

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2021–22 Budget Estimates

Melbourne—Tuesday, 29 June 2021

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr James Newbury

Mr Danny O’Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

WITNESSES

Mr Richard Wynne, MP, Minister for Planning,

Mr John Bradley, Secretary,

Mr Julian Lyngcoln, Deputy Secretary, Planning,

Dr Jane Homewood, Executive Director, Statutory Planning Services,

Mr Matthew Clancy, Acting Chief Financial Officer, and

Mr Graeme Emonson, Deputy Secretary, Corporate Services, Department of Environment, Land, Water and Planning;

Ms Sue Eddy, Chief Executive Officer, Victorian Building Authority;

Mr Dan O'Brien, Chief Executive, Cladding Safety Victoria; and

Mr Stuart Moseley, Chief Executive Officer, Victorian Planning Authority.

The CHAIR: I declare open again this hearing of the Public Account and Estimates Committee considering this time the planning portfolio with Minister Wynne. We again invite you to make a 5-minute presentation, and this will be followed by questions from the committee.

Mr WYNNE: Thank you very much, Chair. I am joined for this session by John Bradley, the Secretary of the department; Julian Lyngcoln, who is the Deputy Secretary, Planning; Sue Eddy, to my right, CEO of the Victorian Building Authority; Jane Homewood, down the end here, who is Executive Director, Statutory Planning; and Dan O'Brien, the CEO of Cladding Safety Victoria.

Visual presentation.

Mr WYNNE: Victoria continues to demonstrate each year that it continues to be a very desirable place to live, but the COVID pandemic has obviously set a pause to our growth because clearly fewer migrants have arrived over the last 18 months. Our latest figures for December 2020 indicate that our population will likely remain around the current figure of 6.7 million while our international borders remain closed. Our attraction to overseas students and skilled migrants should see us receiving again the largest national share of people coming from overseas when our borders reopen, due to our strong employment, education and lifestyle choices.

Our budget projections expect Victoria's growth rate to return to normal by 2023–24 at 1.7 per cent per annum. Since the pandemic we have experienced stronger growth across our regions, as we all know. Half of the total growth in 2019–20 was concentrated in our regional cities: Geelong increased by 2.3 per cent, Ballarat by 1.7, Bendigo by 1.6. There were almost 16 500 dwelling approvals in the 12 months to March. This is a 34 per cent increase on the previous 12 months, surpassing the 12 000 per annum average over the last five years. Dwelling approvals in regional cities increased by a whopping 40 per cent, or 7300 dwellings, in the 12 months to March of this year. The Victorian Planning Authority and the department have been working with councils to ensure—and Stuart Moseley is here, by the way, the CEO of the Victorian Planning Authority, and he will as required come up to speak if needed. In 2021 the VPA and the department, working with local councils, have supported growth projects particularly in our regional cities—Bendigo, Ballarat and Geelong—as well as many smaller projects. Just to name a few: Shepparton, Mildura, Warrnambool, Wonthaggi, Traralgon, Benalla, Stawell—really right across the state.

In 2020 the overall value of construction work was \$39.7 billion, just a marginal decrease from \$39.9 billion in 2019. The residential development industry has clearly performed strongly, and in the 12 months to March this year approximately 63 500 residential buildings were approved compared to 59 000 in the previous 12 months. Almost all of this is due to the increase in detached housing, and obviously the stimulus funding from the federal government, the HomeBuilder grants—there is no doubt that that played a significant stimulatory role.

Our key priorities continue to focus on supporting Victoria's economic recovery as we emerge from the pandemic, and we are delivering obviously the cladding rectification program to improve safety by addressing the issues of combustible cladding on buildings. This work will also be supported by our statewide planning audit. We want to ensure that buildings are safe through our proactive building inspection and enforcements undertaken by the Victorian Building Authority, and Ms Eddy is here too in support of that program.

We are providing housing to our greenfields and urban areas to keep pace with demand, and we are maintaining a strong supply of commercial development and activity in the state and supporting our business recovery.

Plan Melbourne, as of course you all know, is our government's leading strategic planning policy to manage growth through to 2050. Since COVID this plan is more important than ever, and we are cracking on with implementing the action plan. COVID has taught us how important it is to live and work locally, and we are going to work in an entirely different way going forward, creating more 20-minute neighbourhoods to improve everyone's quality of life.

We have a dedicated development facilitation team to fast-track priority projects that will reinvigorate the economy, and we are also speeding up planning approvals for major projects and social and affordable housing in our Big Build and our Big Housing Build. Our previous budget handed down a significant investment to support Victoria's recovery and growth from COVID, and the budget continues—

The CHAIR: Went too far. Thank you, Minister.

Mr WYNNE: Sorry about that.

The CHAIR: Deputy Chair.

Mr RIORDAN: Minister, as luck would have it, the first question I have today is actually the one we discussed offline before, and that is about the turnaround that your department has in getting planning amendments and planning approvals done. I expressed to you earlier that that hold-up is really holding back regional Victoria and holding back parts of Melbourne, but distressingly for someone who represents a regional area—I have lived in this community my entire life—I am now seeing people sleeping in swags on the streets because we cannot get houses built quickly enough or land opened up quickly enough in a country town, which just seems crazy. I refer specifically to budget paper 3, page 196, which talks about the length of time that the department takes to assess planning schemes, and I will read it into the record: your department, since you have been in government, has had a target of 25 days. The actuals exceed that enormously: 36, 30, 39, 62, 75, 70—and that is all before you had COVID as an excuse.

