

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2016–17

Melbourne — 18 May 2016

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Witnesses

Mr Richard Wynne, Minister for Planning,

Mr Adam Fennessy, Secretary,

Ms Christine Wyatt, Deputy Secretary, Planning, 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 2016–17 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Planning, the Right Honourable Richard Wynne, MP; Mr Adam Fennessy, Secretary of the Department of Environment, Land, Water and Planning; Ms Christine Wyatt, Deputy Secretary, Planning; and Ms Carolyn Jackson, Executive Director, Finance and Planning.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

Questions from the committee will be asked on a group basis, meaning that specific time has been allocated to members of the government, opposition and crossbench to ask a series of questions in a set amount of time before moving on to the next group. I will advise witnesses who will be asking questions at each segment.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audiorecord or videorecord any part of these proceedings. Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I now 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. Minister.

Visual presentation.

Mr WYNNE — Thank you very much, Chair, and good morning to the Public Accounts and Estimates Committee. I am pleased to be here this morning to provide details on the planning portfolio as it relates to planning, building and heritage. With me I have the secretary of the department, Adam Fennessy, who has appeared before you with other ministers; the deputy secretary for planning, Christine Wyatt; and the chief financial officer, Carolyn Jackson. Before taking your questions, Chair, I would like to make a brief presentation to the committee.

Firstly, I would like to talk a little bit about population. Melbourne's and Victoria's population continues to grow strongly, with the fastest growth rate in the nation, of 1.7 per cent. We gain around about 100 000 people each year, and we are forecast to have a population in Melbourne of close to 8 million by 2050, with Victoria set to reach 10 million by the same year. We know that population growth drives the economy and productivity. It brings unparalleled opportunities for development and prosperity as well as demand for goods and services, housing and of course infrastructure. We also know it is crucial the infrastructure keeps up with that growth, and that is why, unambiguously, this last state budget has ploughed a significant amount of money back into infrastructure investment.

The building and property industry, as I am sure you all know, is one of the largest sectors in the Victorian economy. These industries employ thousands of people and provide a strong pipeline of investment. A total of almost \$30 billion worth of building permits were recorded in Victoria in 2015 — the highest total ever. We also had the highest number of dwelling unit approvals, at 68 000, and this was 30 per cent — I repeat, 30 per cent — of the national total.

Housing development in the growth areas on the fringe of Melbourne continues apace and supply is remaining fairly steady. We have approved five precinct structure plans in the past year, amounting to almost 10 000 new lots, and there are about another 20 PSPs in the pipeline. We have at least 15 years of supply, and obviously far more than Sydney. The trend in the inner and established suburbs is also that housing production is continuing to increase, as many people downsize or look for a better location. Since coming to office I have approved more

than \$7 billion of developments in the CBD and surrounds. The number of apartments built has increased significantly, with 60 000 either marketed or in the pipeline in metropolitan Melbourne.

Providing our growing population with affordable and diverse housing options is one of the key priorities that government is addressing in our refresh of *Plan Melbourne*. Whilst we agree with much of what was in the last *Plan Melbourne*, we have added housing affordability, climate change and public transport as key priorities. The refreshed *Plan Melbourne* will provide a long-term vision for housing Victoria's growing population. The government is also working on Fishermans Bend as a key urban renewal area. It will become five distinct areas: four neighbourhoods and an employment precinct. The budget delivered \$44 million for the Ferrars Street education and community precinct, which will include a new vertical school, opening in 2018, and that is some vision of it up there on the screen now.

We also acknowledge that our regions should take far more of our population growth, and that is why we are investing in regions in this state budget. This includes 2.1 million for targeted assistance to regional councils to support planning work in areas where they may lack the expertise; 3 million to support critical planning capacity within the department; and 5.5 million to invest in Geelong to support its revitalisation and the work of the Geelong Authority.

The 2016–17 Victorian budget included 25.5 million for the Smart Planning program. This will improve the efficient operation of the Victorian planning system and in particular reduce the average time taken to process amendments. It will give Victorians a quicker and simpler way to navigate the state's planning process. Since it was last reformed, 20 years ago, the system has significantly expanded to include a massive 75 000 pages across 7000 documents, with an additional 15 000 maps. We will create a new online portal for applications, which will be easily accessible to home owners as well as the property industry, and the Smart Planning program is expected to provide further economic stimulus and indeed save up to \$155 million in cost.

We also have a strong focus on improving housing diversity and affordability. There is currently a government task force — chaired by the Treasurer, including myself, the housing minister, the Special Minister of State and the minister for consumer affairs — looking at various options around housing affordability, and we are close to finalising the sites for an inclusionary housing project on state government-owned land, which of course was a commitment at the last election.

We are also strengthening livability through measures such as the Central City Built Form Review. This will introduce new planning controls to guide development and will address issues around plot ratios, setbacks and overshadowing. This will provide certainty to ensure our city remains one of the world's most livable. The new provisions will bring Melbourne up to speed with planning rules used by international cities, such as New York, Singapore, Vancouver and indeed Sydney. Alongside our changes to central city controls are our plans to create guidelines to improve internal apartment design. We intend to bring these two initiatives together in one package of reforms later this year, but we are mindful of ensuring the economic impact and opportunities of both are analysed together.

As you know, the government has worked closely with the building industry on a series of reforms to ensure a fairer building system for everyone. The Building Legislation Amendment (Consumer Protection) Bill has now passed the Parliament and will be proclaimed later this year. The bill contains measures that will protect quality builders and give consumers confidence in domestic building regulation. The reforms address longstanding flaws in the building system — identified, of course, by the Auditor-General — and are the first stage of reforms. We expect to have the second tranche of legislation introduced into the Parliament before the end of this year.

Finally, the Heritage Act 1995 is Victoria's principal legislation for the identification and management of heritage places and objects. There are more than 2300 significant places and objects protected and managed by the Heritage Act. The Victorian government has committed to review the Heritage Act to protect our built heritage. Public consultation on the review of the act occurred last year and changes will be announced later this year. An extensive audit of state-listed heritage places was also completed, in December. In the last budget, as you will recall from last year's PAEC, we had allocated \$150 000 towards undertaking an audit of at-risk places. The budget's Living Heritage program provides 30 million over four years to safeguard the state's key heritage resources. Places in particular need of restoration were identified by the independent executive director of Heritage Victoria.

Can I say in conclusion: Victoria is well placed to meet its growing population demands as we continue to plan and develop our roads, rail and public transport system, our schools, our hospitals and our community facilities. We have also been, and will continue to be, a welcoming society, ensuring that everyone has the opportunity and that no-one is left behind. Planning is working hard to keep up with the challenge and this government will continue by funding the iconic Melbourne Metro, a city-changing project, and the western distributor and ensuring regions are well placed to support new Victorians. Thanks for the opportunity to make a brief presentation today.

The CHAIR — Thank you, Minister. Ms Ward, until 9.23 a.m.

Ms WARD — Welcome, Minister. Welcome back, people. It is good to see you. Looking forward to today, I am sure. Minister, I am really interested in what you were talking about in your presentation around population growth and the changes that our city is going to experience. I ask you to have a look at budget paper 2, page 1. It talks about our population growth. How will the planning system respond to the challenges that we are going to experience as a city and as a state, because there are going to be some serious challenges with that population growth?

Mr WYNNE — Indeed. Thank you very much, Ms Ward. Victoria has the fastest economic growth rate in the nation; 3 per cent growth forecast for 2016–17. These are extraordinary figures. This economic growth has come off the back, as I indicated in my presentation, of very strong population growth of 1.7 per cent — and, as I indicated, the highest in the nation — a healthy infrastructure pipeline, strong business confidence and investment, and we have a thriving property market. The fundamentals of our economy are incredibly strong.

Obviously the planning portfolio does play a key role in supporting this growth and contributing to economic development. Good strategic planning is critical for Victoria's livability and will set the state up for continued long-term prosperity and growth. Our approach is to unlock supply in the right places and we are doing this obviously through the refresh of Plan Melbourne and the review of our residential zones and supporting the implementation of regional growth plans. Underpinning the refresh Melbourne document is an integrated approach to transport and land use planning to support Victoria's rapidly growing population and to deliver highly productive cities and regions that act as engines of economic growth.

On the implementation side, as I indicated at last year's PAEC, we are going to transition the Metropolitan Planning Authority to become the Victorian planning authority. This is a very, very important move because it will have a very strategic role to play not only in planning for metropolitan Melbourne's growth but regional Victoria's as well. They will be able to work in a very collaborative way, particularly with our large regional councils — Bendigo, Ballarat, Geelong, Latrobe Valley — to ensure that the growth aspirations that these very different regional cities have can be realised in a way that is sustainable.

In that context, Ms Ward, I met recently with the City of Bendigo. They have got a really ambitious program. They want to contain their growth boundary for Bendigo, maintain their livability and ensure that the interaction between residential and, of course, agricultural production is retained — because it is very important to Bendigo — but they also want to grow their population, which is currently around about 140 000 people or 150 000 to 200 000. So it is an ambitious program. But what they have also done is identify sites, both council-owned sites and indeed privately owned sites, for medium-density residential development.

I think it is a really forward-looking council that actually is seizing the opportunity that has been really put at their doorstep by the fast rail links. What happens now, of course, is that people may choose to live in Bendigo and they might commute to the city for some time with flexible working arrangements. The opportunities are available to enjoy the amazing quality of life that attends to living in regional Victoria but also the opportunity to obviously work in the city or work remotely from Bendigo as well. So that sort of gives you some flavour of how we see economic growth being shared across the state.

Ms WARD — It does, thank you. In talking about population growth, if I can get you to go to budget paper 2, page 17, it talks about the 1.7 growth that you mention and it says that it is driven by high net overseas migration. Minister, I would like to have a sensible discussion like this, unlike that that has occurred with the immigration minister regarding refugees and whether or not they can be unemployed or take Australian jobs — he does not seem to have a comprehensive position on this — but I would hope that you would be able to talk us through where overseas migrants, when they do come to our country, will be able to find work and growth.

Mr WYNNE — The first thing to say, Ms Ward, is that, unambiguously, and I say it in a bipartisan way, this Parliament has always been bipartisan when it comes to talking about migration and the importance of migration —

Ms WARD — It is a very important point to make.

Mr WYNNE — to our economy. I think it is the great strength of this Parliament that we actually do this in a way that there is really no difference between government and opposition when it comes to the question of migration. Indeed, as you will know, we will be welcoming in the order of 3000 — more, I think; 3500 — Syrian refugees to Melbourne and to Victoria. It speaks, I think, to the open heart that we actually do have here in Victoria when it comes to these issues. We obviously have the challenge of population — 100 000 people a year, as I have already indicated. Some of those — obviously many of those — are migrating into the country. There is also interstate migration into Victoria because of the extraordinary investments that the government — and successive governments indeed — have made in terms of infrastructure and the quality of life that is provided here in Victoria.

