

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2015–16

Melbourne — 15 May 2015

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Mr Richard Wynne, Minister for Planning,

Mr Adam Fennessy, Secretary,

Mr John Ginivan, Executive Director, Planning and Building Systems,

Ms Fiona Delahunt, Executive Director, Forward Policy and Business Strategy, and

Ms Carolyn Jackson, Executive Director, Finance and Planning, Department of Environment, Land, Water and Planning.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2015–16 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome to the hearing today the honourable Richard Wynne, the Minister for Planning; Mr Adam Fennessy, Secretary, Department of Environment, Land, Water and Planning; Mr John Ginivan, Executive Director, Planning and Building Systems; Ms Fiona Delahunt, Executive Director, Forward Policy and Business Strategy; and Ms Carolyn Jackson, Executive Director, Finance and Planning.

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, PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Departmental officers 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 are to observe the following guidelines: cameras must remain focused only on the persons speaking; operators must not pan the public gallery, the committee or witnesses; and 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.

Mr WYNNE — Thanks very much, Chair, and thanks for the opportunity to present before PAEC in relation to the planning portfolio as it relates to planning, building, heritage and Land Victoria within the Department of Environment, Land, Water and Planning — a very long name but a very well consolidated portfolio.

Visual presentation.

Mr WYNNE — Before taking your questions I would like to provide the committee with a short presentation by way of some slides, but I wanted to start with a general statement. That is that I think planning is so important that, as far as we possibly can as a Parliament, we ought to seek to have a general agreement and a bipartisan view about where planning is going for the state of Victoria. I think that is a reasonable aspiration because I think planning does lend itself as a portfolio to broad agreement across the Parliament, and I will elaborate further on that in the question and answer opportunities. But I remind the committee of the history of extraordinary cooperation that did occur in previous parliaments, and I point of course to, sadly, the now both late Alan Hunt and Evan Walker, previous planning ministers in the upper house, who worked in an extraordinary way to lay the foundations of the planning system that we now enjoy in this state.

To some of the challenges: and the first challenge of course, as we know, absolutely has to be population. We know Melbourne is a fantastic place to live, to work, to visit and to invest. We are outstripping every eastern state in terms of the popularity of Melbourne and Victoria, but we cannot afford to be complacent. We are experiencing massive levels of growth and indeed change. Population growth creates opportunity, but of course it also puts pressure on the state's economic and social infrastructure.

Melbourne, as we know, is currently home to about 4.4 million residents, and every week greater Melbourne adds 1800 residents. With current growth rates, Melbourne is expected to reach 5.5 million within 10 years and potentially up to 7.7 million — possibly even 8 million — people by 2050. Much of that growth, as we know, is occurring in growth areas, which does create a strong demand for infrastructure and services. By way of example in some of the growth areas: in the city of Wyndham each week there is an average of 204 new residents, including 75 children born every week — three classrooms of children born every week. There is a

similar story in the city of Casey, which has an average of 164 additional residents each week, and again an even higher figure of babies born, 79. So if you think about those figures and you think about what that means in terms of the infrastructure that is going to be required to support this massive population change, it is an enormous challenge going forward.

As we know, the planning portfolio is a significant contributor to economic growth and jobs, and Victoria continues to have the strongest residential construction sector in the country. It was not always the case, but in fact it is now, and we have outstripped all of the other Eastern states year on year. Over 17 000 dwellings were approved in the March 2015 quarter in Victoria, compared to 16 000 in New South Wales and indeed 12 000 in Queensland. Much of the recent increase in approvals is attributable to the increase in apartment approvals across Melbourne. Indeed the most recent HIA figures suggest that 44 per cent of all dwelling starts for last year — that is not approvals; actual starts — were apartments, so it is a very significant shift away from broadacre to apartment dwelling.

As you know, I am responsible for determining planning permit applications for developments over 25 000 square metres gross floor area in the city of Melbourne and now in Fishermans Bend as well. These permits represent a construction value in excess of \$4 billion. It is absolutely crucial to the health of the economy. Land Victoria continues to support our vibrant economy through processing of property transactions: 750 000 property transactions were lodged for registration in 13–14, which gives you a sense of the sheer volume of activity, and at the end of the March quarter property transactions lodged were 5.9 per cent up again. That is the front end that gives you a really clear indication of the volume of activity that is going on.

We are, as a government, committed to protecting and enhancing the legacy of Victoria's heritage. There are currently about 2400 heritage places and objects listed on the Victorian Heritage Register, and 53 places and objects have been nominated to the Victorian Heritage Register in 2014–15. Without going through all of them, there is Hanging Rock; Royal Park; the avenues of honour in Macedon, Mortlake and Kingston; the Hoddle survey tree in Kew; and there are a number of others. We have allocated in the budget 150 000, which will allow the government to complete an audit of state significant heritage places and objects on the Victorian Heritage Register that are deemed at risk, which will obviously provide guidance for any future budget allocations that we may be able to secure.

As we know, Melburnians are incredibly passionate about the Yarra River, and we are committed to preserving our rivers and open space. There is an obvious concern that the Yarra River is at risk of being undermined by urban encroachment and inappropriate land use, so \$1 million has been allocated in the 2015–16 budget to guard the Yarra River corridor from inappropriate development.

There are some further important framing initiatives that I think go to my earlier comment about seeking to be bipartisan — that is, we have announced a refresh of *Plan Melbourne*. We are giving *Plan Melbourne* a bit of a reboot to ensure it delivers the kind of city the community needs. This of course includes reconvening the ministerial advisory committee. Community consultation on a refresh of *Plan Melbourne* will be completed by the end of this year, with an updated plan in the first quarter of next year.

It is an easy thing for me to have done, and it is often done by incoming ministers who seek to jump the work of their predecessor. I chose not to do that. As I indicated earlier, in a spirit of agreement and a level of bipartisanship around many aspects of *Plan Melbourne* the community's voice was heard and areas of agreement were very clearly articulated. Why would you throw that out? But there are other areas, and we can talk about that through our conversations today about other areas that I believe need to be concentrated on.

We have also recast Fishermans Bend into a series of distinct neighbourhoods — Lorimer, Montague, Sandridge and Wirraway — to showcase best practice urban renewal and expand the precinct by a further 250 hectares through the inclusion of the Fishermans Bend employment precinct. These are areas of course that we know hosted for many years the automotive industry. This will support existing industries and, we believe, will encourage more jobs.

We will plan these precincts as four distinct neighbourhoods consistent with their adjoining urban context in the city of Melbourne and indeed in the city of Port Phillip, because they both abut significant urban development. Some of them, of course, in the city of Port Phillip are very significant and well-developed neighbourhoods.

Current and future infrastructure needs will be identified, including locations for new housing, public transport, schools and community services. Changes have been made to the planning and decision-making controls at Fishermans Bend, and of course as you know they have been reverted back to me for decision-making. We want to ensure that there is confidence and transparency in decision-making, and these initiatives include strengthening collaborative decision-making processes with the City of Melbourne for planning permits above 25 000 square metres.

There is the rezoning of Moonee Valley Racecourse to address concerns in relation to the master plan and the interface of that very significant Moonee Valley development with existing residential areas.

We are initiating an independent review of the Brunswick terminal station and a robust and effective planning approvals process for the government's major transport projects.

We are acting to protect and enhance the public realm and significant physical and cultural infrastructure. As you know, the Premier on 18 February announced a commitment of \$100 million to restore the Flinders Street railway station building. It is one of Victoria's finest and most iconic heritage buildings. We are also enhancing Victoria's capacity to compete globally for investment. This includes a range of actions to reinvigorate the wind industry in Victoria and to promote renewable energy investment and jobs. The Victorian planning provisions and all planning schemes in Victoria were changed on 2 April through amendment VC124 to implement the government's policy on wind energy.

The final thing I will say by way of introduction is that we are also acting to improve housing affordability. As many of you know, I have been a passionate advocate of inclusionary zoning for many years, and we intend to implement some pilot programs of inclusionary zoning going forward, because we want to ensure that a share of new residential construction on government-owned land sold for development is affordable to low-income and disadvantaged groups.

I am also committed to improving and protecting the quality and amenity of apartments through the planning system. Some of you may be aware that yesterday I did release a discussion paper for apartment dwelling that is up on the department's website. I very much encourage members of the community to provide their inputs, because I think there are some very significant challenges going forward given the massive shift of communities towards apartment living. We need to get it right, and I will elaborate further on some of the issues that I think have been identified in the discussion paper and more generally how we might be able to find a balance in taking that forward. That is my initial presentation to you.

The CHAIR — Thank you, Minister. I might kick off with the first question, if I may. In relation to your portfolio responsibilities, how does this acquit the election commitments from the election last year in relation to *Labor's Financial Statement*?

Mr WYNNE — Obviously planning is a facilitating portfolio. We do not have a capital program, so if I had been here in the past I would have been boxing on about trying to get more money for housing or for local government or, indeed, for Aboriginal affairs. But, as you know, planning is a facilitating portfolio, so we do not have large amounts on the capital side for consideration by the committee. Nonetheless we are committed to improving and enhancing livability, and protecting our heritage, and also trying to manage sustainable growth, and confidence and consistency in the planning system. If I had to summarise what are the core elements of our goal at the department of planning, that would be it.

