

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2014–15

Melbourne — 20 May 2014

Members

Mr N. Angus

Ms J. Garrett

Mr D. Morris

Mr D. R. J. O'Brien

Mr C. Ondarchie

Mr M. Pakula

Mr R. Scott

Chair: Mr D. Morris

Deputy Chair: Mr M. Pakula

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr M. Guy, Minister for Planning,

Mr D. Yates, Secretary,

Ms S. Eddy, Deputy Secretary, Finance, and

Ms C. Wyatt, Deputy Secretary, Planning, and

Mr J. Ginivan, Executive Director, State Planning, Building Systems and Strategy, Department of Transport, Planning and Local Infrastructure.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I declare open the hearings for the planning portfolio, hearing 29 of the 2014 estimates. I welcome the Honourable Matthew Guy from the Department of Transport, Planning and Local Infrastructure; the secretary, Mr Dean Yates; the Deputy Secretary of Finance, Ms Sue Eddy; the Deputy Secretary of Planning, Ms Christine Wyatt; and the Executive Director of State Planning, Building Systems and Strategy, Mr John Ginivan. I believe there are a number of other departmental officers and so on in the gallery. If they are called, I will identify them at that point.

As has become usual, these hearings are being broadcast on the parliamentary website. In accordance with the guidelines for public hearings I remind members of the public gallery that they cannot participate in any way in the committee's proceedings. If the hearing today is interrupted, the hearing will be suspended immediately. Departmental officers may approach the table during the hearing to provide information to the minister or other witnesses if requested by leave from me. Written communication to witnesses can only be provided by officers of the PAEC secretariat. Members of the media are requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room, and that includes remaining focused on the person speaking, not panning the public gallery, the committee or witnesses, and ceasing recording at the completion of the hearing or indeed during any other breaks that may occur during the course of the afternoon.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act 2003, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing are not protected by parliamentary privilege, including any comments made on social media from the hearing itself. The committee does not require witnesses to be sworn, but I remind you all that questions must be answered in full and with accuracy and truthfulness. Any person found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for fact verification within two working days of this hearing. The PowerPoint presentation which has been provided will be placed on the committee's website almost immediately. Verified transcripts will similarly be placed on the website within five days of their receipt.

Following a presentation by the minister committee members will ask questions relating to this inquiry. Generally the procedure followed will be that relating to questions in the Legislative Assembly. Sessional orders provide a time limit for answers to questions without notice of 4 minutes, while standing orders do not permit supplementary questions. It is my intention to exercise discretion in both matters; however, I do request that each question be answered as succinctly as possible, recognising that these are often complex matters.

I now ask that all mobile telephones be turned off or to silent.

The minister now has an opportunity for a brief presentation of no more than 10 minutes on the budget estimates for the planning portfolio. Good afternoon, Minister.

Mr GUY — Hello, Chair. I thank you and the committee for your time and for the ability to make a presentation to you today about the planning portfolio and to run through just a couple of slides if we may.

Overheads shown

Mr GUY — Can I just go to the first slide and see three key headings there: strategic reform, system reform and protecting and building livability. I just want to talk to those three points if I can. As you would know, this planning portfolio plays a major role in the health of our state's economy. In fact as I say regularly, any planning system, be it at a local or state level, is the greatest regulator of investment into any economy. In the planning system, the building system and the land conveyancing systems, the respective systems have dealt with activities to the value of, in planning, around \$15.6 billion until March 2014; in building, \$18.4 billion in the 12 months to March 2014; and in land conveyancing, \$70 billion for the last 12 months.

Reform is obviously very important in this portfolio, given the level of investment it is regulating. The planning system delivers investment and it drives employment through productivity that helps to sustainably manage our rapidly growing population. This year has delivered an unprecedented level of reform and strategic planning. This will give everyone in Victoria the confidence that we are the best placed state to manage and meet the demands of our rising population. The government has set a clear strategic direction to direct growth, deliver

jobs and investment and boost economic prosperity and productivity through Plan Melbourne, our metropolitan growth plan, and our eight regional growth plans.

The government has reformed planning rules and planning zones to be more flexible and to make Victoria a better place to invest. We have streamlined planning processes and prevented costly delays. Victoria now leads Australia in reducing regulatory burdens within our planning system, which makes us an attractive place in which to invest or do business. This state has the largest pipeline of urban renewal projects in its history. This will indeed underpin our economic growth and productivity and help our capital city, Melbourne, become the nation's job capital.

No other state is as advanced as Victoria is in planning so comprehensively for growth and change. According to our latest population projections released this month, we now know the record growth we have been experiencing since 2006 is certainly set to continue. In-depth planning is necessary to cater for the 10 million people likely to be calling Victoria home by the year 2050. Plan Melbourne responds to the challenges of population growth and the global economy. For the first time we have an integrated approach to planning and development that includes land use, transport, employment and social and community infrastructure. We as a government will deliver jobs and investment by creating a city structure that drives productivity and supports jobs.

As a government we will increase business productivity and employment and economic prosperity by establishing new employment clusters, delivering the largest urban renewal pipeline in the history of our city and strengthening greater transport and freight hubs to meet them.

Victoria's regions are so important to our future population growth. To unlock their growth potential we have for the first time released regional growth plans. These plans, developed in partnership with regional councils, set out how our regions will be transformed into thriving centres. To further facilitate growth and drive the implementation of Plan Melbourne and regional growth plans the government has established a new Metropolitan Planning Authority. In the last six months since its creation the MPA has already taken on responsibility for Fishermans Bend, Melbourne's largest urban development, with a future population in excess of 40 000 to 50 000; launched a project to integrate Essendon Fields and Airport West into a precinct for 25 000 jobs and more than \$2 billion worth of investment; and prepared precinct plans by setting out the future development of a medical precinct and commercial space in the city of Casey as well as a further 9900 homes in Tarneit North.

Melbourne is on track to become the national employment capital sooner than we expected. In fact it could eclipse Sydney as early as 2036, with a total of more than 700 000 jobs, up from 450 000 as projected growth from 2011. To achieve this the government has facilitated the release of land for commercial and industrial development close to residential areas and transport. The latest land supply reports show that with the largest amount of industrial land of all Australian capital cities, most of Melbourne's state-significant infrastructure precincts have 20 years or more supply within them.

Our regions are also in a good position, with no critical shortages nowadays of employment land anywhere in Victoria. More opportunities will come as key urban renewal sites and employment precincts open up and are completed. For example, Docklands is on track to accommodate an extra 60 000 workers by 2025, fast becoming Australia's corporate financial headquarters. Docklands will have an attracted total of around \$8.8 billion in private sector investment by the end of this year alone. We are changing the geography for jobs and productivity through driving the expansion of the central city area and helping the growth and development of significant employment nodes across the metropolitan area.

In the past year we have completed the structure planning for the East Werribee employment precinct. It will be the largest commercial precinct on government-owned land in Victoria's history. It will generate more than 58 000 jobs and more than 7000 homes. We are working to maintain Melbourne's competitiveness as a place to do business. New industrial and commercial zones came in in July last year.

The growth areas infrastructure contribution work-in-kind guidelines will allow the development industry to deliver state infrastructure earlier by providing capital works. Through new guidelines we can deliver this infrastructure alongside new housing. This will remove the costly need to acquire land later and then ensure better integration of public and private facilities.

We have also released a new way to deliver essential infrastructure in Victoria's fast-growing areas. Under the new infrastructure contribution plans developers will pay a standard levy for basic and essential infrastructure in areas expecting significant housing and population growth. This is a simple, fair and consistent approach that will deliver better roads, parks, sports and community facilities and particularly deliver them more efficiently.

In Melbourne, as you can see on the next slide, through Fishermans Bend at the top, we are in an enviable position, not only when it comes to planning for growth but also in how much residential land we have available. Melbourne has more than 22 years of supply in residential land available in our six key growth areas. There are around 413 000 potential housing lots in these growth areas, with more than a third already zoned for residential development or approved in a precinct structure plan. We are already directing housing growth sensibly and sustainably, and since the election lot prices have come down by 15 per cent, from \$225 000 to \$191 000. Almost 27 000 new dwellings have been provided through the structure plan and permits, and we are now committed to releasing a total of another 50 000 lots throughout the remainder of 2014.

Plan Melbourne will accommodate future growth focused on the continued development of these growth areas as well as targeted medium and high-density development. We have identified areas most suited to high-density housing based on access to jobs, transport, community services, shops and open space. The government believes we can do with this with confidence, as we have more opportunities for urban renewal than any other capital city.

Demand in Melbourne's high-rise residency market is strong, with recent surveys showing that Melbourne now has more apartments being sold than Surfers Paradise. In the recent year just past we have had a record 179 400 potential dwellings come online from major apartment developments. Additionally we have started the process of identifying surplus government land within strategic areas to boost housing opportunities. In the past year we have recent 9 surplus school sites across Victoria, with a further 12 being released shortly for consultation. In the past year we have also introduced planning protection for many of our built and natural assets, amongst them the Shrine of Remembrance. Of course we have continued to work steadily to introduce local planning controls along the iconic Yarra River whilst specifying areas along the Maribyrnong River that have been identified for height and setback controls.

I might just go to the next slide and make some brief comments and conclude there. In terms of conveyancing, the national electronic conveyancing system known as PEXA enables electronic creation of lodgement and conveyancing transactions. Victoria became the first jurisdiction to join PEXA. All four of the major financial institutions are now using PEXA, which went live in June 2013 and enables the discharge of mortgages, the creation of new mortgages and refinancing. PEXA offers financial and business benefits to the Victorian community and members of financial, legal and conveyancing professions and provides an average saving of around \$380 for each party in a typical four-party property transfer settlement in relation to valuation.

The valuer-general oversees the biennial statewide revaluation of rateable and leviable properties within the state. This provides the base on which council rates and state land tax assessments are made, and that requires the revaluation of more than 2.8 million properties. These valuations are also the basis on which the fire services levy is assessed to ensure that all property owners contribute towards funding Victoria's fire services. Land Victoria continues to support the ongoing implementation of the fire services levy.

In the past 12 months Land Victoria has conducted over 700 000 land dealings which support the trade of approximately \$70 billion worth of property. Land Victoria is the key state government program for land administration and continues to provide innovative solutions for authoritative, comprehensive and accessible property information and registration.

Cognisant of time for the committee, while I do have one or two slides to go, I think I will leave it there and allow the committee members to ask some questions about the portfolio, but I do thank you for your time.

The CHAIR — Thank you, Minister — spot on 10 minutes. As I usually do, I will start with the first question. Minister, you talked about Plan Melbourne. I am interested to learn a little bit more about the objectives and the aims of the policy, particularly how its implementation will contribute to the growth of jobs, both obviously in the next 12 months but over the forward estimates as well.

