

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Budget Estimates

Melbourne – Tuesday 13 June 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell

WITNESSES

Ms Jacinta Allan MP, Deputy Premier,

Mr Paul Younis, Secretary,

Ms Natalie Reiter, Deputy Secretary, Policy, Precincts and Innovation, Department of Transport and Planning;
and

Ms Heather Ridley, Acting Deputy Secretary, Economic Policy and State Productivity, and Land Coordinator General, Department of Premier and Cabinet.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their elders past, present and emerging as well as elders from other communities who may be with us today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

I welcome the Deputy Premier and minister for precincts and land coordination as well as officers from the Department of Transport and Planning. Minister, I am going to invite you to make a short presentation or statement. This will be followed by questions from the committee.

We have 5 minutes, and your time starts from now.

Visual presentation.

Jacinta ALLAN: Thank you very much, Chair and committee members, for the opportunity to join you all this morning to talk about a range of portfolios but this morning to talk about precincts and land coordination. Can I also start by acknowledging the traditional owners of the land on which we meet and paying respects to elders past, present and emerging.

It is a great opportunity to both update the committee and more broadly others who may be tuning in on the progress that the Andrews Labor government is making on activating key precincts across Victoria. As we know and as we have seen in other parts of the world, significant government investment in things like transport, health, infrastructure and jobs can help catalyse urban renewal, and whether it is areas like Sunshine or Arden, precincts can play a key role in how Victoria grows into the future by helping us to both build communities and also to support jobs and economic prosperity.

When you consider how Victoria is growing – we are projected to become a state of 11 million people by the late 2050s – we have got to plan for that and plan for that now. Because really – we were just talking about Rick Astley, and that was not that long ago in our memory – the 2050s are really not that far away, particularly when you have got to make the key investments now to realise those opportunities in the future. But properly planning for this growth also has at its heart a fairness and equity opportunity because we know that when people spend a long time travelling to their place of employment and when there is a lack of accessibility to key services, particularly education and health, there is a real constraint on a person and a family fulfilling their

potential. And when you add to that the conversations that we are seeing on a daily basis about housing availability and affordability, we do have some challenges in place, but also with our precincts there are some great opportunities to realise the potential to provide both housing and jobs.

Just before I go to precincts in more detail, I just want to give the committee an update on the work that we are doing across government to coordinate and plan both precincts and land use, and this is the next slide. From December last year the new Department of Transport and Planning brought together planning, land use and precinct delivery to put in place a stronger emphasis on place-based community outcomes. The precinct delivery function that previously sat across a couple of different departments now sits in the Department of Transport and Planning to ensure that we get better coordination and delivery across our precincts. And also, to support that whole-of-government focus and work, a new unit has been established within the Department of Premier and Cabinet to coordinate this work strategically across government. The work in Department of Premier and Cabinet – that team leads policy, prioritisation and monitoring and evaluation of both precincts but also on a broader scale, outside of those key precinct areas, land coordination. That is why as part of that work there is a land coordinator general role in DPC, and their function is to coordinate across government departments and agencies to improve the use of government land – the land that government holds – for example, to better support our capital project delivery across a range of portfolios. This is important because it does intersect across a range of different departments and agencies and also, I should emphasise, across both metropolitan Melbourne – the suburbs – and regional Victoria. This is, again, consistent with how we want to link in better with our land use planning as well that is being led through the Department of Transport and Planning.

Briefly on the next slide, just coming back to the priority precincts – I have mentioned Arden and Sunshine already – there are Suburban Rail Loop precincts, which I am sure we will come to later on in the day when we come to the Suburban Rail Loop part of the hearing. There are also other significant areas where we have the opportunity to, as I said, use the catalytic investment that we are making in transport infrastructure to help drive the potential of these precincts. So whether it is the Suburban Rail Loop or the Metro Tunnel, for example, that will connect Sunshine and Parkville into Arden, we have got some great opportunities there to leverage off that. But as I said at the outset, that work is very much starting now to plan for the future.