We are committed, though, to protecting our state's character for future generations, and as we identified in *Labor's Financial Statement 2014*, \$150 000 is provided in the 15-16 budget for the living heritage initiatives, and we think it is very important to be able to conduct a state's significant heritage audit of buildings that are on the Victorian Heritage Register that may be deemed to be at risk.

The budget also provides \$1 million to protect Melbourne's iconic Yarra River against inappropriate development, and we may elaborate further on that through our conversation, but I will be taking action to strengthen the planning controls along the Yarra River. There are 11 councils involved in this, so it is quite a complex task. It is not easy to bring together all of the 11 councils that do have responsibilities, and of course other statutory authorities as well, but we are very much up for this conversation. The potential for further encroachment onto the Yarra River is very significant and one that, again, I would argue in a bipartisan way we ought to be able to address. When you talk to people about the Yarra River, they are incredibly passionate about

it. They want to protect its environs. I think it is incumbent upon us, as the collective of government, to seek to address this issue for the longer term future of the state.

In addition, I have secured \$1 million to address the backlog of planning applications, so we can get on with the important process of ensuring that there is a pipeline of approved projects going forward across not only the CBD but across metropolitan Melbourne and indeed regional Victoria as well.

In terms of protecting livability, as I indicated, we are undertaking a refresh of *Plan Melbourne* through to 2050 and this becomes a document that I do hope — and I say it again — on which we can reach a consensus across the Parliament. As I indicated, I did not trash the work of the previous minister, because there were many aspects of it that were completely agreed, but there were bits that simply were not addressed. In the refresh we want to look at a number of issues. Housing affordability is a fundamental question and one that has to be addressed in *Plan Melbourne*. We simply have to recognise the impact of climate change and *Plan Melbourne* has to address that question. We have to ensure that transport infrastructure is delivered in the right places. There was, not surprisingly for the previous government, a significant emphasis upon the east-west road project, which was one of the centrepieces of *Plan Melbourne*. Obviously that is not a project that will be proceeding under this government.

We of course unambiguously have indicated our complete support for the Melbourne Metro rail tunnel, which is going to be, in my view, a city-changing project, doubling the size of the loop, with enormous capacity to shift passengers through the peak, but also opening up huge opportunity for further development of housing, particularly in areas where train stations are going to be placed, such as Arden-Macauley, and I will talk perhaps a little bit more about that later.

The government supports development, but not at the cost of our communities. Recent announcements, such as the recasting of Fishermans Bend, the amending of the planning scheme for the Moonee Valley Racecourse, reviving the East Werribee precinct, the new apartment standards and conducting an independent review of residential planning zones, are about listening to the community and taking the community along with us. Giving the community back its voice, for me as a former Minister for Local Government, and indeed a former councillor — as a number of colleagues who will sit before this committee have been — is fundamental to the planning process. There is no planning decision that is made that cannot be better informed by ensuring that the voice of the community is heard. It is a fundamental principle in my mind.

The government is delivering on all of its commitments to improve planning transparency by publicly releasing documents and informing planning decisions for developments over 25 000 square metres, and they are accessible very quickly after I have made the decision. I think it is important — again I go back to this theme of bipartisanship — that we ensure that we have a system that is robust, that is predictable, because this is what business is looking for. Robust, predictable and transparent; if I have heard that message once, I have heard it so many times from various players in the development and investment arena, and that is what we seek to achieve.

We are in the space of renewable energies, as I talked about, and unambiguously so. The changes to the wind farm planning laws I think strike the right balance between protecting property rights and supporting jobs in emerging industries, and of course for our regional communities more generally.

I think by way of the introductory question, Chairman, it is a broad sweep, but fundamentally it is about ensuring that we do have a planning system that is predictable, that is robust, that is contestable and that is transparent.

Mr MORRIS — I think we are at nearly 25 minutes before the first opposition question, which is troubling.

Mr WYNNE — There was a lot to say.

Mr MORRIS — Yes. Minister, can I refer you to budget paper 2, page 13, in particular the proposed changes to land tax and the stamp duty surcharge that are proposed. We saw the bill come in I think last Thursday, and in the last few days we have seen the Treasurer very busily running around suggesting that this proposal, while it is likely to have broad community support, and I am very happy to say that, is also likely to have a very negative impact on housing affordability.

Mr WYNNE — This is it.

Mr MORRIS — If you go out to Cranbourne, to Clyde, to Mernda, a \$200 000 block of land with an extra 3 per cent on that is an extra \$6000, which is going to have to be effectively passed on to probably younger homebuyers simply because development groups like Stockland and Mirvac have significant foreign ownership. Do you still support this concept, or is there some adjustment going to be made before we actually finalise the bill?

Mr WYNNE — Thank you very much for the question, Mr Morris. As you are aware, there has been some commentary in the news about this. The 3 per cent tax on foreign purchasers is essentially about ensuring that if you are an overseas investor you do make a contribution towards the core infrastructure that you will enjoy.

Mr MORRIS — There is no argument there.

Mr WYNNE — I do not think anybody argues about that. If an overseas investor was in fact investing in somewhere like Singapore, I think they would be paying somewhere between 18 and 20 per cent tax. It is a very significant impost in other places. It is a modest tax and one that, as you quite rightly say, it is generally agreed is a reasonable result. Certainly what has arisen is a potential unintended consequence where in fact it may have caught up a range of construction and investment companies which may be majority overseas owned. I am aware of this, and indeed I know that the Treasurer is also aware of that. I think he is considering the applications that are being made to him on those matters.

Mr MORRIS — Can I ask you, Minister, was the idea for this new set of taxes the Treasurer's idea alone? Were you consulted? Did you or your department have the opportunity to assess the impact of this tax, particularly in the outer suburban growth areas? If that was the case, can you release to the committee your department's assessment of the impact — intended and unintended consequences — in outer suburban areas?

Mr WYNNE — Mr Morris, this was an initiative that was generated by the Treasurer's office — the Treasurer's department.

Ms PENNICUIK — Thank you, Minister, and departmental representatives. Good afternoon. Minister, if I could refer you to page 5 of your presentation, on planning and what we are doing to address the challenges, as it is called. You talked a lot — and I was furiously writing down notes — about consultation in terms of refreshing *Plan Melbourne*, the reconvening of the ministerial advisory committee and the recasting of Fishermans Bend in terms of consultation. I want to talk to you about consultation in regard to those two issues.

Mr WYNNE — Sure.

Ms PENNICUIK — You talked about the ministerial advisory committee, but in terms of refreshing *Plan Melbourne*, what sort of consultation do you have in mind, apart from a ministerial advisory committee; who may be on that ministerial advisory committee in terms of involving local government and other parts of the community, such as the Planning Institute — you could think of many to be involved.

Mr WYNNE — Sure. The first thing to say is that I was really pleased that all the members of the previous — and this was a committee that was appointed by the previous Minister for Planning, Matthew Guy. He put together a very good group of people, chaired by Professor Roz Hansen, and it covers a broad scope of experiences of people who bring a very different but complementary set of skills to the development of *Plan Melbourne*. You have got people from obviously a planning background, Tony Nicholson from the Brotherhood of St Laurence is on it. These are a very good group of people, and I do commend the former minister for that. I think it was a very good group.

As I indicated in my earlier presentation to you, there are a number of issues that were not addressed in the *Plan Melbourne* report, including climate change, affordability, public transport and the like, which the committee will address going forward.

In terms of its consultative aspects, I have no fault with the way that the committee undertook its work in terms of encouraging community input into the process of *Plan Melbourne*. There were an enormous number of submissions and representations made through the process in the development of *Plan Melbourne*. Not surprisingly, I would expect a similar process to be undertaken in consulting around this next rebooting of the *Plan Melbourne* document.

Ms PENNICUIK — Local government?

Mr WYNNE — Of course local government made submissions.

Ms PENNICUIK — They made submissions, but is there any more formal process than making a submission?

Mr WYNNE — I am not sure what you are suggesting.

Ms PENNICUIK — Just a bit more of a formal inclusion of local government in the consultation process?

Mr WYNNE — You can be assured that, as a former Minister for Local Government, of course local government will be. They have to be at the heart of *Plan Melbourne*, because they are a fundamental part of delivering many aspects of it. We are going to have a number of round tables, seminars, forums and the like, where local government will be given more than ample opportunity to have their voice heard. It would be remiss of me as a former local government councillor and, indeed, as a former Minister for Local Government. I can guarantee I will not be leaving local government behind.

Ms PENNICUIK — The other subject I wish to turn to is that of Fishermans Bend, where you say you will be ensuring best practice urban renewal. You mentioned the four precincts, which I am very familiar with. You stated that you yourself will remain the responsible authority. Of course the City of Port Phillip was the responsible authority — and in my view it probably should be — but what is the relationship?

Mr WYNNE — No, not under the previous regime.

Ms PENNICUIK — My question is — —

Mr WYNNE — Sorry.

Ms PENNICUIK — What involvement is the City of Port Phillip going to have in the recasting of Fishermans Bend, and what will be the status of the existing Montague Precinct structure plan?