Mr GUY — Thanks, Chair, and I appreciate the chance to talk about the opening question about the metropolitan planning policy, Plan Melbourne, because our metropolitan planning strategy is one that really

does pick up many of the aims and objectives that have been fundamental to planning in Victoria, particularly in the metropolitan area, for the last 30 or 40 years and brings many of them together in a central document in *Plan Melbourne*. Importantly, as I said in my presentation, it has an implementation body that will be so important for making Plan Melbourne work.

The vision for Melbourne, we believe, of a global city of opportunity and choice needs to be achieved by protecting suburbs where they need to be protected, developing in defined areas near services and infrastructure, creating a clearer and simpler planning system with improved decision-making processes, and rebalancing growth between Melbourne and indeed regional Victoria. Further, identifying an investment and infrastructure program on top of those points will be so important to ensuring that Victoria does grow sustainably through its capital city into the years ahead.

The concepts of Plan Melbourne are around delivering a new integrated economic triangle, which is contained in the document, protecting our suburbs by delivering density in those defined locations and, importantly, ensuring that for the first time in Melbourne's history a zone as protective as the neighbourhood residential zone could be applied over around 50 per cent of our existing residential areas. The concepts include building on the concept of a state of cities, which is to engage our regional centres in population accommodation more so than they ever have been before, and delivering a pipeline of investment opportunities. It is very important to identify new urban renewal precincts across the metropolitan area to ensure that that pipeline of growth can be accommodated and can take pressure off existing urban areas, which has not been the case under previous strategies. The concepts also include better using our existing assets — such as our rail network, our tram network and obviously social services on top of those — and creating a 20-minute neighbourhood concept. This is very important, particularly when we are looking at growth and sustainable growth in our growth areas.

The government has been very deliberate in saying that we need to get greater density within certain areas or certain parts of our growth areas, particularly around places such as commercial activities areas and open space. That is why we introduced a small-lot housing code to bring forward smaller lot development in and around those areas which can certainly sustain, from a livability point of view, greater levels of density. Through housing choice and affordability as a key concept of Plan Melbourne, we believe that we will certainly go a long way to combating issues such as housing affordability that have been there in the past for Melbourne.

Another concept is transitioning, as I said, to a more sustainable city. Rather than just building out and out and out forever, this government has ensured that only changes to our urban growth boundary have seen around 6000 hectares come into our urban growth boundary since 2010, which corresponds to the previous four years from 2006 of around 70 000 hectares that came into our urban growth boundary area.

The final concept is of course good governance and strong partnerships. That cannot be achieved by a policy document alone; that kind of concept needs an implementation mechanism. That is why the Metropolitan Planning Authority is so important when it comes to engaging with this new document, working with councils and of course working with stakeholders so that all of those who are part of the greater Melbourne area can use the document and can importantly be a part of the document's growth.

Can I just say in conclusion that over 10 000 people were actively engaged in the consultation phase for Plan Melbourne. That is unprecedented for any metropolitan planning strategy anywhere in Australia. Ten thousand people were actively engaged, both face to face and online, and 250-plus stakeholders from over 100 organisations participated in round table discussions. Again, Chair, as you would appreciate, that is unparalleled anywhere in Australia when it comes to forming the guts of a new metropolitan planning strategy. One thousand Melburnians participated in a major community forum, including online and down at Docklands, where residents, locals, groups and stakeholders came together to discuss the future of the city.

Over 8000 people completed newspaper surveys or online surveys, and all the major papers were part of our online survey process, through which, as I said, over 8000 responses came back. Over 400 people commented at vox pop interviews across Melbourne. There were over 120 000 visits to the Plan Melbourne website, and of course this reached over 1 million Melburnians through Facebook and Twitter. Again I state that is unparalleled in the formation of a metropolitan planning strategy. One thousand and fifty formal submissions were received on the online discussion paper and Plan Melbourne.

Can I again say that is unprecedented — it is unparalleled — but we did the right thing by consulting, by talking to people and by gauging people's points of view before we went away and acted, and as a consequence I believe the *Plan Melbourne* document is one that encapsulates the ideas of many documents in the past but also brings forward some new concepts that will indeed go a long way to ensuring that Melbourne remains the world's most livable city.

Mr PAKULA — Minister, I want to refer to your presentation on page 8, where you note that one of your priorities for 2014–15 is to implement the review of the bushfire management overlay.

Mr GUY — I do not think I got to page 8.

Mr PAKULA — Yes, but I have it in front of me. Lucky you handed it out! As you would be aware, for now I will say that late last year — rather than being more specific than that — there was a report by the red tape commissioner, Mr Lloyd. In that report he warned that a crisis is emerging in the administration of the BMO. He warned that the land-holders are facing financial ruin as foreclosure and bankruptcy loom, and he spoke of reports of family breakdown, depression and stress-related health problems. One of those land-holders, Mr Arthur Jones, has been in reports in the *Herald Sun* today. I believe he has been at the Parliament today as well.

On 17 December on ABC news you indicated that you would fix the problem by the beginning of the year. I am just wondering if you can explain why you did not act to resolve the problem that has been referred to by Mr Lloyd in the time line you created for yourself.

Mr GUY — That is a good question. I appreciate it, and indeed I appreciate the people who have come to Parliament today and given me a petition of names of people who have been impacted by the BMOs. As you would be aware, Chair, and as the committee would be aware, the bushfire management overlay was a creature from our royal commission from 2009 after the Black Saturday bushfires, which made some recommendations about the necessity to prioritise the protection of human life over other policy considerations, particularly in planning. As a consequence the BMOs were then applied in the form that they currently exist. It has been some feature of discussion, certainly, within the government since before Mr Lloyd wrote to me — I believe it was a three-page email — in November last year.

We have been speaking to a number of people, particularly the community group headed by Kate Cotter, around how we can find some sensible solutions that will meet the challenges from the royal commission — their findings — but of course make it straightforward and sensible for people to be able to build on their land, particularly in areas outside structure plans. The government believes that the issue in relation to structure plans is straightforward to resolve; it is those areas outside of them — where there is a stair block, for instance — where it is more problematic. That is where we run into greater difficulty in terms of seeking a solution. However, as I said to a number of people and a number of groups, I have sought some very detailed advice from my department, and with my office I am working with quite a number of internal stakeholders to get this right.

The last thing I want to do is make changes to a BMO, which, as the royal commission said, is about the primacy of preserving human life. Having said that, we accept that there are planning instances where we can accommodate someone to be able to build on a piece of land that the BMO may put into, for instance, a flame zone, and as a consequence we believe we can get sensible outcomes. That report is to come to me within the next two weeks, and the government believe we can then make some sensible solutions.

I will give you an example. In flame zones at the moment the Building Regulations Advisory Committee, BRAC, has recently adopted some National Construction Code regulatory standards around bushfire shelters. For example, where someone could not meet the native vegetation clearance or could not meet the defensible space requirements of a BMO, we believe that we can look at the work of allowable bunkers within those permit areas that might be able to meet someone's ability to build within a flame zone that is currently prohibited full stop. That is but one solution we are considering at the moment that we believe will make it much easier and much more sensible for people to be able to build in those areas. Adopting those new standards will be important. BRAC has done that.

Importantly, I would say that this is a complex problem. I recognise it is a complex problem. I recognise that it has been a timely problem — one that has not been able to be resolved quickly. The government does not want to make changes to a bushfire overlay which, as I said, the royal commission put in place for the express

purpose of saying that we must protect the primacy of human life first. We will not put in changes unless they are thorough, they are sensible, they are well tested and they will work. I believe that those changes can be made.

I am heartened by the participation of the victims of BMO community group in the government's formation of a solution to this issue. I want to put on record my thanks to them for making a common-sense and sensible solution available to the government and for a number of discussions we have had with them to date. I genuinely believe that a workable solution for the vast majority of cases can be found and that it is not too far away.

Mr PAKULA — Thank you for that answer, Minister. I am wondering if you can help clear up a little bit of mystery that has emerged before the committee this morning in our examination of the Deputy Premier in his capacity as Minister for State Development. We asked him a similar question because he was also a recipient of the memo, and it became apparent that the opposition and the minister were quoting from slightly different documents. The opposition had a document where the most relevant clause was 17, which said:

It is estimated that 300 000 properties across Victoria cannot comply with the new requirements.

In the minister's version I think that had been renumbered 15 and that crucial sentence had been altered. It also became apparent that our document was dated 30 October and Minister Ryan's document was dated 1 November. I am wondering if you can enlighten the committee at all about the two versions, why it changed and whether or not the 30 October version was ever received by your office.

Mr GUY — I will take on notice the part about whether the 30 October version was ever received. I only have one version, and it is the same as the Deputy Premier's. I would say, though, that when we are talking about 300 000 properties, that is an undisputed fact. The BMO would apply to 300 000 properties, but in the instance you are talking about — the inability for permits — no, that is not 300 000 properties. My advice is that it is maybe 2000 or 3000, but it is not 300 000. So the Deputy Premier is correct in the figures he mentioned.

In terms of the date of the email received, I will take that on notice and check for you. I appreciate that you have raised that there are two versions. I do not know why; I have absolutely no idea why. The version I have is, I believe, the version I received. If I am wrong, I will obviously let the committee know.

Mr ANGUS — Minister, I refer you to budget paper 3, page 242, and also to some references you have made to Plan Melbourne and the importance of strategic planning to Victoria's long-term livability. Minister, can you please advise the committee what comparable planning has occurred for regional Victoria and why this is also so important for the livability of our state?

Mr GUY — I thank Mr Angus for a pretty important question because what he is quite rightfully asking relates to strategic planning for Victoria that is not just Melbourne centric. That is very important because if we do have quite considerable population growth, as the committee would know, we need to ensure that all of Victoria is playing its part in population accommodation and not have this view of the past that it should all be accommodated in Melbourne and we have to look at Melbourne and Melbourne's growth areas and infill in Melbourne. We need to engage our regional centres in a greater way than we have done in the past.

That is why the government has moved very swiftly since it was elected on forming regional growth plans. The concept of regional growth plans, and there are eight of them, are that we get communities in regional Victoria to start using their planning systems on a regional basis, not on a municipality-by-municipality basis. That is so important. I will give, for example, a place like Gippsland. Gippsland has high-value agricultural land which clearly spans a number of municipalities. So, for example, the concept of putting in place a high-value agricultural overlay in the Shire of Wellington, for instance, is so important. It is important in the context of not just Wellington but the boundaries that go past the Shire of Wellington — for example, into East Gippsland or across into Latrobe.