Obviously we want to ensure that there are opportunities for employment close to where people live. If we had been sitting here three or four years ago and were talking about a changing economy, none of us would have necessarily predicted that the car industry was going to leave Victoria. There is a significant dislocation of people from the traditional manufacturing base, and that is why we are supporting and attracting jobs of the future. We are stepping up our investment because infrastructure creates jobs, obviously it boosts productivity and it supports the services sector that so many people rely on every day. We are planning of course for expanding our central city region — that will be a driver to Victoria's economy — and to support this obviously the delivery of projects like Melbourne Metro, a project that will serve an additional 39 000 passengers per day during the peak, will be very, very significant in how the city is shaped going forward both from the east and the west.

When it comes to population, obviously regional Victoria has got a very significant role to play. Obviously our growth corridors have got a significant role to play and continue to play — 15 years worth of zoned land we have in our growth corridors. Compare that to Sydney. Sydney suffers from the problem of its geography, but it also suffers from the problem of a former Premier in Bob Carr basically pulling down the shutters and saying, 'No more room in Sydney'. We have been obviously the beneficiaries of that, and Sydney, frankly, has not recovered from that. A house and land package in Sydney equivalent to our growth corridors in Melbourne is \$200 000 more expensive. In that context obviously our middle ring suburbs have got a significant role to play as well, and obviously the CBD, Fishermans Bend, Arden-Macaulay, E-gate — all of these areas right on the doorstep of the city have got huge development opportunity, and that is where our population of course will need to be housed.

Ms WARD — Thank you, Minister. If I can ask you to look at budget paper 3, page 25, 'Output initiatives — jobs'. If you go right down to the bottom you will see that there is money allocated for the smart planning program. Could you talk us through this, what these reforms are and how it is going to contribute to economic development? Is it going to create jobs? How is this going to benefit the city and this state?

Mr WYNNE — As I indicated in my earlier presentation, this is the first review that has been undertaken in 20 years. The planning system is riddled with complexity, duplication, inconsistencies and redundancy, and these reforms, we believe, will make it easier to understand and navigate, both for the user of the system — whether that be a member of the community or whether that be a developer — and indeed obviously decision-makers, particularly our local government sector. We want to ensure that we actually get faster decisions. As part of these reforms we are extending the VicSmart program, which targets the removal of permit requirements in commercial and industrial zones, allowing for faster approval times as well.

Ms WARD — So is this going to create more red tape or less red tape?

Mr WYNNE — No, it is going to actually streamline the process and make it easier for people to navigate their way through what is often an incredibly complex web to understand the planning process. As I indicated in my presentation, the current system is made up of 75 000 pages of text in 7000 documents and 15 000 maps. It is simply unmanageable and results, obviously, in lengthy approval times. Smart planning will be a fundamental change for planning for Victoria. There will be simpler rules and better online systems and services to support planning processes. Can I say I think for anyone who has had to navigate the process, its time has come.

Ms WARD — So are you cutting councils out of this mix soon?

Mr WYNNE — No, not at all. Councils will be welcoming this. This is a really important thing for councils because it is going to, frankly, free up the system and actually use technology in a way that is user-friendly and accessible so that you can go onto the portal and say, ‘Okay, what do I need to do and how do I need to navigate if I want to do even some of the simplest applications through the planning process?’. You will be able to navigate your way through it. You will be able to understand what controls may be over your property — have you got heritage controls over the property? — and what encumbrances might be there. It will smooth out the process, I think, in a way that brings us up to a contemporary approach to planning for this state.

Ms SHING — Minister, I might welcome you this morning, along with the witnesses, thank you for your presentation and the evidence that you have given to date and take you to budget paper 3, page 195, if I may. This refers to the goal of creating sustainable, livable, inclusive communities and thriving environments. If, to go back to your presentation — and we will pick this up in the next round of questions for the government members — we are going to accommodate 100 000 new people every year, we would actually need to focus, as you have indicated, on the areas outside of Melbourne, the regional centres and other parts of the state, so I would be looking for you to begin an overview of how that regional development support and investment in regional areas will be taking place and how it is supported by this budget, perhaps beginning in the next round of questions, because I have used up all of the time.

The CHAIR — Order! Mr O’Brien, until 9.34 a.m.

Mr D. O’BRIEN — Good morning, Minister.

Mr WYNNE — Good morning to you.

Mr D. O’BRIEN — Page 25 of budget paper 3 lists the planning support for councils as 4.2 million, a one-off figure for 16–17. You mentioned in your presentation 2.1 million for targeted assistance to regional councils. Is that literally half of that line item in the budget?

Mr WYNNE — Sorry, can you just repeat the second part of the question?

Mr D. O’BRIEN — In your presentation, under ‘Regional Victoria’, you have 2.1 million for targeted assistance to regional councils. Is that literally half of the 4.2 for planning support for councils?

Mr WYNNE — Yes.

Mr D. O’BRIEN — That is what that is.

Mr WYNNE — The 2016–17 budget provides 4.152 in planning support for councils and it will be delivered in two parts. Metropolitan planning for jobs and growth, 2 million, and support for strategic regional growth, 2.152 in 2016–17.

Mr D. O’BRIEN — Okay. What happened to the money that was allocated in the forward estimates for the rural planning flying squad? There was 2.3 per annum from the 2014–15 budget that has disappeared.

Mr WYNNE — We are obviously committed to planning for growth in regional Victoria, so 25.5 million has been committed to fund smart planning reforms to cut red tape, as I have indicated earlier.

Mr D. O’BRIEN — Yes, I am asking, though, about the money that was there for the rural council planning flying squads.

Mr WYNNE — Okay. Can I say that the rural planning flying squads were very, very popular and very strongly supported by local government. My understanding of the former rural council flying squad was that it operated through a grants program model administered by the department of planning itself. We are going further than that. More than just providing one-off grants, we are putting more resources into regional planning offices combined with the targeted assistance package that I have indicated, and we will help councils streamline their planning processes and importantly help build their long-term capacity. So the program will be ongoing because we see it as crucially important to support our regional councils, particularly in relation to economic development. As I indicated, the example that I provided with Bendigo is a very good example of

where a regional flying squad in concert with the Victorian planning authority will, in fact, be able to provide very, very important strategic advice, particularly around regional economic development.

Mr D. O'BRIEN — Sorry, you said, Minister, that that is ongoing, but the flying squad is not ongoing. That has been cut.

Mr WYNNE — No, it has not been cut. As I indicated, the amount over the forward estimates is 0.9, 0.9, 0.6 and 0.6.

Mr D. O'BRIEN — Well, it was 2.3, 2.3, 2.3 and 2.3, so it has obviously been reduced.

Mr WYNNE — Sorry, I beg your pardon; that is support for effective planning. In relation to the rural flying squads it is in fact 2.1 this year, and we will be bidding in future years.

Mr D. O'BRIEN — Okay, so that is the 4.2 that you have announced today.

Mr WYNNE — In the budget.

Mr D. O'BRIEN — So why is that 4.2 just a one-off, when previously the rural councils had certainty with the flying squads in the out years?

Mr WYNNE — As I indicated to you, Mr O'Brien, the 2.1 is in the 2016–17 budget, and obviously I will be going back and advocating for further funding in the out years.

Mr D. O'BRIEN — Thank you. That money obviously has been absorbed somewhere. I will pass on to Mr Morris.

Mr MORRIS — Good morning, Minister.

Mr WYNNE — Good morning, Mr Morris.

Mr MORRIS — Budget paper 3, page 195, and the Environment Effects Act and your role in it — you are responsible for setting guidelines for triggers for an EES — and with regard to the sky rail project can you explain to the committee, and through the committee to the community, why, despite what we know to be massive noise impacts, the potential impact of diesel fumes, an obvious visual amenity effect — you have got a structure four storeys in the air; that is going to be intrusive — and passage through densely settled communities, you determined not to demand a full EES despite it being clear in the guidelines, and I am now quoting from the guidelines, that EESs can be required where there is:

... potential extensive or major effects on the health, safety or wellbeing of a ... community, due to emissions to air or water or chemical hazards or displacement of residences ...

...

... potential extensive or major effects on social or economic wellbeing due to direct or indirect displacement of non-residential land use activities

... potential for extensive displacement of residences or severance of residential access to community resources due to infrastructure development

... potential significant effects on the amenity of a substantial number of residents, due to extensive or major, long-term changes in visual, noise and traffic conditions

... potential exposure of a human community to severe or chronic health or safety hazards over the short or long term, due to emissions to air or water or noise or chemical hazards or associated transport ...

Those are all matters for which you have the capacity to require an EES, but you have not done so. Why was that power not exercised? Has pressure been brought to bear? What is your justification for not exercising the clear powers that you have?

Ms SHING — On a point of order, Chair, noting the budget paper reference that the Deputy Chair has referred to, and noting that this relates to the forward estimates process and to the budget papers, I am not sure how it is that requiring a minister to justify the basis for making a decision in relation to an EES is relevant to the purposes that we are here for today.

Mr T. SMITH — Are you serious?

Mr MORRIS — Do you really want to dignify that point of order with a response? Let me make it clear. If that point of order is supported, then there is no point in proceeding with the estimates process in any form whatsoever. We had an agreement made in committee outside these hearings on what was admissible and what areas of inquiry these particular hearings would go to — a resolution of the entire committee. That was agreed. That worked last week. We came in yesterday, and our opportunity to ask questions has been progressively reduced all the way through. It was starting become farcical yesterday. That point of order would be an absolute joke, and it would effectively convert these hearings into the sorts of hearings that we see in communities that are significantly less democratic than this one.

Members interjecting.

The CHAIR — Order!

Mr MORRIS — The government already has 10 minutes to spout its stuff — more than the opposition has the opportunity to question it — and now we are being told what we can ask questions on.

Ms SHING — You not being told. I am asking for a ruling in relation to relevance, Mr Morris, and I am doing it in a perfectly calm way.

The CHAIR — Deputy Chair, as I indicated yesterday, this is about prospective expenditure across the forward estimates as part of the estimates process. We had, as you recall — —

Mr MORRIS — Chair, with respect, that is — —

The CHAIR — Deputy Chair, can I — —

Mr MORRIS — No, that is rubbish. We have an agreement, and it is in writing, that we can ask questions that relate to the budget papers or the minister's presentations. That has been the case for longer than I have been in the Parliament, longer than I think probably most of us have been in the Parliament. Now you are seeking, on behalf of your government, to circumscribe us to the point where we can only ask about what you might do next year. The next thing, it will be without the forward estimates. This is an absolute nonsense.

The CHAIR — What I am saying is — —

Mr MORRIS — Absolute nonsense!