Mr WYNNE — I met with the mayor and CEO of the City of Port Phillip yesterday. They are delighted with this decision, because we are putting in place controls that actually seize back the whole Fishermans Bend precinct. As I am sure you are aware, the previous government rezoned the whole of Fishermans Bend as a capital city zone. Not surprisingly, the development community saw an opportunity and a number of very significant planning applications are afoot. I am going to have to deal with those under the previous regime. The previous government did not put in place any of the crucial planning that was required.

Ms PENNICUIK — I understand that, so that is why I am — —

Mr WYNNE — I am trying to tell you, Ms Pennicuk, how we are seeking to address it. That is what your question goes to.

Ms PENNICUIK — It is.

Mr WYNNE — If you are going to plan Fishermans Bend as a sustainable urban development going forward, you have to break it up into its precincts and you have to ensure that the responsible authorities are part of that conversation. The City of Port Phillip and the City of Melbourne will be intimately involved in all of the planning for those precincts.

Mr DIMOPOULOS — Minister, you referred to the paper you launched the other day on units and the quality of development. I want to bring your attention to budget paper 3, page 200, specifically in relation to the Lacrosse Building fire. While you have touched on it in your earlier remarks, could you give us a bit more depth on what issues you are addressing in response to that fire?

Mr WYNNE — Thanks very much. This is an incredibly serious issue. The fire occurred at the Lacrosse Building late at night, 2.00 a.m., on Tuesday, 25 November. The building, as I am sure all of you know, is at 673 La Trobe Street, Docklands, right at the very end of Docklands. The building is a three-year-old, 21-storey apartment building with 312 apartments and some ground floor shops. All building residents — and there were

more than 400 people — were successfully evacuated, and no significant health issues are reported to have arisen as a result of the fire. With the exception of the 19 apartments directly affected by the fire, all apartments within the building have now been reoccupied and the building is safe for occupation.

The Metropolitan Fire Brigade, as the initial responder, investigated the fire itself, and released in April its report. It concluded that the fire was started by a cigarette inappropriately disposed of on a balcony on the eighth floor. This ignited material and other rubbish stored on the balcony, which in turn ignited the outer-wall cladding material. This goes to the heart of the ongoing issue. As is clear from the fire brigade's investigation, the fire burnt up the outside of the wall very quickly to the top level, in less than 15 minutes; and it actually then burnt down from level 8 to level 6. It went in both directions. The cladding material used is — and I will not be able to pronounce this correctly — Alucobest. Alucobest was found by the MFB to be flammable and accordingly it is not compliant with the National Construction Code for use in this situation. A number of actions have occurred in direct response to the findings of the Metropolitan Fire Brigade investigation. As the findings of the fire brigade raised issues relating to building standards specified within the National Construction Code, I wrote immediately to the Parliamentary Secretary to the Minister for Industry and Science and chair of the building ministers forum, the Honourable Karen Andrews, seeking her agreement to issues of product certification and product substitution being raised at the upcoming building ministers forum on 31 July this year. I am even hoping that we can actually get that ministerial forum brought forward if we can.

In addition, I have written to ministers with lead responsibility for building issues in each state and territory to raise awareness of the use of fire-resistant material in high-rise buildings and the need to ensure proper materials are used in the correct circumstance. I have also asked my department to provide advice about a possible Victorian modification of the national construction code to require the installation of sprinklers in all balconies on high-rise buildings, regardless of balcony size.

Direct action is also being taken by the Victorian Building Authority, as the regulator of the building industry, and investigations into the conduct of the building practitioners in relation to the Lacrosse building fire are ongoing, and indeed the Victorian Building Authority has also written to the more than 20 000 building practitioners, including architects, to establish whether they have any knowledge of any buildings in Victoria with this non-compliant cladding. That work is ongoing, and indeed this is a matter that has clearly got state implications but it has also got national implications, and that is why this matter has to be addressed, I believe, in a comprehensive way at a national level because we were very fortunate that there were no more serious outcomes from this fire.

Mr T. SMITH — Welcome, Minister.

Mr WYNNE — Mr Smith, how are you?

Mr T. SMITH — Very well, sir; lovely to see you here.

Mr WYNNE — Thank you, and I assure you I am in good order.

Mr T. SMITH — Indeed. Minister, I refer you to your introductory presentation with regard to refreshing *Plan Melbourne*. I suppose what I am seeking is for you to outline to the committee the residential zone review process as part of that policy setting of refreshing *Plan Melbourne*.

Mr WYNNE — Yes. This is the residential zones?

Mr T. SMITH — Yes.

Mr WYNNE — Yes. The previous government put in place a planning framework which I actually have no complaint about. I think that the structure that my predecessor put in place for identification of residential zones at a municipal level was a sound piece of public policy. I do not have any complaint with it in terms of neighbourhood residential zones and growth zones and the like. I think where the process fell down was in its failure to bring communities along with the process and indeed bring local government along with the process, because it was a very ambitious time line that my predecessor had to put in place these residential zones right across metropolitan Melbourne.

My sense of this, and certainly the feedback that I have got, was that it was rushed; that councils felt under enormous pressure, particularly to identify growth areas where further housing capacity could be identified; and thirdly, I think the period in which communities had the opportunity to look at the drafts of where councils were proposing to implement the residential zones framework was relatively limited. That is the general feedback that has been provided to me. But that is not to say that I do not think, as I indicated earlier, that in its broad public policy setting it was a reasonable thing to try to do, because we have to house 100 000 people a year every year, ongoing, so you have to have a framework which is robust and able to be understood and sets in place for each municipality what are reasonable targets for what each council area is likely to be able to host.

But there have been patchy outcomes, and that is the general feedback that I have got from representations made from a number of local councils across metropolitan Melbourne. What I have indicated is that at one level I think many people are a bit planned out by it, because it has been for many people a very stressful process and I know for some councils it has been extremely stressful for them trying to get the work done in a way that was both comprehensive and able to really have the voice of the community engaged in it, and also trying to settle it.

Mr T. SMITH — A point of order, Chair — sorry to cut you off, Minister — my question, I would just like to clarify, is about your review of the zones process.

Mr WYNNE — Yes, I am coming to it.

Mr T. SMITH — Thank you.

Mr WYNNE — I am setting the frame.

Mr T. SMITH — Yes, understood.

Mr WYNNE — So that is the background. What I have said is that in the second half of this year we would put in place a further opportunity for review, and that will be my intention — to outline that in a public sense in the second half of 2015 — because I think it is important that we do have the opportunity for councils to come forward and say, ‘Okay, those who have had their residential zones in place for a period of time — what has happened? What has been the outcome? Where has the growth occurred? Are we reaching the sorts of targets that we should expect across the Melbourne metropolitan area in terms of being able to really support the population that we are going to have to support going forward?’.

Mr T. SMITH — Minister, in that vein, can you guarantee that in places like Kew and Boroondara — and previously where I was mayor, in Stonnington — there will be no reduction in amenity protections as a result of your review into these zones?

Mr DIMOPOULOS — In which streets?

Mr T. SMITH — It is a fairly specific question.

The CHAIR — Is there a point of order, Mr Dimopoulos?

Ms SHING — I have a point of order. I am just wondering how Mr Smith’s supplementary seeking a guarantee about reduction in amenity protection relates to the residential zone review process, being the primary question.

Mr T. SMITH — I think it is very, very interrelated. He is going to review neighbourhood residential zones, and we want to seek a guarantee that these zones that we fought long and hard for are not going to be watered down. I think it is a perfectly reasonable question. If you do not want the minister to answer this question, Ms Shing — —

Ms SHING — Don’t verbal me, Mr Smith. Be very careful about verballing me.

The CHAIR — Through the Chair, Mr Smith.

Mr T. SMITH — I want what is in the best interests of my constituents, because this directly pertains to their livability and amenity, and I want this question answered.

Mr DIMOPOULOS — It is a speculative question.

Ms WARD — But what you have just said is a second question.

The CHAIR — Order! I think the supplementary question does build on the substantive question. However, Mr Smith, I would say to you that in answering the substantive question the minister has already indicated that there will be a review and a process, and in asking your question you are effectively asking the minister to pre-empt what would be an independent process. That is the way in which the minister answered the question. I do not believe that the minister can realistically answer the question you are proposing as your supplementary question.

Mr T. SMITH — How about I put it like this, Chair: Minister, 76 per cent of the local government area of Boroondara has the highest level of amenity protection. Do you envisage that changing after your review?

Ms SHING — On a point of order, Mr Smith is inviting the minister to express an opinion, which falls foul of the standing orders, particularly given that the substantive answer is talking about an independent review being undertaken flowing from the question that was principally asked by Mr Smith.

Mr T. SMITH — Chair, I do not see the point of order at all. It was a perfectly reasonable question.

Ms SHING — You are asking for an opinion. It falls foul of 57(1)(a).

Mr T. SMITH — It was a perfectly reasonable question. I am seeking a response from the minister on what is particularly important to my electorate and to electorates across Melbourne.

Mr MORRIS — On the point of order, Chair, the supplementary is clearly linked to and derived from the substantive question. If the minister feels it is speculative, then it is clearly open to him to say so. It is not at all reasonable to not give the minister the opportunity to answer the question.

