, some of them will be engineers, some of them may be strategic analysts, some of them may be economists, some may even be a lobbyist. But it is not made clear to me what role those experts play in the proposal that may at some stage come before me. When I meet with potential proponents, then I expect there to be a representative from the department with me.

Can I also point out that people approach me in the street all the time. People have wide-ranging views and opinions about the planning system. On Saturday morning I was at the Melbourne market. I was approached by a number of people in relation to matters, just to say, ‘ I hear you have got something before you. I am not keen on it’ or, ‘ I am keen on it’. People will always have views, and they will be wide-ranging views on any particular proposal that may either be under consideration or which might be about to come before me.

But the planning system deals with these matters on their merit. There is a proper process, and that advice then comes to me. That proper process and that advice is managed because of that process — whether it is independent panels, whether it is independent advice, whether it is departmental advice or whether it is independent statutory authorities who provide decisions or advice to me, all those matters are dealt with through process; at the end of the day if I sign off on a decision, I sign off on the decision on the basis of that advice and not on the basis of somebody coming up to me at the market and saying, ‘ I reckon that is a good thing’ or, ‘ I reckon that is a bad thing’, or if I am in a shop and somebody notices my head sticking out of the crowd and saying, ‘ I do not like that proposal’.

That will always happen, Mr Wells. I am sure when you walk down the street in your local community people approach you about a whole range of matters and tell you whether they reckon they are a good idea or a bad idea. Those exact same things happen to me, and maybe because I stand a fraction taller I can be seen from a much greater distance, and of course I might attract a few more people from time to time.

The CHAIR — All right. Thank you — —

Mr WELLS — Sorry, Chair, just one further clarification because it is a very important point. Can I take it that no-one from Progressive Business has approached you — —

The CHAIR — I think — —

Mr WELLS — Hang on!

The CHAIR — I think this is a new question.

Mr WELLS — No, it is exactly the same question.

Ms HUPPERT — Then why are you asking it again?

Mr WELLS — Can I take it that no-one from Progressive Business has spoken to you or met with you about a development? You are saying that you have had a person from the department with you every time you have met someone from Progressive Business who specifically wants to talk to you about a development?

Mr MADDEN — Chair, I am happy to answer it.

The CHAIR — I am not sure this is really in order — —

Mr WELLS — He has said he is happy to answer it.

The CHAIR — But if you wish to answer it and add to your previous answer — —

Mr MADDEN — Put it this way, it would not matter who spoke to me on what matters in relation to any particular project: the process provides advice to me and that advice is undiluted in any way when it comes to me.

Mr DALLA-RIVA — That was not the question.

Mr MADDEN — Yes. Can I just say — —

The CHAIR — Okay.

Mr MADDEN — I do not believe people have approached me. Of course, from time to time people will believe they have made an approach to me on a specific matter, but their description of an approach might be the equivalent of them telling me at the market or in a main street — —

Mr DALLA-RIVA — At Progressive Business they pay to see you.

Mr MADDEN — That they reckon something is a good or bad idea. People might believe that, in a sense, they have from time to time ‘approached’ me, but that has no impact on any decision I make, because the decisions I make are made on the advice, the relevant advice that comes to me through the existing processes that are transparent in relation to the planning system.

The CHAIR — I think this is a good time to have a 5-minute break.

Ms GRALEY — Minister, I would like to ask you a question about the Expert Assistance Program, which is mentioned in budget paper 3 on page 329. I would like to ask you whether you could outline to the committee how this program initiative will contribute to direct assistance to local councils in the planning and development of activity centres and certain regional towns?

Mr MADDEN — Thanks, Ms Graley. The 2010–11 budget allocated \$8.3 million over four years to the Expert Assistance Program. I am certainly delighted that we have been able to continue what is, I believe, a very worthwhile program that assists in planning and development of particularly activity centres. The Expert Assistance Program will continue to provide grants directly to councils to help plan for the future of metropolitan activity centres. This program gives councils in Melbourne’s activity centres access to experts who can offer technical advice on a wide range of planning issues. The type of expert help will vary between each centre, depending on its unique circumstances and the level of strategic planning completed.

