

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2018–19

Melbourne — 16 May 2018

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

#### Witnesses

Mr Richard Wynne, Minister for Planning,

Mr John Bradley, Secretary,

Ms Christine Wyatt, Deputy Secretary, Planning, and

Mr Xavier Hinckson, Chief Financial Officer, Department of Environment, Land, Water and Planning.

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

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Planning, the Honourable Richard Wynne, MP; Mr John Bradley, Secretary of the Department of Environment, Land, Water and Planning; Ms Christine Wyatt, Deputy Secretary, Planning; and Mr Xavier Hinckson, Chief Financial Officer.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege.

The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses 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 verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media must remain focused only on the person speaking. Any filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

### **Visual presentation.**

**Mr WYNNE** — Thank you very much, Chair, and good afternoon. Can I start by acknowledging the traditional owners of the land on which we are meeting and paying my respects to elders past and present. Chair, as indicated, I have with me my secretary, John Bradley; the deputy secretary, planning, Christine Wyatt, to my right; and the chief financial officer, Xavier Hinckson, further to my left. They will obviously be of assistance as required. Before taking your questions, Chair, I will just make a brief presentation of no more than 10 minutes.

Can I start really by framing this conversation around the question of population. Victoria has proven again and again that it is a desirable place to live, with our population continuing to experience the strongest growth in the country, at 2.3 per cent per year. In the 12 months to September last year we welcomed 147 000 people to the state, and the state's growth is the largest and fastest across Australia. We have the highest growth rate on every measure, with births being higher than deaths, the interstate migration rate being the highest in the country and with our state taking the highest number of overseas migrants. This, I would submit to you, Chair, is fantastic news for the Victorian economy; however, it does present challenges, and we need to continue strategic investment in planning across the state to ensure infrastructure can keep up with population growth.

The 2018–19 state budget recognises the challenges we face and has provided funding across a range of planning initiatives that will help support growth and housing affordability and protect our livability. Growth is occurring differently and in different places, and we are seeing changes in the types of location where people are choosing to live. Our growth corridors will continue to play a vital role in accommodating new housing. They offer a diverse range of affordable housing options, with plenty of land in these areas to accommodate growth.

By the end of this year we will have at least 100 000 new lots in our growth corridors. While the average lot price is going up — currently at about \$304 000 — we are still significantly cheaper than Sydney at \$488 000, which is borne out by the number of New South Wales families that are in fact moving to Victoria, both for their housing and indeed employment opportunities as well.

The Victorian Planning Authority is working with local councils to plan new precincts, restructure plans, streamline approvals and support through the Streamlining for Growth program. There has been a further 3.6 million allocated over three years in the 2018–19 budget to speed up the delivery of lots for sale.

We are also spending money on infrastructure in regional Victoria, with budget initiatives including building and upgrading 60 regional schools and improving Victoria's regional road network and public transport, including \$313 million for the Shepparton rail line upgrade. Population has grown in the major regional centres of Ballarat, Bendigo and Geelong in the past four years, with a growth rate on average of around 1.3 per cent annually. In 2017 almost 12 000 dwellings were approved in regional Victoria, a 5.4 per cent increase on the previous year. Greater Geelong in particular has added 17 000 people in the past three years.

My department, Chair, has recently completed a report, *Housing Outcomes in Established Melbourne 2005 to 2016*, which provided some very interesting and crucial insights into housing data and residential growth patterns in Victoria. The report highlights the significant success of Victoria's activity centres, a planning policy introduced over a decade ago. There are now 450 000 dwellings within a 5-minute walk of Melbourne's largest activity centres, including Box Hill, Doncaster Hill, Frankston, Sunshine and Footscray, and I invite members of the committee, if they wish, to access the housing outcomes report; it is on the department's website.

There is also a reason why we introduced our *Better Apartments* guidelines last year, which have been well received by the community: to ensure people are living in places with good natural light and ventilation with reasonable room sizes, storage facilities and outdoor space. The government is continuing its investment and commitment to reform by providing approximately \$600 000 over two years to the building better apartments project for the development of new exterior design standards.

Our major urban renewal sites play an important role in housing Melbourne's future population and employment. Fishermans Bend is the largest urban renewal project in Australia. It is an ambitious and innovative development that is going to be home to around 80 000 people living there, and 40 000 jobs. Building on the \$10.1 million provided in the 2017–18 budget, the 18–19 budget provides 4 million more to continue our planning for the future development of the precinct. This will allow the Fishermans Bend Taskforce to complete the neighbourhood and employment precinct plans.

As we know, the building industry is a very significant contributor to the Victorian economy. The transformation of the housing landscape has been characterised by more high-rise residential developments. In response to the Lacrosse apartment fire in Docklands in November 2014 and of course as we all know the tragic Grenfell Tower fire in London in June last year, I established the Victorian Cladding Taskforce to investigate the extent of non-compliant cladding on Victorian buildings. The task force has made a series of recommendations for improvements to protect the public and restore confidence in the industry. The budget allocates \$25 million from my department for the task force and the Victorian Building Authority to continue this important work.

We will also reform local government planning, as we need to meet the challenges of growth with a modern and fit-for-purpose planning system. Over the past two years we have been working hard to bring our planning system up to date, modernising it and improving its efficiency through the Smart Planning program. I am pleased to say that a further 14.7 million over three years has been provided. We will partner with local government to deliver streamlined, digital local planning schemes that enable greater consistency and certainty in land use decisions that are being made across Victoria.

Lastly, with Victoria's record level of construction resulting in significant demands there comes an increased number of planning system responses and permit applications. The budget provides 9.7 million over two years to fund additional resources for planning. This will increase capacity within the planning system and support timely assessments of permits and amendments which in turn will support Victoria's growing economy by facilitating development and creating jobs. I would submit to you that we are well placed to cater for population growth and we are planning for the future of our great state of Victoria. I am happy to take questions.

**The CHAIR** — Thank you, Minister, I might lead off, if I may. The budget paper reference is budget paper 3, page 60. I note that \$4 million has been allocated to complete the planning for the Fishermans Bend urban renewal precinct. Can you outline to the committee how this investment will help ensure that we get Fishermans Bend right?

**Mr WYNNE** — Thanks very much for the question, Chair. I do not need to remind the committee of what we inherited in 2014 when we came to government: the decisions made by my predecessor to up-zone land at Fishermans Bend overnight to the capital city zone, in many cases tripling or in fact quadrupling the value of those sites. It was quite an extraordinary decision without, frankly, any thought being given to the impact of that decision and particularly no thought given to the key infrastructure that needed to be put in place to support a potential population of 80 000 people in the future who are going to live there and 40 000 people who are going to work there. So in that context we had an enormous challenge ahead of us. So, no planning for open space, no planning for maternal and child health services, only one school site acquired when we were going to need potentially at least three or four going forward — all of what I would call the key social infrastructure, the glue that holds communities together, none of the planning for that actually occurred. So we have had to start pretty much from ground zero.

I well remember in the early days of my time —

**Mr T. SMITH** — What about the train station? What did you do with the train station?

**Mr WYNNE** — You want to talk about the train station?

**Ms WARD** — Minister, they can talk with the train station in their own time.

**Mr WYNNE** — I promised myself I would not be provoked by him today, Chair. I will do my best not to be.

**Mr T. SMITH** — You will be. You can't help yourself.

**Mr WYNNE** — I will do my best not to be provoked by you.

**Mr T. SMITH** — So lovely to see you again. We have missed you.

**Mr WYNNE** — And you.

**Mr T. SMITH** — Bless.

**Mr WYNNE** — God bless.

**Ms SHING** — If only you treated female witnesses to the committee in the same way, Mr Smith.

**Ms Ward interjected.**

**Mr T. SMITH** — What are you implying, Ms Shing?

**The CHAIR** — Order!

**Mr T. SMITH** — What are you implying? Seriously, say it.

**The CHAIR** — Order!

**Members interjecting.**

**Mr DIMOPOULOS** — The way you conducted yourself with the Department of Education staff —

**Mr T. SMITH** — Well, none of them answered the questions, the minister or the departmental executive staff.

**Ms WARD** — I would like to hear from the minister.

**Mr T. SMITH** — You can run your gender arguments as much as you like. It is grubby, unnecessary and I do not ask for retractions because I am made of sterner stuff than you, one of the biggest sooks in the building, but, you know.

**The CHAIR** — Order! The minister to continue, please.

**Mr WYNNE** — Thanks very much, Chair, I will continue. So when we did come to government a very senior private sector planner described Fishermans Bend as the wild west, where sites were being flipped, massive gains for a few, but, as I have indicated, none of the work that needed to be done to ensure that we had

the key infrastructure in place to support this population for the area. So that is why the 2018–19 budget will provide a further \$4 million to continue to fund both the operations of the Fishermans Bend Taskforce, which has been given the duty to actually put in place all of the planning frameworks for Fishermans Bend, and crucially to look towards both what are the key infrastructure needs for Fishermans Bend and how in the future are we going to be able to fund that, because it is a very, very significant challenge going forward.

If you think about Fishermans Bend in the context of urban renewal sites, this is the biggest urban renewal site in Australia, literally on the doorstep of the city. Frankly, we have an obligation to actually get the planning of this right for future generations going forward. We have learned the lessons, obviously, of Docklands where some of the poor planning decisions at Docklands — and they were made by successive governments — meant that, for instance, the Melbourne City Council has had to backfill very significantly things like a library, that were not anticipated nor planned for at Docklands.

We now have a school site that has been identified for a primary school, which will be required in Docklands. I think we have learnt those lessons and now we will find ourselves with the opportunity through this important investment by the government to actually get the planning right for this wonderful opportunity that we do have. I am also able to indicate to the committee that the strategic investment that the government made in the Holden site is a really significant investment because it actually ensures that you marry together both the employment opportunities and high-end employment opportunities that will come in Fishermans Bend with obviously the residential population that will be living there as well.

As we know, only in the last couple of months Melbourne University have indicated that they will be moving their engineering school to Fishermans Bend, which is just a huge boost to the area. There are obviously still significant concerns in relation to public transport, and the government will use some of the \$4 million that has been made available in this budget to further investigate how we get significant public transport into Fishermans Bend, because that is going to be the key to how Fishermans Bend will develop going forward.

**The CHAIR** — Again, on the same budget paper reference, budget paper 3, page 60, can you outline to the committee how the calling in of the 26 outstanding permits will help assist in terms of the realisation of the vision of Fishermans Bend?