The CHAIR — What I am saying is that this process, we had in February a week of hearings in relation to accounts expenditure in terms of the decisions they agreed on — —

Mr MORRIS — No. You are now trying to rewrite the rules on the run to suit the government. You are abusing your position as the Chair of this committee. You are an absolute disgrace.

Ms WARD — Mr Morris, that is outrageous.

Mr MORRIS — No, this man is trying to tell us what we cannot ask in the context — —

Members interjecting.

The CHAIR — Order!

Ms SHING — Are you reflecting on the Chair, Mr Morris?

Mr MORRIS — I am.

Ms SHING — You are reflecting on the Chair.

Mr MORRIS — I am reflecting on the Chair.

The CHAIR — I am conscious of time.

Mr MORRIS — It is an abuse of his position.

Ms WARD — Your behaviour is shocking.

The CHAIR — Order!

Mr MORRIS — Have a look at it. We have got a budget that is like this, and you want us to ask about this little bit. Why do you not simply provide us with a list of questions that you would like us to ask? It could not be any more farcical than this sort of rubbish.

The CHAIR — I am happy for the minister to answer the question asked by the Deputy Chair insofar as it relates to the forward estimates and in relation to — —

Mr MORRIS — Chair, that is simply not appropriate. I ask that you close the meeting and we hold a deliberative session, because clearly the agreement that was reached and resolved on by the committee is now broken. The government has broken its agreement with the committee.

The CHAIR — Not at all, Mr Morris.

Ms WARD — That is ridiculous. You have not even heard his ruling, Mr Morris.

Mr MORRIS — No, I have heard — —

Ms WARD — You are standing up, having a tantrum when the Chair has not even finished what he is trying to say.

Mr MORRIS — I have heard enough to know that you have broken your agreement with the rest of the committee.

The CHAIR — Not at all, Mr Morris. Not at all. I am conscious of time. I would encourage — —

Mr MORRIS — I am conscious of time too, and I require the meeting to be closed.

Ms WARD — Can we just get on with it?

The CHAIR — Well, I would rather that the minister — —

Mr MORRIS — No, we will not get on with it on your terms. We will not get on with it on your terms. This is an absolute disgrace. It is a complete travesty of process, and you are seeking to use the Chair in order to censor the opposition.

The CHAIR — I am not, Mr Morris. Look — —

Mr MORRIS — And you with now using the Chair to try to censor the minister.

The CHAIR — Not at all.

Mr MORRIS — The question was asked. If the minister cannot justify his position, he should not be here.

The CHAIR — Look, it is now 9.34.

Mr MORRIS — I am aware of the time.

The CHAIR — Yes, it is questions for Ms Pennicuik. I do not want Ms Pennicuik to miss out. So I am happy to return to this in your time, Mr Morris.

Mr MORRIS — Chair, unfortunately as a result of your behaviour this morning, the estimates process, which I think has been a valuable one for many years, has now become a complete farce. You are seeking to use the Chair, you are seeking to use the rest of the committee not only to protect the witness, who should I say is more than capable looking after himself — —

Mr WYNNE — Indeed.

Mr MORRIS — He does not need your protection.

The CHAIR — Well, I am conscious of time. We are on a tight timetable, Mr Morris.

Mr MORRIS — We are on a tight timetable. I asked a question. We agreed — —

The CHAIR — I will call Ms Pennicuik to ask a question.

Mr MORRIS — No, Chair. We agreed to a process.

The CHAIR — We did.

Mr MORRIS — You have just thrown that agreement out the window.

The CHAIR — No, I have not at all, Mr Morris.

Members interjecting.

The CHAIR — Mr Morris, sit down, and we can return to this after Ms Pennicuik has had her time. You are being disrespectful to the crossbench, Mr Morris.

Mr MORRIS — We cannot just throw away parts of the agreement that you choose to.

The CHAIR — Mr Morris!

Mr MORRIS — If you want to throw away the agreement, let us revert to standing orders.

Ms WARD — Mr Morris, you are having a conversation with yourself.

Mr MORRIS — Let us revert to standing orders.

The CHAIR — Mr Morris! Sit down, please. Ms Pennicuik.

Mr MORRIS — No, let us revert to standing orders.

The CHAIR — So what? So you are going to deny the crossbench their opportunity to have a question, Mr Morris, are you? Am I expected to understand that you just want to hijack the rest of this — —

Mr MORRIS — No, I am not hijacking it, Chair. You are —

The CHAIR — Not at all. I want this committee — —

Mr MORRIS — and Ms Shing is and Ms Ward is, by seeking to tell us what we can ask.

The CHAIR — No, not at all.

Mr MORRIS — You cannot sit there and tell us. We will determine what we ask.

Ms WARD — He has not made a ruling, Mr Morris.

Mr D. O'BRIEN — He did.

Ms WARD — He did not.

Mr D. O'BRIEN — He said it had to be relevant to the forward estimates.

The CHAIR — I would ask — —

Mr MORRIS — Yes. Forward estimates. That has never been the case in decades.

Members interjecting.

The CHAIR — Order!

Mr WYNNE — Chair?

Mr MORRIS — The opposition has never been limited. I would never have presumed as Chair of this committee to tell the then Deputy Chair or any other Labor member what they could or could not ask as long as there was a legitimate budget paper reference. I would never have sought to prescribe that.

Mr WYNNE — Chair, I am perfectly happy to answer the question — perfectly happy to answer the question that has been put to me by Mr Morris.

Ms WARD — Please do.

Mr WYNNE — If you will allow me to answer it, I will answer it. It is up to you, Chair. I mean, I am here to take any questions that are put to me. A question has been put to me, and I am happy to answer it.

The CHAIR — All right. If you can be very brief, because I am conscious that it is now eating into Ms Pennicuik's time.

Ms SHING — Sit down, Mr Morris.

The CHAIR — Do you want the answer, Mr Morris? Minister, briefly please.

Mr WYNNE — Well, it is an important question, and it cannot be answered briefly. I am sorry, Chair. I want to answer it in full and to give the context, because it is an important matter. So can I start by providing some context to this question. A planning scheme amendment to facilitate the Caulfield to Dandenong rail upgrade project was submitted to me on 21 April. But by way of background, GC15 was gazetted on 6 November 2014, on the eve of the last state election, by the former Minister for Planning. GC15 inserted an incorporated document into nine planning schemes to allow the development of the Cranbourne-Pakenham rail project in the very same rail corridor as the one you, Mr Morris, are asking about today.

Mr MORRIS — Yes, I am aware of the amendment.

Mr WYNNE — This incorporated document switched off the need for planning permits and approvals across nine affected councils. The amendment was approved under section 20(4) of the Planning and Environment Act. The advice to the former minister from his department was that the project proponent had undertaken a self-assessment and concluded that an EES referral was not warranted. As a result the former Minister for Planning did not direct the project to be referred to him for an EES.

So in relation to the Caulfield–Dandenong rail upgrade, as we know, it will remove nine level crossings between Caulfield and Dandenong, rebuild five railway stations at Carnegie, Murrumbeena, Hughesdale, Clayton and Noble Park, and upgrade infrastructure, obviously including power and signalling. The completed Caulfield–Dandenong upgrade will be entirely within the existing rail corridor. The land affected has been a rail corridor, Mr Morris, as you know, since the 1870s —

Mr MORRIS — But it will be 12 metres high.

Members interjecting.

The CHAIR — Order! The minister, to continue.

Mr WYNNE — and is currently zoned for rail purposes. There are no compulsory acquisitions required for this project. The government's Level Crossing Removal Authority has assessed the project against the Environment Effects Act 1978 and the ministerial guidelines for assessment of environmental effects and concluded that an EES referral is not warranted. The EES guidelines clearly set out the referral criteria.

Mr MORRIS — Minister, the question was about why you did not exercise, not what advice you received.

Mr WYNNE — I am seeking, Mr Morris, to answer your question. The EES guidelines clearly set out the referral criteria, and I have no reason to question the assessment of the government's own Level Crossing Removal Authority. Rail projects within the easement have not required an EES in the past. The South Morang rail extension, regional rail link and Sunbury rail electrification were all dealt with by planning controls rather than an EES.

Mr MORRIS — Were any of them 12 metres in the air?

Mr WYNNE — A planning scheme amendment to facilitate — —

The CHAIR — Order! Mr Morris!

Members interjecting.

Mr WYNNE — A planning scheme amendment to facilitate the Caulfield–Dandenong rail upgrade project, as I indicated, was submitted to me on 21 April, and this is currently being assessed. Once I have received the advice of my department, I will make my decision fully in accordance with the relevant acts and guidelines.

Can I point you, in the time that I have still available to me, to what I will need to consider in relation to the planning scheme amendment? I refer you, Mr Morris, to section 12(2) of the Planning and Environment Act at page 29:

In preparing a planning scheme or amendment, a planning authority —

in this case that is me —

... must take into account any significant effects which it considers the scheme or amendment might have on the environment or which it considers the environment might have on any use or development envisaged in the scheme ... and

... must take into account its social effects and economic effects.

I will ensure that — —

Mr MORRIS — And if it is an EES, which is what I asked about, the guidelines.

Mr WYNNE — I will ensure that I will undertake my responsibilities according to the act.

Ms PENNICUIK — Good morning, Minister, and the secretary and other staff of the department who are here with us today. Thank you for coming. If I could, I turn to budget paper 3, page 70, which refers to the Living Heritage grants of 30 million over four years and 15 million this year, and also the description of that on page 75 which refers to the repair and restoration works for a number of at-risk state significant heritage places to be undertaken following the audit. You mentioned in your presentation that the audit was completed in December, and I think you said there were 200 places. I thought there were 150, but you might go to that in your answer.

Mr WYNNE — No, I think what I said was that there were 2300 heritage-listed places on the register and 150 were — —

Ms PENNICUIK — So it is 150?

Mr WYNNE — Yes.

Ms PENNICUIK — It says contestable grants of up to 200 000 will be made available to owners and managers across Victoria, but also repair and restoration works for a number of at-risk places. If you could just maybe unpack the difference between the repair and restoration and the contestable grants. I am interested in that, and also how this would be carried out and the criteria that is involved et cetera with regard to that, so just sort of fleshing out the details of the particular initiative.

Mr WYNNE — Yes. The Living Heritage program funding for 2016–17 provides 30 million over four years obviously to safeguard and reactivate the state’s key heritage resources. As I indicated, there are three aspects to the program — 7 million for the competitive community heritage grants program, so it will be a competitive arrangement where obviously community groups and local governments can make application, and they will be assessed by Heritage Victoria because we have given them an extra \$800 000 to actually support not only the heritage program itself but also to further boost the resourcing of an area that has been really quite run down over a period of time.