Having a regional growth plan allows councils to have a sweeping zone — or an overlay, if you like — such as a high-value agricultural overlay that does not compromise one side of the road to the other. For example, an industrial use on one side would certainly compromise high-value agricultural dairy use on the other. Allowing councils to think strategically on a long-term basis, actually bringing them together and putting them together in

a room to have a guiding state-recognised planning document has been so important in not only allowing those councils to think regionally but in fact putting in place a state-recognised document that will allow them to act regionally.

The regional growth plans we have put in place — a number have been launched to date — are Loddon Mallee North, which is broadly centred from Echuca up the Murray to Mildura; Wimmera Southern Mallee, which is around the areas of Horsham and district; the Great South Coast, which as the name would suggest is the south coast of Victoria with Portland, Warrnambool and the Great Ocean Road; G21, which is the Greater Geelong areas, clearly focused on the major centre of Geelong; the Central Highlands region, focused on Ballarat, Ararat and Maryborough; the Hume region to the north-east, focused on places like Shepparton down to Seymour and across to Albury-Wodonga, or Wodonga, obviously; and Gippsland — clearly, as the name would suggest, the six councils that represent the Gippsland area. I would argue that the ninth regional growth plan is Plan Melbourne, the area centred in the geographic centre of Victoria which focuses on the metropolitan area.

Importantly, these documents all talk to each other, so they are referenced within each other. That is important in a state planning context so that we can have a document that is not specific to a number of municipalities but, as I said, is state recognised and operates as a state-recognised document. All of those plans recognise two things — key agricultural areas which need to be preserved for the predominant agricultural industries that exist in those municipalities and indeed those regions and, two, areas in which the population will grow solidly into the future so that we are identifying certain areas for population growth and taking pressure off others, for instance.

If I can use Gippsland again as an example, we are looking at places like Warragul/Drouin, which will change inexorably into the future, and places like Trafalgar, which from a small dairy town in the 1950s, 60s and 70s will see a greater level of population growth to service growing areas like Moe, Newborough, Morwell, Churchill, Traralgon and out towards Sale/Bairnsdale. We are starting to plan these areas strategically rather than leading them in an ad hoc way. Having said that, there will be places like Noojee, Yarragon and other small towns and even districts like Hernes Oak, for those who might know where it is, that will be protected under these areas from any inappropriate development or large-scale development that certainly would not be necessary in those areas given that the government has identified other areas for growth within them.

Can I just say again that these regional growth plans were done in cooperation with the state government, my department and regional councils. They have done an exceptionally good job; they are very welcomed documents in regional Victoria, and I want to use the opportunity to again put on my record my thanks to all councils in regional Victoria, which have without doubt been very positive and sensible participants in the production of regional growth plans which will set country Victoria up for regional planning unlike any other state in Australia.

Mr SCOTT — Minister, I would just like to return to the two pieces of correspondence that appeared relating to the bushfire management overlay from John Lloyd, dated 30 October 2013 and 1 November 2013. I would just like the minister for the committee's benefit to make absolutely crystal clear whether or not he can categorically rule out seeing the 30 October document.

Members interjecting.

The CHAIR — Order! Mr Scott, the minister has indicated that he will take that matter on notice and advise the committee accordingly.

Mr PAKULA — On a point of order, Chair, my question was whether his office had received it. The question that Mr Scott is asking is whether the minister can rule out having seen it himself.

The CHAIR — If you want to ask a question on a semantic distinction, by all means, but I think we have already had the information. That is my understanding, but if the minister wants to respond, he is welcome to.

Mr GUY — Chair, I thought I made it quite clear that I was happy to take on notice the receipt of emails. I said, in fact I think I made it quite clear, to Mr Pakula that I could not guarantee whether it was received in my email on 30 October or 1 November or whatever. The date I have on the one in front of me is 1 November. That is what I have in front of me. I will ascertain for him, as I said I would, the position of the question and the answer to it. I really honestly cannot provide any further update to it apart from that.

Members interjecting.

The CHAIR — The object of the exercise is to get information. If you choose to ask the same question twice in a different form — if that is what you want to do — be my guest.

Mr PAKULA — On a point of order, Chair, first of all it is not the same question. Secondly, it has now got to the point in this committee where on almost every single occasion that a member of the opposition asks a minister a question, the government members on the committee interject and talk over the top of the questioner. Opposition members listen in silence when government members are asking questions, and I would ask that the same courtesy be extended to opposition members. We can ask our questions without government members talking over the top, interjecting and trying to prevent this committee doing its job on every single occasion we ask a question.

Mr O'BRIEN — On the point of order, I am happy for the Hansard records to be conveyed and revealed as to the extent of interjections from Mr Pakula and other members of the opposition compared to those of the government members, and you will find the record is well, well, well, well in favour of the unruly interjections from the opposition. But if Mr Pakula wants to play by the standing orders and no interjections, government members are more than happy to comply.

The CHAIR — Order! First of all, it is not a point of order.

Mr Pakula interjected.

The CHAIR — It is quite simply not a point of order. There is no reference to standing orders.

Mr Pakula interjected.

The CHAIR — And certainly while the events you have identified may occur occasionally, they equally occur occasionally on the other side. But this is now, what, day 7, and all the time that I have been in the room, which is the entire time of the hearings, the scenario you are seeking to paint has simply not existed.

Mr PAKULA — I have never seen a Chair comment on the opposition so often.

Members interjecting.

The CHAIR — Order! That was not gratuitous commentary on the opposition's question. That was the same question asked twice.

Mr PAKULA — No, it wasn't, and, frankly, Chair, it is none of your business what we ask.

Members interjecting.

The CHAIR — Order! I think you will find that you do not get to ask the same question twice.

Mr PAKULA — We didn't.

Ms GARRETT — We didn't.

The CHAIR — In my hearing of it and the way it was presented it was the same question.

Mr PAKULA — No, it wasn't.

Mr SCOTT — No, it was not.

The CHAIR — You may opine that and you may seek to turn this into a debate between the Chair and two members. That is not going to be the case. You asked the same question twice, you then modified it slightly —

Mr PAKULA — No, we didn't.

The CHAIR — and I indicated that if you wish to pursue it, I would allow you to pursue it. That is what is occurring. Mr Scott then sought the opportunity to ask a supplementary, and at that point the conversation

became derailed. If you can construct a supplementary out of a commitment from the minister to take a question on notice, that is fine. If you want to introduce further information or go to a slightly different subject, that is not fine. It is a supplementary question; it is not two questions in a row. Mr Scott, can we have the supplementary, please?

Mr SCOTT — Yes. In providing the response on notice to the question that I asked, I would be grateful if the minister could provide to the committee, in order to clarify the matter, the 1 November document which he has made reference to and seek an explanation from Mr John Lloyd about the discrepancy between the two.

The CHAIR — The minister can respond, but I am not going to ask the minister to respond on behalf of Mr Lloyd. The minister can respond on what happens in his office and in his portfolio; he cannot respond on behalf of Mr Lloyd.

Mr PAKULA — We didn't ask him to.

The CHAIR — You just did.

Mr PAKULA — No. We asked him whether he would seek from Mr Lloyd clarification.

The CHAIR — That is a question the committee should address to Mr Lloyd. The minister does not run errands on behalf of the committee.

Mr Scott interjected.

The CHAIR — If you want to ask a question of the minister, that is one thing. Asking the minister to go and ask someone else something else is not; it is well outside.

Mr SCOTT — That is a ridiculous proposition. The minister is responsible to Parliament — —

The CHAIR — You asked the minister to seek information from Mr Lloyd. The committee can seek that information —

Mr SCOTT — He is not a witness before the committee.

The CHAIR — if the relevant minister comes before the committee. Minister, do you wish to respond to that?

Mr GUY — Again I will say the document I have I am more than happy, when I send a response back, of course I will make it available to Mr Scott, of course I will.

The CHAIR — Thank you, Minister.

Mr O'BRIEN — Minister, I note you have made reference to both Plan Melbourne and the government's regional growth plans in your presentation but I ask you, Minister, can you please tell us what you have done to ensure that there is an adequate implementation of these plans and who will be doing it? I also refer to budget paper 3, page 56.

Mr GUY — Mr O'Brien's question is an important one. It goes down to what I had been talking about earlier, and that is the implementation mechanism of the regional growth plans and indeed Plan Melbourne. There is no point, as we have seen in the past, in metropolitan planning strategies that are long, complex and detailed and regional growth statements — to the extent that growth plans have been put together — that are long and complex that do not have an implementation mechanism.

That is why the government has established, and you will notice this in the budget papers, the Metropolitan Planning Authority. The Metropolitan Planning Authority is not the Melbourne planning authority; it is a metropolitan planning authority. Ballarat has a metropolitan area, Wodonga has a metropolitan area, Horsham has a metropolitan area. Even Churchill has an area which can be classified as metropolitan. As a consequence, the government's new Metropolitan Planning Authority is one that does have a remit across regional Victoria as much as it does Melbourne.

When we launched the Metropolitan Planning Authority last year — and the guts of it, obviously, the structure of it, came from the Growth Areas Authority — we did so with the intention that there would be an implementation mechanism up and running by the time the document was put into planning law. Clearly as this document is now becoming planning law — that is, Plan Melbourne and the regional growth plans over time — the importance of the Metropolitan Planning Authority, the MPA, is going to be further and further noted.

The metro planning authority as it stands is an authority that needs to look at a number of key issues and key development options, if you like, across regional Victoria. It needs to look at unlocking our regional centres growth potential by working with councils in urban renewal precincts. We have already set the metro planning authority to assist councils like Latrobe, for instance, to assist other regional centres with their structure planning and the forward planning for their regional cities. Mr O'Brien would be well aware that there are issues in and around the growth of some of the municipalities in the east of his upper house electorate where the MPA will be able to assist councils if requested in terms of their growth into the future.

The metro planning authority is also one that will look at the major employment hubs and urban renewal areas across Melbourne and ensure that we have proper strategic planning in place to manage and guide the development and growth of some of these hubs. There is no use simply rezoning land in urban renewal precincts and forgetting about it; that is a thing of the past in Victoria. We will do the business of planning and urban renewal better in the future than has been done in the past. The way we can do that is by having a sensible, straightforward, centralised organisation that can assist councils, that can work constructively with my department, with other statutory authorities to be able to manage and guide that growth in a strategic and sensible way. The MPA is one that will be provided with around \$51.6 million over four years to implement Plan Melbourne and of course to be able to establish — as it will through a new funding mechanism — itself as a properly funded, sensible, central organisation to guide the growth of our state into the future.