These are just enormously beyond what you are even budgeting for. I note with interest in this budget you have gone and added an extra 10 days, and that does not even get you close to what your average has been. Why is it taking so long?

Mr WYNNE: Yes, it is an important question, and it goes absolutely to the question of housing supply, and I recognise that this has proved to be quite a challenge for us going forward. We had a very significant number of amendments, more than what we would normally have, and obviously we had resource constraints during COVID. Obviously the other element of it was seeking additional time for state agencies to resolve issues and additional time to correct and tidy up on occasions some amendments that councils had submitted to us. So I do not shy away from the fact that we need to do better in that space, but it has come from a record number of amendments that we have had to deal with in a very constrained environment.

But from the point of view of the necessity for us to ensure that we have got an adequate supply, I have had number of representations from regional colleagues who specifically have gone to this issue of ensuring that we have got enough available land when there is an acute supply problem. That is why the work of the VPA and Mr Moseley has been particularly important in this respect, because when they come to support councils—not just the big ones, the Bendigos, Ballarats and Geelong, who are actually quite well-equipped in terms of the skills that they have available—it is supporting some of those smaller councils to make sure that they have got the right skills to develop planning scheme amendments, get them authorised by the council and get them exhibited. I mean, it takes time.

Mr RIORDAN: In my minute that I have got left, can I pose to you another problem: that the system that is so cumbersome and that you and your officials here today wield over also seems to fail to understand that not only do smaller rural shires and municipalities not have the resources but the bulk of the developers in those communities are in fact themselves unsophisticated, not experienced developers. They will often be retiring farmers or older people that have had the land for quite some time, and it is this bureaucracy that your department has, this length of time. I mean, I have talked to people that are six and seven and eight years into just opening up nine blocks of land. I mean, it is insane. It is unfair, it causes a lot of stress and there seems to be no acceptance that, you know, a big Mirvac or some other huge developer that is doing thousands of blocks of land gets treated the same as some poor mum and dad who have got 9 acres of horse paddocks and everyone is perfectly happy for them to make it available for nine houses.

Mr WYNNE: Mr Riordan, I do understand your point and the VPA, through its streamlining for growth programs, works with local councils, which have received funding for 22 projects with a further 21 which are being led by the VPA. Obviously we have also put in place regional hubs to provide resources to regional and rural councils to speed up planning decisions and pick up that backlog, and that is the key to this.

The CHAIR: Thank you, Minister. Ms Richards.

Mr WYNNE: We might come back to it again if you want.

Mr RIORDAN: Unfortunately I have to be an apology.

Ms RICHARDS: Thanks, Minister and officials.

Mr WYNNE: But it is an important question.

Mr RIORDAN: Thank you.

Ms RICHARDS: I would like to perhaps explore accessible housing, Minister, and refer you to budget paper 3, page 8, and the reference in the very beginning of these budget papers to the Andrews government's commitment to mental health. I am hoping that you can explain how the introduction of minimum accessible standards into the National Construction Code will support this program.

Mr WYNNE: This was a really big achievement. Victoria has been advocating for this change through the national building ministers conference, which is held a couple of times a year, where I have pushed and pushed and pushed to get minimum standards in place. I have to say that with the support of my colleagues, particularly Minister de Brenni in Queensland, we have managed to achieve a really significant breakthrough. What does this mean? It means that we are putting in place in all new-build projects minimum standards for people who want to age in place, people with a disability, young people with a disability. And the reforms are really pretty basic reforms: a safe continuous, step-free path in the street; at least one level step-free entrance into the dwelling; internal doors and corridors allowing unimpeded movement between spaces; a toilet on the ground floor, level with easy access; a bathroom with a step-free shower recess; reinforced walls around a toilet, shower and bath to support the safe installation of grab rails—really basic stuff; stairways designed to reduce the likelihood of injury. So there are 1.1 million Victorians who identify as having some form of disability, and inadequate housing, as we know, leads to isolation, loneliness, and there is strong anecdotal evidence that it connects absolutely to a decline in mental health. So I am really thrilled with the work that we have managed to achieve there. I mean, it kind of got a little bit under the radar. People did not necessarily recognise just how significant this announcement was in terms of going to the question of the quality of life for people in the future.

Ms RICHARDS: Thank you, Minister. I am interested in perhaps understanding a little bit more what the value of this reform is to the community.