Ms SHING — Further to the point of order, nor is it unreasonable, Mr Morris, for me to raise the point of order in relation to what I see as a contravention of 57(1)(a) of the standing orders. I seek a ruling from you, Chair, in relation to whether that question as rephrased by Mr Smith as a supplementary is indeed calling for an opinion on a review which is yet to be completed.

Mr MORRIS — Chair, on that last part of the point of order — and we had a precise quoting of another standing order this morning — perhaps the link between the standing orders and the way they operate in a committee is not fully understood by newer members. For example, standing order 103 requires that members stand when they speak. Clearly it is not appropriate in a committee situation to require that. Standing order 107 requires you not to refer to debate in the Council, but that is clearly not appropriate when we are undertaking these sorts of hearings. The link is wherever practical. It is not a precise following of the standing orders of the Legislative Assembly; it is intended to be a guide to procedure. It is entirely up to the committee to determine basically how it operates. If you seek advice, that is pretty much the advice you will get.

The point here is that the end outcome of this is that this committee has to write a report for tabling in the Parliament. We need to report to the Parliament on the estimates. We can only do that effectively if we are allowed to inquire into areas where we have some concerns. It was referenced in the minister's overheads that were provided at the start of the hearing. It is clearly an important matter for this year's program for this minister. I think it is entirely legitimate to be able to pursue the issue in a way that might not comply 100 per cent with the standing orders of the Legislative Assembly but achieves the outcome we are looking for as a committee, which is to have sufficient information so that we can report accurately to the Parliament on our findings.

Ms SHING — Further to the point of order, I do not disagree with the position you have put, Mr Morris, that this committee is required to prepare a report that takes into account all of the responses that have been provided by the various ministers in the course of these hearings. However, what I would say is that we are bound to look at what is in the budget and in the estimates periods, and to stray beyond that and invite pre-empting of the outcome of an independent review does not, to my mind, serve the purposes of the convening of this committee in discharging its obligations.

Mr MORRIS — We are in fact required to inquire into, not simply accept — —

Ms SHING — Within the scope and contemplation of the budget papers.

The CHAIR — Order! Ms Shing!

Mr MORRIS — It is about whether we are going to have a pedantic interpretation of the standing orders or whether we are going to operate as a committee.

Ms WARD — Further to that, Mr Morris — —

The CHAIR — Through the Chair, Ms Ward.

Ms WARD — Sorry, Chair. Through the Chair, further to Mr Morris's comments, I think that when you are talking about standing orders that refer to whether we stand or not, and when you are talking about standing orders that refer to questions and how questions are asked, you are comparing apples and oranges. I think it is quite relevant that we refer to standing orders that talk about the types of questions that are asked.

The CHAIR — I am going to rule on this. The minister has talked in his presentation about *Plan Melbourne*. Mr Smith asked a question about the residential zone review, and the supplementary question built on the substantive question, so I am satisfied that there is a correlation between the two. I am happy to allow the question to be asked, but I want the record to reflect the fact that Mr Smith is effectively asking the minister to provide a guarantee around an independent process, which frankly I do not believe the minister can fairly give. We had a similar question yesterday, and I was allowed to let that one go through, but I would again caution members of the opposition when in asking a question they seek the minister to pre-empt what is an independent review. If you want to waste — I use that word loosely — your supplementary question on asking the minister that, go right ahead, but I would caution you about what you are seeking to do.

Mr T. SMITH — Thank you, Chair. My question stands as put.

Ms SHING — Which one, sorry, Mr Smith?

Mr T. SMITH — The initial question.

Ms SHING — 'Can you guarantee there will be no reduction in amenity protection?'

Mr MORRIS — I am sure the minister can remember the question.

The CHAIR — In fairness, Mr Morris, there has been about 5 minutes of toing and froing. If Mr Smith could restate his question for the minister's benefit.

Mr MORRIS — I have more faith in the minister than that, but anyway.

The CHAIR — I am merely reflecting on my own recollection, and it is for my own edification.

Mr WYNNE — Thank you, Chair. I understand the commentary around this. Not surprisingly, Mr Smith, I am not going to presuppose what submissions may be made by your council. I met with Boroondara, the neighbouring council, only a few days ago. They had a very interesting story to tell me, and I am sure it will be reflected in your council as well, in relation to the capacity that they have found to address the housing demand in their area. I do not want to get into this conversation — because I think it is actually an unhelpful conversation — about, 'The leafy east got this' and 'Somebody else didn't get that'. It is just not helpful.

What I am interested in is to look to see what outcomes we are actually going to get through the independent review process. Because ultimately the challenge for all of us who represent local government areas or who have come from a local government background themselves — as you have and I have and Mr Morris has — is that we have to step up to the challenge of how we are going to house 100 000 people per year. I think the conversation I had with Boroondara was very, very encouraging in that respect: they are keeping very, very close statistical data as to new housing starts in their area. I think there are potentially also real opportunities that will come up in brownfield sites in established residential areas that you know well and I know well, in Stonnington and Boroondara.

I know there is some very helpful work that is being done at the moment at RMIT, where they are doing a very, very significant survey and mapping exercise to look at where there are brownfield sites potentially available to be turned over for residential use and, subject to their particular locations within municipalities, for more dense housing development. But to go to the nub of your question, I think you know it would be inappropriate of me to presuppose what might be the outcome for your municipality by way of any submission they would like to make to the independent process. But that is a broad frame that I would seek to take.

Ms PENNICUIK — Minister, if I could return to my theme of consultation and some of the topics that appear in your presentation and that you have mentioned in your remarks. One, which is also in the budget papers, is ‘Sustainable water management — protecting the Yarra River’, \$1 million.

Mr WYNNE — Yes.

Ms PENNICUIK — In relation to that and the introduction of the Yarra River protection act, can you advise if the government will include a deliberative democracy consultative process involving a wide range of government agencies and other bodies — statutory and interested bodies — extending the full length of the Yarra River in connection with the proposal for the formulation of the act? And speaking about the deliberative democracy consultative process — —

Mr WYNNE — Sorry, what was that concept — deliberative democracy?

Ms PENNICUIK — Yes, that is right.

Mr WYNNE — Can you tell me, is that a cousin of a charrette?

Ms PENNICUIK — It means not just, let us say, token consultation but active involvement of the community, and I am sure the minister knows exactly what I am talking about.

Mr WYNNE — Deliberative democracy.

Ms PENNICUIK — Yes, consultation process.

Mr WYNNE — We need a bit of democratic centralism, I reckon. This is a really significant challenge, because we do have 11 municipalities from the mouth of the river right up to its origins, and bringing those councils together is going to be, I think, one of the great challenges, and also the other responsible authorities that intersect with the Yarra River. But we are certainly up for it, and I think if we actually get this right — and I believe we can — we can get in place a protection act that is going to have a really enduring influence over this incredibly significant waterway. So it is important. You and I know very well the Yarra riverkeepers, who are passionate — Ian Penrose, on his recent retirement, and people there who are absolutely passionate — about the river and its environment and its health, as indeed are Melburnians more generally. You do not have to scratch too far before people will absolutely give you a very passionate view about their city and about, particularly, the Yarra River and its protection.

So as a government and indeed as the Minister for Planning it is my intention to get this right to ensure that we do have the 11 councils in sync with each other in terms of what planning controls we do put in place. It will be complex and it is quite a challenge, but if we do get it right — and we will get it right — it will have an enduring impact on the enduring health of the river for, obviously, the community more generally.

Ms PENNICUIK — Obviously I agree with you, Minister, that it is a very important issue, which is why I asked the question, and I think the consultation process will make all the difference to the outcome.

Mr WYNNE — And we will ensure that, because you have got 11 councils involved and all of them are highly energised around this issue. I think you can guarantee that they will make sure that the voice of their communities are heard in this.

Ms PENNICUIK — My supplementary question was again around consultation and your paper, page 5. If you could elaborate on what you mean by measures or mechanisms regarding strengthening collaborative decision-making processes with the City of Melbourne for permit applications over 25 000 square metres.

Mr WYNNE — I am the responsible authority for all applications above 25 000 square metres, all the big ones, and I am sure, as you know, I approved one yesterday on the corner of Bourke and Spencer streets, the Savoy. This was a site that was described by the Lord Mayor as a bombsite, and indeed it was. It is only in the very recent past — I think over the last 12 months — that in fact the owners of the Savoy Tavern gave it a bit of a new lease of life. But prior to that I am sure you would be aware, as I am, that it was a home for squatters and graffiti ridden and hardly a place on the doorstep of Southern Cross station. You walked out the door of the station as an interstate traveller, or indeed someone travelling from regional Victoria, and what did you walk into? This kind of barren no-man's-land.

The approved tower — it is quite a significant tower but it was pulled down in height — will be a net addition to Spencer Street. It is a development that is architecturally very interesting. The building has got a quite interesting twist to it. It is a building that is going to be both apartments and a 160-room residential hotel as well. It provides those dual functions. More generally, though, I think it is important that the City of Melbourne — you will say I am biased, of course, having been down there — have a very well-defined expertise in assessing these applications. I am very cognisant when I make decisions about projects that affect the city of Melbourne that I assess in very great detail the reports that the City of Melbourne present to the Future Melbourne Committee for ratification. There is a good process there, but there may well be opportunities for us going forward to have an even better and more collaborative arrangement. I am continuing those discussions with the Lord Mayor and indeed the responsible councillor, Cr Ong, the chair of the planning committee, because I think that together we, the department of planning and the City of Melbourne, can really consolidate the mutual expertise that we have in planning.