Can I again say, the work done by my department, the participation of the Municipal Association of Victoria and other councils in terms of the guidance and development of the MPA has been very good. It has been very constructive. I again say that the MPA and its staff, which used to be part of the Growth Areas Authority, have actually done a good job in the cessation of that authority and the creation of the new MPA and picking up the ball very, very quickly in the start of this new organisation to actually guide strategically Victoria's growth in the right areas in a sensible way into the future. It is an important question from Mr O'Brien, and one I thank him for.

Ms GARRETT — Minister, though you, Chair, I refer to the release of the final *Plan Melbourne* document yesterday. In that plan you announced a new initiative, 1.3.3 at page 37, including providing a map that will identify 'natural resources suitable for future quarrying'. This initiative does not appear to be part of the draft Plan Melbourne. Can you ensure the community that you will identify and map the location of any new quarries before the state election?

Mr GUY — Chair, they are invariably already known. In fact I think in just about every case they are already known. They are identified by councils and have been for about the last 20 or 30 years, so the government does not have any plans to identify new quarries anywhere in Melbourne's growth areas. There are already extractive industry sites that have been identified, as I said, by councils since the 1970s. I have not identified that I am aware of any new ones, because, as I said, the under-earth resources have been identified for many decades. In fact the only issue we have with extractive industries is that a number of those identified areas are not being developed over time and we are seeking to take extractive industries for Melbourne's growth further and further into regional Victoria. I can certainly assure you that we do not have any plans to identify new quarries.

Ms GARRETT — Supplementary: do you commit to the Victorian public that there will be full public consultation regarding these quarries and those that may or may not be activated?

Mr GUY — Chair, as I just said, I do not have any plans to implement any new ones, although I would put on the record that the previous government identified new quarries in the expanded urban growth boundary in 2009/2010 in Wollert in the northern growth corridor, so the only new quarry that has come on the books, if you like, in Victoria's growth areas in the last 15 years was actually by the Labor government. I do not intend to replicate that.

Mr ONDARCHIE — Thank you, Chair. My question to my good friend and colleague relates to Victoria's population growth. We have heard you talk about this before, Minister, but could you tell estimates how strong that growth is, and also if you have any of the latest data that you have released that is available to councils and communities of what the growth scenario looks like?

Mr GUY — Mr Ondarchie raises a very good question. It is about the growth of Melbourne and the continued growth of Melbourne, and the growth of our regions as well. Recently I released new, updated Victoria in Future figures, and of course in Plan Melbourne there are updated figures both from ABS and what is called VIF — Victoria in Future — data which has come together to show that nearly 10 million people will live in Victoria by the year 2051.

Central to that of course is the growth in regional Victoria. More than 2 million people will call regional Victoria home by 2051. In fact around the population of Brisbane will call regional Victoria home in the year 2051. That of course puts the added reason on why the government has put in place the regional growth plans and identified areas for growth in regional Victoria. That is going to be so important, not just for keeping Melbourne a sustainable and livable place to live, but of course regional Victoria. The northern region of Mr Ondarchie's electorate — he would know that there are parts of our growth areas of Melbourne where we are seeing an extraordinary population boom. In some parts of our growth areas there are upwards of 70 babies being born every week. That puts enormous strain on our growth areas services — —

No, Chair, I do not have any news, and I do not live in a growth area anymore, so I cannot be held accountable! But what I can say, as Mr Ondarchie asked about, some of this — —

Members interjecting.

Mr GUY — I said I was not planning any more, don't worry, Mr Pakula. We are seeing over the next four decades the expectation of nearly a 60 per cent increase in our regional population. The natural increase is expected to increase inexorably, particularly in regional Victoria. Residents moving from Melbourne to regional centres is expected to be a key part of driving that boom. I would add that some of the dynamics of the Plan Melbourne document are very, very clear — that is, to get people not to choose Melbourne as the first place of residence but as we would know by this strategy it is to encourage people, through livability, through affordability to choose regional Victoria as a place to live and particularly to raise their families. Because we are seeing a growth in services. Look in Traralgon, for instance: \$73 million for the upgrade to the hospital. We need to upgrade infrastructure where that population is growing.

Regional Victoria is going to change; it is changing from a place where there was a number of quiet little country towns to a place where there is a number of key urban centres. Mr O'Brien would know in his electorate that Horsham is what is called a sponge city by the ABS: it is taking a lot of population from smaller towns as people retire. For instance, a friend of mine's parents retired out of the far west of Victoria and now live in Horsham, so you see people over time moving into these regional centres where they never did that. We are seeing some of these centres going very rapidly in population. With that comes a necessity for our regional growth plans and of course the synergy between transport, planning and of course local community infrastructure, which is why the government created this Department of Transport, Planning and Local Infrastructure as one entity some 15 or 16 months ago to ensure that we can deliver both the infrastructure and the services to what is going to be a rapidly growing regional population.

Mr PAKULA — Minister, I also want to ask you about *Plan Melbourne*, and I am looking at page 37, initiative 1.3.4, which is headed 'Support the provision of telecommunications infrastructure'. Under one of the dot points it talks about early planning of telecommunications infrastructure including fixed-line, wi-fi and mobile infrastructure transmission sites in growth areas and urban renewal precincts. I know from my own experience that mobile communication towers or telecommunication towers can be of great concern to local communities. Are those large communication towers what you are contemplating under that dot point?

Mr GUY — It is a good question. No. What the government is saying is that in the advanced structure planning, before anyone lives in these areas, people will know exactly where these facilities will be so that they do not get surprises at the end of the day — when they have moved into an area, suddenly they see a major communications facility, as you say, quite correctly, which does upset a number of people, particularly in growth areas. We want to make sure in our precinct structure planning documentation that these kinds of

facilities are known and that people have a very clear understanding of where this facility — if it is an aerial, for instance — will go and where their proximity will be before they purchase in a growth area rather than after.

Mr PAKULA — You mention also, in the dot point immediately above the one I just referred to, that in the short term you will review the 2004 code of practice for telecommunications facilities in Victoria to ensure that it meets the needs of service users and providers. Can you assure the community that that review will not in any way reduce the right of the community to have a say in where those towers might be located?

Mr GUY — Yes, I could absolutely give that guarantee, and I would go further than that and say not only that I would guarantee that the community would have a say but also that we will make sure that in the precinct structure plan the community will know in advance where they have been planned rather than knowing after event.

Mr ANGUS — Minister, following on from your answer to Mr Ondarchie's question, with our state's population growing so strongly, can you tell us why urban renewal precincts are so important, particularly in Melbourne, and what you are doing to ensure that these precincts, particularly Fishermans Bend, are well serviced by government infrastructure for the thousands of people who will eventually call them home?

Mr GUY — Thank you, Mr Angus, for that question. As you would know, areas like the seat you represent, out in Melbourne's eastern suburbs, is one that the government believes should not be a hub for major urban development. In fact we want to make sure areas like your electorate and your community have the knowledge and ability to be protected from inappropriate development, and we believe our zone structure will do that for your constituents and your community in the middle eastern suburbs of Melbourne. Part of doing that means that we need to provide a greater level of, if you like, safety valves to take the pressure off some of that expectant growth, and one of the key ways of doing that is through urban renewal precincts, particularly in places like Fishermans Bend.

There has been some discussion around Fishermans Bend recently, principally out of the state budget, as you can imagine, from the provision of a railway station which the government will build in the Melbourne rail link in that urban renewal area, but I will just give the committee a rundown of where that urban renewal precinct currently lies? The land was rezoned as capital city zone by me some months ago. In fact that capital city zone effectively defines that area as an extension of Melbourne's capital city. Our capital city central city area — not just the Hoddle grid any more, but obviously the Docklands precinct and now Southbank and Fishermans Bend — is the largest in Australia. That central city area allows us to absorb a much greater level of population than any central city area in Australia. That takes a huge amount of pressure off existing urban growth that may have in the past, under other strategies, found its way to our middle eastern suburbs of Melbourne, for instance.

I think that the provision of tens of thousands of people in a well-planned new suburb in a place like Fishermans Bend is tremendously important. At the moment — and I think I have said this in Parliament, and I will tell the committee — there are 17 planning permits under consideration in this area. They include 36 residential towers, including more than 9000 apartments, which would accommodate a resident population of nearly 20 000 people. That is what is being considered right now, and that is only a very small amount of the land in the urban renewal site. If you consider the interest that is currently being shown, even if only half of these proposed facilities were approved and built, that is still a suburb of 10 000 people, which is greater than Parkville, for instance, as has been the comparison. It is equivalent to or greater than areas in Melbourne's inner northern suburbs that exist after over 160 years of development, so in a suburb of 10 000 people we are seeing a very stark example of why urban renewal is so important for Melbourne's future.

To simply believe that urban renewal like this could exist with no major infrastructure is highly irresponsible. It is the kind of damage we saw in terms of urban form development in a place like Point Cook, where more than 15 000 people were allowed to be approved and live in a structure plan with no major transport infrastructure to them. We will not allow that mistake to occur in a place like Fishermans Bend. The Fishermans Bend precinct, which already has a very large developer contributions regime in place that would see over \$140 million in development contributions payable, is one that we believe is right for Melbourne. We believe it will set our city apart on an absolute, utterly first-class competitive edge compared to other Australian cities. We are very proud of the Fishermans Bend project, and we hope all Melburnians will embrace it. I believe it is one that in the future, increasingly as with Docklands, people will look back on and say it is a precinct that has certainly added

value to our central city area, can accommodate greater density and is one which we certainly can be proud of, so I thank you for the question.

Mr SCOTT — Minister, on 8 October 2013 there was an article titled ‘Solar review casts shadow on high-rises’ in the *Age* newspaper. It related to the issue of high-rise buildings blocking sunlight from hitting solar panels. In that article a departmental spokesman said there would be a review that would decide whether there was a need for reform, with any changes to be part of the new metropolitan planning strategy. Does the Plan Melbourne strategy address this issue?

Mr GUY — The most sensible place for that issue to be addressed will be in the reform of the state planning policy framework. The *Plan Melbourne* document is a policy document, and in fact it is a state planning policy response that needs to be put in place to ensure that issues in relation to solar panels can be addressed. We are looking at that through the review of the state planning policy framework, which is currently under way. Again it is complex, although it can be dealt with. It is around existing permits, translation from the existing permits or what has already been approved. There are a number of issues being looked at, but this one will be countered not by a document response like *Plan Melbourne* but through the mechanism that implements the Plan Melbourne policy — that is, the state planning policy framework. That is currently under review at the moment.