If you can turn to Arden and Parkville, that gives you a great example of the huge potential we have for urban renewal – and urban renewal jobs, houses and access to services right in the heart of the city – which has opened up as a consequence of building the Metro Tunnel. The Metro Tunnel will connect Arden and Parkville. It will be something like a 4-minute train ride between those two key areas, and when you consider the opportunities around Parkville that are there now, to connect them up to Arden is a great opportunity, and we will talk more about that during the course of the day. Thank you.

The CHAIR: Thank you, Minister. We will go to Mr O'Brien for the first 8 minutes.

Danny O'BRIEN: Thank you, Chair. Good morning, all. Good morning, Minister – or do I call you 'Minister'? When were you sworn into this portfolio, Minister?

Jacinta ALLAN: You can call me Jacinta if you like, Danny. It is really your call; we have known each other for a while.

Danny O'BRIEN: I prefer formalities.

Jacinta ALLAN: But in this instance I am appearing, as I understand, at the committee's request – the committee set the schedule and the program. I am here attending the committee as Deputy Premier to talk about, as I said in the comments I made in my introduction, both the work that has been happening in precincts – they have for some time now –

Danny O'BRIEN: Sorry, can I come back to the question: when were you sworn in?

Jacinta ALLAN: When the government was sworn in following – you might remember, we had an election at the end of November last year.

Danny O'BRIEN: You do not need to be smart about it.

Jacinta ALLAN: Well, I am matching tone for tone. Following the election last year there was a range of machinery-of-government changes. Those machinery-of-government changes that were communicated by the Secretary of the Department of Premier and Cabinet to the entire public service spoke to the creation of the Department of Transport and Planning, bringing together those functions in one place, as I said before, to make better use of land use planning. Then in addition to that, as was also communicated – and I have got in my folder here somewhere –

Danny O'BRIEN: I just want to clarify, though, because both –

Jacinta ALLAN: If I could finish the answer –

Danny O'BRIEN: The Chair introduced you as the minister for precincts and land coordination. Are you actually the minister?

Jacinta ALLAN: Well, if I could finish answering your question before you jump onto a new one –

Danny O'BRIEN: You are giving me a lot of background. It is actually the same question I started with: are you the minister for precincts and land coordination?

Jacinta ALLAN: As I was about to say – and I have got an email in my folder, which I am happy to leave with the committee if you so desire, from the Secretary of the Department of Premier and Cabinet – through those machinery-of-government changes, which created a bunch of different departments and ministers were sworn in, the Premier allocated to me responsibility for this precinct and land coordination function. There is a dedicated unit set up within the Department of Premier and Cabinet, which again was communicated through that email to the entire –

Danny O'BRIEN: Right. So we have got –

Jacinta ALLAN: Hang on, hang on. I have not finished yet.

Danny O'BRIEN: I just want a simple answer to the question: are you the minister for precincts and land coordination?

Jacinta ALLAN: As the Premier has allocated responsibility for ministers, I am responsible through my role as Deputy Premier for the oversight of the coordination of the – can I say it is not without precedent. It is not without precedent. And I can think of one in particular in the previous term of government. James Merlino, when he was Deputy Premier, was tasked by the Premier to coordinate across government what you could term the social services workforce. So those community sector workforces –

Danny O'BRIEN: But he never appeared here as minister for social services workforce.

Jacinta ALLAN: Can I suggest that would have probably been a question for the committee at the time. I am here at your request.

Danny O'BRIEN: And it was. I was asking the question, Minister. I do not want to give away committee deliberations, but I was asking: where is she minister? She is not on the Parliament House profile. She has not been in the *Government Gazette* as minister.

Jacinta ALLAN: There are functions that are allocated through the administrative orders, where I have –

Danny O'BRIEN: So you have not been sworn in as minister? That is the question I am asking.

