

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2011–12

Melbourne — 12 May 2011

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

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Witnesses

Mr M. Guy, Minister for Planning,

Mr Y. Blacher, Secretary,

Mr G. Forck, Chief Finance Officer,

Ms P. Digby, Deputy Secretary, Planning and Local Government, and

Mr D. Hodge, Executive Director, Planning Services and Urban Development, Department of Planning and Community Development.

The CHAIR — Before I formally commence to open these proceedings, for the record I will make a statement concerning photography and filming in this place. When the budget estimates hearings with the Deputy Premier in relation to his portfolio of police and emergency services concluded, newspaper photographers and television cameramen continued to film and take photographs at the conclusion of the hearing. A witness in particular was singled out. It was unfortunate that those people who have been given the courtesy of being allowed in here to take images have not accorded the courtesy to the Parliament, which is prescriptive in terms of its conditions about images can be taken.

There will be no photography and no filming informally in this room. That is to say, it is quite in order for cameras to be in their location and for filming to occur during the formal hearing, but the cameras will be turned off at the conclusion of each session. Further, any image that is taken that is outside those rules contravenes the rules adopted by the Parliament in relation to photographic images. Therefore I am just advising the gallery and the news organisations who have taken those images that they should not be used, and if they are, they will be inappropriate. I will be reiterating that, I am sure, on another occasion when there is a larger group of media present, because it seems to me that the majority of the pack have gone to file this morning's story.

I will formally now declare open the Public Accounts and Estimates Committee hearings on the 2011–12 budget estimates for the portfolio of planning, although this minister has been so active it could be a number of portfolios.

Mr PAKULA — Spare me, Chair! He does not actually need the ego boost.

The CHAIR — On behalf of the committee I welcome the Honourable Matthew Guy, MLC, Minister for Planning, Mr Yehudi Blacher, secretary, Department of Planning and Community Development, Mr Greg Forck, chief finance officer, Department of Planning and Community Development, Ms Prue Digby, deputy secretary, planning and local government, Regional Development Victoria, and Mr David Hodge, executive director, planning services and urban development, Department of Planning and Community Development. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his or her chief of staff, can approach the table during the hearing to provide information to the minister, by leave of myself as chairman. Written communication to witnesses can only be provided via officers of the PAEC secretariat.

Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room, and no more than two TV cameras are allowed at any one time. Given that they are not present, I am not going to waste further time on that. I am pleased to announce that these series of budget estimates hearings are being audiocast live on the Parliament's website.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee had determined that there is no need for evidence to be sworn. However, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within 48 hours after the hearing.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly. I now ask that all mobile telephones be turned off or at least switched to silent.

I now call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information that relates to the budget Estimates for the portfolio of planning. Welcome, Minister.

Overheads shown

Mr GUY — Thank you, Chair. Can I begin by thanking the committee members for their presence today and indeed for my presentation, which I will give for the 10 minutes you have allotted me, and then obviously the questions that will follow.

As you can see the presentation that has been handed out starts with a portfolio overview. It is pretty clear that planning in Victoria is fundamental as the state continues to prosper and change. Planning is about managing change, leading for preferred futures and enabling desired land use and development to proceed. It is also about setting out the broad principles that have provided protection for the varied interests that communities have in this portfolio. The government's priorities for planning that I will deliver as minister are concerned with the following: re-establishing broad community confidence and certainty in the state's planning system, ensuring that the system is as efficient and effective as possible, supporting councils in planning to manage changing pressures from population growth and engaging in dialogue about the long-term strategic direction for Melbourne and regional centres across Victoria. Further, we will be driving renewal in metropolitan areas that are able to sustain greater density and make better use of services, and also placing accountability for planning with councils but also giving choice in the sorts of development approval models that are available to them.

I will go through some of the key achievements in 2010–11. I will not run through them one by one, but as you can see there are a number up there. Since being sworn in in December of last year I have implemented the initial phase of the government's wind farm policies and can report from my discussions with key industry representatives that they are comfortable with our approach that delivers better balance with the community interest. My department has established a peri-urban planning unit and a housing affordability unit, both with important priorities and a timely manner of delivery. I have acted to rezone land in appropriate regional locations to ease looming shortages of supply in regional centres across Victoria. I have been continuing to support a greater focus of planning efforts in regional areas to ensure that regional councils have the support and capacity necessary to deal with these growing population needs, not just in Melbourne but, as I said, in regional Victoria. I have changed policies relating to higher density development near tram corridors. This is not to say that this is an outcome that is acceptable to every council, but rather it is to ensure that they have a greater say in determining where appropriate development is to be located and of course what it is to look like. Again I will not run through the points that have been listed. No doubt I will have some questions that come from them.

The fourth slide relates to emerging issues and priorities for 2011–12. The budget for planning is focused on responding to the specific issues and delivering on election commitments that are critical to delivering the planning agenda I have outlined. There are four points. Firstly, we are committed to supporting councils to deliver capital works projects and improve urban design in municipalities. In order to manage growth across the coming forward estimates we have allocated \$2.2 million in 2011–12 and a further 4.7 million over the coming two years. Secondly, we have allocated funding to maintain the bushfire response planning unit to help people resolve their rebuilding issues after bushfires and resolve planning-related issues within the bushfire risk areas. Thirdly, we have introduced new bushfire hazard mapping and changes to planning schemes to implement the land use recommendations of the royal commission, including a new bushfire management overlay. Lastly, \$5.4 million has been allocated to develop a new metropolitan livability framework and to support councils in developing adaptation plans for the likely impacts of storm surge and for sea level rise that may affect some councils. We believe they are initiatives for the long term.