Mr WYNNE: It is currently estimated the cost to society of inaccessible housing is more than \$400 million per annum, and we know Australia's population is ageing. If the shortage is not addressed, it is estimated the cost would potentially rise to \$600 million. Accessible standards have been in place for commercial and retail through the federal disability access to premises standards since 2010, and it is important, frankly, that for residential accommodation we actually picked up the game. We know houses and apartments have a potentially 50-year life span, so it is vital to mandate designs that do not restrict accessibility or require expensive

modifications. We believe that the average cost—so there was a RIS undertaken. There was a lot of debate about this—that this was potentially going to be the end of the world and a massive impost upon construction—but I can assure you, if you are seeking to renovate an existing building to fit these sorts of standards as opposed to doing it as a new build, which is what this will require under the Building Code of Australia, the cost of roughly \$3800 would be many, many times that amount of money. So it is a terrific initiative, and we will ensure that in the future people with a disability, people who are ageing, people who want to age in place, will be able to live a dignified life with the sorts of standards that we would all expect. These are very basic standards, but they have been, I think, widely acknowledged and supported by the disability sector and the ageing sector more generally. So I am thrilled that I was able to lead that conversation.

Ms RICHARDS: Thanks, Minister. Thanks, Chair.

The CHAIR: Mr Hibbins.

Mr HIBBINS: Thank you, Chair. Thank you, Minister and your team, for appearing this evening. I would like to ask about the development facilitation program—

Mr WYNNE: Yes.

Mr HIBBINS: which you know is of interest to my community given there is one at 196 High Street, Windsor, that is under consideration. But overall how many projects have been considered by that particular program so far?

Mr WYNNE: How many projects have been considered by that program? I will get you the exact figure. I will just take you to what the process was, and then I will get you the figure, yes?

Mr HIBBINS: Okay.

Mr WYNNE: So we launched the development facilitation program, and it follows the success of the Victorian recovery task force pilot, and we only selected projects that could be facilitated. It was chaired of course by Jude Munro, who would be known to you well, Stan Krpan and Roger Teale. Our selected projects were ones that were of state or regional significance and would deliver significant investment into the Victorian economy and create new jobs and provide a sustainable public benefit. Obviously we had to ensure strict conflict of interest and probity measures were put in place—I mean, for all the obvious reasons that you would know—and most applications I have called in were referred to an independent panel for assessment. So we approved over that period close to \$1 billion worth of projects under the fast-track development program. In addition the program's team worked closely with local councils to facilitate, again, \$2.7 billion, so it was a very significant project. The—

Mr HIBBINS: That is a dollar figure for the value, but how many individual projects?

Mr WYNNE: Yes, I am coming to that. Where are we—23.

Mr HIBBINS: 23.

Mr WYNNE: No, sorry. Hang on. Let me be clear. Commencement of a total of 45 applications were received, with a combined investment value of \$5.37 billion, and 23 proposals were recommended for priority assessment and determination.

Mr HIBBINS: Okay. And how many of those proposals were rejected by a local council?

Mr WYNNE: How many? Julian, have you got that?

Mr LYNGCOLN: I do not have a figure for how many were rejected as such. A lot of them were not necessarily at a point where a decision had been made, so they either were still with a council and were perhaps out of time for a council to make a decision. Some of them had been referred to VCAT and so the matters were sitting within VCAT but were not due to be considered for some time, and so they were recommended for intervention as well. I would have to take on notice how many had had a decision from the council where the council had knocked it back.

Mr HIBBINS: Yes. How many have had a decision from council? How many have had a decision or were sitting with VCAT?

Mr WYNNE: Yes.

Mr HIBBINS: Okay.

Mr WYNNE: We will happily provide that to you.

Mr HIBBINS: I mean, what does this say about your confidence within the planning system itself if there is now an opportunity for developers to circumnavigate both the existing planning scheme, councils and VCAT?

Mr WYNNE: Did you say competence or confidence?

Mr HIBBINS: I could probably say both—both would be relevant. I said confidence, but I think both would be relevant.

Mr WYNNE: Well, of course I am confident. I mean, this is a robust process.

Mr HIBBINS: The existing planning process, if you are circumnavigating that.

Mr WYNNE: Well, you are not circumnavigating it. This was about ensuring that when we got out of COVID—and let us not forget: this time last year we were in complete lockdown, as our friends in New South Wales are, and I think Darwin is in lockdown at the moment—

A member: Queensland.

Mr WYNNE: and Queensland as well. I mean, these were very, very difficult times, and I think all of us are acutely aware of what the impact of the lockdown meant in terms of our economy—I mean, our CBD and our economy more generally. That is why it was important to put in place the opportunity for projects to be assessed, and they were assessed—clearly independently of me—initially by the facilitation group, which is now, by the way, embedded within a department to continue that important work, because we understood that coming out of the back of this you needed to have economic activity. These projects were rigorously assessed not only for their planning merits but also to ensure that the applicants had adequate funding, that they were not just seeking to come through the system and sit on the permit and go, ‘Happy days. I’ll bank that’, and that they were actually committed to getting work away. That was the basis of the work, and that is why it was important work to get these projects away. I mean, these are billions of dollars worth of projects—

Mr HIBBINS: No, I understand that.

Mr WYNNE: and this is about economic activity and jobs.

Mr HIBBINS: Is it all about economic activity and jobs? I mean, what about the impact that developments actually have on communities in the long term once the jobs are finished and completed? Why won’t you meet with residents who are impacted by the proposed development at 196–206 High Street, Windsor?

Mr WYNNE: Sorry, which one is it?

Mr HIBBINS: 196–206 High Street, Windsor. Why won’t you meet with residents who are impacted by that proposal?