We have cut the state planning policy framework back to its bare bones to ensure that all the red tape and regulatory burden has been cut out, and now we are building in the strategic policies to make them more efficient — for example, the regional growth plans, localised planning statements and Plan Melbourne. For instance, with live music, the agent-of-change principle in relation to venues is something which is being looked at through the state planning policy framework changes. It is also where solar and those kinds of issues would then be picked up, because that is more a mechanism that controls planning law as opposed to just a policy guideline which necessarily cannot enforce the law; it is the state planning policy framework that would.

Mr SCOTT — By way of a supplementary, Minister, when would the state planning policy framework addressing this matter be finalised and released?

Mr GUY — In the next few months I am expecting a final submission back from the committee which has been working on this. It is being done externally by people from the planning industry association and other industry groups — people who use the system every day. We have actually engaged people who use the system to come back and tell us how to improve the system in terms of its legal operation and functionality.

For instance, in the shire of East Gippsland part of the policy considerations you would need to at least look through or go through with a checklist before looking at permits are things like Melbourne 2030, the previous metro planning strategy. You would not expect someone in East Gippsland to be looking at those kinds of reference documents, so we have cleaned it all out. If you are looking at a permit in East Gippsland, you would need to only look at those documents that are relevant to East Gippsland, and that is what is referenced in the planning changes. It is really cutting out a lot of that unnecessary red tape and red tape burden that has been in existence for some time.

We are intending to get a response to this fairly quickly. It has been under way now for some time, and certainly within the next few months I expect a response from Geoff Underwood, who is chairing that committee.

Mr O’BRIEN — Following on from some of your other responses, I am wondering if you could advise the committee of the importance of the central city permits that have been approved in Melbourne in terms of jobs growth and permit numbers and why this is such an important role in population accommodation as well as jobs. I also refer you to budget paper 3, page 244, and the output summaries there.

Mr GUY — Thanks, Mr O’Brien, for that question. It is quite an important one because central city permits have a huge value to our city’s economy and to our state’s economy. When we are approving high-rise towers in our central city area, it is not just for the sake of approving one. What comes with a high-rise tower is not only the ability to accommodate greater levels of population and take the pressure off some of the areas where those people who might have purchased elsewhere can now purchase in a defined high-rise location; obviously there are also the hundreds of jobs that come with the construction and of course the tens of millions of dollars that come with the investment.

I can tell you, Mr O'Brien, that we expect central Melbourne to become the nation's commercial capital and indeed residential capital by the year 2040. We will eclipse the city of Sydney as a jobs hub most probably before the year 2040. That status as Australia's largest jobs hub could even be achieved earlier if places like Fishermans Bend and E-gate start to come on stream more quickly. We are now seeing, as I have said to the committee, a huge degree of interest in permits in the Fishermans Bend precinct that could bring forward some of those time frames and time lines.

Also, with precincts like the Arden-Macaulay precinct to the north of Melbourne and Docklands, you are seeing the central areas of Melbourne grow, with nearly 90 000 jobs added between 2006 and 2011 in Melbourne. That is comparable to 30 000 in the central area of Sydney, so we are starting to outpace every other area in Australia in central Melbourne when it comes to population, accommodation and jobs growth. That is important because it shows that, if the messaging and reason for building up our central city area is not one that is just around putting residential towers in our city area and building residential towers for the sake of it, it is also being matched by huge levels of jobs growth.

An analysis prepared as part of Plan Melbourne would suggest the city of Melbourne could surpass employment in the city of Sydney as early as 2036, with a total of more than 700 000 jobs up from around 450 000 in 2011. That gives you an indication of just how many people want to live and indeed want to work in the central areas of Melbourne. I believe, as a consequence, that the central areas of Melbourne will be probably the most exciting place in Australia not just to work but also to live in the future.

Like many Australians used to travel to London to experience a 24-hour city, in parts of its central areas, as a place to live in their 20s or even a bit older, many people from different countries will come to central Melbourne to do exactly that as our city grows, changes and matures into a truly international city both through a change in our population demographics and population mix but also with the greater numbers of people and investment that are being brought to our central city area. Important on top of that is the fact there are jobs to accommodate such a large rise in our central city population.

Ms GARRETT — Minister, I refer to budget paper 3, page 241, which deals with the department's mission of managing and improving Victoria's transport system, and to your responsibilities under the Major Transport Projects Facilitation Act 2009. Under section 83(1) of the act you are required to publish the east-west link assessment committee recommendations at the same time as your approval decision. The recommendations and supporting report will be provided to you on 30 May. I think it is very clear that there has been considerable anxiety in the community about the failure of the government to provide such things as the business case for full public scrutiny, and I ask: will you publicly release the assessment committee's full supporting report and, if so, when?

Mr GUY — As you know, the assessment committee's public hearings commenced on 3 March. They concluded on 15 April. They are due to report to me by 30 May 2014, recommending whether or not I should grant the applicable approvals for the project under a range of legislation. Obviously under the Major Transport Projects Facilitation Act I have to make a decision on the approvals by 30 June this year. An approval decision granting all of the applicable approvals would allow that project obviously then to be developed. The western section of the east-west link project would undergo an assessment and approvals process also, and that would obviously use the Major Transport Projects Facilitation Act.

The question asked was around the supporting documentation. I would like to take that question on notice. I do not know if there is any material that might be presented in camera to the hearings. I am unaware of that, but I just want to make absolutely sure that that is or is not the case before I give a commitment that I could or could not keep. So allow me just to take the substantive point on notice, and I will make sure that I come back to Ms Garrett with a concise response.

Ms GARRETT — Thank you. That would be appreciated. We would assume that, if there are no issues subject to in camera or confidentiality, that report would be released in full. My supplementary is: given the very tight time frames which your government has set itself regarding the signing of these massive contracts, will the bidding tenderers have access to the committee's recommendations before they are released to the public?

Mr GUY — The details of the bidding tenderers are obviously being managed by the Department of Treasury and Finance, so I will take that question on notice as well to ensure that I am not conflicting with what the Department of Treasury and Finance might have discussed or set down as part of guidelines for the tenders. I am unaware of that, so I will take that on notice and get you a proper reply.

Mr ONDARCHIE — Minister, I draw your attention to page 244 of budget paper 3 and to the output summary. I want to talk about the rural flying squad because I notice you have kept the funding for that in this budget. I have had the opportunity to meet some of those participants on your behalf and also speak to the councils in my other capacity, and the flying squads have been very well received. Can you talk to us about what sort of support the program has lent to councils since its inception?

Mr GUY — Thanks to Mr Ondarchie for that question. Yes, I know you have met part of the flying squad. They are a great group, and they have been very well received by regional councils, as Mr O'Brien would certainly know. They have done a fabulous job from within my department to assist so many people and so many councils outside of the metropolitan area.

The flying squad will receive a further \$9.2 million over four years until June 2018 as part of the government's commitment to supporting the development of regional communities. That is very important. It provides strategic assistance to councils that may not be able to afford it or indeed those that are having the pressure of dealing with a greater number of permits than they might have dealt with in the past.

To date the flying squad has assisted 38 rural councils with 103 projects that total \$1.86 million, completing over 480 permits and 102 amendments across Victoria. It has reduced red tape and cleared a significant backlog for regional councils. Flying squad funding has allowed places like the City of Greater Shepparton to undertake a number of amendments that would have otherwise stagnated, including the development of a master plan for the Unilever factory in Tatura, enabling the company to expand its operation over the next 15 years and remain competitive within our geographic international region.

The Macedon Ranges Shire Council was also able to reduce a significant backlog of planning permit applications and undertake subsequent process improvements, including the preparation of planning scheme amendments under a number of unnecessary triggers, which in turn reduced the future workload of the council.

Flying squad assistance has allowed for the Latrobe City Council to finalise a backlog of planning permits and to implement a number of planning studies that had been faltering due to a lack of resources. The council was able to progress four development plans that had been stagnating, ensuring increased growth in the Latrobe region and skilling up staff in the process of course. We are seeing a huge ability which had previously never existed to assist regional councils with those projects which, as I said, would have stagnated.

If you will indulge me, I will list the top 10 projects. The Moyne heritage amendment assistance saw a contract amount of over \$88 000 granted to assist the Shire of Moyne. The Shire of Wellington received assistance to the value of over \$63 000 for an amendment to assist the implementation of the Heyfield Structure Plan. The City of Latrobe received \$62 000 worth of assistance for the second round of the Latrobe permit assistance, which assisted with a backlog of 50 planning permit applications. The Latrobe Project again received around \$60 000 worth of assistance to look at the urban design elements of development plans.

The Mount Alexander Shire Council received amendment assistance of over \$48 000 in value to undertake a municipal strategic statement review and consequent amendments to implement recommendations. As I said, Greater Shepparton received some amendment work exceeding \$43 000, and the Shire of Alpine received amendment assistance of \$42 000 for four planning scheme amendments. The Colac Otway shire, the Moyne shire and the Hepburn shire received assistance for projects of just over \$40 000, again to assist them with development plans, planning permit assistance and backlogs of over 30 applications in Hepburn.

These shires would never be able to advance some of these planning permit applications if they did not have that kind of external support. They just would not be able to do it. That is why we established the planning squad in recognition that the planning system can be very detailed and intricate, as we have seen from the first round of questioning from the Labor members in this committee. It can be very detailed and very intricate, and therefore councils do need some support.

We are pleased to announce in this budget that funding for the flying squad for the next four years. I just want to again say thank you to those councils that have chosen to be part of the flying squad and my department, which has done a fabulous job in administering and running the flying squad to support councils across Victoria. They have done an exemplary job, and it has certainly been very well received, so I am pleased to see that funding continue for the next four years.

Mr PAKULA — Minister, on page 61 of budget paper 3 there is a bold heading ‘Metropolitan Planning Authority’, and under that heading there are a couple of sentences, which say:

Funding for this initiative combined with implementation of Plan Melbourne will be aligned with a new levy on planning permit applications. Refer to the revenue initiative for a description of the levy.

I would be interested to know where that revenue initiative is, but, more pertinently, I am wondering if you can tell us how many permit applications are expected to attract that levy each year.

Mr GUY — Chair, allow me to take the exact number on notice, because I will be able to get that for you. It is a levy amount payable for \$1.30 for every \$1000 of the total estimated cost of development. For example, for a development cost of over \$1 million and up to \$7 million, the maximum that would need to be paid is about \$9000. Projects below \$1 million in value will not be subject to the levy. Obviously it is designed to ensure that permit application costs remain competitive against other states while delivering increased certainty through the new Metropolitan Planning Authority.