I will go to the next slide, which is emerging issues and priorities for 2011–12. There has been \$2.6 million allocated in ongoing funding to Heritage Victoria programs. This is the first time in a long time that Heritage Victoria has had ongoing funding allocated to it, and we believe it is a very good outcome for heritage in Victoria. The grants and local government advisory services will ensure that Victoria remains a leader in heritage recognition and management. We believe it fits very well with the government's agenda of preserving our built form and maintaining one of our greatest assets in Victoria — that is, our built form. Money to fund heritage places that local government and community groups can access, to fund support for local government through heritage advisory services and to fund the conduct of heritage studies has also been allocated.

Half a million dollars has been allocated in 2011–12, with an additional \$2 million committed for the following two years to support visual significance assessments to help in defining no-go areas for wind farms. I am also committed to ensuring that alternative energy projects are developed and sited in a way that does not have negative impacts upon communities or other significant natural values.

Five million dollars, which is 1.4 million in 2011–12, has been allocated over the next four years to improve the accessibility and security of the Frankston station precinct area and deliver other upgrades, including a new bus interchange to that important area in Melbourne's southern suburbs.

The next slide is opportunities in 2011–12, as you can see. My priority for the year ahead is to progress a series of reforms that will ensure Victoria has a planning system that provides confidence and certainty for the Victorian community, that supports the management of growth in our state and that efficiently underpins the economic performance of Victoria. The reform focuses on three major streams of land use planning: the statutory planning system; strategic city planning, including significant urban renewal that acknowledges the relationship between metropolitan Melbourne and our major regional centres; and community engagement in and ownership of planning decisions that affect these outcomes. I will ensure that land supply is a focus for both metropolitan and regional areas, and I have already taken legislative action to forward the Urban Renewal Authority. I am looking forward to this new authority making a major contribution as we tackle the task of enabling better use of established areas through urban renewal. I am also committed to working in partnership with councils to progress their planning needs. I have been encouraged by the partnership under way to date by the peri-urban council group, and I will be encouraging similar approaches in other areas as the government implements its commitments to support planning and invest in regional Victoria.

Planning for the impacts of climate change and storm surge has been a priority of the government and is supported by planned investments over the next three years. My priority will be to support councils and community ties to understand future risks and to put in place appropriate, common-sense plans for the future so that adverse impacts are minimised.

Work continues on the metropolitan strategy. I will engage with the community councils, industry bodies and other industry groups in progressing this. A key focus has been the implementation of the strategy and looking at the flexible requirements to enable it to respond to challenging times and changing circumstances.

With that, Chair, I am happy to conclude my presentation and indeed answer questions.

The CHAIR — Thank you, Minister. Clearly the planning portfolio is a key portfolio in managing population growth, and I therefore ask: how have predictions concerning population growth shaped the budget for the 2011–12 and out years for the discharge of your portfolio responsibilities in planning?

Mr GUY — One of the key issues that the government is conscious of is having adequate planning portfolio policies or planning strategic directions in place to manage population growth, not just throughout Melbourne and not just through our growth corridors but indeed throughout all of Victoria. One of the key ways we have begun doing this is to bring forward some land release in our northern growth corridor and to set clear and defined targets around the priority for land release in Melbourne's growth areas. We have done this by noting that there has been a distinct shortage of land brought forward over the past decade where indeed we have had very strong population growth, as we have from the mid-to-late-1990s, and indeed we believe that bringing forward land in growth areas to match where around 60 per cent of our community in Melbourne is moving to and our growth is occurring is indeed very important.

We have also outlined the establishment of an urban renewal authority that will look at managing land within existing strategic sites around the inner urban areas for urban change, the completion of Docklands, and working with Major Projects Victoria on the delivery of E-gate and areas which may come on stream such as the Maribyrnong defence land and land in the southern suburbs near Highett, but of course land has been identified for a number of months now where the government has focused on land to the north of Williamstown Road and to the south of the freeway in what has been termed Fishermans Bend but what is in fact Port Melbourne. We believe that the Urban Renewal Authority, when it is established, will have a very important role in offering a very strong competitive advantage that Melbourne has in terms of urban renewal over places like Sydney, for example, which may offer around 20 hectares of urban renewal in Barangaroo, to the city's west, but we believe that there is the possibility for over 200 hectares of urban renewal on strategic site locations in that area which can be used for high-density housing and mixed-use either commercial or other accommodation over a period of time.

I have also made references in my opening presentation to regional Victoria and how important regional Victoria is in terms of population accommodation into the future. This government believes that regional

Victoria has a key role to play in population accommodation in the future. We do not see the important central activity districts of just Frankston, Box Hill and the inner city areas on top of that as the only centres for population growth. We believe that Victoria has unique advantages over other states with more than 85 per cent of our population being within 100 miles or 160 kilometres of Melbourne, such as Traralgon and Gippsland, Geelong and the Surf Coast, out towards Ballarat and up towards Seymour. We believe there are a number of those towns which can benefit greatly, certainly the Latrobe Valley and Geelong, from population growth and indeed targeted growth and government support for that growth in the future. That is why we have brought forward around 500 hectares, or in fact a little more, of land in the Latrobe Valley with a corresponding job strategy put forward by a ministerial colleague of mine to ensure that we have adequate land supply in the Latrobe Valley.