Mr WYNNE: Sorry. I am having difficulty hearing you. What is your question?

Mr HIBBINS: Why won’t you meet with residents who are impacted by that proposal?

Mr WYNNE: I get many representations. I mean, I am not sure you made representations to me about this. Have you?

Mr HIBBINS: I have.

Mr WYNNE: Well, I am sorry. I get any number of representations to meet with any number of people about any number of developments. You know, that is where we are.

Mr Hibbins interjected.

Mr WYNNE: No, it is not like that at all

Mr HIBBINS: Well, you are the—

Mr WYNNE: No, it is not like that at all.

The CHAIR: Mr Hibbins, your time has expired.

Mr WYNNE: Don't characterise—

Mr HIBBINS: Hang on. You are the one that started characterising earlier on.

The CHAIR: Mr Hibbins, your time has expired. Mr Newbury.

Mr WYNNE: Well, I only said that you congratulated me.

Mr NEWBURY: Thank you. Before I go to a question, can I pick up the point that was raised by Mr Hibbins earlier. There have been a number of planning amendments that do take away third-party rights.

Mr WYNNE: Yes, that is right.

Mr NEWBURY: My view is there is a concern in the community that those rights are being stripped away. And I take on board your point that we want jobs, we want development, absolutely. But are you concerned, and is there a point where we are becoming undemocratic in the way that we are removing the rights of local communities?

Mr WYNNE: I guess there are two answers to that. For planning scheme amendments, obviously there are no third-party rights, and you are aware of that. But in relation to permits more generally, let me deal with that in the context of the Big Housing Build because, as you know, the Big Housing Build does not allow third-party appeal rights. I think that is in essence part of your question, Mr Newbury. The reason for that is that we wanted to ensure two things. In relation to the big build, there is a requirement that there is consultation with the council, absolutely. There must be consultation with the council to satisfy the decision-maker.

I want to come to what my role is in that because that is an important distinction that you need to be aware of. There will be consultation with the councils, and there will be consultations with the community as well, as there ought to be. But there are two changes here. Yes, there are no third-party appeal rights for the big build projects, but my role will be quite different in this context because for the big build I cannot be both proponent and decision-maker. I can be the proponent, obviously, for the big build projects, but it would be completely improper and a conflict of interest for me to be the decision-maker. All of the big build projects will be independently assessed by officers from Mr Lyngcoln's team and Dr Homewood's team, and they will, completely independently of me, be assessed and brought before the Minister for Energy, Environment and Climate Change, Minister D'Ambrosio, for decision-making.

Mr NEWBURY: I understand the point. And if you look at education land similarly, there is definitely a feeling in the community that some of these rights being removed are taking away the local community's power, their voice. Now, I appreciate what you are saying. I hear what you are saying. But I think there is a balancing act. And definitely around some of these sites there is a feeling in the communities that their rights are being stripped away.

Mr WYNNE: I hear that. I understand that. But I also understand that—and the term you use is very apposite—it is a balance, isn't it? I mean, you have got to strike a balance. For me it is about finding a balance between ensuring—and I come from a local government background; you are well aware of that—that there is an important role for the voice of local government to absolutely be heard in this. But you do get situations—and I am sure you are aware of this, Mr Newbury—where, for a range of reasons that are not necessarily about the merits of a development particularly, parties will seek to frustrate for their own purposes a development. I

am not suggesting that is always the case, far from it. I think it is entirely appropriate that we listen to the voice of the community. And in that respect, on many of the projects we have sought to modify, to hear what the voice of the community is about. I point you to the Member for Burwood, who has done some excellent work on his project, the Markham estate, where there has been not only extensive consultation with the council and the local community but really significant modification of that original proposal. But you are right to say it is obviously a balancing act. Of course it is.

Mr NEWBURY: Can I take you to budget paper 3, page 194, 'Objective 6: A safe and quality built environment', and providing 'leadership and advice on heritage protection and the built environment'. In relation to Tannock Street, North Balwyn, which was built by prominent architect Robin Boyd, there is an application, a live application and now an application for demolition. Will you step in on that project?

Mr WYNNE: Well, let me take you back one step. As you know, there is a whole debate—

Mr NEWBURY: The same thing happened in Service Street, Hampton.

Mr WYNNE: Yes, I am well aware of Service Street. There is, as you know, a whole debate about the role of councils in heritage, and it is a really, really difficult debate. Oftentimes—and you know this very well—councils will have approved an application for a development and then at the last minute after community dissent have wanted to come back and say, 'No, hang on a minute. We now want you to put in place interim controls'.

Mr NEWBURY: We can take it offline.

Mr WYNNE: Yes, we will. There is an important—

Mr NEWBURY: It is a big issue.

Mr WYNNE: There is an important conversation to be had in that space.

Mr NEWBURY: The demolitions are happening.

Mr WYNNE: I know.

The CHAIR: Thank you, Mr Newbury. Your time has expired. Mr Maas.

Mr MAAS: Thank you, Chair. And thank you, Minister. Minister, I would like to take you to the government's apartment design announcement that was made in February of this year. I would like to refer to budget paper 3, page 37 and in particular the output initiatives for the *Plan Melbourne* implementation. To that end I was hoping that you could explain for the committee how the better apartment design standards will improve the livability design of apartments in our cities.