Jacinta ALLAN: Well, as I said, I am appearing here at the committee's request, which I am delighted to be. I am absolutely delighted to be.

Danny O'BRIEN: It is great to have extra time. We are just not quite sure what portfolio. I have heard of ministers without portfolio; I have never heard of a portfolio without a minister.

Jacinta ALLAN: Oh, there you go.

Danny O'BRIEN: This is rather extraordinary.

Jacinta ALLAN: Have you been working on that all weekend, that line? I reckon you have been working on that all weekend.

Danny O'BRIEN: Well, Minister, I have been perplexed all weekend – since this started. Why have we got a portfolio session for a portfolio that does not have a minister? I have been through the budget papers. There is nothing under DPC. There is nothing under the department of transport.

Jacinta ALLAN: No, there is.

Danny O'BRIEN: No, as minister.

Jacinta ALLAN: Let me draw your attention to budget paper 3, page 333, and indeed there is also an allocation in the budget of some funding of I think –

Danny O'BRIEN: There is.

Jacinta ALLAN: \$14 million for this activity. So I would suggest, Mr O'Brien, I am here; the schedule has been set. I am here at the request of the committee. I am delighted to be. I am delighted to answer questions on issues particularly of substance, because the work we are doing is not insubstantial and it is important.

Danny O'BRIEN: But it is not, apparently, worth having a minister's title. But anyway, I will ask some questions of the Secretary, perhaps.

Jacinta ALLAN: It is also bringing together – in the previous term I had responsibility for transport precincts. Minister Pakula I think appeared before previous committees as Minister for Business Precincts –

Danny O'BRIEN: There are lots of things that people have portfolio responsibility for, but they are not actually called a minister.

Jacinta ALLAN: and this is all entirely consistent with the work that we are doing.

Danny O'BRIEN: Okay. Secretary, the minister just indicated that Transport and Planning is coordinating but also that DPC has got a coordinating role. Who is doing what? Who is in charge, ultimately?

Paul YOUNIS: As the minister indicated, DPC have the coordination role for land coordination and for policy coordination and a coordination role across the precincts and land area. The Department of Transport and Planning, which is a part of the MOG that was created on 1 January – and the minister referred to the letter received from the Secretary of the Department of Premier and Cabinet that outlined the responsibilities for my department and what various parts of government came into the then Department of Transport. That included elements of precincts, which were actually in about two or three different spots in government – planning and –

Danny O'BRIEN: Can I get to the nub of it, Secretary? Sorry. When it comes to a final decision on a precinct or land coordination issue, who has the final say?

Paul YOUNIS: The coordination role is with DPC. The delivery role – and I was getting to what the Department of Transport and Planning are responsible for, which is the precincts delivery.

Danny O'BRIEN: Okay. Page 16 of the questionnaire details that the portfolio:

... will help design, deliver and coordinate the State's planning and infrastructure investments according to best-practice.

Secretary, does best practice include abolishing appeal rights for local residents on government-led transport projects?

Paul YOUNIS: I presume that is a question for the Minister for Planning.

Danny O'BRIEN: No. It literally relates to this portfolio – page 16 of your questionnaire.

Paul YOUNIS: The portfolio includes a range of different areas in government.

Jacinta ALLAN: Yes.

Danny O'BRIEN: Apparently.

Paul YOUNIS: It includes planning.

Danny O'BRIEN: Just not a minister.

Paul YOUNIS: I actually have four ministers that are part of the department. There is public transport. There is roads and ports and freight. There is major infrastructure, and – I will have the whole list –

Jacinta ALLAN: Transport and infrastructure, Suburban Rail Loop.

Paul YOUNIS: So there are elements –

Danny O'BRIEN: That is all interesting, Secretary. That is not the question, though.

Paul YOUNIS: But the question relates to a part of my portfolio that is not in the precincts area. It is part of the planning portfolio.