**Mr WYNNE** — As members would be aware, I made quite an unprecedented decision in February to call in 26 applications that were yet to be considered. I did that in the context of recognising that there are in fact at the moment 23 approved permits in Fishermans Bend, but only a couple of smaller applications have actually been built at the moment. They have been called in, and they have been put aside for the moment whilst we go through in effect a planning panel process which is seeking to put in place permanent controls for Fishermans Bend. That expert advisory panel is sitting as we speak, and they expect to complete the panel work in — I think it is two weeks?

**Ms WYATT** — Correct.

**Mr WYNNE** — In two weeks. And then there will be an opportunity for the panel to continue its work and provide me with a report, which I expect to receive sometime mid-June, when we will make a final decision on permanent controls for Fishermans Bend. Then the 26 applications that have been set aside will obviously be considered in the context of what new controls are being put in place. I do appreciate that this has caused some angst to a number of applicants, and I do understand that, but through the representations of senior counsel who represent me at the panel we have made it clear that we will seek to expedite these 26 permit applications as efficiently and quickly as we can once permit controls have been put in place.

**The CHAIR** — Obviously from a zoning perspective or a planning perspective the capital city zone certainly would increase the value of land as opposed to if it was an industrial zone or if it was just a general residential zone. So given the fact that this area is now zoned as capital city, what impact does that have in terms of the cost of land in order to purchase land or secure land for the essential infrastructure you have alluded to such as schools and the like?

**Mr WYNNE** — Well, it has massive implications. I simply draw to your attention that whilst my predecessor did in fact locate and purchase a parcel of land for the primary school — and that was the first high-rise primary school to be built in the state — there was no land set aside for where the children could play. I mean, it was extraordinary. So we had to acquire an adjacent site, which we did in partnership with the City of

Port Phillip, and we thank them for partnering up with us in such a very cooperative way. But the uplift received by the landowner, through no fault of his — I will have to hold on exactly what the amount was; I will get the amount for you, Chair — was a very significant uplift simply on the basis that he had a warehouse there that happened to be an on almost contiguous parcel of land to the school. It was an ideal site for public open space for the school, but I will get you the actual uplift figure.

**The CHAIR** — You referred to the engineering department from Melbourne University relocating down there. I think some of the challenges we have had in the past from a planning perspective is that often people do not work close to where they live, so therefore that puts pressure on the road networks and public transport. In relation to this precinct and the investment you have made with the 4 million, what steps have you taken or do you foresee taking to encourage that level of industrial development down at Fishermans Bend so that people have got the ability to live and work in the precinct?

**Mr WYNNE** — There is already significant high-end employment. Boeing is there. Obviously the engineering school will be there in the next couple of years, and we see this being a really important attractor of other high-end manufacturing into that precinct. When you do have a prestigious anchor tenant like Melbourne University, it is an extraordinary opportunity for the clustering of other like-manufacturing as well. It is a bit analogous, can I say, to the economic and innovation clusters that we have indicated through *Plan Melbourne*. I will just point you to one that is really literally on our doorstep here, and that is the Parkville cluster where, through the extraordinary investment of government basically and the partnership with Melbourne University in that precinct, the new Peter MacCallum Cancer Centre is not just a centre for treating cancer. There are in the order of 200 researchers who are actually based in a building in the Doherty centre next door. What you see from this clustering and agglomeration is in fact other investment that comes into the precinct as well, and very interestingly —

**The CHAIR** — Order! We will come back to that, Minister. If you are able to provide that figure on notice in relation to the land, that would be helpful and useful.

**Mr WYNNE** — I will get that for you before the end of the session.

**Mr MORRIS** — Good afternoon, Minister. The budget paper reference is BP5, page 149, but what I want to ask you about is the growth areas infrastructure charge. How much currently remains in the pool at Treasury?

**Mr WYNNE** — Thank you very much, Mr Morris, for the question. As we know, GAIC funds capture money from windfalls to owners from when land is rezoned to ensure that developers do contribute to community facilities and infrastructure, such as schools, ambulance stations and public transport. I think since we last talked about this, Mr Morris, we have had a slight change in the way that the decisions around GAIC are in fact made, so I and the Minister for Suburban Development make recommendations to the Treasurer, who gives the final approval.

I can advise you that up to March this year the government has committed 165 million from GAIC for 35 projects compared to a very, very miserly amount of only 4 million during the term of the previous government. Last year for the first time the amounts for new commitments made equalled the funds that were received. So in this year's budget 205 million of eligible projects were approved and will be funded through GAIC. Funded growth corridor projects include, not in any particular order —

**Mr MORRIS** — I was actually asking about —

**Mr WYNNE** — How much is left over?

**Mr MORRIS** — how much is in the pool. Given that the budget suggests you are going to collect \$1.15 billion over the forward estimates, what is your starting point?

**Mr WYNNE** — I will ask the secretary. He has actually got the answer to that.

**Mr BRADLEY** — Just to give you the answer to that question, our total commitments — as of the end of these budget commitments that the minister was outlining — are 373.5 million, and the total accumulated cash receipts are forecast to reach 389 million by 30 June 2018. You can see the difference between that 389 million forecast receipts and 373 million, which is the balance at the end, but again that would be an unprecedented outlay in the history of the fund to date.

**Mr MORRIS** — Sorry, just to clarify those figures, there is 389 million as at 30 June or current balance?

**Mr BRADLEY** — The forecast for the coming 30 June in 2018 is \$389 million, and with the budget announcements the minister was referring to earlier the current commitments are 373 million.

**Mr MORRIS** — And when do you envisage those commitments being disbursed?

**Mr BRADLEY** — In terms of the timing of the commitments, they will be disbursed in accordance with the project delivery by individual state government agencies.

**Mr WYNNE** — Mr Morris, I will give you just a brief run-down on what some of those are. There is 116 million for —

**Mr MORRIS** — No, Minister, at this stage I am just trying to get a handle on the figures. What the actual projects are is not what I am asking.

**Mr WYNNE** — You do not want to know about those?

**Mr MORRIS** — Not at this stage, no.

**Mr WYNNE** — Okay. Fair enough.

**Mr MORRIS** — I am sorry, Mr Bradley, the minister sort of drowned you out towards the end, so we have got —

**Mr WYNNE** — I was just providing a bit more assistance, that is all.

**Mr MORRIS** — We have got 389 million at 30 June, commitments of 373.5 to be disbursed —

**Mr BRADLEY** — Sorry, I am just having trouble hearing you. I am wondering if you could just speak closer to the microphone.

**Mr MORRIS** — Yes, we have got a common problem.

**Mr BRADLEY** — Sorry.

**Mr MORRIS** — So we have got as of 30 June this year \$389 million in the fund —

**Mr BRADLEY** — Would be the forecast cumulative receipts over the life of the program.

**Mr MORRIS** — Okay, well, the question was: what is the account balance at this point?

**Mr BRADLEY** — Yes, and the forecast commitments over the life of the program are 373 million. I am doing this on the fly, but I think that the delta between those two figures would be —

**Mr WYNNE** — The chief financial officer, Mr Morris, may provide assistance.

**Mr HINCKSON** — Thank you, Minister, and through the Chair I can answer the question from Mr Morris. The balances of the account at any point in time are set out in the financial statements of the department — we actually answered a question on that at the financial outcomes hearing in February — and they are in note 7.4 of the department's annual report. The 30 June balance, I think, was \$260 million. The disbursements that the secretary and the minister are referring to are the receipts from 30 June last year, receipts during 2017–18, and then that leads to a cumulative balance that the secretary has referred to, and that is the amount that has been committed as the secretary and the minister have explained.

**Mr MORRIS** — And that is the 389 and the 373.5 commitments against that amount.

**Mr HINCKSON** — That is right.

**Mr MORRIS** — So does that include the \$205 million that the minister was referring to earlier?

**Mr BRADLEY** — That is correct.

**Mr HINCKSON** — Yes.

**Mr MORRIS** — So the money that comes in over the next four years, the \$1.15 billion, is not committed at this point.

**Mr HINCKSON** — The \$1.15 billion that you are referring to is in budget paper 5. Is that page 142?

**Mr MORRIS** — That is the one.

**Mr HINCKSON** — There was actually a similar question on this last year as well. Those are, I suppose, the receivable amounts due under the legislation from relevant developments; they are not actually the cash receipts for the fund. The cash receipts for the fund are set out on a different page of budget paper 5, if you will bear with me a moment. They are on page 184, where the Consolidated Fund special appropriations are set out in table A.4. You can see the receipts for the Department of Environment, Land, Water and Planning that are subject to section 201V of the Planning and Environment Act are separated out into the two different special-purpose trust accounts that have been set up to hold receipts for this fund. So as you can see, only \$145 million —

**Mr MORRIS** — So that gives us the figure for the next 12 months?

**Mr HINCKSON** — Yes, and that is 145 in that table, as compared to the 238; that is the receivable amount. That is in table 4.2.

**Mr MORRIS** — So you are saying we do not have a better picture than that over the forward estimates; is that correct?

**Mr HINCKSON** — That is correct.

**Mr MORRIS** — Minister, can I move to the issue of land prices. As of the end of the December 17 quarter, the price for a standard block for development in the growth areas was slightly over \$300 000, which means that families are paying 42 per cent more for their land in just two years. Isn't that a straight smash on housing affordability?

**Mr WYNNE** — Mr Morris, that is exactly why the government has an ambitious target of putting into the market 100 000 lots through the Victorian Planning Authority. This is about a supply side response to address what — there is no question — has been an escalation in land value. It is self-evident, and what you say is correct, but we believe that by putting these extra 100 000 lots into the market it will have a dampening effect on price rises. So it is an important supply side response, but more importantly it is also about not just dumping land into the market; it is in fact putting land into the market through the precinct structure planning process. From the point of view of people who are buying in those markets, they will have a fully articulated plan for the area that they seek to buy in. What does that mean? It means that if they are going to buy in any of these PSP areas, they will know where the schools are going to be —

**Mr MORRIS** — Can I just take you back to the additional supply you talk about. How many extra weeks is that?

**Mr WYNNE** — Pardon me?

**Mr MORRIS** — How many extra weeks supply is that?

**Mr WYNNE** — The 100 000 lots?

**Mr MORRIS** — Yes.

**Mr WYNNE** — In terms of?

**Mr MORRIS** — What is your plan going to do to —

**Mr WYNNE** — I am having some difficulty hearing you, I am sorry.

**Ms PENNICUIK** — It is hard to hear you, Mr Morris.

**Ms SHING** — It is an acoustic echo.

**Mr WYNNE** — There is some sort of echoing effect.

**Mr MORRIS** — If I got any closer to the microphone, I would be climbing into it, so there is not much I can do.

**Mr WYNNE** — Well, I am sorry.

**Mr MORRIS** — What I am asking you about is the impact of your plans on trading stock; what is it going to do in terms of week-to-week, month-to-month supply, because that is what is driving the prices up?