Ms PENNICUIK — If I could just butt in for a moment — hold that thought, Minister — is that over and above the repair and restoration works for the 150, or is it — —

Mr WYNNE — No. There is 22.2 million for major building grants for the conservation of iconic, publicly accessible heritage places. We have announced some of those, and there will be progressive announcements over the next couple of weeks. On 6 May I announced funding of 3 million from the Living Heritage program for Her Majesty's Theatre in Ballarat, which of course was very well received, and also repairs and making good at Trades Hall, and I can talk in some detail about Trades Hall if you wish, because — —

Ms PENNICUIK — I know it well, Minister. I have worked there.

Mr WYNNE — You know it well? Indeed I know it well also. The reason why Trades Hall is important is that it is the only building designed by Joseph Reed, one of our most important early architects in Victoria, that has actually not undergone any significant restoration at all. If you think about the buildings that Joseph Reed was involved in, he designed the Melbourne town hall and the state library, he partnered in the design of the Royal Exhibition Building, and designed the Baptist church in Collins Street. These are iconic, very, very important buildings in our city, and the only building that has had virtually no restoration work done on it — save and except for a small amount about, I think, 15 years ago of about \$2 million — is the Trades Hall itself. As you say, you know — —

Ms PENNICUIK — It was 1997–98 or so.

Mr WYNNE — I think it was in that period.

Ms SHING — Last century!

Mr WYNNE — Yes, indeed, last century. As you know, as well as I do, Trades Hall is in significant disrepair. It is the longest operating Trades Hall, we believe, in the world. But it is not just a Trades Hall; it is in fact also a site for many community events, and indeed the comedy festival itself has got a — —

Ms PENNICUIK — Minister, I fully support the restoration of Trades Hall —

Mr WYNNE — Good on you!

Ms PENNICUIK — and I know all the history you were talking about, but one of the things that does arise actually from that issue and sort of segues into my next question with regard to the maintenance and repairs of heritage buildings at risk — state significant heritage places — is that in the information put out by Trades Hall Council is the issue of how the building has been affected by climate change in terms of heat, water getting into the stonework et cetera, and we have had that problem here — —

Mr WYNNE — Yes.

Ms PENNICUIK — So I am just wondering about whether there will be criteria about repairs and restorations that you will set as planning minister with regard to taking into account the current and future expected effects of climate change on these heritage buildings to make sure they are taken into account with the restorations and to make sure they last.

Mr WYNNE — Obviously specifically in relation to Trades Hall itself, through the audit process some 150 properties were identified by the study to have a possible public health or indeed safety risk, and Heritage Victoria obviously wrote to the owners of those properties requesting to have discussions with them about how these issues could be addressed. But when you have got a public building like the Trades Hall, which is publicly accessible, and in the condition we find it in at the moment, where there are some very serious safety concerns about falling ceilings, cracking and instability in some aspects of the building — —

Ms PENNICUIK — So could you go to my question about — —

Mr WYNNE — Climate change?

Ms PENNICUIK — Just whether the 150 buildings that are getting these —

Mr WYNNE — That were audited?

Ms PENNICUIK — grants et cetera will have some overarching criteria as to how they go about the repairs? How is it going to be done, really, practically?

Mr WYNNE — The criteria will be established by Heritage Victoria, and the works will be overseen by Heritage Victoria.

Ms PENNICUIK — Will that take into account the Burra Charter criteria, for example?

Mr WYNNE — Yes.

Ms PENNICUIK — Okay. If we could just go back to the question before, which was about the 150 identified during the audit and the contestable grants and the interplay between those two issues — —

Mr WYNNE — Obviously there will be criteria established through Heritage Victoria for the contestable grants. They will be assessed independently; they will not be assessed by me. As I indicated, the executive director of Heritage Victoria is an independent statutory office-holder in his own right. He will make recommendations to me for heritage grants to be approved according to the criteria that he will establish.

Ms PENNICUIK — Yes. I suppose my question is about the 150 sites. Is there some time by when they are going to have their repairs and restorations undertaken?

Mr WYNNE — We have got a budget over the four years for this tranche of money. Clearly it is not enough to do all of the heritage-listed and audited buildings.

Ms PENNICUIK — So there will be a bit of a triage there?

Mr WYNNE — Yes, absolutely.

Ms PENNICUIK — Okay. All right, I think I have done enough of that for the moment. You also mentioned the Heritage Act review — that you were committed to the review of the act. I notice there is no update on their website from about late March as to what might be going on there. I do not know exactly how much time I have got left, but given other people have kept going, we will just keep going, Minister.

As to the review of the act, if you could make some comments about the review of the Heritage Act, Minister, because I think a lot of people are very interested in that, particularly in terms of some of the gaps that have appeared in the assessments by Heritage Victoria. I am sure the minister would know my particular interest in the Palace-Metro and the community's interests in the cultural history of that building, which seems to have slipped between the stools somehow.

Mr WYNNE — Let us go to the Palace Theatre, because it is important in the context. As you know, VCAT — —

Ms PENNICUIK — In the context, it is hard for many in the community to understand how a building that is more than 100 years old with all that cultural heritage and unique architecture somehow is not assessed by Heritage Victoria to have any heritage value. The community does not agree.

Mr WYNNE — As you know, it was independently assessed and found — —

The CHAIR — Order! Ms Shing, until 9.59.30 a.m.

Ms SHING — Minister, if you would like to finish your sentence — —

Ms PENNICUIK — Perhaps you could take that on notice, Minister.

Mr WYNNE — I would be very happy to take it on notice, Ms Pennicuik.

Ms SHING — Minister, I would like to take you back to the question that we began in relation to investing and growing in the regions — that is budget paper 3, page 195 — and needing to accommodate 100 000 people a year. There is funding committed to providing planning support for councils, and I think you indicated that in one of your answers to Mr O'Brien's questions. Can you advise the committee what your department is in fact doing to support regional councils in investment and substantive terms to accommodate that growth and change, and also talk about front-line DELWP staff in regional offices in previous years and how the budget improves the responsiveness of regional offices?

Mr WYNNE — Thank you very much, Ms Shing. Can I say that we are very, very big supporters of regional Victoria, particularly in this budget, and this budget is a big winner for regional Victoria because it delivers the highest regional infrastructure investment on record. In my portfolio we are providing a total package in excess of 100 million for planning in Victoria, which includes initiatives that will directly support our regions. This includes 4 million for strategic and statutory planning support for councils; 3 million to boost the capacity of the department of environment, water and planning; and 5.5, as I indicated in my earlier presentation to support the revitalisation of Geelong, including catalyst public realm improvements.

If you think about Geelong in the context of a regional city that is undergoing rapid change, obviously with the closure of Alcoa, with the closure of Ford, it is really important that the government is seen to be standing up for Geelong and intervening, I think, in a very strategic way in Geelong, because, as you may be aware, I am now the planning authority for any development in Geelong above 5000 square metres. That is to give a clear signal to investors who want to invest in Geelong that we will ensure that there is a clear line of decision-making in relation to planning for Geelong. We have a number of significant investments that are likely to be approved in the next few weeks, which is very, very promising, I think, and speaks strongly of the investment appetite that there is from developers in Geelong itself.

Ms SHING — Is that part of the movement from the Metropolitan Planning Authority to the Victorian planning authority that you talked through in your opening remarks?

Mr WYNNE — Well, certainly the transition of the MPA to the VPA will provide a greater focus on regional cities, as I indicated. The VPA will be able to come into regional cities in a much more collaborative way and be able to partner up with local governments to provide really the expertise that sometimes is not necessarily available to local councils themselves. The unique aspect of the VPA is being able to bring other parts of government together in a cohesive way to ensure a strategic approach to development in our regional cities.

Ms SHING — Great. Thank you. So taking you to budget paper 3, page 33, how do the staffing arrangements enable an improved responsiveness in regional offices insofar as planning scheme amendments and permit applications are concerned?

Mr WYNNE — What is important here is that when I came into this job I was confronted with a department that had lost 30 per cent of its staff and, as a result, much of its capacity.

Ms SHING — Was that as part of the sustainable government initiative, Minister?

Mr D. O'BRIEN — We are not asking about questions from the past, are we?

The CHAIR — Order!

Ms SHING — Minister, that loss of 30 per cent of staff, however it arose when you inherited the department and took office in 2014, what did that mean and how is this investment designed to actually improve the way in which staff administer their duties as far as planning and permit applications are concerned?

Members interjecting.

Ms SHING — Please continue, Minister.

Mr WYNNE — We are seeking to rebuild the capacity of the department and that is why we are providing \$3 million plus ongoing 0.6 to properly staff our planning department across Victoria, including our regional offices, and by delivering this further injection it will ensure that vital investment opportunities, particularly in regional Victoria, are not delayed unnecessarily and that regional Victoria can continue to enjoy the benefits of this investment. When we came to government there was an enormous backlog of planning scheme amendments —

Members interjecting.

The CHAIR — The minister, to continue.

Ms SHING — Do not worry about opposition questions in government time, Minister.

Mr WYNNE — in the order of a backlog of 150 planning scheme amendments. We have had to work that down. Can I say we are now attracting back staff into the department where in the past the department, frankly, was demoralised. If you lose one-third of your staff, people are just working ridiculous hours trying to keep up. I think that the leadership that has been provided by the deputy secretary in seeking to rebuild this department and rebuild the prestige of this department is to her great credit.

Mr DIMOPOULOS — Minister, can I pick up from Ms Shing just quickly, and we will have to continue in the next session? Picking up from Ms Pennicuik earlier, to what extent, if any, do the principles of freedom of association of political involvement or the use of a building impact on Heritage Victoria's ranking or professional judgement provide to government about the retention of those buildings? Does it have any role to play in Heritage Victoria making an assessment about the heritage value of a building?

Mr WYNNE — Freedom of assembly?

Mr DIMOPOULOS — Association, freedom of political belief.

Mr WYNNE — I assume — —

Ms SHING — Big bad unions need some refurbishments, Minister.

Mr WYNNE — You are referring of course to the Trades Hall itself. Obviously it is a building that has got enormous heritage history, as we know, and a building that of course is also being repurposed — —

The CHAIR — Order! Mr Smith, until 10.07 a.m.

Mr T. SMITH — Minister, I refer you to your \$30 million heritage grants fund and indeed your decision to give a third of that to Trades Hall.

Mr WYNNE — No, that is not correct. That is not my decision.

Mr T. SMITH — It is not your decision?

Mr WYNNE — It was a decision based on the advice of the independent executive director of Heritage Victoria.

Mr T. SMITH — It was not your decision? You did not sign off on this?

Mr WYNNE — I acted on the advice that was provided to me by Heritage Victoria.

Mr T. SMITH — Minister, it is your decision.

Mr WYNNE — Pardon me?

Mr T. SMITH — It is your decision. You signed off on it.

Mr WYNNE — Of course.

Mr T. SMITH — Why don't we start from the beginning?