The levy will raise an estimated \$17 million a year. It will take effect from 1 July 2015. It is estimated that approximately 6 per cent of all planning permits will be charged the levy, so it is only a very small amount. Having said that, the metropolitan planning levy will provide a specifically targeted income stream to fund the ongoing development of planning policy and strategy for the Melbourne metropolitan area. It will be used to support the implementation of the new strategy for Plan Melbourne and include funding for the Metropolitan Planning Authority. It will kick-start the major employment clusters and allow places like Fishermans Bend urban renewal and Sunshine to be able to be looked at by the Metropolitan Planning Authority.

I direct you to page 79 of budget paper 3. You will see under the levy — I think we just looked at it — where the levy will be introduced. For permit applications in metro Melbourne, it is over \$1 million, and it gives you some details about how the levy will be administered. Obviously it will be under my authority but administered by the SRO. On the preceding page, page 78, the metro planning levy is then mentioned in the revenue measures. You can see under 2015–16, 17.1. Then 17.1 and 17.1 for a third time, in 2017–18. So the measures are outlined in the budget.

We believe that this is a mechanism that will value-add to our central city area. Comparatively, when we are looking at projects of hundreds of millions of dollars, it is a small levy compared to what other states have got in place, but we believe it is one that is reasonable in the times to put in place a new authority. We have had a number of discussions with industry groups and stakeholder groups so that they understand the concept of a metro planning authority. Importantly I think just about all of those groups have said that, while they obviously have issues in relation to levies, they are comfortable with the concept of the metro planning authority being given appropriate and much greater resources. Obviously they want to see the authority then being able to provide a value back to the industry, having been a recipient of the majority of that levy.

I believe we can do that, and I believe the authority is certainly well led. I think it has a good board and a good CEO. It has good staff, and it is certainly skilling itself up. As a consequence it will value-add as an authority rather than just being a drain, as some in the interstate regions are on a comparable levy basis.

Mr PAKULA — Thanks for that answer, Minister, and thanks for directing the committee to the revenue estimates on page 78 of budget paper 3. In some of the other hearings we established that some of these funds have really just gone to the operating costs of institutions. Will the day-to-day running costs of the Metropolitan Planning Authority be funded out of that levy, or is it only for initiatives and implementation? Will the day-to-day running of staff, wages and matters of that like be funded out of that levy?

Mr GUY — Yes. Both will come out of the operation of that levy, Mr Pakula. Just by looking at my notes, I can tell you that around 1800 to 1900 permits each year have a value of over \$1 million, based on the past five years of data, so it is obviously in that figure — and yes to both of your questions.

Mr ANGUS — Minister, following on from your last answer to Mr Ondarchie’s question when you previously talked about the rural flying squad, could they be utilised by the Shire of Macedon Ranges, for example, over the coming year should the council need assistance in structure planning, for example, with the Hanging Rock precinct, as they have said they now will do?

Mr GUY — The answer is yes they probably could. The council has committed to do some proper planning around the Hanging Rock precinct. As you know, the government has come together — both me and the environment minister’s department — to provide a million-dollar pool of money for the council over a four-year period to upgrade facilities in the Hanging Rock precinct to avoid any development in that precinct. That is important. We want to ensure that the eastern paddock area is rezoned to ensure that there is no ability for future development in the Hanging Rock precinct that is inconsistent with what is there now. We are very clear with the council. There are no games, no ifs and no buts. We are going to provide the money they need to be able to provide some operating infrastructure upgrades, whether it is the toilets, for instance, or fencing or whatever might be the case.

Mr O’BRIEN — The picnic area.

Mr ONDARCHIE — Picnics.

Mr GUY — Indeed, Mr O’Brien and Mr Ondarchie — picnics. I am sure a horse and carriage being drawn out there might conjure up some memories of an interesting movie in the 1970s. But having said that, the precinct is one that Victorians love.

Members interjecting.

The CHAIR — Order! Enough!

Mr GUY — Very unkind, Mr Pakula. There is a football ground there, and I know Mr O’Brien is a very good footy player, so he might be able to go there and kick a footy or two.

Members interjecting.

The CHAIR — Any time we want to talk about planning would be good.

Mr GUY — It is a precinct that Victorians love. It is a precinct that obviously we do not want to see spoilt in any way by commercial development. That is why we have provided that money. If the council wants to look at some structure planning in the precinct, that would reinforce the state government’s objectives to keep Hanging Rock as that special place that it is today. Obviously we would look at that request and probably look upon it very favourably, Mr Angus, in relation to some flying squad support, because we believe Hanging Rock as it stands is a magical icon. It is one that so many Victorians love. It is one that as a government we are prepared to put money toward so that the council does not need to engage any commercial development.

We believe that this is the right reason to intervene, although it is not a state government issue. It is the right reason to intervene, but not at the expense of the council — to support the council and of course to support those residents who have been so passionate in their defence of the rock and of the precinct. My colleague Amanda Millar would know that very, very well. She and I have been out there a number of times, and I have even walked up to the top of the rock — no doubt like all of us did when we were school students, but I have walked back again. It is a wonderful place, and I would be happy to talk to the Macedon Ranges Shire Council about the use of the rural flying squad, to see if they can further provide some guidance about how that precinct might keep its natural charm intact.

Mr SCOTT — Minister, I would like to return to the issue of the east–west link assessment committee. That committee held hearings, and according to the departmental website you were represented at those hearings by Mr Chris Townshend, SC, and Ms Marita Foley, who is a barrister. I would just like to have for the committee the cost of your legal representation at that committee hearing.

Mr GUY — Obviously, Chair, you would appreciate that I would not have that figure in front of me, so I will take that on notice and provide it — although some of those names I know are internal Victorian government, VGSO. I will check that for you, Mr Scott; I will see if I can find an answer for you fairly quickly.

Mr O'BRIEN — Minister, at previous PAEC hearings the discussion of VicUrban, now Places Victoria, has been one that has featured. I will just ask you: is there an update you could give us on the financial performance of this organisation?

Mr GUY — Mr O'Brien, no doubt you are quite cognisant of the fact that Places Vic has done some work in Ballarat and in the employment precincts to the west, which is very important for the city of Ballarat, and of course has been integral in making sure that that precinct is one that can bring a large amount of future jobs to Victoria's third-largest population centre. We believe that Ballarat — now just over 100 000 people in its metro area, the 21st city in Australia to do so — does need to provide that level of support, and we would like to continue to do that.

But importantly, as you do ask about the operation of Places Victoria: Places Victoria, I can inform the committee, will in fact turn a profit this year and run well and truly in the black. That is coming off a number of financial inventory impairments over the last 12 months which we have written down and which we have certainly made public through the annual report process: the Officer project, one I think that was agreed to or signed up in 2008, which was a write-down of some \$36 million; Craigieburn, \$16 million or so; in Dandenong, the central city development there, \$15 million or so; the Maribyrnong defence site, \$4 million.

We are looking at projects that have been huge monetary sinkholes for this organisation that it inherited almost entirely in the years 06–2010. In fact inventory impairments totalled around \$94.4 million; that is what Places Victoria inherited from its forerunner, VicUrban. These were risky decisions with little plan for turning a profit into the future. The fibre to the home initiative managed to look even worse than the NBN, which was a unique achievement — a \$45.4 million write-down. That was quite astounding: a government developer becoming a telecommunications provider and indeed managing it badly. Accommodation was written down by \$8.6 million. This committee will be well aware that when I came to government I found that that organisation indeed had a butler. Yes, they had a butler down there serving drinks to everyone at the organisation — quite unique for any developer, let alone a government one.

Member interjecting.

Mr GUY — I repeat for the committee's benefit, it was something we found on inheriting government in 2010, and it is one about which I was very upset. The butler, a lovely bloke he might have personally been — that is not the point. The operation as such, with that level of indulgence, was not in keeping with what standard practice should have been, and so that was not to be continued. Now our staff levels there are below 100. Having had staff levels of over 200 where comparable developers had staff of around 30, we are now down to under 100 — fewer than 80, I understand. That is not because of a desire to reduce staff for the sake of it but a desire to be efficient and live within our means.

As I said, we believe that is important for Places Victoria, which now will start to turn a profit after many years of inheriting some very, very bad development decisions. Some 80 projects were on the books, when a comparable developer would have 8 — just some crazy decisions in 06–2010. This government has put in place a new CEO, who we believe is now managing the organisation well and indeed going to run a very sensible and tight outfit into the future that will be a net asset for the state government.

Ms GARRETT — I refer to budget paper 3, page 241, and the reference to the delivery of robust building systems. Minister, the Building Appeals Board is set to be abolished on 1 July this year, and there are some 300 cases before the board each year. The industry is deeply concerned about what will happen to matters that are part heard when the board is abolished. Could you please advise the committee and the industry how these part-heard cases will be resolved when the board is abolished?

Mr GUY — It is a good question, Ms Garrett. One of the key points about the replacement of this board with the VCAT process is that there will be transitional arrangements in place for those cases currently being heard. Those transitional arrangements will obviously deal with the cases that are under way, and any new cases will be picked up by the newer system that will then be approved.

Ms GARRETT — What date will you be giving certainty to the industry about how that is all going to work?

Mr GUY — We need to ensure that the regulatory processes are in place first, and once they are in place we will ensure that those final dates are obviously well known, the key point being that there will be no change or little change to the operation of that system. In fact it will become far more efficient. It will be presided over by people who are peers in the industry, and I think you will find that it will be a much more efficient system than what currently exists at the moment.

Mr ONDARCHIE — Minister, I want to ask you a question that relates to our ex-servicemen — our retired servicemen, those who gave their lives for us. I know about your own personal commitment in places like Montmorency and Ivanhoe and the repat and the things you have done there personally. This relates to —

Members interjecting.

Mr ONDARCHIE — You might find our fallen frivolous, but I do not. Minister, I notice in the budget initiatives in relation to better central city planning that you have put some planning controls around the Shrine of Remembrance. I am wondering if you could tell us about how they all work and why they have been necessary.

Mr GUY — Thank you, Mr Ondarchie, for that question because it is a very important question. It is exceptionally timely. The shrine controls, as you are saying through the reference in the budget papers, are ones that have been greeted — certainly by the CEO of the Shrine Trustees, Mr Denis Baguley — as, and I will read his quote:

These new controls recognise and respect the significance of one of Australia's most recognisable and most loved structures, and will protect its integrity from the possible impact of external development ...

I, like you, Mr Ondarchie, think that that is an exceedingly important initiative. I think that the permanent mandatory controls in and around the shrine precinct, which once and for all will protect the shrine from any kinds of inappropriate development or overshadowing, are so important not just for our generation but for future generations.