Mr WYNNE: Thanks very much, Mr Maas, for your question. Obviously, as you know, in cities apartments are increasingly important as homes. I mean, going back to my dark days at the City of Melbourne—I am going back to ancient history here, Mr Maas, when I was at the City of Melbourne—when we first started to talk about apartment living, the first survey that was ever undertaken actually then was called Postcode 3000. We had this what we thought was a very ambitious proposition that maybe we could get perhaps 3000 people to live in the city, because at the time nobody lived in the city—literally. I mean, there were a few people in warehouses and stuff, but like a couple of hundred people. So at the time it was a rather ambitious idea. But, look where it has gone: apartment living is more than we could have possibly envisaged it would be like.

It was recently put to me by industry stakeholders that well-designed apartments with good amenity are withstanding market softness for apartments, and that is why we have expanded the Better Apartments program to ensure that we create quality homes for people which integrate with established neighbourhoods. One of the really interesting things here, Mr Maas, has been that when you talk to developers now they say, 'Well, one of the things we're going to have to do in our new designs is make sure that we've got an appropriate workspace'. Now, it may not be a big space but it will be a space, because people are going to work in an entirely different way to what they have in the past. They might work a couple of days in their city office or their main office, and they might work a couple of days from home, but they cannot continue to be working from the kitchen

table, because it is just not appropriate. So the market is shifting, and I think that is a really interesting initiative that the developers have been speaking to me about more recently.

On 25 February I announced five new design standards that result in more green open space in apartment developments to obviously make them far more attractive. Specifically, the designs will require developments with 10 or more apartments to provide for communal open space with a capacity to plant canopy trees—to actually plant trees. They will be designed to avoid wind tunnelling in public spaces and on our streets, be finished with high-quality materials that can be maintained over time and not deteriorate over two or three years, be flexible to provide more usable private open space and remove small windswept balconies on buildings taller than 40 metres in lieu of other private open space design such as winter gardens. If you go out and look at some of the older buildings that we have got, high-rises with balconies, the truth is no-one is sitting out on the balcony on the 26th floor of a high-rise, certainly in the middle of winter, because it is just the amenity—I mean, there is no decent amenity—and some of them are just not big enough, really, to actually have any quality space there. So we are looking towards designs for what is called the winter garden, so the open space is set within the apartment so that you can enjoy that amenity and fresh air and so forth right throughout the year. We think that is a terrific initiative and one that is very strongly supported by industry.

Mr MAAS: Terrific. Thank you very much. And in terms of those design standards, how will they support future residents in a post-COVID world?

Mr WYNNE: Well, obviously communal open space is really useful in terms of people being able to engage together—barbecues and events and so forth. The tree canopy stuff I think is fantastic. In the future you will have to provide mature trees, not some shrub that you can go and buy down at Bunnings. They will have to be mature trees that actually provide decent amenity to residents living there. Obviously the third element of it is in the design they talked about—not just the winter garden concept but also that people are now going to use their apartments in an entirely different way; they will be their workspace. For some people it might be their workspace more than a couple of days a week. It might be two or three days a week and potentially hubbing somewhere else for the other two days. So it will be a completely changed landscape in terms of housing provision more generally. But I think it is really exciting, and these guidelines have been very well accepted by the property industry more generally.

Mr MAAS: Thank you, Minister. Thank you, Chair.

The CHAIR: Thank you, Mr Maas. Mr Hibbins.

Mr HIBBINS: Thanks, Chair. I just want to continue on from something you discussed with Mr Newbury. Is it a—

Mr WYNNE: I can answer your other question if you want to do that first. Do you want to do that now or do you want me to come back?

Mr HIBBINS: No, let us do it now.

Mr WYNNE: Righto. So 196–206 High Street, Windsor, is a six-storey building with two basement levels, retail shops and office space, and obviously it is in an activity centre, as you know—yes? It is a development we consider to be shovel ready. It is an investment of \$90 million throughout the job short term, with 900 long-term jobs in the precinct. The project is currently on public exhibition. Submissions will be referred to the Priority Projects Standing Advisory Committee for an independent review and recommendation. So that is where it is at at the minute.

Mr HIBBINS: Okay, great. Thank you. Just on that, I think community benefit is one of the criteria of the development facilitation program.

Mr WYNNE: Yes.

Mr HIBBINS: How would you define community benefit in regard to that particular project?

Mr WYNNE: Well, jobs—we could start with jobs and the dignity of work. There is work on site in terms of construction jobs, work through the supply chain—

Mr HIBBINS: So it is just the short-term impact of the construction, the community benefit.

Mr WYNNE: Hang on, I have not finished. There is work for people who are going to be employed in that building—

Mr HIBBINS: I think it is a fair question. It is your criteria.

Mr WYNNE: Of course it is, and I am telling you what the criteria is. I cannot imagine you would not support the concept of the dignity of work for people, surely.

Mr HIBBINS: Are you suggesting that?

Mr WYNNE: No, I am not; I am asking you.

Mr NEWBURY: No, we ask the questions.

Mr HIBBINS: Yes, that is how this works. I am a big supporter of jobs and work, but I am also a big supporter of our local planning laws as well.