One of the key issues I noted on being elected was that it was more expensive to buy a block of land in Traralgon, due to supply shortages, than it was in some growth areas of Melbourne. This is an unacceptable situation. It is one the government sought to remedy fairly quickly by addressing those supply situations, by working very closely with, in this case, the Latrobe council, which have been very positive and indeed worked well with us to bring that land supply forward. We believe that a mix of population growth through regional centres, existing urban areas, urban renewal and outer urban growth is very important to maintaining livability, population accommodation and indeed putting Victoria at a competitive edge over other cities across the eastern seaboard of Australia.

Mr PAKULA — I ask you to turn to budget paper 5, page 24. I want to ask you about the growth area infrastructure contribution. If you look at that budget paper, under the first line ‘Land transfer duty’ you have then got the GAIC. It grows by 33.5 per cent in 2011–12 and rises to just over \$50 million by the end of the forward estimates period, so those estimates, I understand, are unchanged from the last budget. In the costings of your election commitments there was a cost of \$31 million to revenue raised from GAIC to pay for the deferral of the tax to when the land was ready for development. As I can find, that \$31 million hit to budget is not in the budget, so my question is, Minister, has the government abandoned or in any way changed its GAIC commitment that it made before the election, or should the \$31 million cost to budget that is not in the budget ought to be in the budget, and should we be discounting the already skinny surplus by another \$31 million if it is not?

Mr GUY — Chair, as Mr Pakula would know, as land is brought into the urban growth boundary, there is obviously extra revenue via the growth area infrastructure contribution that will come on stream. We have a logical inclusions process in place, which may bring some land within the boundary, and indeed a boundary review process over a two-year time frame that also may do that. I note that as a first point. I note at a second point that growth areas infrastructure charge legislation has not been brought to the Parliament. As such, it is not law. Any changes, I should say, have not been passed, have not become law, and indeed that has not altered the forward estimates as such. I would also state that the coalition is absolutely committed to reforming the way the growth areas infrastructure contribution is collected — that is, a full statement of compliance model — and deferring growth areas infrastructure contribution to statement of compliance will indeed not affect the revenue that is set to be collected. It will affect the timing of the revenue being collected.

Mr PAKULA — Let me take up that last point. You say it does not affect the revenue; it just affects the timing. Your own election costings showed it as a cost of \$31 million, so it obviously affects the total revenue that is ultimately to be collected by your own estimates to the tune of \$31 million, so is that acquitted anywhere in the budget papers either for this financial year or as a contingency over the forward estimates?

Mr GUY — Chair, those issues will be resolved once the legislation is obviously brought forward to the Parliament and, should it be enacted, if there are any budgetary changes that are forthcoming from that, obviously they will be factored in.

Mr MORRIS — The strategy document in particular indicates that population growth is likely to remain strong. I think it is forecast at 1.5 per cent both for the budget year and for the out years. Can you indicate to the committee how, as planning minister, you are seeking to manage the growth and in particular how the government is managing or coping with the strong housing demand?

Mr GUY — As Mr Morris has pointed out, population growth is very strong, and, as he has outlined, in budget paper 3 the government is putting forward measures enabling us to manage that growth and to manage

some of the supply shortages that would have come through growth and have existed due to a lack of supply being brought forward over the last decade.

I have brought forward two amendments in the last few months to bring forward about 500 hectares of land in the Latrobe Valley. We have brought that forward so that there is a potential for over 5000 new homes — 12 000 new residents in one instance — and there are the Greenvale west and Greenvale north precinct structure plans, where there are over 3000 lots. The Hume growth corridor has also been brought forward. We have outlined an ambitious plan to bring forward land release in Melbourne's growth corridors to fill some of the supply shortages that have existed or been caused over the last decade or so by bringing forward fewer than 10 000 lots in growth corridors at times of great demand.

We have also been planning for employment growth in the Robinsons Road employment area around Truganina. As I said, we have accelerated our PSP program, which should get to around 50 000 lots this year in Melbourne's growth areas. It is, as I said, worth noting that in 2009, despite some record figures in population growth, we released around 2200 lots, but what has been important to note is that there have been around 32 500 building permits issued since the end of November last year, which represent a total value of around \$7.756 billion.

We have brought forward a number of important developments, such as those at 568 Collins Street, some on City Road and some on Franklin Street, with a cumulative total of around 2000 apartments in the Melbourne market, which will obviously aid the issues in relation to high-density accommodation in and around the city area. We believe that is the right thing to do in order to match what is a very pressing issue for the government to face.

Mr SCOTT — Minister, I refer you to budget paper 3, page 61, which details the \$1.4 million investment in the Frankston area revitalisation. As far as I am aware there is no similar commitment over the budget period that the government has recently announced — commitments to redevelop Fishermans Bend, Bradmill, defence land, Maribyrnong, Bulleen, Greenvale and 400 homes in Werribee. Many of these sites are contaminated and lack schools, public transport and other government infrastructure. Has the government abandoned its commitment to develop these sites, or will they be unplanned suburbs where residents will be stuck in traffic gridlock as they drive long distances to get to schools and to work?

Mr GUY — I make, for the committee's reference, one point on Mr Scott's question, and that is: urban renewal does not need to be a situation where, as was the case with the previous government, \$300 million to \$400 million of taxpayers money is used to compulsorily acquire or buy up the central business district, boot out the existing people there, rebuild those buildings at exorbitant cost, put in government services and hope that you solve the problem of urban renewal in that area. This government believes, as the Kennett government did in relation to Docklands and indeed as the Cain government did in relation to Southbank, that urban renewal can certainly be advanced through incentivising through a government contribution of services in some areas. Certainly we are doing that around Frankston, which is actually a \$5 million package towards the first stage of revitalising the central activities area — not 1 or so, it is \$5 million.