Mr WYNNE — Do.

Mr T. SMITH — On 22 March you invited me to a meeting with yourself — —

Ms SHING — Mr Tim Smith or you, Mr Smith?

Mr T. SMITH — Me. Here is the meeting invitation.

Ms SHING — Was that intended for you, Mr Smith?

Mr T. SMITH — No, it was not.

Ms SHING — Oh, another Mr Smith.

Mr T. SMITH — But you invited me to a meeting with yourself, Liz Beattie and Luke Hilakari at your Parliament House office, I would presume, to discuss this.

The CHAIR — Just to confirm, Mr Smith, you did not attend the meeting?

Mr T. SMITH — I did not attend the meeting.

The CHAIR — Thank you, Mr Smith.

Mr T. SMITH — Minister, I presume it was to discuss your grant to Trades Hall. Is that correct?

Mr WYNNE — No, it is not.

Mr T. SMITH — It is not correct?

Mr WYNNE — No, it is not correct. You should have come to the meeting. You would have actually learnt a bit.

Mr T. SMITH — Minister, which departmental officials attended that meeting?

Mr WYNNE — It is important actually, Chair, that I actually set the context. As Mr Smith has indicated, there are in fact four Tim Smiths. The Tim Smith who was obviously being invited to the meeting is the executive director of Heritage Victoria, not your good self. But to the great credit of your staff they in fact notified my office —

Mr T. SMITH — We did.

Mr WYNNE — that the invitation had been inadvertently sent to you by mistake. It speaks, I think, very much to who you are, Mr Smith, that you tried to peddle this story around the media, saying, ‘My goodness! What a shocking thing — the minister is meeting with Trades Hall. Heavens above!’. This is an appalling state of affairs. You tried to peddle this yarn around the media, and you know you did. You know you did.

Mr T. SMITH — Minister, I did. Do you know why?

Mr WYNNE — You tried to peddle this around the media. Gotcha!

Mr T. SMITH — You know full well that we informed you about this.

Mr WYNNE — No, you did not inform us. Your office did.

Mr T. SMITH — At my instruction. The only reason why I started to ask questions about this was because I heard on the grapevine —

Mr WYNNE — Which grapevine is this?

Mr T. SMITH — that you might be giving them some money. ‘Why would you want to be giving them some money’, I thought. Why would you be meeting with Trades Hall and with the head of Heritage Victoria in your Parliament House office? It was very curious. Why would you be doing that?

The CHAIR — Is there a question, Mr Smith, of the minister?

Mr T. SMITH — So my question is: why did you? Here is the departmental advice. In fact I will read it. Given that there are tax breaks going until 2029 to Trades Hall with the specific purpose of conservation of the building, your department advised against you giving any grant to Trades Hall. So why have you given a grant to Trades Hall despite departmental advice to the contrary, which I have here and I am happy to table?

Mr WYNNE — The answer to this question is that the Trades Hall representatives came in to see me and the executive director of Heritage Victoria, Tim Smith, to table a very extensive document, which was an assessment by Lovell Chen architects, who you may know of — they are perhaps the most experienced heritage architects in Victoria — to give me and the executive director of Heritage Victoria a copy of their report, which

goes into very, very great detail of the structural issues and the damage that had been done over time to the Trades Hall, amounting to a total of in the order of \$28 million to make good the property over time.

Mr T. SMITH — Minister, it says here:

It is recommended that Trades Hall . . . be reminded of its obligations under the existing agreement for special assistance so as not to prejudice any future applications for grant funding when such opportunities arise.

So, Minister, the point is that between 2001–02 and 2009–10, Heritage Victoria received some 2.4 million. They get tax breaks to 2029, and now you have given them \$10 million. Minister, I would say this stinks. I would say this stinks to high heaven.

The CHAIR — Is there a question, Mr Smith?

Mr T. SMITH — How can you possibly justify this when the union movement has quite a degree of availability of funds to fund this themselves? You are using our money to fund building works at the union movement's head office.

Mr WYNNE — Dear, oh, dear. It is always a pleasure to answer questions from a warrior like you. You just cannot help yourself, can you?

Mr T. SMITH — You cannot help yourself — \$10 million for the union movement's head office!

The CHAIR — Mr Smith, the clock is ticking.

Mr WYNNE — Can I say — —

Mr T. SMITH — What a disgrace! What an absolute disgrace! You are a disgrace!

The CHAIR — Mr Smith, stop insulting the witnesses that appear before this committee! Minister, in 23 seconds.

Mr T. SMITH — Reshuffle this weekend. Good audition!

The CHAIR — Honestly, Mr Smith, you are testing my patience. The minister, to continue.

Mr WYNNE — Again I simply reiterate: this is a very, very significant historic building. It is a Reed building — the only one in this city that has not undergone any fundamental restoration in decades.

Mr T. SMITH — So you ignored departmental advice and gave them \$10 million?

The CHAIR — Order! Dr Carling-Jenkins, until 10.18 a.m.

Dr CARLING-JENKINS — Thank you, Minister.

Ms WARD — It is a public building.

Mr WYNNE — A public building, of course.

Ms SHING — Tim should know it is a public building.

Mr WYNNE — I tell you what. I will invite you, Mr Smith. Why don't you come up with me and have a look at Trades Hall?

The CHAIR — Order! Minister!

Mr T. SMITH — I have been out there many times.

The CHAIR — Order! I want to remind the witness and members of the committee they are eating into Dr Carling-Jenkins's time. Dr Carling-Jenkins, until 10.18 a.m.

Members interjecting.

The CHAIR — Order! Dr Carling-Jenkins.

Dr CARLING-JENKINS — Thank you, Minister. I am going to ask a bit more around Plan Melbourne, where you have mentioned housing affordability, and it is covered in budget paper 2, page 29. Also you mentioned this in your presentation, which I appreciated. On page 4 you mention Plan Melbourne, but also on page 8 of the presentation you spoke about strengthening livability through the central city built form controls. That has been the subject of a little bit of speculation, as I am sure you are aware, particularly around — as you have pointed out — strengthening livability, and you have been quoted in the media as saying, ‘These controls are needed to ensure Melbourne continues to develop in a sustainable way’. You would be aware then that there are also many dissenting voices around these controls.

Mr WYNNE — Sure.

Dr CARLING-JENKINS — The Property Council of Victoria, for example, has said that this will affect property values negatively, and I am quoting here; they are saying: ‘That will decrease land values and will impact the state budget as well as the local government budget’. Then just today apparently the ABC is coming out saying these rules could hit land values by up to 44 per cent.

Mr WYNNE — Sorry, that last quote was?

Dr CARLING-JENKINS — These new rules could hit land values by up to 44 per cent.

Mr WYNNE — Who was suggesting that?

Dr CARLING-JENKINS — That was the ABC this morning.

Mr WYNNE — ABC radio?

Dr CARLING-JENKINS — I would have to check, but I think so. Obviously you cannot comment on something you are not aware of; that is fine. But I just wonder if you can respond to the concerns being raised, particularly to explain how your proposed controls will continue to sustainability and impact on housing affordability into the future.

Mr WYNNE — Thank you very much for the question. So the proposed controls are out on public exhibition at the moment, and they will go before a full panel process. There will be an opportunity for all parties — for the community, for the development community, for local government — to make submissions to the panel, and obviously I will consider the outcome of the panel’s deliberations, but the controls do sunset this year, so obviously we want to get that work completed.

The reason why we have moved to put in place the interim controls at a plot ratio of 24 to 1 was to really take the opportunity to pause and really have a good look at how the city is actually developing, because at the moment I can take you to parts of the city that are incredibly dense and have got densities that are in fact higher than some cities like Hong Kong, Singapore and indeed New York. So I thought it was very timely to have this intervention.

It was certainly supported by the Lord Mayor at the time. In fairness to him I think over the journey he has been wanting to reflect a bit more on the potential economic impacts that might arise from the controls themselves, and that is an entirely legitimate position for the lord mayor to take. He is very keen to see the economic analysis of it as well, which of course will be part of our considerations through the panel process. At 18 to 1 and with setbacks you find, I think, a good landing which will provide I think for quality development to occur.

But the key thing here is that if you want to go above your plot ratio of 18 to 1, the opportunity will be available to you. You can then choose off a suite, a menu in effect, of what I call public realm outcomes — public good: what are you going to contribute back to the city if you want to go above your plot ratio? So, for instance, a very Melbourne response that some developers have used is to put in another laneway, another connector — well, that is a terrific thing.

Down at 447 Collins Street, the National Mutual site — the Cbus development down there — they are, in fact in concert with the City of Melbourne, going to put in a very significant park in Market Street, which is a

fantastic outcome. It may be a childcare facility; it may be affordable housing, so what are you going to contribute back if you are going to lift your development above the plot ratio?

To go, Dr Carling-Jenkins, to the question of the economics of this, some of the commentary that has been provided, which you have referred to, talks to the question of: 'Oh, well, there's going to be a potential flight of investment to Sydney or to Brisbane'. That simply does not stand any detailed analysis, because Sydney has got a much stricter plot ratio than we have here in Melbourne at 12 to 1, and they have got height controls. So if you were a developer, why would you be going to Sydney where you have got much more restrictive conditions on development than what we will have here in Melbourne? So it actually does not stand up. The reality is that we have got a pipeline of development applications that are currently under consideration in the department at the moment, and many of those do in fact accord with the plot ratios that we are proposing.

Dr CARLING-JENKINS — Thank you, Minister, for clearing that up. Just a couple of follow-ups: you talked about the panel process; is this the ministerial panel that you described earlier?

Mr WYNNE — No, Panels Victoria.

Dr CARLING-JENKINS — Panels Victoria?

Mr WYNNE — Yes. So the standard independent panel process.

Dr CARLING-JENKINS — Yes, beautiful; that was my point. Then I noted in your presentation as well, and you briefly referred to it in your answer to me just now, that these controls are similar to other international cities. Could you expand on the work that you have done in that area in learning from international experience.

Mr WYNNE — The provisions that we are suggesting for Melbourne will bring us up to the international benchmark for planning rules in cities like New York, Singapore, Vancouver and obviously, as I indicated, Sydney as well. Each of them have got slightly different plot ratios; each of them have got slightly different guidelines in terms of setbacks of buildings. But one of the keys to this is to ensure that we actually get quality design. So within your plot ratio you can build up but you also have to build back from the property next door to you, so you are not overwhelming existing buildings. That has been one of the tensions that we have found in some parts of the city, where you have developments that are literally 4 or 5 metres away from each other — very, very big — —

Dr CARLING-JENKINS — So you are looking into each other's lounge rooms or offices.