Mr WYNNE: So am I.

Mr HIBBINS: Well, you are the planning minister, so it is good to know.

Mr WYNNE: Indeed.

Mr HIBBINS: Which brings me to my next question.

Mr WYNNE: And guess what—you will not be.

Mr HIBBINS: Just in terms of Mr Newbury's line of questioning, is it a deliberate reform or a deliberate move of this government to shift that balance away from local planning laws, local governments and local communities and more towards consolidation of power for you within the planning system?

Mr WYNNE: No, it is not, and as I indicated to Mr Newbury, who I think has characterised it very well, it is a balance. It has to be a balance. This job is a difficult job. You have to balance up competing demands. But in all of the decision-making I have to take the expert advice that is provided to me—whether it is by an independent panel; whether it is by, in the case that you are referring to at Windsor, the priority projects standing advisory committee, which will provide independent review and recommendations—which is then subject to further review by Dr Homewood and her team, and then a decision gets made. It is not about me going about the place in some sort of capricious way, of deciding 'Well, you know, I like this' or 'I like that'. It is about having a proper, thorough and transparent process. That is what I have always sought to achieve, but I would submit to you, Mr Hibbins, it is a balancing act.

Mr HIBBINS: So the reforms that you are putting in place, they are not a deliberate move to then shift that balance?

Mr WYNNE: Certainly not.

Mr HIBBINS: Okay. Moving on to cladding. In budget paper 3, page 195, you have got a target of 150 cladding rectification projects on private residential buildings this financial year. How many have been done so far?

Mr WYNNE: I have got all that for you here, and I have got Mr O'Brien here with me as well. So Cladding Safety Victoria has rectified 37 buildings, which means more than 3000 people are now free of dangerous cladding; 113 buildings are being fixed at the moment, as we speak; 249 are under funding agreements that have been signed with owners corporations; and over 700 buildings have been referred to Cladding Safety Victoria, although not every one of those buildings will require funding. So far CSV has spent \$91 million on the residential program. So they are well advanced in their work, and Mr O'Brien is here to answer in further detail if you require. But again, this is from the point of view of government a really, really significant investment that we are making. We in fact lead not only the country, we lead internationally in terms of our

intervention. That is why we put this program in place with the expert guidance of former Premier Baillieu and former Deputy Premier John Thwaites. It is a very good program. It is progressing well.

Mr HIBBINS: And just on that, just in the short time I have got, once this 150 is done, how many more will still be waiting to be rectified?

Mr WYNNE: So, no—37 have been completed.

Mr HIBBINS: And once they are all done in this financial year, how many more will be—

Mr WYNNE: We will have two—please, Dan.

Mr Dan O'BRIEN: Yes, I think, Minister, you have answered the majority of the question. We have got 249 funding agreements underway with owners.

Mr WYNNE: 249 are underway at the moment.

The CHAIR: Thank you. Ms Taylor.

Ms TAYLOR: I just would like to make a point for clarity. I do live in the Southern Metro Region. Prahran and Brighton are both in the Southern Metro Region. I am about 10 minutes from both, and I make no apologies for working hard on local projects in my region. And if the Liberal Party think I am glamorous, I am happy to take that on. There are worst things that you could describe me as.

Now, I would like to refer the minister to budget paper 3, page 37. Can you give us an update on how the Victorian Planning Authority is progressing planning for Victoria's future homes and jobs?

Mr WYNNE: Thanks very much. It invites a comment, but I will let it go. Victoria's population decreased by 16 000 people in the September quarter of 2020, the first such decrease since the 1990s. Our population growth will return, as I indicated in earlier contributions, to near pandemic levels, and housing demand of course remains strong. In the year to February there were 61 000 residential building approvals in Victoria, and 42 000 of those were detached houses, 11 000 of those were for medium-density townhouses and 8000 were for high-density apartments. Greenfield subdivisions reached a record 23 000 lots in 2020. I mean, the greenfields market, they frankly cannot keep up. It is tremendous demand. And, as I indicated, the federal government's incentive program—its name has just slipped my mind for a second—was actually a very important initiative to assist first home owners.

320 hectares of industrial land was taken up in 2020, only slightly less than 2019, but obviously the office vacancy rates for the Melbourne CBD increased to 8.2 per cent in January compared to 5.8 per cent in July. This is actually comparable with Sydney vacancy rates as well.

As I indicated earlier, the VPA and the department are working with councils to ensure adequate supplies for Victorians to build their homes. And, as I indicated earlier, in Ballarat, Bendigo and Geelong in particular but also a number of our smaller rural councils as well, the VPA is working alongside those councils to support them, particularly in their structure planning and their land release opportunities as well.

Ms TAYLOR: Thank you. Could I refer you to budget paper 3, page 140, 'Economic Support and Recovery', where you are providing temporary relief for stamp duty obligations in this budget for off-the-plan and new residential property purchases in the Melbourne local government area. Given these measures are to support economic recovery, are you able to provide the committee with an update on your development facilitation program?