In March 2010 requests were made from councils to assist with the implementation of the new activity centre zone. In particular projects are being undertaken to translate existing structure plans and associated planning provisions into the new zone. What this means is greater support for local government to update and strengthen local planning schemes so that communities, developers and councils have greater certainty about what they can and cannot do.

The program assists councils that are ready and willing to proceed to translate, finalise and implement structure plans supporting the creation of well-connected vibrant centres and, as we have mentioned previously, attract investment, boost the local economy, generate jobs and provide for housing. The structure plans guide housing growth and changes in the infrastructure and community employment opportunities in activity centres. The Expert Assistance Program assists councils to produce real and effective change that is visible in the physical fabric of the activity centres and the ongoing economic success of the centres. Since the program began, funds have been allocated to assist 87 projects in 19 local government areas.

The Expert Assistance Program complements the Creating Better Places program. The Creating Better Places program is a grant program that supports Melbourne 2030 initiatives by funding urban improvement projects in principle or major activity centres in metropolitan Melbourne and network regional cities and towns. The grants provide opportunities for the state government to work in partnership with councils and communities to create more vital, attractive and safer public places that are economically, environmentally and socially sustainable.

The 2010–11 budget allocation of \$2.2 million provides for the continuation of the program for grants for minor capital works projects in publicly owned and accessible places, as well as assistance to complete structure plans and the employment of place managers. The 98 projects funded in rounds 1 to 5 to 34 councils across Victoria have leveraged also local government and private sector investment in activity centres and helped to influence investment in local employment. Round 6 of the Creating Better Places program is open for applications this month. So if any members here have local communities who are interested, they should recommend that to their local communities and local councils.

Mr RICH-PHILLIPS — I would like to return to the matter raised by Mrs Wells in his previous question, where he asked you, ‘Hand on heart, did you always have a departmental officer with you when you met with lobbyists or proponents in relation to planning matters?’, and you responded, ‘I believe that is correct’. I would like to ask you about the recent Progressive Business function, which I believe was sponsored by Grollos. Did you have a departmental officer with you when you attended that function?

The CHAIR — Minister, regarding the budget estimates and planning portfolio matters.

Mr MADDEN — I am not sure of the event which you make reference to, Mr Rich-Phillips. I do not attend many of those functions.

Mr RICH-PHILLIPS — Do you take departmental officers with you when you do?

Mr MADDEN — If you would like to hear me out. I attend very few of those functions and I do not believe I attended that function. I am happy to check my diary, but I do not believe I did attend that function.

Mr RICH-PHILLIPS — Do you take departmental officers with you when you attend Progressive Business functions?

Mr MADDEN — I have only ever attended a small number of Progressive Business functions and, as I said, whoever approaches me in relation to any planning matters that might come before me, or at some stage might come before me, of course it will not matter what they — —

Mr RICH-PHILLIPS — That was not the question, Minister.

Mr MADDEN — No, let me finish. I am happy — —

The CHAIR — Without assistance.

Mr RICH-PHILLIPS — The question was: do you take departmental staff with you to Progressive Business functions?

Mr MADDEN — What I am saying is, if I am in attendance at a function of that nature or any other function where a proponent might approach me, or if it is at the market or in the main street where somebody approaches me with a view of a project that should or should not happen, then I will listen — —

Mr DALLA-RIVA — This is where people are paying money to come and see you.

The CHAIR — Without assistance.

Mr DALLA-RIVA — They are coming to see you, Minister.

Mr MADDEN — I will, with courtesy, listen to what people have to say.

Mr DALLA-RIVA — They are spending money to come and see you, Minister.

The CHAIR — Without assistance. The minister to continue.

Mr MADDEN — I will listen to what people have to say and of course the planning system will deal with their matters on the merit of their proposals.

Mr RICH-PHILLIPS — So developers can have a word in your ear without there being a departmental officer there?

The CHAIR — We do not need those statements.

Mr WELLS — No, this is an important point.

Mr RICH-PHILLIPS — This is central to the issue that was raised before.