Mr WYNNE — Yes. You are literally looking probably no further away than what you and I are from each other, so that is not a good outcome. You also get very bad effects at the ground floor level, with windshear; you can just about be knocked off your feet through windshear. Then obviously, if the ground floor is not activated well, you tend to get these sorts of walls of just building, with no life and no engagement between the building and the street. They are the sorts of aims that plot ratio is seeking to do, and I think generally the development community have responded very, very well to it. A number of first tier builders have publicly acknowledged that putting a plot ratio in place is an important consideration for the future livability of our city.

Dr CARLING-JENKINS — Absolutely. So you are going after international best practice is what I am hearing?

Mr WYNNE — Yes.

Dr CARLING-JENKINS — Thank you very much, Minister. I appreciate those detailed considerations. I certainly live in a high-rise where wind factor is quite a problem on the ground floor, so I understand that — —

Mr WYNNE — Here in the city?

Dr CARLING-JENKINS — Yes. On the edge of the city.

Mr WYNNE — Good. Excellent.

Dr CARLING-JENKINS — Not good on a windy day.

Mr WYNNE — No.

Dr CARLING-JENKINS — Can I now refer you to budget paper 3, page 202, and it is around the major outputs and deliverables. I just note the new title subdivisions created in three weeks where the target for 2015–16 was 95 per cent but the expected was 75 per cent. The footnote there said that ‘due to higher than anticipated levels of demand for service and more complex plans being lodged’ was the reason for that difference, and I am happy for you take this on notice. In light of the comments that you have been making in your presentation about strengthening livability, for example, and your obvious commitment to innovation, I wonder perhaps if you are anticipating even more complex plans being lodged in the future. So the target of 16–17 being again 95 per cent, I wonder if that is optimistic or realistic.

Mr WYNNE — It really goes to the earlier part of my presentation in terms of reform of the planning system and trying to get it, frankly, up to best practice standard, because at the moment it is paper-based, as I talked about — 75 000 pages, 15 000 maps — it is really something to behold the way that the planning system actually works at the moment. So the investment that we are actually putting in place I think will speak to getting those sorts of efficiencies going forward. But the level of demand for land administration services, including the creation of new titles for subdivisions, continues to be higher than we expected in line with the strongly performing —

Dr CARLING-JENKINS — I can imagine it would.

Mr WYNNE — Victorian property market. They do do an incredibly efficient job, but it speaks to just how — —

Dr CARLING-JENKINS — The volume of what is coming in.

Mr WYNNE — Yes, the volume that is coming through. And obviously — —

The CHAIR — Order! Mr Dimopoulos until 10.29 a.m.

Dr CARLING-JENKINS — Thank you, Minister.

Mr DIMOPOULOS — Minister, can take you to BP3, page 195, the built environment, and specifically Better Apartments, picking up from Dr Carling-Jenkins. Before I do, without putting words in your mouth, Minister, can I just confirm that you did clarify that the use to which a building is put is really immaterial to the considerations Heritage Victoria undertakes to provide you — —

Sorry, so far as it relates to political association, Heritage Victoria does not use a different methodology to assess the needs of old buildings, heritage buildings, in Melbourne and whether they should attract public funds. Theoretically it could be a building shared by the H R Nicholls Society or the IPA and that should not influence Heritage Victoria in making a judgement about its heritage value.

Mr T. SMITH — It is not likely.

Ms SHING — No, because your buildings are all made of solid gold.

Mr D. O'BRIEN — Yes, National Party buildings are all made of solid gold because we are just so wealthy over here.

The CHAIR — Order!

Mr DIMOPOULOS — Just briefly, Minister, they are my own words, but essentially Heritage Victoria has a whole range of other considerations, I imagine?

Mr WYNNE — Of course. Obviously social heritage is important. It goes to Ms Pennicuik's question earlier about the Palace. The argument being put there was not just the integrity of the Palace Theatre; it was actually its social context as well. Obviously that is something that is considered by Heritage Victoria in their considerations, not just the physical fabric of the building.

Mr DIMOPOULOS — Anyone who has been there knows the physical fabric is awful so it does need restoration, but thank you. Turning to BP3, page 195, you canvassed a fair bit of this with Dr Carling-Jenkins, but I just wanted to home in on two quick things. One was where is the Better Apartments papers process at — I

know the submissions have closed — because obviously that has an impact in my community. You came out to my community to see that impact and I appreciate your time last year, and just one more quick follow-up once you have answered that one.

Mr WYNNE — Sorry, what was the last bit?

Mr DIMOPOULOS — I have another quick follow-up after you have answered where the process is up to.

Mr WYNNE — In May 2015 I opened a statewide conversation on how to improve the overall standard of internal apartment amenity with the release of the Better Apartments discussion paper. My department, together with the Office of the Victorian Government Architect, engaged widely with the community, local government and industry to understand the apartment design issues that need better management.

In December of last year a comprehensive engagement report was released, which provides evidence for determining the right mechanisms for promoting sustainable, high-quality apartment living. Over 1700 people participated in an online survey. We received 145 submissions. I think that speaks to the fact the design quality and internal amenity of apartments is an issue of significance to many people in the community.

We do remain committed to making sure all community stakeholders are heard before determining the final course of action that we will take. I have also put in place a reference group of peak local government, industry and consumer bodies, and a local government officer working group has been established to provide feedback on implementation mechanisms as they develop. I am conscious, though, that the Sydney approach of 50 square metres for a one-bedroom unit and 60 square metres for a two-bedroom unit may in fact be too blunt an instrument to have here in Melbourne because I can take you to apartments that are below 50 square metres that are very beautifully designed and in fact achieve all the outcomes that you would be looking for in terms of amenity.

Of course what also underpins this is a concern in relation to, obviously, affordability as well. So it is trying to balance out all these competing issues, and that is why having an expert reference group assisting me in that has been a really good and thorough process. We will land the apartment guidelines at the same time as we land the central city controls, so it will come as a package itself. But when you talk to major developers many of them look back and go, ‘Well, yes, some of the stuff we built is pretty ordinary, with very poor amenity’. So this notion that has now crept into planning language of borrowed light — this notion that you do not actually get light into the building, poor ventilation, no storage — these are issues that I think are quite fundamental in terms of how we want to see apartment-style living going forward because it is clear that the trend towards apartment-style living is here. There is a very strong appetite for it from the community, but we have to build better.

Mr DIMOPOULOS — Thank you, Minister. Just a quick follow-up: so together with the Better Apartments work and the controls in the CBD that you were discussing in answering Dr Carling-Jenkins — noting you said you have approved \$7 billion worth of development — do you think with those two things at work that it will dampen the investor confidence or spending in terms of development?

Mr WYNNE — No, there is no sign of that. I was talking with Charter Keck Cramer, which of course is one of the industry groups that does a lot of predictive work as to where the market is at. Obviously from the department’s own advice there is a clear pipeline of development proposals that are currently being assessed in the department at the moment. My sense of it is that there is no diminution in appetite for investment, but what is interesting is that there has now been a shift in the market, a discernible shift in the market, away from one-bedroom units to two. Many that I have approved recently are two, three and indeed four-bedroom units, and of course this is reflected in the challenge that we will have to provide more schools, particularly in the CBD.

The \$43 million Ferrars Street school in Port Melbourne is simply reflective of the fact that families are seeking to live permanently in the inner city, in apartments, and they need, obviously, places for their children. There is a primary school over at North Melbourne which has now peaked out at 700 students. We need to find another primary school, and probably a secondary school as well, for the inner city. I know that the Minister for Education is actively pursuing sites at the moment, particularly in the Docklands.

Ms WARD — Minister, I want to draw you back to population growth. On page 1 of your presentation you talk about this impressive growth that is happening in Victoria, and I know that this is a concern for many people, including people in my own electorate. One of their real focuses, or their concerns, is twofold. It is how we are managing the population growth and how we are making sure that planning controls and buildings reflect and respond to that growth, but the other real concern for people, especially out in the outer suburbs, is how to manage housing affordability, particularly for first home owners. I have got a lot of people in my electorate who have got kids who are in their 20s who are still at home because they cannot afford to move out. This is a — —

Ms SHING — Can't ask Mum and Dad.

Ms WARD — Mum and Dad cannot give them the money that they need to buy a new home, unlike some that we have heard of. Can you please explain to us how you are actually going to help these people with these very real concerns?

Mr WYNNE — So as I indicated, Ms Ward, in my initial presentation Victoria is experiencing Australia's fastest economic growth, at an extraordinary 3.4 per cent. Our building industry continues to boom, especially our residential construction area. Obviously our growth corridors have got to play a significant role in terms of housing affordability, and we are in the blessed situation that we have of 15 years worth of zoned land. The Metropolitan Planning Authority has already approved 5 precinct structure plans and we have got another 10 on the way, so it is about ensuring that we have got a steady flow of land that is zoned and subdivided and able to be brought to market. This is where the Smart Planning initiatives are going to be of enormous assistance in lowering the time to get subdivisions out there and obviously into the market and to ensure that we maintain a competitive market, particularly for first home buyers.

Mr T. SMITH — Minister, I refer again to your decision to give 10 million to Trades Hall. Why can't Trades Hall pay for this themselves?

Mr WYNNE — Well, Mr Smith, the Trades — —

Ms SHING — It is a public building.

Mr WYNNE — It is a public building, Mr Smith and — —

Mr T. SMITH — The head office of the union movement — why are taxes paying that?

Mr WYNNE — It is completely appropriate that a building as significant as the Trades Hall, a heritage-listed building, ought to be able to attract public funds to ensure its restoration. Mr Smith, can I again say to you that this is a significant building by one of the most important architects who created this city, in Reed, and it is the only one of those buildings that has not undergone any significant renovation or restoration. Shall we just let the Trades Hall crumble?

Mr T. SMITH — Which other organisations with premises that have heritage-listed properties are being funded under this program? Which other buildings?

Mr WYNNE — Her Majesty's Theatre in Ballarat.

Mr T. SMITH — Yes, and anyone else?

Mr WYNNE — There will be a number that I will be announcing in the next week or two.

Mr T. SMITH — Can you give us a ballpark figure on how much money these buildings are being given?

Mr WYNNE — You will have to wait. Her Majesty's got 3 million.

Mr T. SMITH — You have given three times the amount to the union movement that you are giving to Her Majesty's Theatre?

Mr WYNNE — The Palais Theatre.

Mr T. SMITH — How much?

Mr WYNNE — Thirteen point — —

Ms SHING — More than what the unions got. Oh, my gosh! There is no conspiracy after all.

The CHAIR — Order! Ms Shing.

Mr WYNNE — Yes, 13 million to the Palais Theatre. How does that go for you? Have you been to the Palais?

Mr T. SMITH — So, the 30 million — —

Mr WYNNE — Look, I will give you the answer.

Mr T. SMITH — Hang on. I am asking the question.

The CHAIR — Order! Mr Smith.