Danny O'BRIEN: Okay. We just heard things like 'Suburban Rail Loop'. So does this portfolio give the government powers over development around the Suburban Rail Loop to include high-rise, high-density housing within 3 kilometres of transport projects like the SRL?

Paul YOUNIS: All of the powers are retained within the ministers' portfolios that are allocated within the Act. The Acts of Parliament determine who is responsible for the powers in relation to precincts, in relation to planning, in relation to major transport infrastructure, and that has not changed. Those portfolio responsibilities are still set down in the Act.

Danny O'BRIEN: So what does this portfolio do, then? If the ministers still retain the final power for everything related to the suburban rail link, to Arden and to all of those precincts, ultimately what is the purpose of this portfolio?

Paul YOUNIS: I think we play a really important coordination role in delivery of those precincts.

Danny O'BRIEN: But you still have the Minister for Planning making all of those decisions.

The CHAIR: Apologies, Mr O'Brien, your time is up. We are going to go on to Mr Hilakari.

Mathew HILAKARI: Thank you, Deputy Premier, and thank you, officials, for your attendance this morning. In my community, the community that abuts the East Werribee precinct, we understand exactly how important the coordination is and getting this right, because if we do not get this right, our communities suffer, so I really appreciate the opportunity to ask some questions. I refer to budget paper 4, page 5, which goes into the Arden precinct. Could you please talk about some of the government's infrastructure programs and supporting and enabling the activation of these precincts across Melbourne?

Jacinta ALLAN: Thank you, Mr Hilakari, and yes, as the Victorian community has seen over the past eight years, the Andrews Labor government has invested heavily in a really strong transport infrastructure delivery program. Certainly we see in this year's budget papers across the broader infrastructure program there is \$19.6 billion a year. That is a strong pipeline that is about investing in connections and also jobs whilst those projects are being delivered. We are also considering how we can leverage that Big Build into supporting the challenges that are coming and the opportunities with a growing population and also addressing those key issues which I know we have talked about previously around housing affordability and availability.

This is a critical issue for the state as a whole because, with those population figures I mentioned in my presentation earlier, a city and a state of 11 million people by the late 2050s will see significant additional demand and pressure placed on our transport network. A transport network, for example, with a population of that size will need to support something like 11.8 million extra daily trips by the late 2050s, and on our road network that will see an 80 per cent increase in private vehicle trips – around 19 million trips a day. So if you imagine that additional demand on our existing network, it speaks to the need to invest in transport infrastructure projects like the Metro Tunnel, North East Link, West Gate Tunnel, the Suburban Rail Loop and also the other connections that we are making – Point Cook Road, for example, to name but one – because if

we do not, it will continue to put pressure. That pressure will not just come on our transport network – it will see people being further and further away or it being harder and harder to get to jobs and services that they need. That is where we need to bring together – and this is part of that coordination work that we are doing across government that seems so controversial, that we are actually coordinating activity across government – transport and other areas of government about how we can leverage off those transport investments around key precincts and how we can support jobs and housing in that area. It is also an opportunity to look at how we can activate and regenerate our urban renewal areas and they can particularly be key economic and employment areas as well.

On that policy front of course there is the work that is led by the Minister for Planning through *Plan Melbourne*, which is the guiding policy setting, if you like. That provides that setting around, if you like, that 70–30 split between 70 per cent of housing in Melbourne’s established areas and 30 per cent in the growing areas. What we need to do to support that aspiration of 70 per cent of housing in established areas is to look at how we can activate those precincts, if you like, in those urban renewal areas – brownfield sites, to use another term. I mentioned Arden particularly in the presentation. Sunshine is another key location. You have identified Werribee in your question as well. Footscray is another. I will not speak to the Suburban Rail Loop ones because, as I said, I anticipate we will go to those later in the day.