**Mr WYNNE** — Well, I will answer it in this way: the VPA has completed 65 precinct structure plans for greenfield suburbs, delivering zoned residential land supply for in the order of 323 000 new lots, or about 15 years supply, and providing for around 5200 hectares of employment land for a population of nearly 1 million — a bit less, 900 000 people.

**Mr MORRIS** — The problem is there is less than a month's stock available now because land is not being released quickly enough.

**Mr WYNNE** — Well, that is the whole reason why we are in fact putting more lots into the market.

**Mr MORRIS** — What is the average price of a block now on the urban fringe?

**Mr WYNNE** — As I indicated in my earlier — actually you were not here when I did my earlier presentation.

**The CHAIR** — Order! We might come back to that. Ms Pennicuik until 3.25 p.m.

**Mr MORRIS** — I have heard a lifetime's worth of ministerial presentations, thank you.

**Mr WYNNE** — Sorry, you missed it. I have got the figure there.

**The CHAIR** — We will come back to it, Minister. Ms Pennicuik?

**Ms PENNICUIK** — You have got to be quick.

**Mr WYNNE** — Hang on. I will tell you.

**Ms PENNICUIK** — Good afternoon, Minister, secretary, deputy secretaries and the chief finance officer.

**Mr WYNNE** — Here it is. Mr Morris, I am very sorry you missed it. It was a very, very fine presentation.

**Ms WARD** — Ms Pennicuik has the call, Minister.

**Mr WYNNE** — I was just going to give him the figure, if that is okay: 304 000, an average lot in Victoria, as compared with Sydney at 488 000 — so significantly different.

**Ms PENNICUIK** — As I was saying, good afternoon, Minister —

**Mr WYNNE** — A very good afternoon to you as well.

**Ms PENNICUIK** — secretary, deputy secretaries, CFO and other staff who are here. If I could just quiz you a little bit more on your discussion of Fishermans Bend earlier, with the budget allocation — budget paper 3, pages 60 and 68 — there is the \$4 million for planning called 'From planning to delivering'. Then there is another \$1 million for improving transport links between Fishermans Bend and the CBD. When you were speaking you sort of put them together and you suggested that the \$4 million included the transport part —

**Mr WYNNE** — No, there is — sorry, go on.

**Ms PENNICUIK** — Well, you did sort of indicate that, so perhaps you could elaborate on what that \$4 million does. Noting that neither of those have any allocation into the forward estimates —

**Mr WYNNE** — That is correct.

**Ms PENNICUIK** — what is your time frame for finishing the planning and the transport links?

**Mr WYNNE** — I am sorry if I was not clear. The 4 million is really for the master planning work and for the task force to complete the strategic plans for Fishermans Bend. The 1 million is for public transport planning for a new connection between Fishermans Bend and the CBD. What that might look like — it is likely to be a light rail option, but the \$1 million is to continue on doing the strategic work.

**Ms PENNICUIK** — It is not the same group of people doing both of those works? Are there two different groups of people doing the work?

**Mr WYNNE** — Well, it is an interesting collaboration because the Fishermans Bend task force brings together all of the key players from local government — so City of Melbourne and City of Port Phillip are there, Public Transport Victoria — and all of the actors that you would expect that do have an interest in the development of Fishermans Bend actually come together and sit together in a task force. It is quite a unique grouping of expertise.

**Ms PENNICUIK** — I know about the task force, but is it the task force that is going to develop this transport link, is it the department of transport or Transport for Victoria, or is it some other group?

**Mr WYNNE** — DEDJTR.

**Ms PENNICUIK** — It is a very big department.

**Mr WYNNE** — Economic Development, Jobs, Transport and Resources — transport.

**Ms PENNICUIK** — So it is not the task force that is doing it.

**Mr WYNNE** — It is both, because that expertise —

**Ms PENNICUIK** — It would appear to me that the department of transport could do this, with the task force.

**Mr WYNNE** — And they will.

**Ms PENNICUIK** — That is what I am clarifying.

**Mr WYNNE** — It is about bringing the expertise of transport and land use planners together to obtain the best result.

**Ms PENNICUIK** — Clear as mud. Thank you, Minister.

**Mr WYNNE** — Well, I thought it was.

**Ms PENNICUIK** — If I could turn to your presentation —

**Mr WYNNE** — What is not clear about it?

**Ms PENNICUIK** — Whether there is a different group working on the actual transport link as opposed to the other planning that the task force is doing.

**Mr WYNNE** — It is a question of where they sit.

**Ms PENNICUIK** — But I do not want to —

**Mr WYNNE** — You do not want to pursue that?

**Ms PENNICUIK** — I have a limited amount of time.

**The CHAIR** — I am willing to grant you another minute of government time because of the earlier intervention.

**Ms PENNICUIK** — If I could go to your presentation, which does not have page numbers on it, so I will show you —

**Mr WYNNE** — That is a mistake.

**Ms PENNICUIK** — It says, '\$25 million to ensure building safety and increased regulator activity'. Could you give us some more information on that? While building safety I think is an issue — not only the cladding issue but other issues, some of them probably even unknown as to what is going on in the building industry — and increased regulator activity, because certainly part of the issue has been not enough regulator activity in terms of building safety, could you give some more information as to what that \$25 million is for — what you are focusing on?

**Mr WYNNE** — The Victorian budget, as you indicate, Ms Pennicuik, includes 25 million to give authorities the resources they need to check more buildings for dangerous and combustible materials and obviously crack down on builders who flout the law. The funding will cover three elements. The Victorian Cladding Taskforce, which I know you are aware of because you have been briefed on this, is being jointly chaired by former Premier Ted Baillieu and former Deputy Premier John Thwaites, and they have brought together, again, all of the key experts in relation to —

**Ms PENNICUIK** — Is it beyond the cladding issue? That is what I am getting at.

**Mr WYNNE** — It is about the cladding and auditing.

**Ms PENNICUIK** — Okay, so that is just the cladding issue. Minister, you would know that we take the view that it is good to have the task force, it is good to have the auditor and it is good to have the regulator, but there needs to be some funding for people to be able to replace the cladding in a timely way given, for example, it took three years with the cladding at the Lacrosse building for the builder, LU Simon, to come to the party, and a lot of people who had no idea what trouble they were getting into are in a bind in terms of being able to finance it up-front. Will the government put some money towards a fund to assist people — to assist building compliance? If you could take that on notice, thanks, Minister.

**Ms WARD** — Minister, in budget paper 3, page 217, objective 6, 'A quality built environment', talks about 'fair and transparent planning, building and heritage systems', which are all very honourable and important objectives. Could you please talk us through how the government is able to achieve these objectives, especially in light of where you can hit the odd hurdle or challenge such as when the Liberals, Nationals and Greens team up and decide to revoke planning decisions like they did with the western distributor, the West Gate tunnel?

**Ms PENNICUIK** — It is part of the act, the Planning and Environment Act.

**Mr WYNNE** — Thank you, Ms Ward, for your question. Whilst Ms Pennicuik in her side comment indicated that it is a feature of the Planning and Environment Act that planning scheme amendments can be revoked, history does not judge these actions very well, because it has been used very, very infrequently. Indeed I was pointed to what I thought was quite an important comment that was actually made by the now Leader of the Opposition in a debate in 2010 where he indicated, as planning minister:

... we do not want to turn the upper house of Victoria into a responsible authority on every planning matter around the state.

And I think that was very wise counsel at the time. What has happened in the interregnum of course is that we have seen what could only be regarded as, I think, an undermining of investment confidence in the state.

**Mr T. SMITH** — You tore up a contract. You paid \$1.3 billion not to build a road. What a rort.

**The CHAIR** — Order!

**Mr WYNNE** — I think that a road of course that was subject, as you would recall, Mr Smith, to a —

**Members interjecting.**

**The CHAIR** — Order! The minister to continue without interruptions. The minister was asked a question. The minister to respond.

**Mr WYNNE** — It was providing a return I think of 46 cents in the dollar and was reliant upon a side letter from the Treasurer. Cut it out!

**Ms WARD** — Minister, if I could draw you back to what I have asked you about rather than being distracted by the antics of Mr Smith, that would be helpful.

**Mr WYNNE** — The point that has to be made is that anywhere that I have gone since these revocation motions, some successfully and some not, have been a feature of the upper house, people have just looked in dismay at what is going on in this state. If you look at a project like the West Gate tunnel project, I do not think there is anybody who does not think that we need a second crossing of the river. The West Gate Bridge is absolutely over capacity; it is basically gridlocked. I recall the last time that the revocation motion was put before the upper house we actually had an accident on the West Gate Bridge which completely blocked the bridge for basically half a day. I do not think anybody can possibly argue that we do not need an alternative to the West Gate Bridge.

In that context we went through, with that project, the biggest environmental effects process; it was an exemplar of how an environmental effects process should in fact occur. It was the most rigorous assessment and consultation process frankly available in the state, but for whatever reasons, you people have decided to team up and say, 'Well, we want to revoke this', and it sends a terrible message to the business community. In that context the government actually stands by the project, and it stands by the rigorous assessment that was made of that project, and we hope that the opposition parties, and indeed the Greens, do see some sense in letting this project proceed. There are literally thousands of people who today are working on this project, and frankly, I would implore you to reconsider your position and not go down the pathway of this revocation.

**Mr MORRIS** — If you sought parliamentary authority to do that, you might have a different story.

**Mr WYNNE** — Pardon me?

**Ms WARD** — Minister, it is my turn to ask questions; you do not need to worry about Mr Morris.

**Mr T. SMITH** — Do not be directed by them, Minister. If you want to engage in free and fair debate with us, bring it on. If the gaggers over here want to try to shut you up, I think it is very disrespectful to you.

**The CHAIR** — Order!

**Ms WARD** — Further to that question — with Mr Smith yet again speaking over the top of people, you would think, given the amount of money that Mr Smith's parents spent on his education, he would have better manners, but unfortunately it is not the case.

Minister, if I can get you to go back to my original question. I suspect that, as you have indicated, occasionally revocations do occur and they have been, in the past at least, relatively rare. I would imagine that when you are considering to do a revocation that you would take into consideration economic effects, including employment and industry and so on. Of course, being the parliamentary secretary for employment, it is something that I am particularly interested in. Could you please talk us through the effects that these revocations can have?

**Mr WYNNE** — The immediate effect is that because of the nature of the contract, if there is not a planning approval in place the project stops. The government would be subject to significant penalties from the people who are in fact building the project. These are real costs that the government would incur on a project that is of incredibly important state significance to us. We have to ensure that as a 21st century state —

**Ms PENNICUIK** — We would not be building a road that takes cars right into the centre of the city in a 21st century state.