Mr WYNNE — The Palais Theatre, 13 million; the State Library of Victoria, 20 million for the dome.

Mr T. SMITH — With respect, Minister — —

Mr WYNNE — Ten million for — —

Mr T. SMITH — With respect, Minister — —

Mr WYNNE — Which means you have no respect, but anyway, go on.

Mr T. SMITH — Anyway, that is another matter.

Mr WYNNE — A hundred million for Flinders Street Station, Mount Buffalo Chalet.

Mr T. SMITH — Minister, the \$30 million program that you have announced in this budget for heritage upgrades, of which a third of it is going to the union movement — right? The question goes to: under the fund that you have announced, of which a third is going to the union movement, what other buildings are being funded under that fund that you announced in this budget and in your initial presentation?

Mr WYNNE — As I have indicated to you, Mr Smith, 100 million for Flinders Street Station; Palais Theatre, 13 — —

Mr T. SMITH — But, Minister, I am talking about the 30 million you talked about in your introductory remarks — under that?

Ms SHING — Stay tuned, Mr Smith.

Mr WYNNE — Indeed. Thank you, Ms Shing. Stay tuned. So 3 million, as I have indicated, has gone to Her Majesty's Theatre in Bendigo — sorry, Ballarat, not Bendigo. There is obviously the 10 million that is going to the Trades Hall, and there will be a number of other announcements in the near future.

Mr T. SMITH — So can you rule out any further monies being given to Trades Hall over the forward estimates?

Mr WYNNE — The commitment that has been made to the Trades Hall is for the \$10 million.

Mr T. SMITH — No more?

Mr WYNNE — No more.

Mr T. SMITH — No more. And can you rule out any rezoning of the site to enable them to — —

Mr WYNNE — The site does not need to be rezoned.

Mr T. SMITH — So it will never be rezoned or regazetted to enable for further development at the site?

Mr WYNNE — Pardon me? What is the question?

Mr WYNNE — It is a public building.

Mr T. SMITH — Yes.

Mr WYNNE — It does not need rezoning.

Mr T. SMITH — If the union movement were to potentially want to develop the site for future high-rise opportunities to revive themselves, which you are well aware of, Minister, can you rule that out as well?

Mr WYNNE — Purely speculative.

Mr T. SMITH — It is not speculative. You know full well what I am talking about, Minister.

Mr WYNNE — Chair, this is purely a speculative question and a fishing expedition. It is purely speculative.

Mr MORRIS — Chair, if I could go back to budget paper 3, page 195, and the issue of sky rail. Minister, in that last segment I was actually asking you about the environment effects statement. You referred me to section 12 of the Planning and Environment Act, which is of course about planning scheme amendments.

Mr WYNNE — And that is what I was referring to, Mr Morris.

Mr MORRIS — You referred to amendment GC15, which was done in 2014.

Mr WYNNE — Yes.

Mr MORRIS — And you referred to another document which is proposed to be incorporated in the Caulfield–Dandenong rail upgrade project. Of course the GC15 related to the Cranbourne–Pakenham rail corridor project, which is dead. It is an entirely different project. The other distinguishing feature of course is that the original one, GC15, related to a rail-under-road project, whereas the new one refers to rail over road potentially up to 12 metres high, a very different process.

You referred me, as I said, to the Planning and Environment Act and the responsibilities for decision-makers under that act. I was actually asking, as I indicated, about the Environment Effects Act. Clearly as minister you have the capacity to make guidelines under that act and those guidelines. I did read out a number of those options that you have. Can I simply reiterate one:

Potential significant effects on the amenity of a substantial number of residents, due to extensive or major, long-term changes in visual, noise and traffic conditions.

Can I ask you why you have elected not to exercise your powers to require an EES under that guideline?

Mr WYNNE — Okay. The completed Caulfield to Dandenong rail upgrade project, as I indicated, is entirely within an existing rail corridor — entirely within. The land affected has been a rail corridor since the 1870s and is currently zoned for rail purposes — that is simply the fact — and there are no compulsory acquisitions required for the project. The government's Level Crossing Removal Authority has assessed the project against the Environment Effects Act, as you have indicated, and the ministerial guidelines for assessment of environmental effects, as you have also taken us to.

Mr MORRIS — But do you regard the level crossing authority as an independent assessment given that they are the proponents of the project?

Mr WYNNE — It has concluded that an EES referral is not warranted. The EES guidelines clearly set out, as you have indicated, the referral criteria, and I have no reason to question the assessment of the government's own Level Crossing Removal Authority. Rail projects within their easements, as you know, Mr Morris, have not required an EES in the past.

Mr MORRIS — They have not been 12 metres above the ground either. That is the point.

Mr WYNNE — The South Morang rail — —

Mr MORRIS — I mean these are matters —

Mr T. SMITH — Sky Rail Steve!

Mr MORRIS — that are going to be — —

Mr T. SMITH — Sky Rail Steve!

Members interjecting.

The CHAIR — Order!

Ms WARD — On a point of order, Chair, I ask the member for Kew to please withdraw his juvenile comments.

Members interjecting.

The CHAIR — Order, Ms Ward!

Mr MORRIS — Are you seriously arguing that there will not be major long-term changes in visual noise and traffic conditions; is that your argument?

Mr WYNNE — Mr Morris, again I — —

Mr DIMOPOULOS — No more than the — —

The CHAIR — Order, Mr Dimopoulos!

Mr WYNNE — Again, I say to you that rail projects within their easements have not required an EES in the past. South Morang, regional rail link —

Mr MORRIS — They have not been like this project in the past. That is the point.

Mr WYNNE — the Sunbury rail electrification were all dealt with by planning controls — —

Mr MORRIS — Are you saying there is going to be no long-term change in visual noise or traffic conditions; is that your argument?

Mr WYNNE — rather than by an EES, and again — —

Mr MORRIS — Planning controls for which there is no community input, by the way.

Mr WYNNE — And again I refer you, Mr Morris, to the fact that the planning scheme amendment to facilitate this was submitted to my department on 21 April and is currently under assessment by the department. Once I have received the advice of my department I will make my decisions fully in accordance with the relevant acts and guidelines. That is my answer.

Mr MORRIS — Minister, whatever advice you may have got — —

Mr WYNNE — Can I say also — —

Mr MORRIS — Whatever advice you may have got from the Level Crossing Removal Authority, they are a partner in the scheme; they are not independent by any stretch of the imagination. I mean, this is a project that is going to create massive fire ducts, massive individual intrusion. Your own guidelines say you should have ordered an EES. How can you possibly hide behind the advice of an authority that has skin in the game?

Members interjecting.

The CHAIR — Order! Government members!

Members interjecting.

The CHAIR — Order!

Mr MORRIS — How can you hide behind that advice?

Mr WYNNE — Mr Morris, I again say to you that I will be dealing with this matter through a planning scheme amendment. I have already indicated to you where my responsibilities lie in relation to that —

Mr MORRIS — I am asking about the Environment Effects Act, which are — —

Mr WYNNE — and I will take — —

Mr MORRIS — which are also your responsibilities, and you are declining to exercise your powers under that act.

Mr WYNNE — I will take into account any — —

Mr MORRIS — You are declining to exercise your powers under that act.

The CHAIR — Order! Ms Ward, until 10.50 a.m.

Ms WARD — Thank you, Minister. Let us all just take a breath. Minister, I want to go back to population growth and housing affordability. You have spoken about how the government is helping homes become more affordable, especially for young people. But going back to budget paper 3, page 22, can you talk about how you are going to help councils — —

Mr WYNNE — Sorry, I am having a little bit of difficulty hearing you.

Ms WARD — Sorry, can you also please talk about how you are going to help councils in this space? The other challenge that communities have is that they want housing for their kids but they also do not want high-density development, especially in the middle ring and outer rings of Melbourne. Can you please talk to that as well?

Mr WYNNE — Thank you very much. As I am sure you are aware, we are undertaking a review of our residential zones, and that is going through an independent panel process at the moment. So it is an opportunity to relook at how the zones have actually settled going forward. Whilst I have no difficulty with the framework that my predecessor, Matthew Guy, put in place in terms of the categorisation of zones, how they were actually implemented, I think, for some local governments was rushed and perhaps not as well thought through. Certainly some of the feedback that I have received from local councils is that they would very much welcome the opportunity to come back and have another look and see how the residential zones have in fact settled. That is an important piece of work, and again it is being dealt with through a normal public process, through an independent panel process, and I very much look forward to seeing the advice of the panel as to, ‘Do we have to re-tweak some of this?’ and ‘Have we had some unintended outcomes that may have come through the rezoning — —

Ms WARD — So would we be looking at a more equitable approach across the city then, so that we do not have the northern suburbs carrying a further burden that the eastern suburbs are not necessarily carrying in terms of density of growth?

Mr WYNNE — Obviously I do not want to prejudge what the panel actually comes back with, but there have been disproportionate responses in certainly some municipalities in terms of the zones, absolutely. And in terms of land supply, as I indicated earlier, this goes to the fundamental question of housing affordability. So the 5 PSPs that have been approved are important in terms of ensuring that we have got a significant flow of available zoned and subdivided land going into the market, and there are another 10 PSPs that the Metropolitan Planning Authority has currently got under review. So we want to ensure that there is, right across all of our growth corridors, an adequate flow of land.

Ms SHING — Minister, thank you for that answer. I might take you back to page 195 of budget paper 3 — a part of the budget papers where I have spent all of my time in questioning this morning — in relation to restoring confidence in the building sector. There is a departmental output there, and the second sentence of the description in the planning, building and heritage output states:

Through this output, the department administers the statutory responsibilities of the Minister for Planning and provides for ... transparent planning, building and heritage systems.

Now, there has been a lot of media recently in relation to planned improvements to the planning system and to those processes, but can you tell us what work is being undertaken to deliver improvements in the building system and the work that is underway or planned in relation to the building sector and also how consumers will be better protected under legislation that was in fact passed earlier this year as we go forward through the budget estimates process?

Mr WYNNE — Yes. As I indicated, there will be two tranches of legislation. The first tranche has gone through the Parliament.

Ms SHING — Yes.

Mr WYNNE — And what was important about that was, again, you find a circumstance particularly where there is a conflict between the builder and the consumer is often a very, very fraught situation —

Ms SHING — It certainly is.

Mr WYNNE — that people find themselves in, particularly when unfortunately some people have ended up with unregistered builders, and the potential remedies available are incredibly costly.

Ms SHING — I think everyone around the table has experienced a story about that.

Mr WYNNE — There is not member, any of us, who has not had to sit with their constituents whose lives, frankly, have almost been destroyed. When you think about your home as the most significant asset that you actually have, to find yourself in a circumstance where, due to no fault of your own, a builder has been negligent in their work, the remedies to date have been very difficult. What we have put in place with the minister for consumer affairs is a mandated system that will be run through consumer affairs that will require the builder and the consumer to come together to actually try to remedy the problem, and there will be binding orders placed upon the parties to actually remedy the work, so that you do not have to go through the whole potentially VCAT process or indeed the whole court process where people spend literally tens of thousands of dollars trying to seek remedy to their situation.