Mr SCOTT — The 1.4 referred to your figure in your presentation.

Mr GUY — That was in the first year, that is right.

Mr SCOTT — Yes, that is right.

Mr GUY — As I stated at the start, it was \$5 million; 1.4 should be this year. And of course we believe that urban renewal can play a very important part in population accommodation. But more to the point, urban renewal is something with which we should be engaging Victoria's development industry and our planning and design industry, and we should be looking for new and innovative ways for urban accommodation in existing areas. It should not need to be a situation where the government, at huge risk to the taxpayer — and I might point out, as evidenced by the ombudsman's inquiry recently, at huge risk to the taxpayer — brings forward large amounts of money to then buy up land and hope that they can do the job better than private industry.

We believe that certainly in partnership with private industry, through its own incentivising, as Evan Walker saw through Southbank and as Mark Birrell saw in many areas of Docklands, we can achieve an urban renewal outcome that would be good for design and good for population accommodation, manage population growth in

an innovative framework and, in bringing forward models of planning systems streamlining in places like Frankston, engage the private sector in those areas.

Mr SCOTT — Just to confirm that you do not have similar funding for those other areas, and I take it from the absence of any expressed opinion on those matters in your answer that there is not funding for those areas to provide similar planning as the Frankston revitalisation?

Mr GUY — I am not sure if Mr Scott understood the answer. Urban renewal does not need to be the government going in and buying up pieces of land or compulsorily acquiring them to rebuild a piece of infrastructure itself. As I have just said, in the 1980s your own party saw an innovative way of urban renewal — the first of its kind in Melbourne — and it has achieved an outcome, to its credit, where we have one of the tallest buildings in Australia, Eureka. In Southbank there are three or four other applications and indeed one that already exists of other buildings above 200 metres, which are quite significant. This is urban renewal that has taken place in an area where the government has put in a contribution that has been minimal, but it has also incentivised through zoning.

In relation to the specific examples that you have raised, the first commitment the government will put in place is the delivery of an urban renewal authority. That authority will be a self-funding authority, and it will have the ability and indeed the responsibility to strategically plan the areas that we have outlined through Port Melbourne and to complete one or two other projects that will be important for the delivery of urban renewal in Melbourne. More importantly, it will not require great slabs of taxpayers money in a top-down, soviet view of urban planning, which is clearly one that was not adopted by previous governments and indeed will not be adopted by this government.

Mr ANGUS — Minister, I refer you to budget paper 3, page 62. Can you tell the committee how you are using this budget to work on your commitment to rewrite metropolitan planning policy for Melbourne?

Mr GUY — Yes, I can certainly tell Mr Angus that we are working forward right now to establish a new metropolitan planning policy for Melbourne. This was a key commitment of the coalition going into the 2010 election. It is one we will follow through on fairly promptly. We do not believe that a one-size-fits-all policy is the way to go. We believe that we need to plan appropriately for inner city areas, for urban renewal, for established suburbs, for growth areas, regional centres and indeed rural areas.

We brought forward \$9.7 million for metropolitan planning, and of this around \$5.1 million will be spent in metropolitan strategy and related audits. We believe we need to ascertain how much land exists within Melbourne's urban growth boundary that can be accommodated for possible growth into the future. We are committed to a metropolitan audit, and we are allocating money to advance it. Most of this money will be spent in 2011–12, with around 700 000 in 2012–13. We are doing that because we need to advance that metropolitan strategy fairly promptly to give certainty back to the community, councils and developers who are wishing to invest in this state.

As I stated, we have committed to a government land audit and a metropolitan livability audit in order to identify locations for urban renewal and which areas need more work on amenity. Those things are challenging. We do not shy away from them. We have allocated money to get on with them. We believe they will be beneficial to Victoria and beneficial to the way we can manage urban renewal into the future whether it is through the Urban Renewal Authority, through zoning incentivising or through private sector initiation.

Ms HENNESSY — Minister, if I can just refer to budget paper 3 at page 61 and the heading 'Transport and efficient planning system' which refers to a \$2.5 million allocation over five years, including funding for wind farm developments. The government has transferred authority for dealing with wind farm applications to local councils. Many councils, including Colac Otway shire, Southern Grampians and Surf Coast shire, have complained they do not have the resources to manage what are often quite technical compliance requirements like noise levels and environmental impacts. Can councils use this funding to buy in the expertise they need; for example, to assess wind farm noise levels? Why does the funding run out at 2013–14? It appears to be lapsing program. Surely you can see that that funding is inadequate.

Mr PAKULA — A lapsing program! My God! Not a lapsing program!

Mr O'BRIEN — Better than a lapsing government, which is what you were.

The CHAIR — It is the afternoon of day 5, but we still have a job to do. Let us keep focused.

Mr GUY — I take it, Ms Hennessy, and I kind of missed it in the banter at the end of the question, was asking around the funding in relation to the coalition's changes to wind farm policy. Let me be very specific: the coalition went to the previous election on a very clear platform of providing fairness and serenity back to those in regional Victoria not only in relation to wind farm applications but also the way in which they are dealt with. Where there were previously no options for most councils in having a say in those turbine applications, this government has given councils three options. Where there were none, there are now three. Councils will have the ability, as indicated by my VC78 amendment which was brought forward earlier this year, to manage the project or manage the application entirely up to themselves. That is their prerogative; we are giving them that chance.