Mr WELLS — He said, hand on heart, that if anyone approaches him about a development — —

The CHAIR — Mr Wells, we do not need your assistance. Thank you very much, Mr Wells.

Mr WELLS — We want to know whether there is a departmental head that goes to Progressive Business with him.

The CHAIR — The minister has answered the question.

Mr WELLS — Do you want him to get back to us then?

Mr RICH-PHILLIPS — As I said, developers can have a word in your ear without there being departmental officers present at these functions?

The CHAIR — Minister, you have finished answering the questions?

Mr MADDEN — I have finished.

Mr WELLS — Are you saying no, Minister?

The CHAIR — Mr Noonan?

Mr RICH-PHILLIPS — So developers can have a word in your ear without there being departmental officers present?

Mr WELLS — Without a departmental person being present.

Mr DALLA-RIVA — Which is contrary to what you said before.

Mr WELLS — You put your hand on your heart before and now you are backtracking — —

The CHAIR — Mr Wells, without assistance, thank you.

Mr WELLS — You have misled this committee.

The CHAIR — Without assistance, please.

Mr RICH-PHILLIPS — You sit there grinning, but you have completely misled the committee.

The CHAIR — Mr Noonan has the call.

Mr WELLS — He can rule it out right now by saying he takes departmental officers every time he goes to a Progressive Dinner.

The CHAIR — Mr Wells, I would like you not to interrupt, thank you very much. Mr Noonan has the call.

Mr WELLS — He needs to clarify this point.

The CHAIR — You are doing it again and again and again.

Mr WELLS — No, he needs to clarify this point.

Mr RICH-PHILLIPS — The point has not been clarified.

The CHAIR — No, he does not. The minister has finished his answer. We will now have a question that is coming from Mr Noonan. Mr Noonan has the call.

Mr WELLS — So you do not take departmental people with you to the Progressive Dinner?

The CHAIR — Mr Noonan has the call.

Mr RICH-PHILLIPS — And you are happy to have developers have a word in your ear?

The CHAIR — Mr Noonan has the call.

Mr NOONAN — Minister, in April last year COAG agreed to increase the energy efficiency requirements for new industrial and commercial buildings in the Building Code of Australia. Could you explain to the committee how this government will assist industry with training and preparation for the transition to the new arrangements under the building code?

Mr MADDEN — We as a state continue to lead the nation in encouraging the development of energy efficient new homes as well as commercial buildings. Today Victoria has more six-star buildings than any other state, including the world's first six star convention centre — that is, the Melbourne Convention Centre. When

you consider that our buildings are responsible for 40 per cent of primary energy use, greenhouse gas emissions and waste generation, you can picture the potential opportunities in architectural design, building material and related services.

In July 2009 COAG agreed to move to a six-star minimum standard for new homes and major renovations by May 2011 as well as introducing new efficiency requirements for hot water systems and lighting. I would like to reference page 12, chapter 3 of budget paper 3. I refer to the Brumby Labor government's \$175 million *Jobs for the Future Economy — Victorian's Action Plan for Green Jobs*. The plan includes \$5 million for skills and trades to assist tradespeople to meet the six-star standards. This reaffirms our government's commitment to building sustainable communities and creating sustainable jobs in Victoria. The \$5 million for skills and trades will provide grants to organisations to improve their skills in delivering new energy-efficient building standards.

My department will work closely with the Building Commission, the Plumbing Industry Commission, Sustainability Victoria and Skills Victoria in designing and implementing this program. In 2005 Victoria was the first state in Australia to introduce five-star standards for new homes. In 2008 we expanded the standard to include renovations and extensions. This has not only meant that the 35 000 homes that are built each year are 50 per cent more efficient than their typical two-star predecessors, but that the expansion enabled a further 40 000 homes each year to be upgraded. As part of the rollout of the six-star standards the Victorian government will consult with industry and community through a regulatory impact statement on proposed further efficiency requirements for hot water systems as well as complementary six-star water standards.