Ms WARD — Minister, in your presentation you spoke about housing affordability and the challenge that it faces in the planning portfolio. Now, knowing me as you do, you would know this is an area of particular interest to me. I would also like to thank you for the assistance you gave me over many years when you were responsible for housing for the people in my community who needed urgent assistance. I refer you back to your presentation and your response to the Chair and ask: can you provide further information on how you are addressing livability and affordability issues, in particular to the Melbourne CBD?

Mr WYNNE — Thank you very much, Ms Ward. This is an extraordinary opportunity. Less than 2 kilometres — and it comes off the back of Ms Pennicuk's question as well — or really within 2 kilometres of where we are sitting now there are in effect 640 hectares of developable land on the doorstep of the city. You have got Docklands, which is only now 50 per cent complete, so it has still got 50 per cent of development opportunity going forward. You have got the whole of the Fishermans Bend precinct, which is predicted to house up to 80 000 people. It is an extraordinarily large area. That is excluding the employment precinct, which is actually Fishermans Bend itself.

Ms PENNICUIK — Indeed, it is.

Mr WYNNE — Yes, that is actually Fishermans Bend.

Ms PENNICUIK — That is the only bit that is Fishermans Bend.

Mr WYNNE — There is potential there, we think, for potentially another 40 000 jobs that may in fact be housed in Fishermans Bend itself, in that precinct. You then look at E-gate, which is just on the doorstep of the city as well. It is a contiguous parcel of land at Footscray Road, just as you go through West Melbourne. Then you can think about what opportunities are going to open up with the Melbourne Metro rail tunnel. You are going to have a major interchange, a major station, at what is called Arden-Macauley in that whole precinct there. If you can picture that in your mind, it is basically the land south of the North Melbourne Football Club — my club — right through to Spencer Street and then going back towards the Moonee Ponds Creek. It is a massive area of land. Much of that land is state-owned land, or indeed Melbourne City Council-owned land.

This is a huge opportunity to look strategically at how you can think about E-gate and Arden-Macauley, this massive sweep of land within the one planning context going forward. When you do have the station in place there it will completely change the land use and it will completely change the way that that area, particularly the area to the south, is used. Obviously E-gate is railway sidings and so forth, and basically most of that Arden-Macauley precinct is, as I said, either state government land or land that is currently being used for marginal commercial purposes, storage and so forth. Already housing is starting to develop there as we speak,

but I think there is real opportunity for high-quality urban planning for that precinct. As I have indicated earlier, with Melbourne Metro we will completely change the way this city operates. It is a great opportunity for us as a state.

Mr D. O'BRIEN — During the election campaign the now Premier stated categorically in answer to a question about whether there would be any higher taxes, levies, fees or charges:

Absolutely not ...

The answer is a very simple one, no increases ...

I reference budget paper 3, page 405, and also the government's rate capping policy. Will you give the committee a firm guarantee that there will be no increases over the forward estimates to town planning fees?

Mr WYNNE — The question of town planning fees is one that was, frankly, ducked by my predecessor, to be blunt. I have had representations, not surprisingly, from the Municipal Association of Victoria, which of course has been advocating for some time for a change in the fee structure.

Fees charged by municipal councils and the government for planning permit applications, planning scheme amendments and other planning processes have not changed, as you know, since 2009. I am sure you are aware that a review of the planning fee regulations commenced in 2008, with data collection in 2009, and a draft regulatory impact statement was completed in 2011 under the previous government. The draft regulatory impact statement did not proceed to public consultation, and the existing fees have been carried over five times without change since 2011. It is normal practice for the fees set by the government to be indexed each year by the annual rate set by the Treasurer, and that has not occurred for planning fees, as I said, for the last five years.

I am considering the matters that have been put to me by the MAV, but I am not in a position to provide you with any further articulation on that except to say that is the history of it. There are potentially some quite difficult unintended consequences that might come from a redrafting of planning fees, but it is a matter that I have under consideration, and that is about as far as I can take it at this stage.

Mr D. O'BRIEN — On a supplementary, I am not sure if I will get very far. I do not wish to verbal the minister, but it sounds like you are certainly very seriously considering this, so — —

Mr WYNNE — No.

Ms SHING — You are verballing the minister, Mr O'Brien.

Mr D. O'BRIEN — Okay. I withdraw, Ms Shing.

Mr WYNNE — Mr O'Brien, I simply outlined for you what the process was under the previous government. They have been turned over five times. I have received representations from the MAV in relation to this matter. It is incumbent upon me to take seriously the representations that are made, but I have no further advice to provide you with today, and I cannot give you, as you seek, a categorical assurance either way.

Mr D. O'BRIEN — The supplementary question then is: has your department provided you with any advice on this?

Mr WYNNE — No, not at this stage.

Ms SHING — Minister, in your presentation you mentioned that housing affordability is a big challenge facing the planning portfolio. You have also talked about departmental objectives and environmental considerations in meeting those housing affordability challenges both in substantive answers and in supplementaries. I take you to budget paper 3, page 199. Can you explain to the committee how the quality built environment departmental objective of central Melbourne being recognised both nationally and internationally will operate in relation to the city being a hub for business, tourism and cultural activities, as that relates to your portfolio?

Mr WYNNE — Yes. Thanks, Ms Shing. This morning I opened a national and international architects conference where there were more than 1500 architects. It was a huge crowd for a two-day conference they are having specifically to look at and have the opportunity to see what some of the potentially finest examples are

of urban practice and architecture in the country. To have chosen Melbourne is a huge coup. There were a massive number of architects down there this morning at the opening, and I was thrilled to be a part of that because it lends a sense nationally of where Melbourne sits in terms of very good, high-quality urban planning and high-quality architectural outcomes. It is a terrific vote of confidence for our state.

As you know, I am responsible, as I indicated to Ms Pennicuik, for all developments over 25 000 square metres, and that is why you draw on the expertise of the City of Melbourne. You have people down at the City of Melbourne who have devoted their lives to the public realm — people like Rob Adams. He was at an event with me the day before, a Planning Institute of Australia conference, where he was the key speaker for the day. It speaks to you of the extraordinary standing that we as a city have in the staff of the City of Melbourne. I want to acknowledge Rob Adams in particular. Rob and I worked together back in the late 1980s and early 1990s, when we were seeking to try to shift the way the city was operating at that stage, because it was going through a very significant economic downturn. Whether you are a supporter of closing Swanston Street or not, we did it. I did it, and it was a good thing. We had modest ambitions in terms of housing. There was a program called Postcode 3000, and we thought, ‘Gee, if we could get a few people to live in the city, it would be a fantastic energising of the city’. At the time when a survey was done of who was living in the city, literally there were about 100. There was Captain Janson. He was living across the road on the top of the Windsor. He was the only permanent resident. There were a bunch of squatters and a few hippies, and that was about it.

Ms SHING — Not that there is anything wrong with hippies, Minister.

Mr WYNNE — Nothing wrong with hippies, Ms Shing.

Mr T. SMITH — This is a trip down memory lane. If we could get back to the — —

Mr WYNNE — But it does set a context for you. It sets a context for where the city has been, Mr Smith.

Mr DIMOPOULOS — Context is important for architecture.

Mr WYNNE — Context is incredibly important, because from an incredibly modest ambition of maybe you could get a couple of thousand people to live in the city over a decade, look at it now. It is just absolutely extraordinary. It is, by any measure, the destination for people who want to downsize. All sorts of different people through their life cycle want to experience the opportunity to live in and around the CBD, to enjoy the rich amenity that the CBD and surrounding communities have. We are obviously actively engaged with the City of Melbourne in the assessment of these planning applications.

As you are aware, I came to the portfolio a little bit behind because I was away for the first period of government, but what I did inherit was a very significant backlog of applications. There are currently about 26 very significant applications that are currently being assessed within the CBD, and, as I indicated, there are in the order of a dozen that will have to be assessed from Fishermans Bend, which I have taken back under my ministerial control. That is why I am pleased to indicate to the committee that the government has provided me with a further million dollars in the 2015–16 year to address the current backlog in planning applications, and we are steadily and systematically working our way through those to get them resolved.

As I indicated yesterday, the project on the corner of Bourke and Spencer streets was, I think, a very important one because of its particular location, right outside of Southern Cross station. But more will be coming through at a steady rate, and I am very pleased that we do have this extra amount of money to further support getting these applications resolved in a way that is systematic, with proper scrutiny of the applications and in a way that I hope is always going to be in the interests of the public realm.

Mr T. SMITH — Thank you for your trip down memory lane, Minister.

Mr WYNNE — It is not a trip down memory lane but — —

Mr T. SMITH — You are probably the only member of the SL faction that remembers the early 90s with some degree of pride.

Members interjecting.

The CHAIR — Order! It is 3.48, it has been a long week. We have not got long to go, so I would like Mr Smith to come back to order and to ask his question without the preamble.

Mr T. SMITH — Minister, I refer you to your introductory presentation where you talked about restoring confidence and transparency in decision-making, and I ask: why did you reject the advice of your department when assessing the development application at 85 Spring Street?