We believe that any large development like this should have the ability for councils and communities to have a first say about what they think of this issue. If the council believes it can manage the project but requires extra support, that support will exist from the Department of Planning and Community Development for those councils to come back and seek that support and guidance. Those resources already exist, so they do not need to be reallocated. They are not lapsing; they actually already exist.

The moneys that have been allocated will assist in the determination of things such as no-go areas and other elements of the wind farm policy. But in terms of providing that service back to councils, that service already exists and is contained within the greater budget of planning and community development.

The third option we are giving regional councils is to write to me to manage entirely the wind farm application within my department and then to make the decision myself. We have given them those three options. Some have already exercised a number of those options, and that is all well and good. As I said, the key point on this was to provide at the first point the ability for councils to have a say. Through having a say they would obviously have the ability to make one of those three choices in terms of dealing with the application.

As you could realise, some applications cross council boundaries — some of the turbine applications are quite significant. That is obviously one of the reasons you find councils will most likely, in some instances, refer that back to the state government to deal with because they will cross municipal boundaries, and they find it is easier to manage at a state level than via two municipalities at the same time. We recognise that. We have given the options for them to deal with that. But as I said, in relation to your question, there is that support which is existent and ongoing and will remain ongoing.

Ms HENNESSY — Just to clarify, Chair, so the minister is confirming that councils can not apply for the funding to evaluate the individual merits of wind farm applications, for example, to determine whether or not an application complies with noise specifications, for the council to determine that by themselves?

Mr GUY — As I have said to Ms Hennessy, that ability already exists. It is not about applying for money to ask whether the department can provide that advice to them. That ability already exists.

Ms HENNESSY — That is funding, though. It is funding for the council to do the work.

Mr GUY — Those councils can seek that advice from the department. Those councils can seek that information from the department.

Ms HENNESSY — No, they cannot.

Mr GUY — As I said, if the councils do not wish to manage that application, they can send it all off to the minister to deal with it. But what is important is that those councils have three options now. They previously had none. Councils in these areas of regional Victoria that are being subjected to a large number of wind applications — and that is fine — previously had no right to be involved in that permit application. It is important to note that this policy, as asked by Ms Hennessy, is about giving those councils the chance to be involved in a wind turbine application either at the very start, to an advisory level or sending it off to the minister having noted concerns or the support of their own community.

Ms HENNESSY — But no money to do it.

Mr O'BRIEN — I wish to return to the topic of population growth that you outlined in your opening statement and ask a question that is very close to my heart and that of the constituents in my electorate, and I have published on this issue — —

Mr PAKULA — Published?

Mr O'BRIEN — Yes, I have. You can read it, if you wish.

Mr SCOTT — Give us the reference, please.

Mr O'BRIEN — I wish to now ask the minister: is the government concerned at the disproportionate growth of Melbourne compared to regional Victoria? What can you do as minister to help provide incentive to balance population growth to the regions?

Mr PAKULA — Can I get it at Borders?

The CHAIR — I do not think we will have an exchange across the table.

Mr SCOTT — It was good natured.

Mr O'BRIEN — I will let the minister answer it, not the former member of the government.

Mr GUY — Mr O'Brien does ask a very important question in relation to regional growth and metropolitan growth, and it is of concern to the government that Melbourne's population is growing vastly ahead of that of a number of regional areas. Indeed one of the reasons I have allocated significant time to managing regional growth is that we need to provide those incentives for people to move to country Victoria and provide that retail price advantage for people to have the option to move to regional Victoria.

It is worthwhile getting a perspective on some of these growth figures for major regional centres and where they have been over the last few years. It is worthwhile noting that over the last decade or so Melbourne's population has gone from 72 per cent of Victoria's to nearly 74 per cent, which is showing clearly that population growth in metropolitan Melbourne is vastly outstripping that of regional Victoria. This is one of the reasons that we have, as I said before, brought forward a range of initiatives to assist with land supply in the Latrobe Valley and soon to be in other regional centres as well. We have met a number of regional councils — in fact I have met more regional councils than I have metropolitan councils — in order to have a good dialogue with them to ascertain some of their key population pressures and population growth problems and how we can assist in managing that growth.

It is worthwhile noting that since being elected we have brought forward our commitment to establish a unit within the Department of Planning and Community Development to assist with peri-urban councils. We believe that the peri-urban councils — Surf Coast, Mitchell, Macedon Ranges, Murrindindi, Baw Baw, Bass Coast, Golden Plains and Moorabool — are areas that will face significant population challenges over coming years and require that support from my department. After meeting with the peri-urban group in the earlier part of 2010 we have accepted their requests that they do need a one-stop shop within the department to manage their issues and indeed have face-to-face contact to manage or certainly better integrate their land use planning and have some of those discussions that they need to have. We believe that is very important.

As I said, regional Victoria is growing but is being outstripped by Melbourne. Providing that cost advantage for people to live in regional Victoria, certainly by increasing supply with a corresponding jobs strategy, is going to be very important. Places that you would be well familiar with include Geelong, a city within 75 kilometres of Melbourne. The greater Barwon region has around a quarter of a million people. It has good schools and the commitment of this government to have Avalon as an international airport, with a connection by rail to Avalon Airport, and indeed to have jobs strategies to ensure that that city can grow and grow strongly. We believe Geelong is well placed. It is a terrific city. If you like, its best years are by far and away ahead of it rather than behind it. I believe that Geelong has the ability to be the greatest regional centre anywhere around Australia in terms of growth and potential of a city of its size — in that Newcastle, Wollongong or Gold Coast size — and this government is going to make sure that we have the structures in place to assist it to grow and indeed to assist all regional centres around Victoria to grow.