The Victorian government has worked together with the building and development industry in implementing energy efficient standards. We are keen to maintain this leadership position. Introducing better standards, working with owners and tenants in supporting the development of a skilled workforce are the best ways of delivering sustainable communities now and into the future.

Mr DALLA-RIVA — Minister, in your role as planning minister have you ever taken a departmental person to a Progressive Business function?

The CHAIR — Progressive Business functions, Mr Dalla-Riva, are actually to do with the Labor Party. They are not actually to do with government business. Do you wish to clarify your question?

Mr WELLS — No, we want an answer.

Mr RICH-PHILLIPS — This arises from his earlier answer.

Mr DALLA-RIVA — This is from the earlier answers and early discussions that were allowed.

The CHAIR — Minister, insofar as it relates to the estimates and your responsibilities as the planning minister and in regard to planning processes.

Mr MADDEN — As I have said before, plenty of people have various views around any project whether that is a proponent or an objector. I will be approached in all sorts of locations about those sorts of matters. People will express their views. I note that Mr Dalla-Riva expressed a view in the Parliament in relation to a project.

Mr DALLA-RIVA — That is on the record. I did not get paid \$5000 to have it here.

The CHAIR — Without assistance.

Mr DALLA-RIVA — Mine is on the record. How many people have personally gone to you and paid \$5000 — —

The CHAIR — You have had your chance to ask a question. The minister to respond.

Mr DALLA-RIVA — And 10 minutes of your time for a planning proposal.

The CHAIR — Mr Dalla-Riva, you are out of order.

Mr DALLA-RIVA — There were people from the Windsor Hotel there. Is that why you said — —

The CHAIR — You are out of order.

Mr DALLA-RIVA — He is having a go at me. He can have a go at me and I cannot have a go at him.

The CHAIR — I do not want anyone having a go at anybody. Let me deal with you first: you are out of order. The minister is not to provoke any members of the committee.

Mr WELLS — Can we get an answer?

The CHAIR — Without assistance, Mr Wells. You do it every time. I hope you would take some more —

Mr WELLS — No, I do not.

The CHAIR — You just did it again. You might find it amusing. However, it is unparliamentary and it is not proper process. As the Deputy Chair — —

Without assistance from other members.

Mr WELLS — It does not help the Labor — —

The CHAIR — Mr Wells, you are doing it a third time. You are obviously a persistent offender. We are trying to hold an estimates hearing here where the process is you ask a question relating to the budget estimates. Then the minister answers in relation to the budget estimates. He does not actually go around criticising other people or provoking interjections. It is a bit like Parliament itself in terms of question time. One should not actually provoke, nor should one interrupt. Interjections are unparliamentary. I have said this a number of times already, and I have just said it again.

Mr MADDEN — As I have said before, I meet with many, many people in different circumstances. I am approached by many, many people in relation to all sorts of projects — they might be supporters or detractors of those respective projects — at all sorts of functions, in all sorts of locations and in all sorts of places. The planning process is transparent. The planning system is based on advice that is transparent, is public and is made public when decisions are made. As such, the sort of inferences that Mr Dalla-Riva is making and the opposition continue to make are — —

Mr DALLA-RIVA — Minister, you said — —

The CHAIR — Okay — —

Mr DALLA-RIVA — Hand on heart — —

Mr MADDEN — — am sure — —

The CHAIR — Without assistance, Mr Dalla-Riva!

Mr DALLA-RIVA — That you had a departmental person with you.

The CHAIR — As I have just explained before — —

Mr DALLA-RIVA — Answer yes or no.

The CHAIR — Mr Dalla-Riva, without assistance!

Mr MADDEN — As I — —

Mr DALLA-RIVA — Yes or no?

The CHAIR — Minister, to continue. Complete your answer, please.

Mr MADDEN — As I said, Chair, the insinuations that the opposition continue to make and wish to make and I am sure — —

Mr DALLA-RIVA — Progressive Business functions, yes or no?

Mr MADDEN — — will continue to make are just not real, because at the end of the day the planning system deals with projects on their merit and nothing else.

Mr WELLS — To clarify a point — —

The CHAIR — Thank you. Ms Huppert.