Ms SHING — On a point of order, that presupposes that the minister rejected the advice of the department. Can you just — —

Mr T. SMITH — He did. I have got the document here somewhere.

Ms SHING — If you are going to refer to a document and you could actually explain that in your principal question, that would be — —

Mr T. SMITH — It was a fact, Ms Shing.

Ms SHING — It may be a fact from your perspective, Mr Smith, but I would welcome a little bit more context than that, rather than just putting those assertions.

Mr D. O'BRIEN — On the point of order, Ms Shing appears to again be attempting to answer the question. I am not actually sure what the point of order is.

Ms SHING — I do not understand the question, and as a member of the committee — —

Mr D. O'BRIEN — You do not need to understand the question, Ms Shing.

Ms SHING — You think I do not have to understand the question to participate in the drafting of a report from this committee?

The CHAIR — Order!

Mr MORRIS — Chair, I would be happy to table a copy of the recommendations of the department.

Mr WYNNE — We do not need to go there. The substance of the question is accurate, and I am very happy to answer the question. This is a proposal literally just across the road from us here, and you must give me time to set this in context for you because it is a very important question that you are raising.

The context of this particular application — and it goes back to the earlier question that was raised by Ms Pennicuik — is the relationship between the City of Melbourne and their assessment of applications and indeed my ultimate responsibility. Again, I want to put the context for you. The previous minister, Minister Guy, put in place planning controls over the Bourke Hill precinct of a 23-metre height limit. That height limit goes Spring Street, Little Collins, Exhibition and Lonsdale streets. Again, I say, in a bipartisan way, I think that was a good thing that he put that planning control in place. But in that context, this development then was presented firstly to the City of Melbourne for their consideration and then secondly to me.

As you know, the proposed development abuts the Bourke Hill heritage precinct. It is an L-shaped development along Spring Street and it then branches around into Little Collins Street. Literally across the road from the height control of 23 metres, this proposal was going to be at a height of 163 metres — so 23 metres this side of Little Collins Street, that side of Little Collins Street, a 163-metre development. It relied on getting air rights from Alcaston House and Anzac House as part of the development proposal. It also overshadowed the park directly behind Parliament House. When you consider that, at first blush, you say they are matters of serious import.

I then went back and considered what was the expert advice, and I say the expert advice also of the Melbourne City Council. I would seek, Chair, if I can, to indicate some aspects of what the officer's report from the City of Melbourne went to. They went to the following matters in the officer's recommendation:

The proposal by virtue of its height and inadequate setback represents an overdevelopment of the site.

The proposal by virtue of its inadequate setbacks will have an overbearing impact upon the public realm contrary to the development provisions of the Melbourne planning scheme ...

The proposal does not adequately respond to the development potential of adjoining sites to the south —

that being Alcaston House and Anzac House around the corner on Collins Street —

The proposal will have adverse impacts upon the amenity of the adjoining lanes ...

The proposal by virtue of its inadequate setbacks will result in poor daylight, outlook and ventilation to existing and proposed apartments.

The height of the proposed development is excessive in relation to the heights of adjoining heritage buildings to the south —

I indicate again that is Alcaston House and Anzac House, which is next door to it —

The inadequate setback of the tower from Spring Street will result in a building appearing overly prominent and visually intrusive in relation to the building at 2 Collins Street.

In summary, the council's decision was:

The changes to the development required in order to render it consistent with requirements of the Melbourne planning scheme are so significant that they cannot be addressed by conditions.

Mr Smith, if that does not give you reason to pause and think, 'Well, is this the best development that we could get?' — my answer was no. Can I simply put to you that if this development was of such merit, that this was of such architectural significance that this proposal addressed all of the concerns that the planning minister ought to consider in his or her weighing up of this development, why then, Mr Smith, did the former minister not approve it? Why did he not approve it? Because it was sitting on his desk waiting for his approval in October of last year. I simply put that to you.

The second aspect that you asked me: why did I not approve this? I can give you any number of examples — —

Mr T. SMITH — With respect, Minister, my question was about why did you reject the advice of your department.

Mr WYNNE — This is exactly where I am going to. I can give you any number of examples of where my predecessor did exactly that, and I am happy to read them if you wish, where the previous minister rejected the advice of his department. Would you like me to read some of them in for you? Let me give you a couple. Mernda mixed-use development in the northern suburbs of Melbourne. The advice of the department — this was a poorly designed development in the wrong location:

... the development ... will not deliver a good outcome in terms of the objectives of —

the planning scheme in Victoria. Approved by the minister.

Nar Nar Goon petrol station. This — —

Mr MORRIS — On a point of order, Chair. We have been told on many occasions that we cannot delve back into history. The question relates to this minister, this budget, not to past practice.

Mr DIMOPOULOS — On the point of order, Chair, what the minister is trying to do is explain that sometimes the minister has a different view from the department, and that is practice across both sides of politics, because the department is not all knowing in all things.

Members interjecting.

The CHAIR — Order! When Mr Smith asked the question it related to why did the minister not accept the advice from his department. The minister has provided some background and context around that. I think he is also now providing some indication that ministers for planning from both sides of politics have at times rejected the advice of the department, and I think the minister is illustrating that point. I am happy for the minister to make that point, but I would ask that the minister not labour the point.

Mr WYNNE — I will not labour the point, Chair. I will just give you two other examples, and I have got a plethora of them. Nar Nar Goon petrol station. This development 'is considered to have no community benefit' whatsoever. This development does not even comply with local planning laws. Approved by the previous minister.

Lovely Banks in Geelong:

... there does not appear to be a sound planning basis for rezoning the land ahead of the strategic planning ... particularly in the absence of any consultation with ... affected parties.

Approved by the previous minister.

I say to you, Mr Smith: I will judge these matters in a way that is properly informed, and I will not have a cavalier approach where you have a situation where you have advice from your department that is so categorical that you ought not proceed. In this circumstance this was a contested application. The weight of evidence provided to me — and yes, I went and sat outside of it. I sat across the road in the park and I looked at it, and I looked at it in context, and I thought to myself, 'Is this the best outcome we can get?'. And the answer is no.

Can I just say in conclusion that whilst the applicants in this matter, Grocon, have reserved their rights to take my decision to VCAT, I can advise this committee that we are in continuing conversation with Grocon in relation to a significantly modified proposal for that site, and they are working very cooperatively with my department.

Mr T. SMITH — Minister, your decision in this instance, defying the advice of your department, which is — —

Members interjecting.

Ms SHING — On a point of order, it is inaccurate to say that there was a level of defiance in relation to a decision which the minister holds entirely within his own discretion — —

Members interjecting.

The CHAIR — Mr Smith, standing orders indicate that you cannot reflect adversely on the character of another member. 'Defiant' would seem to indicate that — —

Mr T. SMITH — I will rephrase it, Chair.

The CHAIR — Thank you, Mr Smith.

Mr T. SMITH — I will rephrase it. Minister, given that you rejected the advice of your department in this matter, did this have anything to do with your longstanding relationship with the CFMEU?

Ms SHING — On a point of order. It is about relevance in relation to an employee organisation of a question which at its heart went to a — —

Members interjecting.

Ms SHING — It is in relation to the minister's decision not to follow advice from the department. There is no relevance whatsoever.

Mr T. SMITH — I think it is entirely relevant, given that the minister's chief of staff —

Ms SHING — Do you have any interest in Grocon, Mr Smith?

The CHAIR — Order!

Mr T. SMITH — met with the — —

The CHAIR — Order! Mr Smith, I am not listening to this question. Rephrase your question or ask another question.

Mr T. SMITH — The question is very simple: what role did the CFMEU have in influencing your decision to reject this development — —

Ms SHING — On a point of order — —

Members interjecting.

The CHAIR — Order! Ms Shing, on a point of order.

Ms SHING — The rephrased question as you put it just now, Mr Smith — what role did the CFMEU have in influencing the minister's decision? — presupposes that there was a role in relation to any involvement from the CFMEU.

Mr T. SMITH — Absolutely. Absolutely.

Ms SHING — Again I would take you back to the original point of order which I made to you, Chair — —

Members interjecting

The CHAIR — Order! Ms Shing has a point of order. Ms Shing, to continue.

Ms SHING — Thanks. I have completed my point of order in relation to the fact that again this bears no relevance whatsoever to the principal question as asked by Mr Smith.

Mr MORRIS — On the point of order, by way of procedural fairness if Mr Smith is not allowed to proceed with the question as asked, the minister then will not have the opportunity to defend himself. If he is not able to say no — —

Members interjecting.

Mr WYNNE — Chair, I am more than happy to take the question.

Mr MORRIS — Minister, I am in the middle of a point of order.

Mr WYNNE — Mr Morris, I am happy to take the question.

Mr MORRIS — I am pleased to hear it. It is a shame some of your colleagues do not have more faith in their ministers.

Members interjecting.

The CHAIR — Order!

Ms SHING — Any Grocon kickbacks coming to you today, across the room, in relation to these questions?

Members interjecting.

Ms SHING — I asked a question.

The CHAIR — Ms Shing, I would ask you to withdraw.

Members interjecting.

The CHAIR — Order! Ms Shing, I would ask you to withdraw.