Mr PAKULA — Minister, I actually just want to pick up a matter that you raised in your answer to Mr Scott's earlier question. You may have said this before in the house; I may have been less than attentive —

Mr O'BRIEN — Just for a change.

Mr PAKULA — Should I let that go?

The CHAIR — Let it go.

Mr O'BRIEN — I let yours go.

The CHAIR — It is happy Thursday.

Ms HENNESSY — Save it for the book, Mr O'Brien.

Mr PAKULA — Yes, that is right. Save it for publication. Maybe you can write a book about it.

Mr O'BRIEN — No, I have written all the books I am going to.

Mr PAKULA — Minister, you commented earlier that the Urban Renewal Authority will be self-funding. You may have said that before — I do not recall having heard you say that before — but could you just for the benefit of the committee explain how the Urban Renewal Authority is going to raise its funds?

Mr GUY — We have stated a number of times before that we believe in the establishment of an authority will have, similar obviously to VicUrban, the ability to engage in development in areas which can sustain its operation, and more importantly it does not need to be an operation of hundreds of people. This is, like the Docklands Authority, a lean operation that can manage the structural planning in and around inner urban areas of Melbourne. It is one that can certainly deliver an outcome, as the previous government put forward when establishing a model like VicUrban. Certainly it can have the ability to be self-funding, considering the ability it will have to engage in development itself at obviously a cost-competitive level around certain sites but obviously in the city in general, and obviously it can manage its funding requirements so that it will not be a drag on the state budget. I can say with absolute confidence that the Urban Renewal Authority will not be one that will not be self-funding.

Mr SCOTT — It will be funding itself.

Mr PAKULA — Just to follow up: in essence, Minister, is it through its development activities that it would fund itself?

Mr GUY — That is correct; Mr Pakula is correct. Through commercial development to cross-subsidise urban renewal activities the authority will be commercial. It will have a long lead time. Obviously that will entail its ability to be self-funding, and it will not then be a drag on state resources, as indeed when the previous government took the URLC and indeed the Docklands Authority and put them together to make the VicUrban model. It is one that I believe, as I said, will not be a drag on state finances.

The CHAIR — Thank you, Minister. You have committed some funds to the promised rewrite of the metropolitan planning policy, so how do you envisage the formulation of the government's new metropolitan planning strategy from the expenditure of these moneys?

Mr GUY — You are quite right — we have committed moneys, in fact \$9.7 million as I outlined before, for the development of a metropolitan planning strategy for Melbourne that will replace the now former Melbourne 2030 and former Melbourne @ 5 Million documents which, while remaining in some form through the state planning policy framework, will obviously be assigned to history once the new metropolitan planning policy comes on stream, and we have committed for that to be in the first half of 2012.

We do not believe there should be a one-size-fits-all approach to inner city urban renewal, as I have stated. It will not be a closed shop, and we will obviously be discussing with a number of people how we bring the metropolitan planning policy through, including of course the engagement process, which will be very important to ensure that any document that is released has broad community support, that it is not just a political

document as many argue Melbourne 2030 was, that it has broad community support and acceptance, and I believe that we need to reach out to ordinary people across Victoria and across Melbourne — not just the type who attend public meetings — and ask them what are their hopes and aspirations for their city, their families, their children, what kind of city we need to create, and how we can, through the \$9.7 million we have allocated, construct a metropolitan planning document that takes in all of those hopes and aspirations.

As I have said, \$5.1 million will be allocated in first financial year to manage the development of that policy. The first year, which is obviously this financial year, will be crucial, it will be critical to the development of this policy and to ensure that we get it right. We have committed to a number of audits in other areas, as I was saying before — the metropolitan land audit and audits in relation to livability— which will be very important to factor into metropolitan planning policy and indeed be complementing documents and have a complementing approach to a new metropolitan planning policy that will be embraced by all Melburnians and will reach beyond the greater city of Melbourne to regional Victoria.

That is because what is important in factoring a metropolitan planning policy for a city like Melbourne which, as I said before, has within a 100-mile radius — 160-kilometre radius, I should say — 85 per cent of Victoria's population—

Mr SCOTT — How old are you?

Ms HENNESSY — Almost as old as our railways — 300 years.

The CHAIR — The minister, to continue.

Mr GUY — Chair, I will ensure that I refer only to kilometres and the metric system from now on. Obviously within that 160-kilometre radius what is really important is to ensure that what we implement in Melbourne does not have any kind of negative impact upon our regional centres, which must be able to complement growth in Melbourne and supplement it through population accommodation in themselves. We have put those moneys forward for this financial year to ensure that we get that right.

Mr SCOTT — I refer the minister to budget paper 3, pages 61 and 62, and the heading 'Planning for Melbourne and regional Victoria', and specifically on page 62 the reference to land use adaptation plans for Victoria's coastal developments. As planning minister you have stripped planning control for coastline near Portland away from the Glenelg shire council. You have said you would promote development along that coastline at private risk. Much of that land is within the 0.8 metre sea level rise — I'm not sure what that is in feet and inches, a bit under 3 feet I think, but I'll continue — and therefore may be subject to future storm surges and flooding. I understand that some legal commentators and academics have said that the government, in allowing development in flood-affected areas, could be liable for damages caused by flooding. In Parliament on 3 May you said you have taken advice on this issue, so my question is: what is the financial risk to government and why does the budget not allow for this contingency? Feel free to answer in pounds if you wish, and I cannot help but notice your cufflinks!