Mr WELLS — To clarify a point — —

The CHAIR — I have given the call to Ms Huppert.

Mr WELLS — Yes, but I just need to clarify a point.

The CHAIR — I think we have done enough on this one.

Mr WELLS — Is it different for a Labor mate?

The CHAIR — I have —

Mr WELLS — Is it different for a Labor mate to anyone else in the general community?

The CHAIR — Ms Huppert has the call. Please ignore Mr Wells. Ms Huppert, thank you.

Ms HUPPERT — Minister, I refer you to budget paper 3, page 161.

Mr RICH-PHILLIPS — Answer the question first.

Mr WELLS — Hand on heart one moment — —

The CHAIR — Thank you.

Mr WELLS — And then when we chase up the question — —

Mr RICH-PHILLIPS — Extraordinary.

Mr WELLS — Extraordinary.

Ms HUPPERT — One of the outputs there is ‘Development facilitation priority projects considered’. I note that in your presentation you referred to one of the challenges facing your portfolio was that of maintaining a resilient economy. Could you please advise the committee how this particular output has supported economic development and delivery of jobs to Victorians, and how it will continue to do so during the estimates period?

Mr MADDEN — Of course, Victoria’s economy has certainly survived the global financial crisis better than the economy of any other jurisdiction throughout the country. When you consider that Australia has survived the global financial crisis better than probably any other western developed economy, than that is a great testament not only to Australia but a particular testament to Victoria and the ability of Victoria to withstand the global financial crisis and the leadership provided to ensure that we continue to flourish, develop and grow in the face of those international global financial threats.

Jobs have been critical to our consideration in the face of that in a sense international economic threat. That has been supported through very timely decision making, and the \$3.2 million over four years provided in the 2009–10 budget to the Department of Planning and Community Development for a development facilitation unit has furthered our capacity to assist proponents and councils on a case-by-case basis. It enables a rolling audit of major projects to be conducted, so I am advised of project progress and on any appropriate actions to fast-track the planning process. The development facilitation unit continues to facilitate roadblocked projects, often without the need for my intervention.

It is also worth appreciating that it does not guarantee a project will go ahead. What it does is resolve a decision as quickly as possible and thereby allows people to know if the project will or will not proceed, and of course if

it is not going to proceed it allows those investors in that particular project to seek to invest their money elsewhere. So it does, in a sense, unlock investment in many ways — either investment to allow a project to proceed or unlock that investment when a project has not been resolved. That has been particularly important in the face of the global financial crisis.

Since the Premier's announcement in February 2009 that our government would fast-track decisions in key building projects to secure more jobs to help Victoria through the global financial crisis, I have made decisions on 36 priority projects, representing development of \$5.6 billion for Victoria, with the potential to create over 32 000 jobs. You also need to appreciate that whilst the housing growth and the cottage industry that is the traditional housing industry has gone ahead in leaps and bounds, one of the great threats during the global financial crisis was commercial building or the commercial sector, because the commercial sector is very reliant on finance. Finance options dried up through that time and developers and proponents needed greater financing ability. So the ability to give some fast-tracking to those projects and resolve those matters, as I mentioned before, has been very significant. It had a very significant impact on jobs and provided significant community benefits that we would like to continue to achieve with continued focus on facilitating priority developments across Victoria.

The way our government can continue to assist is by making me the responsible authority for strategically significant sites, as I have done for the Pentridge Prison redevelopment, to call in and potentially call in significant residential apartment development projects from VCAT that might languish in the system for a while and that might contribute to Melbourne's housing supply, and then rezoning significant brownfield sites or what are often known as brownfield sites, former industrial sites, and then rezoning land — for example, the Waurin Ponds shopping centre expansion and similar developments. I then appoint advisory committees to assist in decision making. I have done this with commercial investors, particularly Woolworths hardware concept stores and Aldi supermarket proposals. So all those projects can be considered by one panel and recommendations can be made accordingly.