Mr WYNNE: Thanks very much, and it moves along from the earlier conversation with Mr Hibbins. We did launch the program in 2020, and it was a very successful program, which was chaired by Jude Munro, Stan Krpan and Roger Teale, and it helped facilitate state or regionally significant projects by accelerating planning assessments and determinations and delivering significant investments in keeping people in existing jobs and creating new jobs. Criteria was informed by feedback from industry and advice from the Department of Treasury and Finance and the Department of Premier and Cabinet. The program team within my department is being assisted by Invest Victoria to ensure it is robust and transparent, and a committee of senior government

executives, including the Deputy Secretary, Julian Lyngcoln, provides me with regular updates about intervention options for priority projects and will closely monitor the program.

As I indicated, it is now embedded within the department, and I think really we have learned some good lessons from the project facilitation work that was done. We have refined it and we are supporting it going forward because we know that our economy is bouncing back. Our employment figures are strong. The last few I think were below 5 per cent, which is tremendous, but we have to ensure that we have got the pipeline of activity going forward, and we know just how important the building and construction industry is and its multiplier effect as well. As I have indicated before, it is not just the jobs onsite, important is what they are. And can I call out the building industry more generally, and can I absolutely call out the peak bodies and the trade union movement together, who have worked in an incredibly harmonious way right through all of those challenges of COVID, to keep the industry going, albeit in a somewhat constrained form, because we knew just how important it was both from the economic point of view but also from a community point of view that we could see that activity was still going on—jobs onsite, supply chain, metropolitan Melbourne, regional Victoria, supplemented by our Big Build projects and the massive investment the government has made in its infrastructure investment program and the schools building program. I mean, on it goes. These are critically important to the long-term health and the recovery of our economy going forward.

Ms TAYLOR: Thank you.

The CHAIR: Thank you, Ms Taylor. Mr Newbury.

Mr NEWBURY: Thank you. Minister, can I take you to budget paper 3, page 196, ‘Median number of days taken by the department to assess a planning scheme amendment’. Look, in the last four years the department has been 56 per cent over target, 150 per cent over target, 200 per cent over target, 180 per cent over target. I mean, what is the point of having targets if they are so far away from the number of days taken?

Mr WYNNE: Well, as I indicated in the earlier answer, we were constrained, as you know, by COVID itself—

Mr NEWBURY: That is why I gave you four years.

Mr WYNNE: Yes, but some of these amendments, as I have indicated, have been very, very complex. One of the reasons why our Streamlining for Growth program has been successful, particularly with some of the planning scheme amendments in our regional cities, is where you do not have the necessary skill base available to actually ensure that the amendment is in good order to be put out for exhibition it inevitably means that you are going to have a delay in the process. And we have been—

Mr NEWBURY: Since Labor came to government the average has been 52 days. I mean, why not set the target at the average?

Mr WYNNE: Well, you set a target and you try and reach it, don’t you? But sometimes there are extraneous factors that come into play that mean that you cannot necessarily reach the target as adequately as what you would like to do. But that is not to say that we are not trying to ensure that we facilitate in an appropriate way. And going to the question that Mr Riordan raised, I mean, I am acutely aware of the need for us to have a proper and streamlined process, particularly as it relates to land release, particularly in our regional cities and some of the smaller municipalities as well where there is significant demand, and in that context I think it is appropriate that we ensure that the planning scheme amendments are in good order but also that they are not subject to further litigation. But I might ask the Director of Statutory Planning, Dr Homewood, to provide some further insights into that, if you would like.

Mr NEWBURY: Yes, sure. I mean, just for background, every minute of delay does cause community concern. It really does.

Mr WYNNE: And it is cost as well.

Mr NEWBURY: And so at the same time it is taking away certain rights—and we have had that discussion before. When there are departmental delays on top of that, you say, ‘Well, hang on, if we’re taking away local

rights in certain cases, but then there's internal red tape in terms of the department'—I mean, you are not even remotely close to the targets.

Mr WYNNE: Look, we agree. And before Jane does make her contribution, I do indicate to you, Mr Newbury, that—I agree; there is no question about that—we have to do better, and the budget includes a significant commitment over four years of \$111 million to reform the planning system to create clearer pathways for major projects, but you clearly have to be open to public scrutiny; opening out land in urban renewal precincts for quality new communities; obviously the work that we are doing at the VPA as well; giving priority to planning for the infrastructure projects that we need; and absolutely, finally, updating and modernising the rules right across the system to make planning decisions clearer, faster and fairer. And this time next year if I come back and I have not achieved that, you will have every right to ask me why.

Mr NEWBURY: Do you mind if I take you to—

Mr WYNNE: Can I get Dr Homewood?

Mr NEWBURY: Is there something additional?

Dr HOMEWOOD: Yes, there is, thank you, Mr Newbury. So, there was \$7.5 million allocated to the regional partnership and hubs project, and that is to address the issue that Mr Riordan and you have raised, for providing as much support up-front for councils that do not have those resources. We have partnered with the department of agriculture so that we can provide up-front support on those complex planning matters with agriculture, and we are also working with the Municipal Association of Victoria to provide additional funds, to provide special development and training and to provide support for permit backlogs. It is a target and we are aiming to meet it, but we do not want to stretch it out, because we understand the importance of getting those developments approved.