Ms SHING — I am so terribly sorry if any members opposite were caused any offence in relation to their relationships with Grocon.

The CHAIR — I fail to see how — —

Members interjecting.

The CHAIR — Order!

Mr T. SMITH — That is not sufficient withdrawal.

The CHAIR — I am sorry. I tuned out briefly, for a moment. Ms Shing, what was the nature of your withdrawal?

Ms SHING — I apologise if any member opposite took offence in relation to my comments about their relationships with Grocon.

Mr T. SMITH — That is not a withdrawal, Chair. I want a withdrawal.

Members interjecting.

Ms SHING — Are we now complying with longstanding practices, are we? Mr Morris has just talked about the standing orders — —

Mr MORRIS — Just say, ‘I withdraw’.

Mr T. SMITH — Just say, ‘I withdraw’.

Mr D. O’BRIEN — It is offensive, what you just said.

Members interjecting.

Ms SHING — I cannot quite believe we are hearing this from the other side of the table.

Ms WARD — Pot, kettle.

Ms SHING — You have consistently called into question the independence of people who have appeared as witnesses before this committee, who have appeared on the other side of the table, and now — —

Mr T. SMITH — It is called holding the government to account. That is the whole purpose of the committee. Withdraw!

The CHAIR — Order! Ms Shing, if you could just make a simple withdrawal.

Ms SHING — Sure. I withdraw.

The CHAIR — Okay. I am not allowing this question to be asked, despite the minister’s willingness. I do not see how a question in relation to the CFMEU’s relationship with a minister or a minister’s office has any bearing at all on the estimates period.

Members interjecting.

Ms WARD — Let us talk about more serious things, Minister.

Mr MORRIS — Not much more serious than that.

Mr WYNNE — Sorry, Chair, I know it is out of order. I would be perfectly happy to answer the question, but you have ruled it out of order.

The CHAIR — Minister, I have ruled and we are moving on.

Mr WYNNE — I am more than happy to answer it, because it implies quite improper behaviour on my part by Mr Smith —

Ms SHING — Absolutely.

Mr WYNNE — and he is absolutely wrong — absolutely wrong — Chair.

Mr T. SMITH — I simply asked what influence — —

Mr WYNNE — It implies improper — —

Mr T. SMITH — Are we going to keep doing this or — —

Mr WYNNE — Chair, it implies improper behaviour on my part, and that is an outrageous allegation to make, because it is absolutely wrong.

The CHAIR — If the minister feels so aggrieved and he wishes to make an explanation, I will not stand in his way.

Mr WYNNE — Thank you.

Mr T. SMITH — I thought you had ruled this out.

Ms Shing interjected.

The CHAIR — I had ruled it out, I absolutely had ruled it out.

Mr WYNNE — Okay. You have ruled it out.

The CHAIR — What I am saying is that if the minister feels so aggrieved, as members know, there are ways by which members can seek redress. If the minister feels so inclined, I am happy to grant leave to do so, if he takes such exception.

Mr WYNNE — Okay. I absolutely take exception to the implication in Mr Smith's question, because where it goes is basically the question implies that in some way a body — in this context, the CFMEU — sought to have some inappropriate influence over my decision-making about this project, and nothing is further from the truth. Nothing is further from the truth. It is absolutely fundamental, Chair, that the Minister for Planning, whoever he or she is, ought to consider in these applications the planning merits of this proposal. I have outlined for the committee all of the issues of concern that were raised through the City of Melbourne's very detailed assessment of this project and the interface of this project, next door to the Bourke Hill precinct, which has a 23-metre height limit against a 163-metre development that was proposed. The previous minister had the opportunity, if he thought this was such a fantastic proposal. It sat on his desk and he did not deal with it.

Mr MORRIS — He had it for two weeks before caretaker.

The CHAIR — Order!

Members interjecting.

The CHAIR — Order!

Mr WYNNE — He did not deal with it. Can I also say, because what is also implied here — Mr Smith will probably ask the next question: have I received any funding?

Mr T. SMITH — No. I have not mentioned that.

Mr WYNNE — You don't want to do that? Why don't you? Have a go at that one: have I received any money?

Mr T. SMITH — I have asked my question: did your chief of staff meet with the CFMEU — —

Mr WYNNE — Have I received any funding from the CFMEU?

Mr T. SMITH — Ask yourself as many questions as you like, mate. I am asking you — —

The CHAIR — Order!

Ms SHING — This is not your time to ask a question, Mr Smith. That ship sailed.

Mr WYNNE — Try that question on.

The CHAIR — Has the minister concluded his answer?

Mr WYNNE — Why don't you try that question and see how that one goes for you?

The CHAIR — Has the minister concluded his answer?

Mr WYNNE — Disgraceful. Yes.

Members interjecting.

The CHAIR — Order!

Mr WYNNE — Can I say this for completeness, Chair: my chief of staff did meet with representatives from the CFMEU on 12 February in the company of the deputy secretary of my department, Christine Wyatt.

Mr T. SMITH — Will you provide minutes of that meeting?

Members interjecting.

Ms WARD — Thank you, Minister, and I apologise for the disrespectful behaviour of those opposite.

Minister, I have got a keen interest in urban renewal, and as you probably also know from your experience with me, I have played a big role in neighbourhood renewal in the city of Banyule, which was a great investment in the community, and I thank you for that.

Minister, could I please direct you to turn to page 192 of budget paper 3. It talks about the department's mission 'to create livable, inclusive and sustainable communities'. Can you please provide an example of how the planning portfolio is delivering best practice on urban renewal? I know that you have covered this a little bit in what we have discussed so far, but I would really like to have a bit more expansion on that, please.

Mr WYNNE — Thank you very much, Ms Ward, and of course I acknowledge the great body of work that you have undertaken in terms of urban renewal in your previous life and some fantastic examples, particularly out in the northern suburbs, of where we have been able to turn around some really downgraded public and social housing to be really first-rate accommodation for some of our residents in most need. I do applaud your longstanding commitment in that respect.

As I indicated earlier in relation to Fishermans Bend, my predecessor overnight rezoned it capital city zone without any due consideration to the community infrastructure and social fabric of that area. This area is going to house 80 000 people, so where is the public open space? Where are the libraries? Where are the child-care centres? Where are the kindergartens? Where are potentially the community health facilities and all of the things — the social glue — that make a community work?

We learnt the lesson from Docklands far too late. Our friends at the City of Melbourne have now had to retrofit in a child-care facility, a library and space for a school, because we wrongly assumed that Docklands was not going to be a place for families. It was wrong; it was fundamentally wrong. We all thought, 'Oh, well, it's going to be for singles and couples and so forth', and it is just not right. Docklands is in fact a thriving community of all ages of people who are living there, and they expect — quite rightly — that they should have a high-quality social infrastructure in place as well. That was completely missed by the decision of my predecessor to overnight rezone it, without any consideration of this or indeed any conversation with either the City of Melbourne or the City of Port Phillip, who of course have to drive the planning and development of this infrastructure going forward.

My decision to take back planning controls and put some height limits in place — and of course having to address the dozen or so planning applications that are afoot — is going to be quite a challenge, but I have to deal with the rules that were in place when those applications were submitted. But we will be breaking up Fishermans Bend — the whole precinct — into its four distinct neighbourhood zones of Lorimer, Montague, Sandridge and Wirraway, because we want it to be a best practice example of how urban renewal can operate in this state.

We will address the concerns about height and density and obviously the absence of open space, because current and future infrastructure needs will be identified, including obviously locations of course for public transport going forward. You have got 80 000 people who are going to be living there. What is going to be the public transport link has got to be at the centre of this. Frankly the off-the-cuff notion of my predecessor that there be some sort of heavy rail link from somewhere — in Montague, I do not know, somewhere —

Ms PENNICUIK — Montague.

Mr WYNNE — Yes. Where in Montague? Montague, Montague Street? I do not know; somewhere. Somewhere down there. It was I think in many respects an indication that this thing had not been appropriately thought through.

The detailed strategic planning process will be undertaken by the Metropolitan Planning Authority. It will lead a task force in association with — in partnership with — the cities of Melbourne and Port Phillip.

As I indicated, I have met with the mayor and the CEO of the City of Port Phillip only a couple of days ago, and they are delighted to be partners with us in this. I will establish a ministerial advisory committee, which will include local community representatives to advise me on progress with the suite of plans that will be developed.

The overarching infrastructure plan to be developed by the MPA reporting to the ministerial advisory council in consultation with the councils and of course so many relevant state government authorities — obviously transport has got to be in there; all of government has to be a part of this — will I think provide us with an extraordinary opportunity to get a world-class development literally here on the doorstep of the city.

Strategic planning is expected to be completed by the first quarter of 2016, and I do hope that next year when I come to see the committee that you will have the opportunity to have reviewed the work to date and we can have a very informed conversation of how we as a Parliament see this massive opportunity going forward.

Ms WARD — Thank you, Minister, and I certainly hope that when you appear before us next year you are shown more respect than you have received today.

Mr WYNNE — Thanks, Ms Ward.