The funding also enables the Department of Planning and Community Development to facilitate projects funded under the Nation Building commonwealth stimulus package. The streamlined planning process for Building the Education Revolution and the Social Housing Initiative projects are continuing to enable Victoria to meet the commonwealth construction time lines so that Victoria receives its share of the stimulus funding. Remembering that the federal government have locked the funding into having that money spent by close to the end of this year, it is important that those projects proceed as rapidly as possible, if they are to proceed. Since my announcement of the streamlined measures, 439 proposals for school buildings and works have been approved. The BER funding is helping equip Victorian schools with infrastructure and facilities that better meet the needs of current and future generations of students and teachers.

For social housing, 225 planning permits have been approved. To date these approvals represent over 2200 new, affordable and social housing dwellings providing housing to those Victorians most in need. With a target of 4500 new homes in Victoria and the upgrade of another 600 older dwellings, this program can make a real difference to the lives of many families throughout the state. The Brumby government has supported, and will continue to support, a planning system that delivers decisions in a timely, fair and transparent manner. Timely planning decisions, in particular, continue to play a critical role in securing jobs for Victorians in the construction and development industries.

Dr SYKES — Minister, I think my question relating to housing affordability logically follows on from the answer you have just given. You outlined 225 permits for 2200 houses, with a target of 4500 for social housing. Is that synonymous with housing affordability? If you go to budget paper 3, page 447, you have there a line item that relates to a number of departments involved in housing affordability but no key indicators which had occurred in previous budgets. So is your answer on social housing the answer on housing affordability, or is it a different issue? If so, what is the issue?

Mr MADDEN — It is quite pertinent question, thank you, Dr Sykes. There are a number of issues there that I want to touch on. The Victorian integrated housing strategy, which has been announced, relates to affordable, accessible and sustainable home provision. That statement outlines various initiatives across a number of government portfolios, not only mine, to achieve increased housing supply and improve housing affordability, accessibility and sustainability for Victorians. The strategy embodies a collaborative approach across all

government agencies responsible for housing to combine efforts and encourage an efficient and responsive housing industry.

I mentioned earlier in one of my answers the changing nature of household formation and the demand for housing in terms of housing stock; even if we did not have the population growth we would still need more housing because of the changing nature of household establishment. Of course that is a key issue. It is not just about the number of dwellings, although that is particularly important; it is about the diversity of housing stock going forward, and making sure that we have got a responsive housing industry, because whilst the housing industry might be highly enthusiastic about providing a one-size-fits-all dwelling, it is important to have that diversity and that diversity provided relatively in each location. Importantly if somebody relocates to a regional area, which of course you would be interested in, Dr Sykes, and if they want to bring their aged parents, or if their aged parents want to downsize, they can. I have seen instances in Swan Hill where VicUrban has been involved in projects there where it has established a new housing subdivision.

One of the great assets of that in Swan Hill was not only new housing along traditional lines — on what some describe as a quarter-acre block, although it is never really that measure, but it is the equivalent of a traditional family house — but alongside that there was also unit-type development or what might be known as strata units. Then they have got a retirement village and then an aged-care facility. One of the impressive things that was relayed to me, not only by VicUrban but also by the local council, is that that subdivision has been a great fillip for the community, not only in terms of jobs and economic opportunity but where people have relocated they have been able to relocate some of their family members. So they might have been able to get a farming family away from their traditional house on the land, even though they were not that enthusiastic about it, by the whole family relocating to that sort of new subdivision in Swan Hill. They are important components.

But in terms that go more specifically to the housing affordability and dwelling numbers: those dwelling numbers are important. That is why, particularly in metropolitan Melbourne, that is an important issue in terms of housing growth requirements, and we are working with local government to develop housing growth requirements, not only in those outer-suburban areas but also in existing suburbs, and we have a key role to support efficiency and be responsive to the housing market. What is important and one of the best things we can do is provide greater opportunity to provide housing. We have what is known as the state of supply report.