But certainly if you just look at Arden, not only will Arden in a couple of years have a brand new train station open up in the heart of it, the government has also already committed to two new campuses of the Royal Women’s and the Royal Melbourne hospitals – big catalytic investments that will also drive private investment into those areas. They will be very attractive places for what we estimate will be tens of thousands of people to live in because of those really strong transport connections. There will be jobs there, a whole range of jobs in those hospitals. Then there will be significant interest from the private sector as well. The land at Arden – it has always been there, but in terms of existing for this opportunity it is only being realised because of the investment that has been made around the Metro Tunnel. The land has been opened up, if you like, alongside a whole lot of other work that was done through the planning portfolio in terms of getting the planning right. We can now get to the stage where we are looking at a hospital investment and how we also drive additional jobs and housing in that area.

Mathew HILAKARI: I might take you to the broader west and Sunshine and Footscray in particular. You mentioned in your presentation those areas. Can you just explain some of the government’s vision for the west and these precincts in particular?

Jacinta ALLAN: Again these are terrific examples where the transport investment really does create new opportunities in Sunshine and Footscray. Both of those areas are connected with the Metro Tunnel, and particularly – with apologies to the Member for Sunshine – Footscray, I think, when the Metro Tunnel opens, because of where it is located on the network, is going to have services in the peak every couple of minutes. It is going to really open up accessibility, but also there will be the additional services that come from Sunshine. But again it gives us the chance to look at the land, particularly the government landholdings. That is a big part of the work that the Land Coordinator General will be working on: looking at where government has a lot of land – in fact we are the largest landholder in the state, which is probably unsurprising – and how we make the most of that.

In Sunshine, for example, we are working very closely with the local community and with council. Last year we released the *Sunshine Station Masterplan* to help guide that broader renewal piece. Again there are strategic parcels of land there, and I should also say off the back of other investments, like the investment in Sunshine Hospital and TAFE, there are a lot of investments in that area already we can build off. For the *Sunshine Station Masterplan* we have supported that with a \$143 million commitment to starting the first stage of works, because there will need to be many stages of work. For example, there will be work around the station, creating it as a plaza precinct to be able to improve accessibility for bussing, walking and cycling, making it a true kind of transport hub and precinct, and then looking at how we can then open up land around the station as well.

In Footscray too, because of that huge investment in building a brand new Footscray Hospital, that \$1.5 billion investment, we will have as a consequence of that what will become the old Footscray hospital site and will look at how we can realise that site – and also move as quickly as we can once the hospital has decanted into its new site to look at what opportunities we can grab at what will become the old site. So that is why we have already released an opportunity and directions paper to set out a strategic plan for Footscray, again working

closely with local members and community and council on this, because I think that, certainly from what we have seen already, the local community are really excited and energised about what this means in terms of this giant space opening up. There will be a lot of ideas, a lot of good thought, and that is why we want to capture that early – through the opportunity and directions paper to really capture the opportunity at what will be that former Footscray hospital site.

Then in terms of Werribee too we are working on updating the precinct structure plan. This has been a challenging site for some time. I think it is important to acknowledge that. But I also know there is great opportunity with that vast tract of land that is sitting in the heart of a really rapidly growing community, and it has been rapidly growing for some years now. So we have to carefully think through how we support the appropriate staged development of that site that can support housing, can support jobs, has good transport connections and does not, if you like, overwhelm the rest of the community and the rest of the network. I know you are particularly interested in working through that with us, and that is why we are working on updating the precinct structure plan and also looking at how the community of Werribee – as we know, there are a lot of people who, when they go to work, head towards the city. What can we do to make sure we reorient that opportunity to be closer to where people live? That is where, particularly around Avalon, there is huge potential. Well, it is already seeing – thousands and thousands of jobs already exist at Avalon, and that is predicted to grow into the future.