Mr GUY — Thank you, Chair, and for the benefit of my local lower house member of Parliament, I will answer in the metric system for him and indeed in dollars and cents.

Mr SCOTT — You do have the good taste to live in one of the best areas in Victoria!

Ms HENNESSY — Okay, we are not on the same side here!

The CHAIR — Minister, through the Chair, please.

Mr GUY — The member has raised a very good point in relation to the Shire of Glenelg and some of the actions we have taken there and their relationship back to the budget. Clearly this government has been elected on a strategy stating very clearly that private land and private risk should be a key factor when approving some development along Victoria's coast. It will be an issue that we will need to follow through within a number of policy areas, and we put forward moneys with which to do so. There have been studies done by the previous government which we will be following up and adding to in ensuring that coastal mapping will be adequate and that support will be there and will have been provided to councils to manage that.

There are examples such as the City of Greater Geelong, which is using section 173 agreements, which manage that private land at private risk matter and allow that those people who do build in areas which may be one day in the future subject to inundation through a one-in-100-year event to have on their title, through a section 173 agreement, those issues factored in.

We believe there are appropriate measures in relation to common sense that can manage this issue; we have committed funds to provide that mapping, which we said in the election we would do. That money has been provided in the budget; we take this issue seriously so therefore we have provided those moneys and will be endeavouring to get on with this work as quickly as possible and provide that information to those councils who need this information.

Mr SCOTT — Just to follow up, Minister, is it your position that the legal commentators in question are wrong and there is no financial risk to government?

Mr GUY — There is no financial risk to government where it is private risk built on private land and a section 173 agreement has been signed to outline that in someone's permit. So the government indeed has no risk, as I stated, where it is clearly a private land at private risk development. Indeed, and more to the point, if it is, shall we say, a risky development — and we are not talking about building on foreshores here, we are not talking about building on primary dunes and we are not talking about remnant native vegetation being removed for houses. That is not all what we are discussing. We are discussing a common-sense approach to what is going to be an issue for Victoria to manage over coming years — that is, a possible sea level rise and storm surge in 1-in-100-year events. I have been to places like — —

Mr PAKULA — They have been happening a bit more often than that, though, lately, have they not — those 1-in-100-year events?

The CHAIR — Through the Chair!

Mr PAKULA — Sorry.

Mr GUY — I have been to places, Mr Chairman, where people have been denied a permit to build on a block of land in the south-western area of Victoria — not Narrawong — where the only part of the 400-to-500 square metre lot that would be affected by a possible storm surge or sea level rise is less than a square metre, yet this has vetoed the entire ability for someone to build a home for a family on a block of land. The coalition believes that we need to put common sense into this argument, not hysteria. We do believe it is a serious issue to take forward, but we do not believe that examples like that should be ones that force ordinary Victorians out of the ability to build a home on where they have purchased a block of land and indeed had a retrospective influence back onto that permit.

Mr MORRIS — Minister, if I come back to the population growth forecasts I raised earlier in the day, can you indicate to the committee what steps you are taking to solve land supply issues in the metropolitan area to accommodate the expected growth?

Mr GUY — Mr Morris asks about land supply issues within the Melbourne metropolitan area and how we are managing that growth. It is a very important question, as I have outlined in the introductory parts of my presentation and through a number of questions, in relation to managing that.

We have stated very clearly that we believe our precinct structure plan process is one that can be further streamlined. Indeed this idea of bringing land to market, with the sale of a farmer's property through to being able to build homes taking close to five, six or seven years in some instances, is not going to serve Melbourne well into the future in our growth areas. It is not going to serve Melbourne well in terms of a competitive economic advantage over other cities like Sydney, Brisbane and increasingly the south-western corner of Western Australia, around Perth and Manjimup.

We have brought forward a number of precinct structure plans for release in the Greenvale area, and we have set an initial target of around 50 000 lots that we expect to get to this calendar year. We believe bringing forward that land is important, that providing stability and providing certainty to purchasers that more land will come on stream is important. But more importantly than any of that, bringing competition back into the market in growth areas may not advantage developers but will certainly advantage the retail end and will certainly

advantage consumers. What has been a very strong influence in this city for the last few years has been the fact that the median growth area land price has risen in September 2006 from \$136 000 to September 2010 when it was \$212 000. In the December quarter it went to \$225 000, and that is the last full quarter available.

When the precinct structure plan process was introduced by the previous Premier in 2007, he had stated that could reduce land prices in growth areas by \$10 000. We have seen them over that period rise by \$80 000. We have a situation where we need to bring land to market in a more efficient manner and bring greater numbers of developers into the residential growth areas market to ensure that there is not, as has been the case in the past, a monopoly or duopoly of larger developers in some of these areas which has forced up land prices and been a real problem and impediment to bringing affordability to the first home buyer market.

Ms HENNESSY — Minister, I refer you to budget paper 3, page 266, and in particular the target for the Victorian Heritage Register to be assessed. I note that the 2010–11 target of 80 is exactly the same target that you set yourself for 2011–12, yet in your media release in respect of this matter you stated that your government has a commitment for more funding for heritage services than what was available under the previous government. My question is this: if there is more funding available, why have all the KPIs not increased?