The ABS shows dwelling numbers, and there is a state of supply report. I think the second one found that — I will go into some figures here — for the 600 000 additional households in Melbourne between 2009 and 2029 we are in the general vicinity, but of course I am very enthusiastic that we make sure we improve what they have suggested would be a modest undersupply to make sure that, in a sense, we almost have an oversupply. By comparison to New South Wales and Queensland, that state of supply report suggests that New South Wales will have a significant undersupply by about 2029, in the order of 250 000 dwellings, and in Queensland I believe it is in the order of about 200 000 dwellings, whereas ours is likely to be a modest undersupply of, say, in the order of about 5000 dwellings. We are certainly well ahead of the game, but we have to keep working on that to make sure that we can do what we can to provide more housing, more housing choice and housing options right across metropolitan Melbourne.

Of course one of the issues that we do not have a direct impact in is interest rates and mortgages, but what is important is that if interest rates are going to move — and if people are annoyed or anxious or concerned about the prospect of interest rates moving — the best thing we can do is provide for an economy that allows for job security. That is what our commitment as a government is and has been; if people are confident that their jobs will be there and can remain confident, they are more likely to commit to a mortgage in an affordable way.

Dr SYKES — Just a clarification, Chair. My question related as much as anything to the absence, that I can pick up, of a performance indicator in the budget report. You provided quite detailed information. Why has that line item of performance reporting been deleted from this budget reporting?

The CHAIR — There is a footnote to that. In terms of the response to the budget questionnaire, the department has advised us that the explanations are in the footnote. Are you happy with the footnote? Do you wish to further clarify what is in the footnote? It was footnote (h), from memory.

Dr SYKES — That is okay, thank you.

Mr SCOTT — Minister, I refer you to page 338 of budget paper 3, appendix A, which refers to the Footscray central activities district. Can you explain the upcoming initiatives for this budget allocation?

Mr MADDEN — Over the past few years we have made some significant investments as a government in key activity centres, and I am delighted to say that the tradition of investing in urban renewal around our metropolitan transport hubs is certainly continuing. This year's budget delivers \$9.5 million over five years for the Footscray central activities district. That is on pages 338 to 339 of budget paper 3, appendix A. This money will be directed to planning for a 1.3 hectare site on McNab Avenue near the station, transforming it into a major residential office and commercial development. Funding will be provided for government accommodation, purchase of surplus land and additional project costs. The Victorian government is working with the private sector to develop the McNab Avenue land in accordance with urban consolidation and renewal objectives. The commitment will build on the investment we have already seen to date to transform the area into a vibrant hub where people want to live, work, visit and do business.

I have an article here that I would like to provide to members of the committee. It does not relate to specifically to Footscray but it does relate more broadly. Some would say Footscray is going to move slowly or we will not get the housing development in those locations, but there was a particularly interesting article in the *Australian Financial Review* that I have here and which I would like to distribute to members of the committee.

The CHAIR — Is this the article of 11 May?

Mr MADDEN — Yes. You think you have already got that?

The CHAIR — We have already got it.

Mr MADDEN — That is good to see. If you refer to that article, it highlights that whilst there has been a lot of speculation about unit development or inner suburban housing development happening in the Southbank and Dockland areas alone, it is happening in a lot more locations and in fairly significant numbers by contrast to other city centres. Of course the expectation is that the likes of Coburg, Camberwell, Preston and those sorts of locations, and even Footscray, will see more enhanced development of this type. That complements what I was saying before about different housing types, different housing choice and affordability that comes with a greater supply, particularly in existing suburbs but located around those activity districts, and central Footscray being one of them.

Melbourne @ 5 Million promoted Footscray to be one of six central activities districts and continues our commitment as a government to sustainable planning. Past investment in Footscray has delivered a modern pedestrian access bridge and forecourt to the station. It has also seen better streetscapes and connectivity improvements in the town centre. They are very significant because they not only give the locals confidence but also attract investment. The development facilitation for strategic sites in the station precinct is ongoing and one of the ways we complement that is with a one-stop planning shop which has opened in central Footscray. This year's budget allows for a \$9.5 million investment in Footscray. That is fantastic news for the people of the west.