**Ms WARD** — So how many jobs were there for the West Gate tunnel that were in jeopardy?

**Ms PENNICUIK** — Right into the Parkville precinct, just funnelling cars in there.

**Mr WYNNE** — Look, I am very happy to talk about how the tunnel comes out —

**Ms WARD** — And I am sure, Minister, that opportunity will arise when Ms Pennicuik asks her own questions. She has got ample opportunity to do that.

**Mr WYNNE** — At the moment there are literally thousands of people who have been employed already on the project, and what is really significant about it is that it is offering great employment opportunities, particularly for apprentices, which of course is part of the government's procurement strategy. If you make decisions that really, I think, undermine both the planning process, given just how thorough the process was in assessing —

**Members interjecting.**

**The CHAIR** — Order! Can the minister respond to Ms Ward in the remaining 40 seconds?

**Mr WYNNE** — So the answer, Ms Ward, is that we are talking thousands of jobs.

**Mr MORRIS** — How many jobs were lost from the east–west link? How many jobs did that cost?

**Mr WYNNE** — People are working onsite now on one of the biggest infrastructure projects in the state.

**Mr MORRIS** — One of the biggest rip-offs in the state's history; Transurban's biggest payday.

**Mr WYNNE** — I do want to remind the committee that of course the business case for this project provides a return of \$1.30 for every dollar invested, as opposed to the paltry 45 cents in the dollar, propped up by a bodgie side letter.

**The CHAIR** — Order! Does the opposition have a question?

**Mr T. SMITH** — Minister, in relation to places or objects assessed for the Victorian Heritage Register referred to on page 217 of budget paper 3, the Corkman issue is ongoing and of great concern to all of us. Essentially in the Corkman case, developers without the relevant permits tore down a heritage hotel, and yet, Minister, will you confirm for the committee that the lobbyist for the Corkman group is Will Fowles, a fundraiser and donor for you in the Labor Party, and indeed a candidate?

**The CHAIR** — I am struggling to know how this relates to the budget estimates, Mr Smith.

**Mr T. SMITH** — Mr Fowles is acting for the — and I might mispronounce this — the Makshaq group, the developers that tore down the Corkman Hotel.

**The CHAIR** — Again, Mr Smith, are you asking if the minister knows that Mr Fowles has been engaged? I am just trying to understand what the line of questioning is.

**Mr T. SMITH** — I am happy to restate my question.

**Mr WYNNE** — I understand the question.

**Mr T. SMITH** — The minister is happy to answer.

**Mr WYNNE** — Mr Smith, I know Mr Fowles acted for them at the point when the hotel was demolished. I do not know that he had any further ongoing role. I am simply unaware of it.

**Mr T. SMITH** — Because it would appear to me that Mr Fowles is organising dinners with Daniel Andrews and yourself at the Flower Drum for some significant fee — \$1500 a head.

**Mr WYNNE** — For me?

**Mr T. SMITH** — Yes, for you. You and Daniel Andrews. Will Fowles and Piper Communications are organising dinner with the Victorian Premier, Daniel Andrews, and the Victorian planning minister, Richard Wynne, at the Flower Drum. And 'Labor for Mordialloc fundraiser for Tim Richardson —

**Members interjecting.**

**The CHAIR** — Order! Mr Smith, I am not sure how this relates to the budget estimates.

**Members interjecting.**

**Mr T. SMITH** — It says:

Legendary auctioneer, Will Fowles, (Labor candidate for Burwood), will offer a huge array of Labor collectables.

**The CHAIR** — Is there a question, Mr Smith?

**Mr T. SMITH** — Do you not think that, Minister, there is something pretty murky about that, about a Labor candidate acting as a lobbyist for a group of people that perpetuated one of the biggest crimes against heritage —

**Ms SHING** — Point of order.

**Mr T. SMITH** — in Melbourne's recent history?

**Members interjecting.**

**The CHAIR** — Order! There is a point of order before the Chair.

**Ms SHING** — On a point of order, Chair, any question that begins with 'Do you not think' is again asking for an opinion, Mr Smith. This has been brought to your attention on multiple occasions now.

**Mr T. SMITH** — Chair, the minister is more than capable of answering these —

**The CHAIR** — Again, Mr Smith, I am not sure how this relates to the budget estimates.

**Mr MORRIS** — Chair, the connection is quite clear. Mr Fowles has been acting for a person who demolished a heritage building —

**The CHAIR** — Okay, sorry —

**Mr MORRIS** — which is clearly in the minister's portfolio.

**The CHAIR** — I think, as the minister indicated in the answer to the previous question, he was aware that Mr Fowles was engaged at that point in time. It is not clear that Mr Fowles is currently engaged in this matter. I am just not sure how this relates to budget estimates.

**Mr T. SMITH** — Have you asked Mr Fowles about this matter?

**Mr WYNNE** — No, I have not. Can I say in relation to this alleged fundraising dinner, I know of no such event and nor was I also involved any such event. It is as simple as that.

**Mr T. SMITH** — Piper Communications — 'Dinner with Daniel Andrews and Richard Wynne'.

**Mr WYNNE** — I will repeat again, just so you are clear, Mr Smith.

**Ms SHING** — What is the date on that, Mr Smith?

**Mr T. SMITH** — No, there is no date attached to it.

**Members interjecting.**

**The CHAIR** — Order!

**Mr WYNNE** — Chair, this is a very important question. This is an extremely —

**Members interjecting.**

**The CHAIR** — Order!

**Mr WYNNE** — This is an extremely important question, and I will answer it — absolutely, I will answer this. No such event occurred, and I have had no involvement whatsoever in any such event. I know nothing of it. Is that clear?

**Mr T. SMITH** — I hear what you say, Minister.

**Mr WYNNE** — No, do not hear what I say — understand that I have had no involvement whatsoever in any such fundraising event and, as you know very well and as I have spoken of at this committee on any number of occasions, I do not attend such events. Any events such as Progressive Business events that I attend, which are membership-based events and the development community invite a lot, I will always have a probity auditor with me.

**Mr T. SMITH** — I am happy to table these —

**Mr WYNNE** — No such event have I been involved with.

**Mr T. SMITH** — Minister, I am happy to table these documents.

**Mr WYNNE** — Table them and do what you like with them.

**Mr T. SMITH** — Because it would appear that you are being advertised as having dinner with Daniel Andrews at the Flower Drum.

**Ms SHING** — It says no such date specified. There is no information in the document, Mr Smith.

**Ms WARD** — It does not sound like a genuine invitation.

**Ms SHING** — It says, ‘No event date specified’, based on what you have just read out.

**Mr T. SMITH** — It says, ‘This event has no dates available for booking’.

**Mr WYNNE** — Chair, I will simply repeat this again for the record. I had no involvement nor have I been to any fundraising event with Mr Fowles or the Premier at the Flower Drum.

**Mr T. SMITH** — You have no ongoing contact with Mr Fowles despite his history of acting for this group and his current candidacy for Burwood for the Australian Labor party.

**Mr WYNNE** — I have no idea whether Mr Fowles has continued to have an engagement with the owners of the Corkman Hotel. I have answered the question that yes, he was engaged at the very outset when the site was demolished.

**Mr T. SMITH** — Should he be a Labor candidate?

**Members interjecting.**

**The CHAIR** — Order! Again, you are asking for an opinion from the minister.

**Mr WYNNE** — Should he be a Labor candidate? He is a Labor candidate.

**Mr T. SMITH** — Should he be though?

**The CHAIR** — Order! You are asking the witness for an opinion.

**Members interjecting.**

**The CHAIR** — Order! Is there another question, Mr Smith?

**Mr T. SMITH** — I can move onto St Kilda Road, thank you, Chair. I refer to ‘Places or objects assessed for the Victorian Heritage Register’ referred to on again page 217 of budget paper 3 and the work of Heritage Victoria. St Kilda Road was permanently listed, along with the Domain and Government House on the national heritage list on Monday, 12 February. Minister, is it a fact that your officers gave permission for the destruction

of this precious heritage within hours of the federal government's national heritage listing and did so with the explicit purpose of beating the deadline?

**Mr WYNNE** — You are referring to the trees that were —

**Mr T. SMITH** — I am.

**Mr WYNNE** — Okay. There were two elements to this. A number of people made representations that the St Kilda Road stop should be moved further forward towards the city, thereby or in fact potential encroaching into the shrine precinct, for the purposes of trying to lessen the number of trees that in fact had to be cut down. The initial estimate was that in the order of 170 trees would need to be removed. Subsequently through alternative designs the number of trees was reduced by half to approximately 95 trees. Not all of these trees are in fact heritage listed. A number of the trees are in fact plane trees and not the historic elms that of course line St Kilda Road. If you actually look back at some of the historical pictures of that junction, you will find that, apart from the heritage trees, there were in fact no trees through the medians of St Kilda Road. From 170 down to 95, and literally only a handful of heritage-listed trees were removed. And, on the advice that the government was provided with, some of those were in significant distress.

**Mr T. SMITH** — I am intrigued, Minister, as to why the federal government saw fit to place those trees — and indeed the whole precinct — under heritage protection, yet your agency, Heritage Victoria, did not. Could you explain how that came to pass, because I would have thought that it is an area worthy of heritage protection?

**Mr WYNNE** — Well, the Melbourne Metro Rail Authority and the construction contractors have worked very closely with Heritage Victoria. As you know, Mr Smith, Heritage Victoria provide, independent of government, their advice, whether it is about the St Kilda Road trees or very recently of course the Queen Victoria Market. They are independent of government and they have worked I think very hard with the Melbourne Metro Rail Authority to minimise the impact on tree cover in St Kilda Road.

**Mr T. SMITH** — You would agree that they are historic trees?

**Mr WYNNE** — Some were; there is no question. Some were.

**Mr T. SMITH** — And they are gone.

**Mr WYNNE** — That is right.

**Mr T. SMITH** — So Heritage Victoria were not doing their job, were they?

**Mr WYNNE** — Of course Heritage —

**Mr T. SMITH** — Well, it is your agency. They did not set up the heritage value of that precinct. Did your office contact them about this?

**Mr WYNNE** — Certainly not. This is a matter between the authority and Heritage Victoria. They were independent.

**Mr D. O'BRIEN** — They clearly were not doing their job.

**Mr T. SMITH** — They have failed in their duty to protect the heritage value of that vital precinct of our city.

**Ms SHING** — You do not understand how heritage works, do you Mr Smith?

**Mr T. SMITH** — While you know everything, don't you?

**Members interjecting.**

**The CHAIR** — Order! Ms Patten until 3.53 p.m.

**Ms PATTEN** — Thank you, Minister. I would like to go back to just following up on some of Ms Pennicuik's questions in regard to cladding. One of the questions that Ms Pennicuik was asking was who is

going to pay for this. We know that for some of the government buildings, as well as non-government buildings, the cladding will need to be replaced. Do you have any idea of what the estimated cost of replacing it on the government buildings, as well as non-government buildings, is?