The three municipalities that the controls will apply in — Melbourne, the City of Port Phillip and Stonnington, and more specifically land generally located to the west, south-west and south of the Shrine of Remembrance, south of Coventry Street, extending to St Kilda Junction, impacting places with postcodes such as Melbourne, Southbank, South Melbourne, South Yarra, St Kilda and Windsor — are very, very important. They are very important because they prevent high-rise buildings from adversely impacting the cultural significance, prominence and importance of our shrine. They provide certainty and ensure mandatory application of the shrine vista controls which have been used since 1961, and they not only permanently protect the shrine vistas as viewed from the central line of Swanston Street in front of the state library, but they also manage the backdrop and context within which the shrine sits.

Mr Ondarchie would be well aware that — I think it was in 2008, 2009 — there was the possibility of a pretty large tower being built along St Kilda Road that would have cast quite a physical shadow over the shrine and its precinct. These controls will ensure that the shrine and its trustees do not have to spend tens of thousands of dollars at VCAT to protect the integrity of our shrine and of the shrine precinct. The mandatory controls that are in place, on which we have worked — my department — very well and very successfully with the Shrine Trustees and with those three councils, provide that certainty that the shrine has never, ever had before.

So like you, Mr Ondarchie, I am very pleased, satisfied and excited that the shrine — our shrine, all Victorians' Shrine of Remembrance — is one that will never again face the prospect of inappropriate planning, inappropriate development or inappropriate approvals that might shadow what is indeed the most sacred precinct for all of us in this state.

Mr PAKULA — Minister, I want to talk to you about the operation of the Building Appeals Board and to do so in the context of the mission statement in budget paper 3, page 241, which talks about 'delivering robust land use planning, land administration, heritage and building systems'. I particularly want to look at the question of short-stay apartments. The minister would be aware that many residents living in apartments at Southbank and Docklands are confronted by these short-stay tenants. They tend to rent apartments for things like bucks nights or 21st birthday parties or just loud events. It is of enormous annoyance to residents who are subject to

abuse and property damage and just loud noise all night, and they are having to resort to engaging security guards.

There was a report in the *Docklands News* in July last year — the headline was, ‘Guy declares war on short-stays’ — where you indicated that you were going to crack down on the practice of these short-stayers and empower owners of corporations to manage short-stay operators. Can you take the committee through why that has not been implemented at this stage?

Mr GUY — Chair, this is an issue that covers a number of portfolios, and it is one — maybe there was a little enthusiasm with the media report which you are reading — to which I have certainly — —

Mr PAKULA — Your enthusiasm or theirs?

Mr GUY — I think more so theirs, Mr Pakula. Having said that, I will not in any way recoil from the substantive point of it, which is that I also believe that there are a number of issues with people using residential apartments, particularly in the Docklands precinct, as short-stay hotels. The issues which we are encountering — and they actually do not lie within planning; many of them are within consumer affairs — are in relation to the enforcement provisions for a body corporate to deal with, if you like, rowdy tenants: firstly, to be able to identify and, secondly, to be able to enforce.

We are looking at a number of options, and I have talked to my colleague Heidi Victoria about this on a number of occasions, for what we might be able to put in place. Again, like your initial questions about bushfire regs, it is detailed and it is complex. We are doing our best to provide a greater level of certainty than currently exists. The building classifications, for instance — I think it is classification 2, and maybe classification 3 if it is purely residential — some of those classifications we can have a look at. But it will come down to one key point — that is, the enforcement provisions — and that is where we are running into a level of questions with each other about how we then may resolve what might be coming for a building. How do you enforce it if someone legally owns an apartment and they say that these are their relatives staying there? I mean, how do we prove this and how do we enforce it? These are the kinds of issues which we are dealing with.

I have spoken to Roger Gardner, the head of the Docklands association, a couple of times about this. He is, as you can imagine, very keen to get it resolved and resolve it pretty quickly. In fact I met with him, it must have been about a week ago, and he did raise this issue. Again I stated to him what I am telling the committee now — that is, where we stand on the enforcement provisions. We can do the identification work, but it is about then enforcing it. If an owner simply states, ‘Well, these are my relatives’, then you cannot do much about it. So we are having a discussion. Also we will end up talking to the council about their appeal that they made legally, and I suspect we will probably provide some strengthening of those building provisions. But whether we can go the full way on enforcement, as some in those residence towers believe we should, is still up for some level of debate.

Mr PAKULA — Just as a follow-up, and I am happy if the minister wants to indicate that this should be more appropriately directed to the Minister for Consumer Affairs — I am happy for him to do so — do the matters that the government is looking at extend to things like the Airbnb internet site, where you have basically got a secondary market for the leasing of inner-city apartments all over the world, where people are renting them out for a night over the web and people are just flying in and flying out and making what are otherwise known as residential developments party zones?

Mr GUY — In relation to that site — and I am aware of that — no, it does not.

Mr ANGUS — Minister, I understand that one of the most common issues raised by the development industry in councils is the complexity related to development contribution plans. These can have a direct impact upon employment in Victoria and indeed the state’s budget bottom line. What is the government doing to reform development contributions?

Mr GUY — That is a very important question because while we have in this hearing been speaking a bit about urban renewal and urban precincts and indeed urban growth right across Victoria, one of the key factors which we need to look at is around how community infrastructure can then be funded throughout those precincts. One of, as you say, the most common issues you do hear from those in the development industry — and I would add councils as well to that — is how we are going to provide urban development or development

contributions and what they can then be provided for. At the moment there is a great level of complexity in the system. Development contributions can take between 6 and 24 months to actually work through and be approved, and of course that provides holding costs and that adds to the delays in approval and a range of costs which were unforeseen.

This government engaged a standing advisory committee on developer contributions reform, headed by the head of Planning Panels Victoria, Kathy Mitchell, to work with people from the industry and others to actually find a solution to the development contributions complexities in Victoria. What we believe we have found is in fact the most efficient, the most streamlined system in Australia, ostensibly because those who conducted this inquiry, like we had on previous inquiries before, as we mentioned with Geoff Underwood, are people from the industry. So we are asking people from stakeholder groups, from Planning Panels Victoria, from the planning industry, to come together to tell us what is complex about the system and to advise my department what is complex about it and how we can provide an effective and streamlined response to it.

The reforms which we have back take note of a couple of things. Firstly, an estimated \$3.5 billion in contributions, in 2013 dollars, has been or will be collected from developers to fund infrastructure through this kind of system since 1995. So we are looking at a major system of development contributions in Victoria.

In 2012 I did commit to reforming the existing development contribution system by introducing standard levies and establishing a standard development contributions advisory committee to enable us to do so. The new standard levies for basic and essential local infrastructure will be available from 1 July next year for areas experiencing a significant portion of housing and jobs growth identified in our metro planning strategy, Plan Melbourne, and in regional growth plans. They will be identified as greenfield growth areas or strategic development areas.

These new tools are very, very important, as I said, in terms of industry reform and providing a greater level of certainty. The new system will be fair, transparent and substantially reduce the time and the cost to implement a development contributions plan that will have a materially positive effect, as you can imagine, on housing affordability. The new system will rein in rapidly escalating costs to homebuyers. It will refocus the system to deliver basic and essential infrastructure items which support communities. Rather than just an all-in, it gives local councils and the development industry greater certainty through the introduction of standard levies. It reduces delays for approval and timely resolution of disputes. It provides a greater emphasis on reporting and monitoring of how development contributions are indeed collected and expended. It gives local governments the ability to access and apply standard levies in areas experiencing growth, which they have not had the chance to do quickly or efficiently in the past.

We have, in the strategic development areas, identified that there will be a residential component, a retail component and a commercial and industrial component. That is a different levy for Melbourne and for non-metropolitan areas and again for greenfields areas: a standard levy for metropolitan Melbourne, for residential; a separate levy for retail; another one for commercial and industrial areas; and a different rate again in areas outside the Melbourne metropolitan area.

Just in conclusion, importantly one of the key components for the non-metropolitan residential development levy is that we have included a small-towns levy. Councils that may have a very small amount of growth will now have the ability to put on a per-hectare charge for development or growth in small towns across regional Victoria. Mr O'Brien would know that this is very important for places that are not experiencing the growth of, say, Melbourne, the Surf Coast, the Bass Coast or other areas around Victoria. We want to give to those smaller councils an off-the-shelf mechanism that they will be able to apply in those small towns that will give them a revenue stream that they did not have in the past to provide community infrastructure on a basis that, had they then tried to put this in place under the current system, it may have taken them 6, 12 or even 18 months — not to mention the tens of thousands of dollars in consultants' fees — to be able to produce.

We believe the standard fees, the standard levies, are a win for the development industry, they are a big win for councils and they are a win for Victoria as a whole because they provide us with the most efficient system of development contributions anywhere in Australia, by a long, long way.

Mr SCOTT — Minister, I refer you to the collapse of the wall on Swanston Street on 28 March 2013, resulting, as we all know, in the tragic death of three people. Following the collapse of the wall, you announced

that there would be a statewide audit of all freestanding structures. My understanding is that the audit involved correspondence being sent to builders and councils. What I would like to clarify is: has the building commission undertaken any follow-up work such as inspecting walls or providing any recommendations to improve the safety of Victorians around unsafe building structures?

Mr GUY — The building authority certainly did conduct an audit of some of those freestanding structures. As you know, the City of Melbourne is the responsible authority for enforcing the requirements of the planning scheme for that brewery site; however, the Victorian Building Authority has also been given general powers to bring proceedings in relation to offences against the act or regulations. The building authority wrote to all councils across Victoria urging them to identify any buildings at risk of collapse and to take steps to make them safe. They also wrote to registered builders across Victoria requesting them to assess all structures on sites they are involved with and to take appropriate action to make sure that buildings, including freestanding walls or fences, are safe and secure.

I have spoken to the building authority on a number of occasions about this matter. I am advised that they are constantly in communication with a number of councils about areas that were freestanding that needed to be assessed. In your electorate, Mr Scott, if you drive down St Georges Road, on the left-hand side you will see what was a large fence at what I believe was a convent on St Georges Road that no longer exists. I understand the City of Darebin had words with — I might be wrong, but I am very sure they had spoken to — the building authority as a consequence of this issue, and that is one example where I think there has certainly been some communication.

I am happy to get a proper level of feedback from the Victorian Building Authority as to where they have been on this matter. I think they have been fairly proactive. The new CEO, Prue Digby, is doing an excellent job and has certainly been very communicative with councils on a number of matters, and this has been one.

Mr O'BRIEN — I refer you to budget paper 3, page 244, and the output summaries there. I know there has been a lot of discussion about the importance of bringing infrastructure to growth areas, and I was just wondering, Minister, if you could tell us what has been done to bring forward growth areas infrastructure and why this is such an important issue for the people who live in these growing, new suburbs.