Mr DIMOPOULOS — On a point of order, Chair, before we go to the next question of the opposition, I just want to remind members of standing order 56, which states that the Chair ‘may require the language of a question to be changed if it seems ... that it is unbecoming or is in breach of the standing orders’

Further to what Ms Ward said, I think Mr Smith and Mr Morris knew that was an inappropriate question, that insinuation, and I think the proof of that pudding was their indignant response to Ms Shing’s interjection, when the shoe was on the other foot. I fully understand you probably have no relationship to Grocon, but the same is true of the minister and the CFMEU. So I think we should be really careful in their conduct.

Mr MORRIS — On the point of order, two quick points: firstly, this is not a situation that should be governed or has ever been in my experience, which is now eight-plus years on a committee, as deputy chair and chair of successive committees. Under both sides chairing the committee, we have never ever conducted inquiries or controlled questions on the basis of the standing orders that apply at question time. It is simply not practical. The second point is that if we are going to apply standing orders as they apply to question time, we should be applying the sessional orders as they apply at question time, which is something this government promised to bring in and has failed to do for this committee.

Mr DIMOPOULOS — I think you are getting caught up on the detail. It is just the indecency of the question.

Mr MORRIS — No Dorothy Dixers — that was the promise.

The CHAIR — Order! Mr Morris!

Members interjecting.

The CHAIR — Order! Mr Morris, as you know, both you and I separately consulted with the Clerk of the Legislative Assembly prior to these hearings commencing, and the Clerk advised that the way in which the committee is to be governed is via standing orders and not sessional orders. I have attempted, in the very brief time we have been together, to be fair and reasonable and to apply the standing orders where appropriate. I have sought at every step along the way over the last seven days to allow the opposition a degree of freedom and latitude to explore areas of interest to them, and I have been, I feel, fair and reasonable in allowing the opposition to ask supplementary questions probably 98 or 99 per cent of the time, and that is the way in which I will continue to conduct myself.

What I would say is that there have been a number of times this week where the motives of witnesses have been called into question or the reputation of some witnesses has been questioned by members of the opposition, which has caused me some level of discomfort, and I have let that be known, as I have done today. We have just passed the halfway mark, and we still have a long way to go in this set of hearings. Of course the opposition are entitled to ask questions as they see fit. I do not propose to bind opposition questions to standing orders in an overly cumbersome way, but again I think it is important that the questions do have some bearing or have some base back to the standing orders, as has been previously advised by the Clerk. Mr Morris, on a substantive question.

Mr MORRIS — Minister, page 44 of budget paper 5 indicates that the Metropolitan Planning Authority is an entity controlled by your department. Also, most recently in the last question, you have referred to Fishermans Bend. No doubt I am sure you would be aware that under section 49 of the Planning and Environment Act the Metropolitan Planning Authority has to keep a register containing the prescribed information of all applications for permits where the MPA is the responsible authority. The most recent register, which I have a copy of here, has a date on it, and I have checked the website while we have been here. So it is the one that is on the website of 10 April. That register indicates that there are some 13 applications, many of which —

Mr WYNNE — I think I said 12, but there are 13.

Mr MORRIS — There are 13 on here. I am not seeking to trip you up on that.

Mr WYNNE — No, no; that is all right. There is a body of work to be done on them, I can tell you.

Mr MORRIS — Minister, just in that context, can you indicate to the committee what is the statutory time frame for the MPA to decide on planning applications for which it is the responsible authority, and how many of the applications at Fishermans Bend are now beyond the statutory time frame and are therefore entitled to move on to VCAT?

Mr WYNNE — Thank you, Mr Morris. You know the answer to that question, and so do I. It is 60 days. There are a number of applications that have been afoot through the process certainly for longer than the 60 days — well longer than the 60 days.

Mr MORRIS — Agreed. Yes.

Mr WYNNE — As I have indicated, there is back and forth through the MPA process, and further clarification has been required of particular applicants in relation to a number of these proposals. As you know, Mr Morris, that is the normal planning process. Often it is an iterative process where both sides seek to get clarification on a range of matters, whether it is about setbacks or heights or shadow or public open space or articulation at ground floor level — the sorts of issues that you would expect to be considered through that back-and-forth process.

The answer to your question is that I think in each of those circumstances they are over their 60 days; there is no question about that. And there are 13. I accept the point you make. But I can indicate to the committee that I am actively considering a number of these proposals at the moment, because they have only recently come back from the MPA to me, and they are now under further consideration by departmental officers. I would be expecting to make a number of decisions in relation to some of that backlog very soon.

Mr MORRIS — It seems to me that — one would hope not, and I will give the minister the opportunity to rule it out — frequently when councils are seeking not to make difficult decisions they will just let it slide.

Mr WYNNE — Yes. Do you have some experience with that, Mr Morris?

Mr MORRIS — I certainly observed it on many occasions. I have never been a member of a council that has done it, because we had a much more streamlined process in those days.

Mr WYNNE — I cannot imagine Mr Smith would have done that.

Mr T. SMITH — Never ever.

Mr WYNNE — Never ever — ‘Too hot for me, brother. I’m off to VCAT’.

Mr T. SMITH — Never ever.

Mr WYNNE — Yes, sure.

Mr MORRIS — But the question is: is that what is occurring in this state?

Mr WYNNE — Mr Morris, as you are aware, the first three months of this government’s term I found myself unavailable — I was indisposed, I was a scratching — but I am well and truly back into it now. The reality is it has obviously been a catch-up for me, and I indicate to you very clearly that I have got a number of these applications from that precinct under active consideration now, where I will be make decisions on them.

Ms PENNICUIK — I am glad to get another opportunity; I was starting to worry there. Minister, you were talking a little bit about Melbourne, and I opened that question up before, and you talked about, I think, 26 applications, did you say there were?

Mr WYNNE — Twenty-six, and over 100 planning scheme amendments, so it is a massive number.

Ms PENNICUIK — Indeed, yes, and about the livability of Melbourne, Postcode 3000 and moving people into the city. Of course as development continues it affects the amenity of the city and it also affects the heritage of the city. I am very interested in your \$200 000 audit of heritage places.

Mr WYNNE — No, \$150 000.

Ms PENNICUIK — A hundred and fifty thousand, I beg your pardon, for the audit of heritage places. What I want to ask is: what is the scope of that audit? Can you just give a bit more detail? Does the scope of the audit include just what is on the heritage register now?

Mr WYNNE — Yes.

Ms PENNICUIK — Or is it looking for new — —

Mr WYNNE — No. At the moment, as I indicated earlier, there are 2400 state significant heritage places and objects and indeed 620 shipwrecks included under the Victorian Heritage Register. The audit is of those — those that are at risk as opposed to opening it wider at the moment. It is really, Ms Pennicuik, to kind of get a snapshot and to say, ‘Okay, what are the areas that are at serious risk going forward?’, and then self-evidently that would require in future budget years a bid, and hopefully a successful bid, to protect some of both the built form and the objects that are at most risk of decay, in effect. I will be in a much better position to be able to come back and at least report on an interim basis by next year to PAEC as to where that work has landed.

Ms PENNICUIK — In the city of Melbourne, for example — and I know this is not just the city of Melbourne, it is across Victoria, and the same applies in some regional cities, for example, where development is threatening heritage and non-maintenance of them — we know some buildings that are not on the heritage register but some people maybe think they should be, so the question is about what are the plans or are there any plans for — —

Mr WYNNE — Are you referring to the Princess Mary Club?

Ms PENNICUIK — No.

Mr WYNNE — Is there any particular one?

Ms PENNICUIK — The Palace Theatre, the Palace Metro, for example.

Mr WYNNE — As you know, the City of Melbourne is undertaking a further heritage review — sorry, go on.

Ms PENNICUIK — I was just about to say that. Yes, the City of Melbourne is doing that. I am not sure how involved you, as the planning department, are with that, and of course the state.

Mr WYNNE — No, they are doing that.

Ms PENNICUIK — Are there any plans with regard to broadening the scope under the act, for example, of what can be included in the heritage act, because some things are not included, which the public are a bit bemused about as to why they are not included, and they are significant buildings which are at threat of being lost due to development?

Mr WYNNE — Yes. As you know, Ms Pennicuik, the heritage council is independent and it has responsibility for assessing applications. As I indicated in my earlier commentary around some of the places and indeed the avenues of honour and so forth that were picked up last year, the government has committed to review the heritage act — that is a policy commitment of the government — to protect our built heritage as outlined in our policy document *Keeping Melbourne Livable*.

As you know, the act has been in operation for 20 years, so it is probably timely that we do have a look at that. I take on board your representations, because if there is one thing that is unique about this state it is that our heritage is very precious. I mean, here we are in an extraordinary heritage building ourselves, on which a lot of work is being done to maintain it but at a significant cost. There are great challenges ahead in terms of a lot of our heritage, but we will review the act and no doubt we will get representations from you in relation to that. Thanks for raising it.

Ms PENNICUIK — Thank you, Minister.

The CHAIR — I thank the witnesses for their attendance: the Minister for Planning, the Honourable Richard Wynne; Mr Adam Fennessy, Secretary of the Department of Environment, Land, Water and Planning; Mr John Ginivan; Ms Fiona Delahunt; and Ms Carolyn Jackson.

There were no questions on notice. I am conscious that it is Friday; have a lovely safe weekend, everyone. As they say in the classics, you do not have to go home but you cannot stay here.

Committee adjourned.