**Mr WYNNE** — Let me just take you through the scope of where the cladding audit is up to. That might be helpful just to give you a sense —

**Ms PATTEN** — Given the really limited time I have, I would be happier for a quick precis and then on notice, given the few minutes that we have together.

**Mr WYNNE** — I will be really quick. The original breakdown of priority buildings to be assessed was 1369. Of those, 378 were built. There are another 188 under construction, but a whopping 609 had not actually proceeded to construction. The auditing of those buildings is successively moving forward. We expect to have the first-cut audit of the most significant buildings finished by midyear. The VBA have done a very, very good job, along with councils as well.

It is going to depend, Ms Patten, on a number of factors in terms of rectification. For some buildings rectification work may be relatively modest; it may just require smaller amounts of cladding being taken off the building. But in some cases, à la the Lacrosse, it will be very, very significant. I cannot give you an accurate figure, because it is —

**Ms PATTEN** — Once that audit is finished, is the next step to work out how much that is going to cost?

**Mr WYNNE** — The next step is actually putting in place rectification strategies and how they are to be financed.

**Ms PATTEN** — We do not know what the expenses will be, and I appreciate that. The Victorian Managed Insurance Authority — will they be picking up some of the tab for this, or will we have to find other money?

**Mr WYNNE** — We are working with the insurance industry. We are working with the VMIA as well — the Victorian Managed Insurance Authority. The task force is seeking expert advice in relation to that. They are also talking to the banks. We have actually led the way on this nationally in terms of the cladding issue. In terms of rectification, we are confident that we will have a good proposition to put particularly to the bodies corporate as to pathways toward rectification. At the moment our principal goal has been community safety and to ensure that the buildings are identified and assessed. Obviously cost recovery options, depending on when the building was constructed, can be wrought through the builder.

**Ms PATTEN** — Thanks, Minister. So it is a ‘watch this space’. Following up on some of the Fishermans Bend questions, you have recalled those 26 development applications largely, it appears, on the height of those buildings — from what I read in the media. The anticipation is 80 000 new residents in Fishermans Bend. I am wondering whether that anticipated population will need to be adjusted if we are going to adjust the heights of those buildings.

**Mr WYNNE** — We are confident that the proposed controls that are currently before a panel for scrutiny and consideration are in fact predicated exactly on the question of being able to accommodate 80 000 people. This has been, can I say, quite vigorously tested through the panel’s deliberations, but we are very confident that the controls that we are putting in place will ensure that we have got the right balance in terms of the amount of apartments that can be built in the area to accommodate that population.

**Ms PATTEN** — But there will be no change to the predicted population that that development will accommodate?

**Mr WYNNE** — No. Correct. And obviously there are a range of building heights. The closer you get to the established residential, they will be quite modest, possibly three to four levels, and in some of the higher-density areas they will be significantly higher, but they will be tempered by new density controls or what is called a floor-area ratio as well. So that will dictate what you can actually build.

**Ms PATTEN** — That means we will still need the same number of schools and all of those amenities.

**Mr WYNNE** — All of that, yes. And that is the great challenge.

**Mr DIMOPOULOS** — Minister, good afternoon. I just wanted to pick up where Ms Patten was in relation to cladding, just to clarify a couple of things. Thank you for explaining. The first priority — I am not trying to put words in your mouth but paraphrase what you said — is to get the audit done, comply with safety and then move on to strategies for funding and rectification work. In relation to rectification work, though, is any of that going to come from the \$25 million in BP3, page 60, or is that for a different purpose?

**Mr WYNNE** — No, it is for the cladding task force to complete its work.

**Mr DIMOPOULOS** — Okay, so not for rectification work?

**Mr WYNNE** — No.

**Mr DIMOPOULOS** — That comes later. Okay. Just in terms of the work you were talking about, that was, again to clarify, not just public buildings; that was buildings across Victoria?

**Mr WYNNE** — Correct.

**Mr DIMOPOULOS** — All buildings.

**Mr WYNNE** — The ones that I was —

**Mr DIMOPOULOS** — Talking to Ms Patten about.

**Mr WYNNE** — No, they are private.

**Mr DIMOPOULOS** — They are private. Right, yes. Okay. Because I have had —

**Mr WYNNE** — We are also doing an audit obviously of government buildings as well.

**Mr DIMOPOULOS** — Of course, yes. I have had a resident who is in a smaller block of nine. Obviously the impost in smaller blocks can be greater because you have got less owners to share the costs, depending on the amount of work the block requires, so that is something of interest to me, but I look forward to future strategies in terms of rectification funding options. Thank you for clarifying that, Minister.

I just wanted to take you quickly to planning for growth, which is in BP3, page 68. I reckon this government has a proud budget and a proud record in terms of dealing with population growth. We had the Minister for Education in earlier today talking about effectively planning for growth across education. Growth obviously is — I think you touched on it in your presentation — both in terms of increased births more than deaths, immigration and intra-population movements from other states. How is investment in BP3, page 68, titled ‘Providing planning certainty for managed growth’, going and what is *Plan Melbourne*’s account of its first year of accommodating growth?

**Mr WYNNE** — Thank you, Mr Dimopoulos. As I indicated in my presentation, Victoria’s population is projected to reach 10 million by 2051, so planning for growth is obviously vital to ensure that we do remain the most livable city, a title that we justly deserve. Currently Melbourne is home to about 4.6 million people and growing, as I indicated in my presentation, at about 2.4 per cent per annum. But regional areas are also growing at a very healthy rate as well of approximately 1 per cent per annum, and most of this growth, not surprisingly, is occurring in our three largest regional areas: Geelong, Bendigo and Ballarat. To accommodate this population growth, the economy will need to adapt and grow, and we need to create about another 1.5 million jobs over that period for a changing workforce and the city will need to build 1.6 million homes in places where people obviously want to live.

Really what *Plan Melbourne* has been about is articulating what we talk about as the concept of the 20-minute neighbourhood, where in fact all of the essential services that you need ought to be within a 20-minute walk, cycle or public transport trip from your home. It is an ambitious target but one that we think —

**Mr DIMOPOULOS** — Is worthwhile.

**Mr WYNNE** — is incredibly worthwhile. But it is not just about providing housing. It is also about linking people to job opportunities as well. We are very conscious when we have been releasing land into the market that it in fact is well located and affordable, not just dumping land out there but that there are links into existing

employment clusters like the Latrobe employment cluster in the northern suburbs of Melbourne, the cluster in the west or the Monash cluster, so that people do not always have to come in to the city for their employment so that they can live locally, possibly in a growth corridor, and be employed in the Monash cluster so you do not have to come to the city. Similarly with the growth corridors to the north. The Latrobe cluster is booming and there are great opportunities for employment right across the board from the very high-end research and so forth through to maintenance and cleaning and all the other ancillary services. It is really trying to bring the two elements together.

**Mr DIMOPOULOS** — And the third element, Minister, is effectively play, isn't it? Recreation and opportunities to not just live and work within 20 minutes but to have recreation options within that.

**Mr WYNNE** — Absolutely. That is why in this whole precinct structure planning process you want to have a full articulation of what is going to be there so that if you are going to buy in these areas you will know where the cycling paths are, you know where the parks are going to be, you know where the kindergartens and childcare are. 'Where is the town centre going to be where I go and do my shopping?'. All of those things are articulated through the Victorian Planning Authority's PSP process — far different to what it was 10, 15, 20 years ago when people were just sent out to the boondocks to do your best out there.

**Mr DIMOPOULOS** — The government would have to catch up later.

**Mr WYNNE** — Yes.

**Mr DIMOPOULOS** — Minister, in your presentation you talked about the middle-ring suburbs accommodating growth. Can I ask you specifically how your newly reformed residential zones have impacted that middle-suburb growth and how have they accommodated that growth, or have they?

**Mr WYNNE** — Well, I think that what we have done in terms of our middle-ring suburbs has been really, really very interesting. The residential zones that we put in — the reforms of March of last year — I think have had a very interesting impact in terms of providing certainty to the market, providing certainty to the development community of what form of development can occur, depending on what zone you are in fact in.

I am very confident that in fact the figures that we have got for how the middle-ring suburbs have in fact responded, not just to the residential zone reforms — but in fact the report that I indicated in my presentation actually lays to rest this concept that the middle-ring suburbs are not pulling their weight. The answer is they are, and a huge number of people being able to enjoy the rich amenity that our middle-ring suburbs have enjoyed I think is a fantastic outcome of the reforms.

Just for completeness, the data suggests that 386 000 additional dwellings were built across Melbourne in the 12 years to 2016 — 42 per cent in growth areas; 19 per cent, not surprisingly, in the inner city; but interestingly, a full 39 per cent across the middle and outer-ring suburbs. So you are seeing a very significant shift. For the period 2005 to 2016, which I indicated from the earlier research, 50 per cent of all new dwellings were constructed within 400 metres of a major activity centre. I think the market speaks for itself. It is very good outcome.

**Mr DIMOPOULOS** — Thank you, Minister. Just in relation to the changes you made to the residential zones, I have had some feedback from one my local councils that both that change but also the other significant change of better apartments have led to a better standard of applications coming to the council. Have you found that across Victoria through your conversations with others? I have heard that from one council in my electorate.

**Mr WYNNE** — Mr Dimopoulos, if you talk about the central city, when we first came to government there were a whole heap of projects coming forward with pretty cheap, pretty nasty one-bedroom units with borrowed light, no storage — really very, very poor quality. I think the acceptance that we have found from the market, and indeed in talking to the peak bodies for the industry — they recognise that the new apartment guidelines have been very well accepted by the development community, and in the planning applications that I receive now we virtually have a minimal number of one-bedroom apartments, but even those are of a suitable size — on average around at least 50 square metres, and that is well designed. These are very good-quality products.

**Mr DIMOPOULOS** — And it is an example of how government policy can shape the market a bit.

**Mr WYNNE** — Well, shape the market but the market responding to the changes.

**Mr D. O'BRIEN** — Minister, I want to go back to Fishermans Bend. You talked earlier about Melbourne University's investment there. Is that investment in any way changed by the government's failure to secure the defence contract?

**Mr WYNNE** — I am terribly sorry; I was just interrupted there. Can you just ask that question again?

**Mr D. O'BRIEN** — I was talking about the Melbourne University commitment to Fishermans Bend — is that in any way threatened by the government's failure to secure the recent defence contract?