Mr GUY — Thanks, Mr O'Brien, for that question. I know the existing boundaries in your electorate cover some of our fast-growing areas, the fastest growing areas in Australia. This is very important because the delivery of infrastructure to some of those areas is paramount. In fact the way that infrastructure has been delivered, either through development contributions or at a statewide level, is going to have to be different in the years going forward than it has been in the past. Of course we as a government, the current Napthine government, have been very proactive in engaging with industry and seeking new ways in which we can assess state infrastructure in some of these growth areas earlier than would normally be the case.

Developers at the local government level usually come to agreements on what would technically be called works in kind. We have expanded this system to a statewide mechanism. The work-in-kind procedure is one which we believe can bring forward levels of state infrastructure earlier than would normally be the case. The work-in-kind system, through the growth areas infrastructure contribution guidelines, will now allow the development industry to deliver state infrastructure earlier than would have been the case. Rather than paying that growth areas infrastructure contribution as a great big cheque, they can provide, with the agreement obviously of the Victorian government, an in-kind work as they would do with a council in a similar instance, but of course this instance being for state infrastructure not for local infrastructure.

As people move into newer suburbs, the government obviously wants them to have access to infrastructure and services that would not have been the case if there was no growth in those areas. The GAIC WIK guidelines, as they are known — the growth areas infrastructure contribution work-in-kind guidelines — clarify what infrastructure can be provided or funded to offset that GAIC charge. It may include arterial roads, freeways, footpaths, walking and cycling trails, health and education facilities, libraries, community facilities such as open space, recreational centres, stormwater management and IT infrastructure. The process will be overseen by the Metropolitan Planning Authority. With these agreements the development industry can deliver this kind of infrastructure as part of a development contribution with the Metropolitan Planning Authority. It can lock in realistic delivery times; it can get a sensible result. We believe this kind of system will modernise the way we look at infrastructure delivery in our growth areas.

I can tell the committee that there are a number of projects currently being mooted or discussed between the government and the development industry in line with the current guidelines. One is a railway station in our northern growth corridor, which Mr Ondarchie would certainly be very pleased to see ahead of what would normally be the schedule for delivery on that. There is a freeway interchange in the same growth corridor, an arterial road infrastructure in our south-east growth corridor, public school land in all of our growth corridors currently being discussed and of course a grade separated rail overpass in the western corridor which is currently being discussed.

I do not think anyone would say that bringing state infrastructure to growth areas faster than has been the case in the past is something that should not be looked at or something that should not be examined. It was with some regret that I had to fight to get this bill through the Parliament. I would have thought that everyone would be on board a very straightforward and sensible ability to bring forward growth areas infrastructure. But this is now thankfully a piece of armoury for the Victorian government and for the Metropolitan Planning Authority to bring forward some of the state infrastructure earlier than would be the case. I think it is a sensible piece of armoury to deliver this kind of infrastructure earlier, and it is one which I think will serve Victoria very well into the future.

Ms GARRETT — We have had significant discussion this afternoon regarding the changing face of Melbourne, the growth suburbs and also our inner urban areas and the urban renewal that has been going on there for some years now. As you would be aware, there are 41 registered major hazard facilities in Victoria, a lot of which are quite close to the CBD and in these inner city suburbs. There has clearly been increasing residential encroachment in locations near these facilities, and there is growing concern amongst agencies, councils and the community about the safety of having housing developments so close to these facilities.

You will be aware, Minister, that these issues were raised with you in an adjournment debate by the member for Williamstown, where five such major hazard facilities are located. In a response to Mr Noonan's adjournment on 5 April 2011 you advised him that you had asked your department to raise these issues relating to major hazard facilities and appropriate distances between new residential developments with the EPA. Three years after the issue was raised with you there has been no substantive response. Why is that the case?

Mr GUY — That is not necessarily the case. I would further add that a number of the issues to which you are referring, Ms Garrett, were land rezonings by the previous Labor government.

Ms GARRETT — You're the minister now.

Mr GUY — I might be the minister now, but I cannot back-zone land, for instance, that was called in by Minister Madden in Williamstown and rezoned against the council wishes. I cannot retrospectively do a rezone.

Ms GARRETT — You can respond to an adjournment within three and half years.

Mr GUY — I think I responded to the adjournment. You actually read my response to the adjournment, so in fact I did respond to the adjournment.

Ms GARRETT — Not in a comprehensive way. We are waiting.

The CHAIR — Order! This is not a forum for discussion about adjournment responses.

Mr GUY — As I said, there are certain examples of the fact that I cannot back-zone residential 1 zone land near facilities that have been already rezoned by previous ministers. I obviously had spoken, as you can imagine, to a number of people in my department about this issue. The major hazard facility report which was to come down and which made some references to WorkSafe on this issue and the practice notes and guidelines on this issue — the one you refer to in Williamstown in particular, the Woollen Mills site — was that of an advisory committee, and it actually recommended that I be the responsible authority. I gave that power back to the council. It recommended buffers in that report. We put in place those buffers. The controls look to the major hazard guidelines. The ports and environs report with buffer zones is now being put in place.

As I said, there have been a number of reports over a number of years. I accept that you say, 'Yes, you're the minister now. What are you doing?'. I accept that, and that is why I have, particularly in the case of the Woollen Mills advisory committee report, given the planning controls back to the council despite the advisory committee

saying that I should be the responsible authority in this instance. I believe the council should have planning power on land that was, I might say, rezoned by a ministerial intervention against the wishes of the council by Minister Madden. There are instances where I cannot unscramble the egg, but I can provide a greater level of certainty for the community by providing, in this instance, the responsible authority status back to the council where I believe it is important and significant — against the advice, I might add, of an advisory committee.

I have, with great respect, one of your comrades telling me that I should adopt every single finding of an advisory committee report. On that I would have been the responsible authority for the one in Williamstown. I disagree. I believe the council and the community should be responsible. That is why I gave the planning powers back to them.

Ms GARRETT — I note that the answer involves a range of single ad hoc examples and that there has not been an appropriate development of guidelines, as you indicated you were going to look at. Could you point the committee to any line items in the budget which outline any expenditure on implementing any of the recommendations from these ad hoc advisory processes that you have gone through?

Mr GUY — Some of those ad hoc advisory processes that Ms Garrett refer to are advisory processes that were set up by her government, so I am not sure why they are all of a sudden ad hoc. I am not sure why they are ad hoc when you set some of them up. If you want to refer to things being ad hoc, maybe you should actually go back and look who did it. I accept and I will take Ms Garrett's point that some parts of planning policy, including rezonings on Williamstown land, were ad hoc. I guess that is a reference to Mr Madden. I have nothing else to go by.

I would also advise members of the committee that state planning policy framework changes, and what you are effectively asking for, which is state planning policy changes to put in place the findings of advisory committees, do not need a line item for money. That is why we have a department. That is why the government is doing a review of the state planning policy framework. We have this in place. It has been in place for some time. If you are looking for a line item in the budget that will reference an implementation of an advisory committee, with great respect I would say, Ms Garrett, that is why we have a department and that is why we are doing the work we are doing in the state planning policy framework.

Mr ONDARCHIE — I thought you were going to roll into a consultation on the Windsor then, Minister. Can I just talk about urban renewal, specifically the much-maligned Docklands area, which has been talked about as being soulless and a place without infrastructure for people. The Docklands is in my electorate. I am wondering what you are doing to address the problem and about the lack of social infrastructure in that area.

Mr GUY — The only thing soulless and uninviting in reference to the Docklands are the ubiquitous academics who keep criticising it for being that. Docklands is a precinct that is fast becoming Australia's most inviting urban renewal precinct. There is no doubt about it. If that were not the case, we would not have Docklands being home to an estimated 20 000 people and, when it is finished, home to an estimated 60 000 workers. We are now seeing tens of thousands of people come to work in Docklands every day.

As Mr Ondarchie would know, this is a part of his electorate. I can tell the committee with much enthusiasm that the government is soon to open, with the Melbourne City Council, a brand-new civic heart for our Docklands precinct on the corner of Bourke and Collins streets. I will say that again. Robert Hoddle might turn in his grave. At the corner of Bourke and Collins streets in Docklands the brand-new library will open, along with the brand-new park and open space that this government has put a lot of money, effort and goodwill into with the City of Melbourne and Lend Lease to be able to achieve the \$15 million Dock Square development. It will be 2500 square metres of landscaped open space, flanked, as I said, by the intersection of these two iconic streets. The library and community centre adjacent to the Docklands family services and boating hub will be one I think all Melburnians will warm to and indeed love.

The library and community centre and the \$8.5 million family services boating hub are the result of that partnership between the state government, the City of Melbourne, Lend Lease and Places Victoria. It demonstrates the benefits of local and state governments working together with the private sector to implement open space and service provisions in an urban renewal precinct unprecedented anywhere in Australia. In fact as I and the Lord Mayor keep saying, with Docklands about 52 per cent complete, the next half of Docklands will be about people. It will not be about structures.

The first half of this urban renewal precinct has been about building headquarters — the ANZ headquarters, the NAB headquarters and the Myer headquarters, for instance. It is now about putting in the services to attract people to Docklands. As I said, that is why we want to upgrade Harbour Esplanade. That is why we are building a park at the northern end of Docklands near the Bolte Bridge. That is why we put in place a brand-new park at the corner of Bourke and Collins streets. That is why we are about to open a library in Docklands to service its residents. That is why we are putting money towards infrastructure for people and not just focusing on the construction of buildings in this precinct.

I will again say that this precinct will grow to be the most exciting in Australia. I challenge any of the critics of the Docklands precinct to have a look at this precinct in 10 years time and criticise it. I challenge any of them in 10 years to come down to the corner of Bourke and Collins streets to look at the exciting place that Docklands will be on New Year's Eve and say that this precinct is not exciting, is not wonderful and is not different.

The next incarnation of Docklands in many instances will be much more low-rise construction than what has been the case for the past 15 years. That will add a new dimension to this precinct, to this development. In my view it will start to see Docklands becoming a true suburb with its own true personality. I will finish my planning contribution today by saying that that is why I believe that in upgrading Docklands and putting this money in we are building a better Victoria.

The CHAIR — Thank you, Minister. We are out of time for questions.

Members interjecting.

The CHAIR — Order! The hearing has not yet concluded. I would appreciate silence until it is. There were a number of matters taken on notice — five or six questions on notice. We will write to you with the details of those, and we would appreciate a response within 21 days to allow the inquiry to proceed. I thank the secretary and his departmental staff for their attendance. That concludes this hearing.

Witnesses withdrew.