How can we make sure we are building strong connections within the local western and, in this instance, the outer western community to make sure that we can provide those job connections – because I do not think anyone particularly likes getting in the car and driving a long way to work each day, and if you can find a job that you are qualified for, a job that you love, closer to home, that is a much better outcome. There is a responsibility – and again, this goes to that coordination role that we are doing across government – to look at how we can better link up these opportunities as we think about our land use planning, our economic investment and also the investment in important social services like schools and hospitals.

Mathew HILAKARI: I might take you to Fishermans Bend now. I appreciate you have covered a vast amount of the west, which is really great and I really appreciate, but with Fishermans Bend I am just seeking some understanding around the support around innovative [inaudible] communities on what is a brownfield site which is really ready to go.

Jacinta ALLAN: There are only a few seconds available. Just very quickly, there is the previous commitment of \$179 million for the former GM Holden site that is continuing to progress, the work on the innovation precinct. We are working very closely with the University of Melbourne and the City of Melbourne to again realise the potential of that site.

Mathew HILAKARI: Thank you very much.

The CHAIR: Thank you, Mr Hilakari. The next 3 minutes go to Ms Sandell.

Ellen SANDELL: Thank you. I would like to ask about the Fitzroy gasworks site. My understanding is that 20 per cent of the gasworks site was originally set aside for public, social and affordable housing but that has now been paused. Why has that been abandoned?

Jacinta ALLAN: I am glad to have this opportunity to correct that unfortunate misinformation that has been published that the reference –

Ellen SANDELL: Yarra councillors have been told it has been paused.

Jacinta ALLAN: The reference unfortunately – I am referring in this instance to a media article from last week sometime where this was referred to. We remain committed to delivering 20 per cent affordable housing across the Fitzroy gasworks site. It is a great site as –

Ellen SANDELL: Why were Yarra councillors told that that commitment had been paused?

Jacinta ALLAN: I can only speak for the advice that is provided to me by Development Victoria, who are the agency responsible for this site. You obviously have information –

Ellen SANDELL: So 20 per cent is still the commitment?

Jacinta ALLAN: but let me be really clear: this is a great site. We are working with the private sector, and there is, if you like, a live procurement process underway. So it is a little hard to cut across that and say any more publicly, other than to say we remain committed to delivering the 20 per cent affordable housing across this site.

Ellen SANDELL: Will any of that be social housing or just affordable private housing?

Jacinta ALLAN: Again, we are working through a process at the moment. It is important that we do not cut across that, but this is a huge site that is only being realised as a social and affordable housing opportunity because the Andrews Labor government has worked really hard through its agency Development Victoria to transform this site. It is well known, particularly in the local community, the history of this site, the complications of remediation of this site. A significant investment was made to – before you could build a house or even contemplate what additional investment you want to make on this site, we had to undertake a massive remediation for each of the issues with soil contamination.

Ellen SANDELL: Yes. I appreciate that. I have only got 3 minutes, so –

Jacinta ALLAN: That is why we have since built school facilities there, a multisport facility there.

Ellen SANDELL: I would like to ask about schools in Arden. My understanding is we will have 15,000 residents in Arden. There is only a voluntary target of 6 per cent affordable housing. I am wondering why that is not mandatory, and also my understanding is just one school is planned for that site. I imagine with 15,000 residents we are going to need a lot more than one school, so I am just wondering about affordable housing and extra schools in Arden.

Jacinta ALLAN: Again, we have got a great opportunity at Arden to – again, we are only talking about the potential of Arden because of the investments in the Metro Tunnel. We are working through the structure planning process at the moment. We have an opportunity to look at a series of staged investments, and that has already started with the hospitals.

The CHAIR: Thank you, Deputy Premier. Deputy Premier and department officials, thank you very much for appearing before the committee today. The committee is now going to follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request. The committee is going to take a very short 6-minute break before beginning the consideration of the Commonwealth Games delivery portfolio at 9:05 am sharp. I declare this hearing adjourned.

Witnesses withdrew.