**Mr WYNNE** — No, it is not. I think we would say in a bipartisan way that that was a really poor result.

**Mr D. O'BRIEN** — You have not been saying it in a bipartisan way at all, Minister; you have been saying it in a very partisan way. But leaving that aside, let us stick with the issues at hand.

**Mr WYNNE** — I think ours was the best bid. Most people would concede ours was the best bid for the defence contract. We do have the requisite skill levels. It was, I would submit, a highly political decision that was made by the federal government.

**Mr T. Smith interjected.**

**Mr WYNNE** — Are you saying we were not qualified?

**Mr T. SMITH** — No.

**Mr WYNNE** — Absolutely we were qualified. To answer the question, Mr O'Brien, does this have any impact in relation to Melbourne University? No. They are completely committed to moving their engineering school there. They saw a beautiful opportunity for a unique working relationship if we had won the defence contract, but sadly that was not the case.

**Mr D. O'BRIEN** — So you can guarantee Melbourne uni is continuing at Fishermans Bend?

**Mr WYNNE** — Correct.

**Mr D. O'BRIEN** — Have they signed contracts with the government to that effect?

**Mr WYNNE** — I am sorry, that is outside of my area of —

**Mr D. O'BRIEN** — I understand you may not know, then, but —

**Mr WYNNE** — I do not know the answer to that question. I am happy to take it on notice.

**Mr D. O'BRIEN** — Are you aware if there is an actual contractual agreement between the government and Melbourne uni with respect to this?

**Mr WYNNE** — I am aware that the negotiations have been completed. Whether they have actually signed the formal contracts would be a matter for my colleague Minister Allan.

**Mr D. O'BRIEN** — Do you know: is the government actually —

**Mr WYNNE** — I have just been advised by the secretary that in fact the university have purchased approximately 7 hectares.

**Mr D. O'BRIEN** — Righto. Do you know: is there any state government money involved in that purchase and the project more generally?

**Mr WYNNE** — Not that I am aware of. I am sorry — it is outside of my area of knowledge.

**Mr D. O'BRIEN** — Right. Again, the press release from the government on 21 December says:

The Andrews Labor government is helping to create a world-class university campus ...

Presumably if it is helping, it is doing something. Are you aware of what it is doing at all?

**Mr WYNNE** — Well, we purchased the Fishermans Bend site.

**Mr D. O'BRIEN** — You purchased it for them?

**Mr WYNNE** — No, we purchased the site.

**Mr D. O'BRIEN** — Yes, but that is not the Andrews Labor government, with respect, Minister. That has been around for a long time.

**Mr WYNNE** — Sorry, I am not sure what your question is.

**Mr D. O'BRIEN** — I am getting nowhere. Let us move on.

**Mr WYNNE** — No, I will get you anywhere you want to go.

**Mr D. O'BRIEN** — Continuing on the broader Fishermans Bend issue —

**Mr WYNNE** — Ask the question again. I am happy to answer it.

**Mr D. O'BRIEN** — Well, I have asked you, 'Is the government contributing?', and you have said you do not know, that it is in another area, so —

**Mr WYNNE** — I thought you were asking me whether we are contributing to the Melbourne University element of it.

**Mr D. O'BRIEN** — Yes, I was.

**Mr WYNNE** — The answer to that is that I do not know, but the government purchased the GMH site.

**Mr D. O'BRIEN** — Right. The decision to call in 26 permit applications has sparked a number of legal cases. Does the budget allocate funding for the government's cost of those legal cases?

**Mr WYNNE** — Not surprisingly, Mr O'Brien, I will be somewhat constrained in what I can say there, save except to indicate — and I will get Xavier to respond to elements of that — I have a number of Supreme Court matters afoot.

**Mr D. O'BRIEN** — Can you tell me how many?

**Mr WYNNE** — At Fishermans Bend or —

**Mr D. O'BRIEN** — At Fishermans Bend, yes.

**Mr WYNNE** — At Fishermans Bend at the moment — Deputy Secretary? I think it is one.

**Ms WYATT** — One.

**Mr WYNNE** — One.

**Mr D. O'BRIEN** — That is not 'a number'.

**Mr WYNNE** — Just one at Fishermans Bend at the moment. We have got a whole brace of others.

**Mr D. O'BRIEN** — Right. So at Fishermans Bend there is one.

**Mr MORRIS** — It is nothing to be proud of.

**Mr WYNNE** — What was that?

**Mr MORRIS** — You have got nothing to be proud of.

**Mr WYNNE** — Well, it is not a question of being proud of it; it is a question of standing up for good planning.

**Mr D. O'BRIEN** — The question stands, though, on the cost of that legal challenge as it appears. Do you have an estimate?

**Mr HINCKSON** — I am happy to take that question, Mr O'Brien, if the Chair and the minister are comfortable with that.

**Mr WYNNE** — Yes.

**Mr HINCKSON** — So it is not the practice in the portfolio to allocate funding through the budget process for those particular items. There is a register of contingent liabilities, the department makes disclosures as part of its financial statements, and the Department of Treasury and Finance has a list of all the contingent liabilities — that is, court proceedings — that are happening across the whole general government sector. So if there were provisions, they would be held at a whole-of-government level.

**Mr D. O'BRIEN** — Do you expect further challenges to come, Minister?

**Mr WYNNE** — Look, I cannot predict that. All I can do is work on the basis of the program that we have put in place. The independent panel is completing its work, as I have indicated, Mr O'Brien. I expect to receive the final advice from that panel in mid-June. And then, as I have indicated in my earlier answers, we will put in place permanent controls, and we will seek to expedite as efficiently as we can the 26 planning applications that are currently before us.

**Mr D. O'BRIEN** — Mr Hinckson, you mentioned the contingent liabilities. Did you say there was a list of those contingent liabilities that you plan for?

**Mr HINCKSON** — Where relevant and we are required by accounting standards — they are disclosed in the department's annual report, and they are disclosed in the annual financial report for the state.

**Mr D. O'BRIEN** — Can we get a list of those available at the moment?

**Mr HINCKSON** — The ones available are published in the annual report, and in the AFR for the state.

**Mr D. O'BRIEN** — Is it possible to get a list prior to the annual report, on notice?

**Mr HINCKSON** — Yes.

**Mr D. O'BRIEN** — Minister, the panel that you have established, what is the cost of that with respect to Fishermans Bend?

**Mr WYNNE** — The cost of the panel is published in the annual report. It is a significant panel, and it has been running now for a number of weeks. I do not have the costs at the moment because the panel is still to complete its work.

**Mr D. O'BRIEN** — Do you have an anticipated cost?

**Mr WYNNE** — No, sorry.

#### **Members interjecting.**

**Mr D. O'BRIEN** — Yes, it is a fairly consistent message we are getting this week, Deputy Chair, isn't it?

**Mr WYNNE** — Well, I will defer to the deputy secretary, or in fact Xavier can answer that question in relation to the budget that is provided for planning panels. I mean, you have to have a robust process and an open and transparent process for planning panels for all parties, developers and other affected parties, to be heard, but I will ask the deputy secretary to respond.

**Ms WYATT** — Thank you, and through the Chair if I can respond. For panels that are on behalf of the government we would do a budget estimate for a panel process. That would be basically worked out on the

daily rate of the panel members, multiplied by how many days they would sit, and an estimate of, for example, the input required in the 40 business days, in this instance, that it is allowed to produce the report.

**Mr D. O'BRIEN** — Sorry, 40 business days did you say?

**Ms WYATT** — Yes, 40 business days.

**Mr D. O'BRIEN** — And how many members are on this particular panel?

**Ms WYATT** — I believe there are five members. All the terms of reference and the panel members are on our website, and we can certainly provide that to you.

**Mr D. O'BRIEN** — Sure, okay. Minister, you talked about being transparent and ensuring that things are done properly with this particular panel. I understand this week you announced that developments in Fishermans Bend will require a mandate of 20 per cent affordable housing. Is that correct?

**Mr WYNNE** — Where was that announced?

**Mr D. O'BRIEN** — I understand that it has been announced this week, or at least advised to key stakeholders.

**Mr WYNNE** — No.

**Mr D. O'BRIEN** — That is not correct?

**Mr WYNNE** — It certainly was not announced by me.

**Mr D. O'BRIEN** — Well, given that you are the minister, I would hope that you would know about it. Is there any intention by the government to set such a level? Is that no?

**Mr WYNNE** — No, certainly it is not a no. It is not a no. We are very keen, through the planning framework that we are putting in place at Fishermans Bend, that if you get a floor area uplift in your development, obviously we are very keen to see more affordable housing as being part of that uplift.

**Mr D. O'BRIEN** — Will there be a mandate?

**Mr WYNNE** — Well, that is a matter that is currently being considered by the panel.

**Mr D. O'BRIEN** — All right. Finally, Minister, I am intrigued that when you announced the call-in of those projects — it was 22 February this year, 2018 — your press release said that the 'government is taking urgent action to protect the future of Fishermans Bend'. Given you were elected in November 2014, what was urgent about that by the time February came around?

**Mr WYNNE** — Well, we put in place interim controls that were time limited, and that is why we have moved towards the full panel process that we are currently involved in to ensure that we have in place permanent controls. Fishermans Bend is littered with examples of flipping of sites —

**The CHAIR** — Order! We will come back to that, Minister.

**Ms PENNICUIK** — If I could just — I think we are on a couple of themes today — go back briefly to the cladding issue, you mentioned about the task force and the audits et cetera and you briefly mentioned the role of councils, and it has been raised with me by councils that their role is not clear, that they are concerned that the actual issue was brought about by a failure of the state regulatory system, by builders, developers and private surveyors using that cladding — council did not have any control over it, which council did not have any control over — and that their involvement in perhaps auditing and enforcing compliance may leave them open to some liability. I wonder if you could provide some comments on that, because those concerns have been raised with me by councils.

**Mr WYNNE** — Municipal building surveyors have got a statutory responsibility; it is as simple as that. They have got significant powers that attach to their position, and they share responsibility with the state to

ensure the safety of our community. That is where it starts and stops, Ms Pennicuik. They have statutory responsibility.

**Ms PENNICUIK** — They are saying to me that they would not have the same immunity, I suppose, as the VBA would have in terms of enforcing compliance with removing cladding and replacing cladding.

**Mr WYNNE** — The VBA have been working very closely with municipal building surveyors, and I think whilst it is true to say that there was some anxiety amongst municipal building surveyors about the whole cladding process, the scope of the work that needed to be done and what potential liabilities may attach to their inspection regime, the reality is that we are working with a number of councils now. I am happy to advise you that we have had a pilot auditing program in place, as you know, with Melbourne, Dandenong, Monash, Moreland, Whittlesea and Port Phillip to really shake out what is the correct approach to the inspectorial regime, and we have had excellent cooperation. We continue to have through the VBA very active dialogue with representatives of local government through their peak body, the MAV, and obviously the municipal building surveyors themselves.