When you also consider that people living in provincial centres serviced by regional rail — Geelong, Bendigo and Ballarat — travel through those centres as well, there is a unique opportunity in Footscray, and I have talked about this before, to complement that with more housing, more activity in terms of business activity and more employment in that Footscray precinct. This also complements connections to regional Victoria and some of those provincial cities because if a business or an industry were to set up in Footscray they have the ability to attract a skilled workforce within Melbourne but they also have the ability to attract a very skilled, lifestyle workforce who might choose to live in some of those provincial centres. In a sense they are almost located within the Melbourne CBD, but not quite. They are just a bit further out, but also accessible to Melbourne jobs. There is almost a 10-minute saving in terms of their train travel, if not even more. That is a great ability to reduce your train travel by locating yourself in a provincial centre rather than an outer suburb. In a sense your commuting time might be reduced from what it might be if you lived in an outer suburb because you can get the regional rail.

Those elements are all critical components in building up the Footscray central activity district into what will be, I believe, quite a unique complement to the central activity district in inner Melbourne. They will make Footscray a very attractive proposition in years to come for businesses, residents and those who want to have a

lifestyle that is spread between some of those provincial cities, locating themselves at points in time in the city. There might be opportunities for people who downsize from the central city, buy a rural property but have a dwelling or a job in central Footscray as they move later into their life.

The CHAIR — Minister, just following on from what you were saying, talking about regional Victoria and your \$152.6 million, or whatever the exact figure is, what are you doing for regional Victoria?

Mr MADDEN — Certainly regional land use planning is particularly important to us as a government. What is important is that we complement, as I said, the provincial centres and regional Victoria's growth. Whilst I have mentioned the growth in Melbourne a lot today, we have seen enormous growth right across regional Victoria, and over the next 20 years we can expect somewhere in the order of an additional 500 000 people living in regional Victoria as well. So the growth is not isolated to Melbourne; it is spread across many of those provincial centres, and not only the provincial centres but in a sense what might be described as the next tier of regional centres. Wodonga, Shepparton, Warrnambool, those sorts of locations, we will see increased growth there. The government has a regional blueprint, that we anticipate being released at the end of June, that will highlight how the planning system, as well as a number of other initiatives across government, can complement the growth in regional Victoria.

We have basically seen growth everywhere except for probably some of the dryland farming areas in the Wimmera–Mallee-type regions, but that is not to say that some of those centres there are not also expanding, given increasing opportunity in investment by this government in the likes of the Wimmera–Mallee pipeline and other enhancements that provide opportunity in those locations in the future.

The CHAIR — A final short question from Mr Rich-Phillips.

Mr RICH-PHILLIPS — Minister, I would like to ask you about the financial performance of the planning department. Your department is forecasting a deficit of \$2.8 million in 2010–11, on top of a deficit of \$10 million in 2009–10, on top of a deficit of \$2.6 million in 2008–09. My question is: why is your department always in deficit, and what interventions are you taking as minister to return it to surplus and when?

Mr MADDEN — I will ask Stephen from the department to answer.

Mr WELLS — At last!

Members interjecting.

The CHAIR — Without assistance, please; we are trying to finish this quickly.

Mr MADDEN — Can I just make the point in answering the question that if there are any ancillary questions, either take them on notice or through me, rather than interrogate Stephen here.

Mr RICH-PHILLIPS — Because he might answer them?

Mr WELLS — We do not want to embarrass the minister and actually get an answer!

The CHAIR — Mr Gregory, quickly, please!

Mr GREGORY — In relation to the deficit, it usually reflects the fact that the revenue into the CSF and the expenditure from the CSF exceeds the revenue, so we are in deficit, so we have got balances within the fund that we pay these out. To a certain degree we think it is good thing that we are in deficit by spending more of the CSF funds.

Mr RICH-PHILLIPS — Obviously deficits are not sustainable.

The CHAIR — If you need to get some further information on that, can you consider the question?

Mr RICH-PHILLIPS — The other part of the question was when it would be restored to surplus. I take Mr Gregory's point, but you cannot sustain a deficit forever.

The CHAIR — I think you got the answer to that, but I ask the minister and the department to reflect upon their answer and the question and provide further information on notice. I thank Ms Digby and Ms Ferrie for their attendance.

Witnesses withdrew.