Mr NEWBURY: Thank you. Minister, can I take you to budget paper 3, page 195 and the first two performance measures on that page relating to cladding? Rylands at 349 Riversdale Road, Hawthorn East is an 84-unit retirement village classified as medium risk. It has just been hit with a rectification cost of \$2 million, which means each of the owners is slugged with a \$24 000 cost. Are you concerned, number one, about the medium-risk designation when most of the residents are immobilised, frankly, and secondly—well, let us start there, and if you want to add to the answer, are you willing to meet with the local committee and visit the site to look at it yourself?

Mr WYNNE: No. I will tell you the answer to your question is absolutely. We are going to run out of time, but the foremost decision the government makes is community safety—absolutely. And in relation to meeting with those community members, that is absolutely the role of Mr O'Brien as the CEO of Cladding Safety Victoria, and I am sure he would be happy to meet.

Mr NEWBURY: Thank you.

The CHAIR: Thank you, Minister. Mr Richardson.

Mr WYNNE: If he has not yet.

Mr NEWBURY: He has just been committed to.

Mr RICHARDSON: Thank you, Minister. I might take you to the topic of precincts and refer you to budget paper 3, page 251 and the Department of Jobs, Precincts and Regions. There is an objective to 'Build prosperous and liveable regions and precincts'. For the committee's benefit are you able to explain how your department is assisting in this space?

Mr WYNNE: Yes. Thank you very much, Mr Richardson, for your question. We are progressing plans for new homes and jobs that obviously are well located in new areas. Now, precincts will direct investment and contribute obviously to the economic health of our state. My role in precincts, so people are clear, is to deliver any required planning scheme amendments, ensuring the highest quality outcomes through rezonings and development controls. I do provide support to my colleagues who have direct responsibility for precincts, and I refer you specifically to Minister Pakula, who is responsible for the waterfront at Docklands, Fishermans Bend, Parkville and Footscray, and my colleague Minister Allan is obviously responsible for Suburban Rail Loop

precincts, the Latrobe precinct, Werribee, Monash National Employment and Innovation Clusters as well as Arden. If you think about the opportunities that come, for instance, from suburban rail, suburban rail clearly will be a city-changing project, without a shadow of doubt, linking up all of our employment clusters, linking up all of our university precincts—an amazing project. So what will sit within those station precincts is of course the opportunity for development, and that is where I come in. So my job as the Minister for Planning will be to ensure that we capture the value uplift that will come from this massive investment by the government more generally.

I think this is an incredibly exciting opportunity for us, if you think about all of the opportunities that I have just mentioned there. Fishermans Bend, of course—we do not need to go through the history of Fishermans Bend; it is well known to us all—but the opportunities for an urban development literally on the doorstep of our city here, one of the biggest urban development precincts certainly up the east coast of Australia, probably the biggest in Australia, is just a wonderful opportunity for us. It does not come without significant challenges, as we know, but as a government we are deeply committed to it, and we know that particularly the GMH site will be a magnificent centre of learning and opportunity with the future use of that facility at the GMH site as an engineering facility for Melbourne University and potentially also RMIT as well. I mean, you can just see, you know, Boeing is down there, you have got defence facilities down there. This is a wonderful opportunity for us to really build on the competitive strengths that Victoria has got, because, you know, we are a manufacturing state. We build things, and it is just a fantastic opportunity.

Mr RICHARDSON: Luckily we bought back that community and school land as well so we can build and protect the community amenity in Fishermans Bend as well.

Mr WYNNE: Of course Minister Foley is very proud of his primary school there, which was the first vertical school. He just beat me to the Richmond High School, but never mind. He can have that one.

Mr RICHARDSON: I want to take you to another really important precinct. If you could explain for the committee's benefit how the government is progressing the master plan in the Arden precinct.

Mr WYNNE: Again can I thank you, Mr Richardson. Yet again a perfect example of how value capture is going to make that precinct something quite extraordinary. For people who are unaware, Arden is just behind the North Melbourne football ground. Sadly, my team is not travelling that well. The Arden precinct will underpin potentially 15 000 residents who are going to live there and potentially 34 000 job opportunities that will be available in that precinct. Think about Arden in the context of the Arden station, which will be a minute and a half, maybe 2 minutes, from that extraordinary Parkville precinct where you have got world-leading facilities—the Peter MacCallum Cancer Centre, the second or third most significant cancer centre in the world. Think about the Doherty, think about the WEHI, think about the Royal Women's Hospital, the Royal Melbourne Hospital, Melbourne University—all of this clustering effect that has occurred through that level of investment. And then coming off the back of that of course is the medium-density housing that you are now seeing built there as well to complement and really make that precinct just hum in a very, very exciting way. So I think Arden is the next level of urban change and we ought to be immensely proud of it because there are only two players in the Arden precinct—the City of Melbourne and the state of Victoria—and together we will do it properly.

Mr RICHARDSON: Thank you very much.

The CHAIR: Thank you very much, Mr Richardson and Minister. That concludes the time we have set aside for consideration of the planning estimates with you today.

Mr WYNNE: Thanks.

The CHAIR: The committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's requests. The committee will now take a short break before resuming consideration with you as the acting Minister for Water.

Witnesses withdrew.