**Ms PENNICUIK** — Thank you. Minister, just with the \$14.7 million to continue reforming and modernising the planning system, is that the planning provisions? Is that the reforming of the planning provisions that is part of the discussion paper that was released, I think, about a year and a half ago?

**Mr WYNNE** — Yes.

**Ms PENNICUIK** — And does that include the smart planning system? Is that related to the smart planning system?

**Mr WYNNE** — Yes.

**Ms PENNICUIK** — That is all the same thing?

**Mr WYNNE** — Yes.

**Ms PENNICUIK** — Thank you for that. Again, partly I myself am concerned that one of the words being used is ‘streamlining’. Whenever I hear the word ‘streamlining’, I get a bit concerned that it means cutting out the community — that it means fast-tracking things through processes that have been put in place to protect areas et cetera. What is your comment on that?

**Mr WYNNE** — It is not about cutting the community out — far from it. The smart planning is actually trying to tackle some fundamental problems that have plagued the planning system for years. I know you are very much aware of this, Ms Pennicuik. The focus is on what is important to help our state actually grow, and in some of the areas — the simple act, for instance, of removing clutter through unnecessary planning permit triggers — for really straightforward matters, it frees up councils to actually make the big decisions that actually count, and I think it has been very, very broadly welcomed by local government.

**Ms PENNICUIK** — On notice, could you explain when that is due to be finished?

**Mr WYNNE** — Yes, we can do that.

**Ms SHING** — Thank you, Minister. Thank you, witnesses. I would like to continue off the back of Ms Pennicuik’s commencement of the discussion on smart planning and in particular the 56 000-odd planning permits that are issued every year in the state. In particular in budget paper 3, page 60, we have got references to the work that is being undertaken around reforming local government planning. One of the things that Ms Pennicuik alluded to in her initial questions to you relates to her concern around ‘streamlining’ potentially meaning cutting out the community, just to paraphrase what happened in the earlier discussion you had with her. What I would like to get a better sense of, as part of this \$14.7 million allocation over three years to reform the local government planning process, is the third-party rights that exist within this particular matrix and the 9.7 million being provided to run the planning department. How is this, by reference to the budget papers, the most appropriate place to put this investment to achieve the objectives that are set out under the smart planning framework?

**Mr WYNNE** — Thank you very much, Ms Shing, for the question. The simple act of removing the clutter through unnecessary planning permit triggers is something that sounds at first blush like, ‘Oh, well gee, there’s not much in it’. There is actually a lot in it so that where council officers have had to really needlessly involve themselves in matters that were so, in many respects, pedestrian and unremarkable, it is something that I think has been very, very warmly welcomed by local government. The smart planning reforms over the next stages are seeking to do some quite ambitious things: reduce permit assessments down to 60 days — it is currently running at about 120 days, which is just too long — which we believe is going to save the industry somewhere in the order of \$155 million. That is real money. They are seeking to process more planning permits under the 10-day fast-track VicSmart pathway so that 30 per cent of all permits would go through that; it is currently 14. Again, just to reassure Ms Pennicuik, we are not talking about significant permit applications here. These are relatively modest, and one of the most significant ones is compressing the time lines for planning scheme amendments —

**Ms SHING** — So by ‘modest’ do you mean uncontroversial?

**Mr WYNNE** — Uncontroversial — from 30 months to 18 months.

**Ms SHING** — Can you give us an indication of the nature of an uncontroversial application versus something that would in fact require a more extensive and involved process?

**Mr WYNNE** — A kitchen extension.

**Ms SHING** — Would be uncontroversial?

**Mr WYNNE** — Yes.

**Ms SHING** — Okay. Versus something that would be more complex and would require a more involved process?

**Mr WYNNE** — A double-storey development that is potentially going to overshadow and overlook the neighbouring property. That is clearly not a —

**Ms SHING** — At which point that community process would in fact be activated?

**Mr WYNNE** — Well, the third party would have —

**Ms SHING** — Is that third-party rights —

#### **Members interjecting.**

**Ms SHING** — I am trying to help out with what we started earlier.

**Mr MORRIS** — What would you consider a 14-square garage that slipped through under those rules?

**Mr WYNNE** — Pardon me?

**Mr MORRIS** — What would you consider a 14-square garage that slipped through under those rules?

**Mr WYNNE** — What are you referring to?

**Mr MORRIS** — A 14-square garage that was constructed under this permit system.

**The CHAIR** — It is Ms Shing’s call and, Deputy Chair, I am sure you can pursue that in the next bank of questions.

**Ms SHING** — In the extension of VicSmart might it not be open to argue, though, that this is another new layer of planning controls?

**Mr WYNNE** — A new layer of planning controls? No. You could not characterise it as that at all.

**Ms SHING** — Okay, and why not?

**Mr WYNNE** — Because we are seeking to ensure that the planning system actually works in a much smoother and more efficient way, and as I indicated, the cost savings are real. When you look at some of the really significant impediments that we have got in the planning process, particularly going back to Mr Morris's earlier question around housing affordability and cost of land, we know that — and this is an area that the Treasurer has been particularly energised on — it has been really the systemic failure of a number of statutory authorities to get through the approval processes that they are required to do to ensure that lots can be actually brought to market in an efficient way. So it is really seeking to address, as I indicated earlier, what have been systemic problems in planning.

**Ms SHING** — What about the nature of inconsistencies? How do we have planning reforms that ensure we get consistent application of principles throughout this refined, streamlined process that is intended to remove unnecessary delays? I am happy for you to defer to any other witness who might be able to provide a bit of context. And then, once we have done that, I am just asking about protection of farmland from inappropriate fragmentation as well. That is a very key issue in growth areas, particularly Gippsland, and particularly around our prime agricultural/ horticultural land assets.

**Ms WYATT** — Thank you. I will just answer the question about consistency. One of the key matters that we are trying to do is transform the planning system from 75 000 pages of humanly changed words —

**Mr WYNNE** — Seventy-five thousand.

**Ms WYATT** — Seventy-five thousand — to a digital system. In doing that, if you like, the recipe for planning is going to become digital, which means there will be ways in which the planning scheme can be changed in the future.

**Ms SHING** — So is that the monitoring tool that will then be applied?

**Ms WYATT** — It is a monitoring tool, but it is also just a way of working that will be digital, so that people cannot write things in six different ways. There will be a very limited way you can express one thing, because there are very many places in the planning scheme where one matter can be described in numerous different ways.

**Ms SHING** — Yes. Things being fraught with ambiguity is often the basis for challenge.

**Ms WYATT** — Correct. So we are trying to reduce the vast amount of ways of describing something and getting it right back to plain English.

**Ms SHING** — Thank you. With the time that we have available, a discussion on protection of farmland, agricultural land, for the purposes of meeting our primary industry-related needs and making sure the balance is struck there, how does this scheme actually ensure that we do have recognition and protection of that component of land and land use for those purposes?

**Mr WYNNE** — So in September 2015, as you know, Ms Shing, I appointed the Animal Industries Advisory Committee to investigate how the planning system can support animal industries in Victoria while balancing the environmental outcomes and obviously community expectations. The advisory committee did identify a broad range of significant issues that affected Victoria's farmers and local governments and the community, and you are well aware of and were very active in that space yourself. What we are seeking to do through the planning process is to ensure that the right to farm is protected — absolutely, of course — but that where you have got changed circumstances, and the Blackmore matter was, as you are well aware, one of the triggers for getting a better resolution for that. Whether it is intensive farming, whether it is broiler farms, whether it is pig farms and so forth, the changed nature of farming does obviously have a significant impact. I think the work that was done then has been particularly important in terms of being able to inform local governments, who obviously are dealing with these matters on a day-to-day basis.

**Ms SHING** — So in relation to population growth, obviously we are seeing this enormous explosion of land use for residential dwellings, particularly as regional centres and their haloes expand. Are we in a better position as a consequence of this framework to address that changing interface with agricultural land as the population grows?

**Mr WYNNE** — Absolutely. I draw your attention particularly to a place like Bendigo. So in Bendigo — a thriving city, very, very committed to population growth, getting steady population growth, very affordable housing there — they have an urban growth boundary.

**Ms SHING** — They certainly do. Yes.

**Mr WYNNE** — They said, ‘We can accommodate easily further population, but within an established urban growth boundary’. I think the 37 recommendations that we did get out of the animal advisory and intensive agriculture committee do speak to the guidelines for that.

**Mr T. SMITH** — Minister, referring to our previous conversation, I refer to the Labor for Mordialloc fundraiser for Tim Richardson, where the auctioneer will be Will Fowles, and this was again put on by his firm. Indeed the invitation to the dinner at the Flower Drum is on TryBooking. You might want to check with your office as to how that made its way into the public realm.

**Mr WYNNE** — Sorry? Say that again.

**Mr T. SMITH** — This fundraiser —

**Mr WYNNE** — This alleged fundraiser.

**Ms SHING** — On a point of order, this appears to be a question time question and not a budget question, so perhaps it could come back to the budget.

**Mr T. SMITH** — I am asking the minister if he stands by his former answer, because these documents — one is currently live on TryBooking. It is with Mr Fowles. This is a fundraiser for Mr Richardson in Mordialloc. This document, with your name on it, sir — it is with the Premier for a fundraiser at the Flower Drum — was previously on TryBooking. I am just wondering if you stand by your previous answer.

**Ms WARD** — Your issue is that there is a fundraiser on TryBooking?

**Mr T. SMITH** — I am asking the minister whether he stands by his previous answer.

**Mr MORRIS** — The issue is a lobbyist who had dealings with the Corkman hotel, the heritage building that was demolished, and he is now acting in that capacity as well.

**Mr T. SMITH** — I am simply asking whether the minister stands by his previous answer that he knows nothing about this.

**Mr MORRIS** — It is called corrupt.

**Ms SHING** — Sorry, we are having allegations of corruption being made now, are we, Mr Morris? You just said, ‘It is called corrupt’.

**Mr WYNNE** — Mr Morris, are you making that allegation of me?

**Mr MORRIS** — I am not making the allegation of you. I am saying it is a legitimate line of inquiry.

**Mr T. SMITH** — Mr Morris did not make that allegation against you, Minister. I think he was making an observation about the activities of the lobbyist.