Ms SHING — This form of alternative dispute resolution, does it have a precedent anywhere else? Has it been rolled out in other jurisdictions, and what has the effect been in relation to how that has changed that situation?

Mr WYNNE — It has certainly been rolled out in other states, and the level of disputation is far less than what we have had here in Victoria, and I think that is a very good thing.

Ms SHING — And you meet with building ministers annually, is it, from other states and jurisdictions?

Mr WYNNE — Yes.

Ms SHING — How is Victoria on that particular point leading the rest of the country and how do we sit in relation to the building reforms? You have indicated that we are making changes around that dispute resolution/owner-builder interface, but what about restoring consumer confidence in building more generally?

Mr WYNNE — Well, the biggest issue that we have been leading out of Victoria has been in relation to the question of cladding.

Ms SHING — Which has had a lot of press recently.

Mr WYNNE — Which has had quite a lot of press. The Lacrosse building would be well known to members of the committee here, which of course was quite a dangerous fire which was as a result of an errant cigarette that was thrown over a balcony. It was found that a non-compliant cladding was used on the Lacrosse building. This subsequently triggered a very significant amount of work by the Victorian Building Authority.

Ms SHING — And there was a report in February this year on that Lacrosse building, following the fire, I should say?

Mr WYNNE — Absolutely. So an audit was undertaken of 170 buildings across Melbourne which potentially could have used this cladding. There are still a few outstanding that are with the City of Melbourne's building surveyor — he is working his way through those — but all of the 170 buildings that have been cleared are up on the VBA website so people can see them. To date there have only been two buildings — obviously Lacrosse, and one in South Melbourne — which were found to be potentially dangerous. The South Melbourne building has been rectified. The VBA will continue with its auditing role because we think that it is obviously important that we understand and that the building industry understands compliant and non-compliant cladding products.

Ms SHING — So how do we make sure that cladding products are compliant going forward in relation to new medium and high-rise constructions?

Mr WYNNE — Well, the important breakthrough that we got nationally is that we are now going to have a far more cooperative arrangement across all of the states.

Ms SHING — To harmonise the standards?

Mr WYNNE — There is a harmonised standard, the national building code, but we will be able to inform building practitioners of product that is non-compliant and therefore should not be used in the construction of a building.

Ms SHING — So that will be information provided to developers in the course of the planning taking place?

Mr WYNNE — To builders and to surveyors. We are looking to adopt a New Zealand model which is a constantly updated, essentially online, system where you can go and look and say, 'Okay. Here's a product that's coming in. Is it compliant and how can it be used?'

Ms SHING — In terms of the assessment, you indicated that 170 buildings had been assessed?

Mr WYNNE — There are 170 buildings that have been identified that potentially could have been using a non-compliant product. There is a — —

The CHAIR — Order! Mr Smith, until 11.00 a.m.

Mr T. SMITH — Minister, I refer you to the Plan Melbourne refresh. I would like to pick up on some questioning we actually started last year. I want a guarantee from you that you will not tamper with the neighbourhood residential zones in any final way when your finished Plan Melbourne refresh is published.

Members interjecting.

The CHAIR — Order! Government members!

Mr WYNNE — Tamper with residential zones?

Mr T. SMITH — Neighbourhood residential zones.

Mr WYNNE — What, in your neck of the woods?

Mr T. SMITH — Absolutely.

Mr WYNNE — Well, why do you not say it, then?

Ms SHING — Love it that you do not care about all Victorians.

The CHAIR — Order, Ms Shing!

Mr WYNNE — You have misunderstood two separate things, Mr Smith. On the review of the residential zones, as I indicated, I have no difficulty with the framework that my predecessor put in place for the categorisation of zones, but the implementation of the residential zones through local government was rushed and frankly did not take local governments along with it. We have seen some disproportionate outcomes in terms of how the zones have been implemented and indeed how development has occurred, right across the

metropolitan area. There is no doubt about that and it is widely acknowledged by local government more generally.

That is why we indicated actually at the election as one of our policy initiatives that we would in fact have a review of residential zones and we committed to undertake an independent review in November last year when I appointed the Managing Residential Development Advisory Committee to report on the application of the zones. Obviously the panel process is on now, as you know, and many councils have made application and representation to the residential zones review process. I am not going to pre-empt the outcome of the review. It would be quite improper to do so.

Mr T. SMITH — But this has been going on for how long now, Minister, this review?

Mr WYNNE — Some months.

Mr T. SMITH — Yes — months. My constituents and, frankly, interested parties across Melbourne want some predictability in the planning process. Will you guarantee that you will not diminish or reduce the NRZs?

Mr WYNNE — I will guarantee you that we will have a thorough, a proper, process, and I certainly have no intention of pre-empting the panel's work. That is what I can guarantee you.

Mr T. SMITH — When will we have this final report?

Mr WYNNE — The panel has to go through its process — it is a big body of work — but I expect that I will have that midyear.

Mr T. SMITH — Minister, your state of play documents indicate that there will be an unwinding of NRZs. That is true, is it not?

Mr WYNNE — You can pursue this any way you like, Mr Smith, but the reality is I am not going to pre-empt an independent process that is currently ongoing.

Mr T. SMITH — Just admit you are going to trash the NRZs. Just admit it.

The CHAIR — Mr Smith, do not verbal the minister.

Ms WARD — Just admit that you are incredibly rude, Mr Smith.

The CHAIR — Order! Ms Ward!

Mr WYNNE — I expect to receive the report. I will just take you through the time line so you are absolutely clear. In April the advisory committee held directions hearings, mid-April through May the advisory committee will hold a series of public hearings and late June the advisory committee will report to me — late June, so probably July.

Mr T. SMITH — July. Thank you, Minister. Minister, I refer to C107, a proposed planning scheme amendment in the City of Port Phillip, which I understand you have either signed off on or are about to sign off.

Ms WARD — Could we have a budget paper reference, Mr Smith?

Mr T. SMITH — The upper house of the Victorian Parliament sought documents from you in relation to this, and I want to quote from one of them which related to your diary entry sought by the Parliament, which you have refused to supply — a letter, 29 April.

Ms SHING — Could we have a budget paper reference, Mr Smith?

Mr T. SMITH — Minister, why are you not providing your diary entry for 29 April as the upper house has requested?

Mr DIMOPOULOS — A point of order, Chair.

The CHAIR — Is there a budget paper reference, Mr Smith.

Ms WARD — Are these the questions Matthew Guy — —

The CHAIR — Order! Ms Ward! Is there a budget paper reference?

Mr T. SMITH — Chair, this is before the upper house, and it is an important — —

The CHAIR — But that is not — —

Ms SHING — No, no — lots of things are before the upper house, Mr Smith.

The CHAIR — This is a budget estimates committee hearing that we are holding, so is there a budget paper reference that you have got, Mr Smith?

Mr T. SMITH — Chair, the point is that there is an important process going on with regard to — —

Mr MORRIS — BP 3, page 195.

Mr T. SMITH — BP 3, page 195, if that suits you, Chair.

Ms SHING — What does this have to do with a diary entry? How is this relevant? Again, Mr Morris, if you want to stand up and start yelling — —

Mr T. SMITH — Chair, I have asked my question. We would like to get an understanding — —

The CHAIR — I do not see how the provision of a ministerial diary in any way relates to the budget estimates process, Mr Smith.

Mr T. SMITH — Minister, why are you not providing those documents that the upper house has sought?

The CHAIR — Again, I am not sure how this relates at all to the budget estimates process. If the minister wants to — —

Mr MORRIS — The budget paper reference has been provided. It relates to a proposed planning scheme amendment, which is clearly within the output identified, and the question has been addressed to the minister.

Members interjecting.

Mr MORRIS — As we have established, he is quite capable of answering the questions himself without assistance from the Chair or the peanut gallery opposite.

The CHAIR — Well, I am not sure how the minister's diary relates to this, but if the minister wants to answer or elaborate — —

Mr WYNNE — Well, I have approved C107.

Mr T. SMITH — And are you going to provide the documents that the upper house have requested?

Mr WYNNE — I cannot — —

Ms SHING — How does parliamentary process relate to the forward estimates?

Mr MORRIS — It is called transparency.

The CHAIR — It does not relate to the budget process. This does not relate to the budget process.

Mr WYNNE — The matter that is currently before the upper house requesting my diary entries relating to C107 is a matter for the upper house. But can I say, Mr Smith, in relation — —

Mr MORRIS — It is also a matter for this committee in the context of transparency in the planning system.

Members interjecting.

The CHAIR — Order! Minister.

Mr WYNNE — Can I say, Mr Smith, in relation to any interactions in relation to C107 that I may have had, you will find — if you seek to FOI my diary, you are welcome to do so, but let me assure you and your shadow Minister for Planning that you will be bitterly disappointed.

Mr T. SMITH — Thank you for your advice on that matter, Minister. I am sure we might look at that.

Mr MORRIS — A couple of quick ones if I can. BP 3, page 118 — there is a reference there to the DELWP needing to ‘streamline administrative and policy functions’. I am just wondering how many staff will be cut.

Mr WYNNE — If I can, Mr Morris, I will refer that to the officers.

Mr MORRIS — Certainly.

Mr FENNESSY — I think, through the Chair, this question refers to departmental savings. I think for the forward estimates the savings for us are in the out years. I do not think we are anticipating any staff cuts. The 16–17 budgets allocated 4 million. Those relate to the 18–19 and the 19–20 financial years only — —

Mr MORRIS — As time is short, if you could provide an indication of what those savings are likely to be, on notice, that would be helpful.

Mr FENNESSY — I am happy to do that. I think we have indicated that we are looking at streamlined corporate delivery functions in administrative support areas.

Mr MORRIS — Minister, at budget paper 3, page 196, you have got a target there of 25 days for the department to assess planning scheme amendments. Thirty-five days is the anticipated outcome this year. There are many examples of delays — many of them appear to have been in the department or on your desk for more than a year. How can we anticipate — or how can you claim that that target will be substantially reduced in the coming year?

Mr WYNNE — The deputy secretary advises me that we had a record number of amendments last year. With the diminished staff that we had available to us — a cut of a third of staff that we actually had to rebuild — that is the reason why we found ourselves in this circumstance. But I can assure you that with the rebuilding of the staffing of the department and with the backlog now significantly reduced we find ourselves in a much better position than what — —

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Minister for Planning, the Right Honourable Richard Wynne, MP; Mr Fennessy; Ms Wyatt; and Ms Jackson. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 14 calendar days of that request.

Witnesses withdrew.