**Mr WYNNE** — Mr Morris, if you made that allegation, I would ask you to withdraw it. It is deeply offensive to me.

**Mr MORRIS** — I have already said to you, Minister, that I did not make that allegation.

**Mr WYNNE** — Okay.

**Mr MORRIS** — But I do stand by my comment that it is a legitimate line of inquiry. It is a legitimate question.

**Ms SHING** — You said, ‘It is called corrupt’. What were you referring to, Mr Morris?

**Mr MORRIS** — I am just asking the question. If the answer is no, then the answer is no. That is fine. I am entitled to ask the question, which is what has been contended.

**Members interjecting.**

**The CHAIR** — Order! Can I rule? It is not clear to me how a fundraiser that has been organised by Mr Fowles has anything to do with the minister's —

**Members interjecting.**

**The CHAIR** — If it has been organised. I am taking Mr Smith's word that what he is referring to does actually exist.

**Ms SHING** — Why would Mr Smith make anything up?

**Mr T. SMITH** — Chair, Ms Shing has just accused me of making up this fundraiser.

**Ms SHING** — No, I said, 'Why would you'?

**Mr T. SMITH** — I do not ask for retractions because I am not a sook like Ms Shing, but in reality this is a document that has been provided to me. It was on TryBooking. If the minister knows nothing about it, he needs to go and look at his office and see what they are doing.

**The CHAIR** — As I was saying —

**Ms SHING** — That is an allegation of corruption, Mr Smith. Be very, very careful.

**Mr T. SMITH** — That is not an allegation of corruption. It is an allegation of incompetence, not of corruption.

**Members interjecting.**

**The CHAIR** — Order! As I indicated, it is not clear to me that this alleged fundraiser has anything to do with the minister's portfolio. The minister has previously answered a question from you, Mr Smith, on this matter. If the minister wishes to restate his answer, I am happy for him to do so.

**Mr WYNNE** — I would be very, very happy to do so again, Chair. I know nothing about this fundraising event. I have not attended any fundraising event at the Flower Drum with the Premier, with Mr Fowles or anybody else. And as I have indicated on any number of occasions to you, where I attend events where likely developers may be in attendance — for example, Progressive Business events — I am always accompanied by a probity auditor. I understand probity. It may be the form of others who have held this high position, but it is not my form. Can I be any clearer with you?

**Mr T. SMITH** — Has your office been invited to any said fundraisers? You might want to check with them.

**The CHAIR** — Order! Again, I do not see how this question relates to the minister, the minister's portfolio or the budget estimates. Is there a question?

**Mr MORRIS** — Thank you, Chair. I will move on. When we were talking about the cost of a lot on the urban fringe an hour and a bit ago, you indicated that the average price was \$304 000. When was that?

**Mr WYNNE** — Where was that?

**Mr MORRIS** — When was that? Was that a current price in your records?

**Mr WYNNE** — Yes.

**Mr MORRIS** — My information is that the latest median price, which may differ from the average price at the end of March, was actually \$330 000 — so up to the end of March.

**Mr WYNNE** — Mr Morris, that is not the advice that has been provided by my department. I mean, this is real-time data that we have got. Are you suggesting that there is a discrepancy of what — \$26 000 or thereabouts?

**Mr MORRIS** — I was just saying that the advice I have is that it is significantly higher. But either way, two years ago the average price was about \$214 000 —

**Mr WYNNE** — Correct.

**Mr MORRIS** — so it has either gone up \$116 000 or it has gone up \$90 000 in two years, and that is obviously going to take a battering ram to housing affordability.

In terms of planning outputs, pages 218 and 219 of BP3, there is a flurry of new measures — urban development program report, projects approved through streamlining for growth, precinct structure plans completed to enable rezoning of land — but it does not matter how many of these measures of activity we have, none of them are really measuring the real-world impact of the cost of land on the urban fringe going up 50 per cent in two years on your watch.

**Mr WYNNE** — Look, Mr Morris, my answer to your question is: the way that you temper land price escalation is through a range of the strategies that we have put in place in terms of streamlining the planning process, ensuring —

**Mr MORRIS** — The price of land has still gone up 50 per cent, so you have got first home buyers trying to get into the housing market and the cost of land has gone up 50 per cent on your watch in the last two years. It is clearly not working.

**Mr WYNNE** — And our response to that, as I indicated to you earlier, Mr Morris, is a supply-driven response.

**Mr MORRIS** — Yes, and you are holding up the supply.

**Mr WYNNE** — No, we are not holding up supply at all. We are putting 100 000 lots into the market, a record number, by the end of this year —

**Mr MORRIS** — Yes, and just in case you had not noticed, there is record demand.

**Mr WYNNE** — Because we are an extraordinarily popular —

**Mr MORRIS** — But, as I said earlier, at the moment there is less than a month's supply.

**Mr WYNNE** — We are an extraordinarily —

**Mr MORRIS** — That is not the market; that is the department holding up the supply.

**Mr WYNNE** — Oh, it is the department's fault? I had better have a word with them. Seriously.

**Mr MORRIS** — You might find it amusing —

**Mr WYNNE** — I do not find it amusing at all.

**Mr MORRIS** — I do not find a 50 per cent increase in the cost of land in two years the slightest bit funny.

**Mr WYNNE** — I do not think it is funny, either; I think it is a serious problem, and that is why —

**Mr MORRIS** — I think it is a very serious problem, and it has happened entirely on your watch.

**Mr WYNNE** — Do you want an answer or not?

**Ms SHING** — No, he does not want an answer.

**Mr WYNNE** — You do not want an answer? If you do not want an answer, that is fine.

**Mr MORRIS** — You keep saying, ‘Oh, it’s all about supply. Nothing to see here’, and ‘It’s not my problem’.

**Mr WYNNE** — Well, it is actually about a range of interventions, as I indicated —

**Mr MORRIS** — And none of them seem to be working. When are you going to find something that does work? The prices are still going up, as I indicated.

**Mr WYNNE** — Well, you —

**Mr MORRIS** — My advice, which may be more recent than the advice that you have in front of you —

**Mr WYNNE** — I don’t know; your advice is different to mine —

**Mr MORRIS** — is that it has gone up again significantly.

**Mr WYNNE** — Your advice is different to mine, and I indicate to you that the strategies that the government is putting in place, including things like the first home owner bonus in regional Victoria — I mean, this has gone absolutely gangbusters in regional Victoria.

**Mr MORRIS** — Average cost of land up between 90 and \$116 000. It is not going to help much. It is not helping much at all.

**Mr WYNNE** — I mean, the economy is in — I mean, for the first time, Mr Morris, I simply point to you —

**The CHAIR** — Order! Ms Patten until 4.45 p.m.

**Ms PATTEN** — You mentioned the middle-ring suburbs and how important they are in this growing population, and certainly my electorate has a lot of that, as well as the new suburbs —

**Mr WYNNE** — Correct, further north.

**Ms PATTEN** — Donnybrook and, much to my partner’s delight, Woodstock.

**Mr WYNNE** — Yes.

**Ms PATTEN** — With those middle ring — and it is difficult, because you have got people who have lived there in their family homes for a long time, and they are very reluctant about and resistant to the higher densification of that area. Can you maybe just explore how your department and how your portfolio are promoting those inner rings so we can use the existing infrastructure in those areas to help with population and housing?

**Mr WYNNE** — Thanks very much, Ms Patten. I think that one of the important triggers has been the rezoning work that we have done. The amended residential zones, as I indicated earlier, has provided a lot of certainty to both consumers and the development community more generally about what can be built, where it can be built and what form of open space will be required, so that people have got a real sense when they are seeking to purchase in those areas what opportunities will be available to them. The second is to have I think it is 450 000 people living within dwellings within activity centres actually tells you that the market is in fact working — within 400 metres, actually, of a major activity centre.

**Ms PATTEN** — Yes, so the planning —

**Mr WYNNE** — So it is a rezoning. The importance of the activity centres as a destination for residential housing, and obviously employment as well, is I think a really interesting shift that we did not think was part of the conversation even three or four years ago. But we have seen it now, where literally people are voting with their feet, and I think it speaks to how good planning has evolved in a way that will ensure that all of the amenity that can be enjoyed in the established suburbs can be enjoyed by more people.

**Ms PATTEN** — Yes, great. Just sort of moving slightly further north and out to Donnybrook and Woodstock, which is —

**Mr WYNNE** — Yes, part of your world.

**Ms PATTEN** — Part of my world; that is right. What sort of cost or benefit analysis does the department do to work out where you are going to build a new suburb? Do you look at other locations and do you select six and decide on two?

**Mr WYNNE** — Well, it is about ensuring that we marry up as far as we possibly can housing with employment, so that where we can marry them together in, let us say, the northern suburbs of Melbourne, in your part of the world. The PSP process, as I have indicated, fully articulates what is going to be built in those new growth corridors. We seek as much as we possibly can to cluster the developments around established public transport routes, whether they be bus or train —

**Ms PATTEN** — Not a lot up in Donnybrook and Woodstock.

**Mr WYNNE** — Well, there are issues there, and we respect that. But thinking about: where will people in Donnybrook potentially work, they will work at Tullamarine airport. They will work in the enormous employment cluster there that is literally employing tens of thousands of people, and that is the linkage that we are looking for.

**Ms PATTEN** — That is great. I know, if you look at someone living in Wollert or somewhere like that, they are spending up to 4 hours a day at the moment on the commute, so that infrastructure, the public transport services, are pretty poor up there. In this plan for the new suburbs, is there a plan for a rollout or a timetable for a rollout of public transport to those areas?

**Mr WYNNE** — Plan Melbourne seeks to ensure that we have got appropriate sequencing, and if you go to the VPA website, there is a full listing of the proposed PSPs —

**Ms PATTEN** — Is it possible to get some of that information on notice?

**Mr WYNNE** — Sure.

**Ms PATTEN** — The rollout of the public transport for the Donnybrook and Woodstock —

**Mr WYNNE** — Yes, I would be happy to do that.

**The CHAIR** — Order! I would like to thank the witnesses for their attendance: the Minister for Planning, the Honourable Richard Wynne, MP; Mr Bradley; Ms Wyatt; and Mr Hinckson. The committee will follow up on any questions taken on notice in writing. Mr Smith, I understand you had some documents that you were proposing to table, so if they could be provided to the secretariat with the URLs, that would be appreciated.

**Mr WYNNE** — Chair, I have got an answer to Mr Morris's question, if he wants it. The land uplift, the site for the park, for the school, was purchased by the owner 10 years ago for 4.5 million. It was bought by the government for 19 million, effectively pocketing a \$15 million uplift.

**Mr T. SMITH** — Chair, I might also table a document which is a screenshot of Mr Wynne's fundraiser at the Mark Street community hall on 14 September last year with compere Will Fowles.

**The CHAIR** — Mr Smith, if you can provide those documents to the secretariat, I would be most grateful. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 10 business days of that request.

**Committee adjourned.**