Mr GUY — Ms Hennessy makes a very good point in relation to heritage and indeed the government's commitment to heritage. What I found on coming to government and was advised about by my department was a difficult situation for Heritage Victoria where funding was — and I will use the word — lapsing. This government has ensured that we have provided \$10.4 million in funding for the 2011–12 budget to support heritage services across the state and of course, more than anything else, to bring certainty to the funding for Heritage Victoria in this state for the first time in a long time. We do not believe that Heritage Victoria, a very important body that does an exceedingly good amount of work, should be coming back to make bids to run itself every year or so. We believe that certainty of funding is exceedingly important.

In the last nine months we have added 34 places and objects to the heritage register. Applications beyond a traditional notion of heritage buildings have been broadened. Some \$1.2 million in heritage grants have been recommended for 15 projects, \$190 000 recommended for heritage studies for local government authorities and \$390 000 recommended to support 50 heritage advisers to local governments. We have supported the Melbourne Open House to promote access to heritage buildings. We are doing as much as we can, now with certainty of funding, to ensure that while that target may be unchanged the actuality may indeed be higher in the next year or so. We have got a target in place, as I said, but we believe with the additional funding — and for the first time in a long time permanent funding to Heritage Victoria — that this will make their job a lot easier and it will make their job of protecting our built form and indeed other objects much greater and much easier in Victoria.

Ms HENNESSY — Why would you not increase the target if you are increasing the funding? That is the claim you made in your media release.

Mr GUY — It may be a difference of style, but this government is one that does not go out and make rash promises — —

Mr PAKULA — They are not rash promises; it is the budget papers!

Ms HENNESSY — Minister, your press release stated that, yet the target you set yourself is in — —

The CHAIR — Ms Hennessy, you have asked your question. Allow the minister to respond.

Mr GUY — My budget press release was very clear — that is, for the first time in a long time, Heritage Victoria will have guaranteed funding. It has not had that certainty for many years. It will have that certainty under this government irrespective of what may or may not be contained in a budget figure as a prediction. What Victorians can be assured of is that their peak heritage agency through government, Heritage Victoria, will have certainty of funding for the forward estimates, and I believe that is a very good outcome.

The CHAIR — That is a very good note on which to take a 2-minute break only.

Mr ANGUS — Minister, just following on from Mr Morris's previous question regarding population growth, can you please advise the committee what infill sites the government has acted upon to ensure that growth is focused on the whole city area and not just on the urban fringes?

Mr GUY — Mr Angus raises quite an important point, and that is the importance of having a planning strategy that is not just on a singular, focused outcome, that is not simply about outer urban growth, that is not simply about infill, that is not simply about regional development — it is something that certainly has a mix of quite a few. We have obviously outlined our plans by a number of points raised today which I have responded to in relation to outer urban growth and of course to regional growth as well and what we believe is important for regional cities.

There are a number of infill sites we have acted on and indeed flagged our interest in the first few months of government and that we will be following through on. Clearly a place such as the Bradmill site in Yarraville, which is around 1000 homes, is one that is being looked forward to and obviously achieved. As I said, there will be around 1000 dwellings, which will be important for an infill site of its kind. We have outlined the strategy around Fishermans Bend, as I said, which is over 2000 hectares of possible mixed-use and residential growth complementing Docklands, which is around 146; Southbank, 156; and obviously in comparison to other cities around Australia they cannot offer anything like what Melbourne can offer. We believe that that in itself is exceedingly important. We believe that where there is potential for thousands of new residents in the inner city, infill growth is very important — that we have to put those structures in place.

Mr Pakula asked before about the Urban Renewal Authority, which is obviously important because it will be a key driver in putting some of those sites in place. There are a number which have been on the go for a period of time — obviously before this government, in the previous Labor regime — around the defence site in Maribyrnong, which is presently owned by the federal government but which may come on stream as a purchase from the state government to then manage and indeed be an urban infill opportunity, which will be quite significant. In fact recently I was on site with VicUrban to inspect the defence site in Maribyrnong. It is one which will have a number of challenges. Obviously there are clean-up issues. There are heritage issues on the site. No doubt there will be transport issues in relation to that and services. We acknowledge all of that. But it is one that is unique to Melbourne, and it is one that may see future growth opportunities that will be quite significant.

As I said, these are certainly areas where the government is actively looking at and actively examining ways in which we can ensure that residential growth in our city is not just confined to one area, to one part, and that is to the outer suburbs. The government of Victoria has the ability to look at a range of sites, and urban infill is certainly a key part of that, and we will be continuing to pursue that.

Mr PAKULA — I just want to follow up again on an answer that the minister gave in response to someone's question — I cannot recall exactly whose — where he talked about logical inclusions in the green wedge. The minister might remember whose question he was answering. I think during that answer you said you wanted to bring more land onto market, that you would make changes to the green wedge which you described as logical inclusions. I am wondering if you are able to provide the committee with any information about which areas you might have in mind as these logical inclusions and whether you have had any discussions with any developers about any of those areas.

Mr GUY — One thing I have been very clear on at many, many functions where I have addressed people who obviously have an interest in logical inclusions — whether it is the property council, the urban development institute or a range of others — is that what I am seeking to create is a process that disengages the minister from the boundary movements and disengages the minister from the previous days where people would show up and lobby and ask me to be a party to supporting any boundary movements. We will announce fairly soon a process around what have been termed 'logical inclusions' to the urban growth boundary, which was part of the 08–09 review, which we all obviously voted on — it went through the Parliament. But what I will do is make sure that in that announcement I myself will have very little role and certainly no direct role in determining where that boundary will be, to remove that political aspect — which I think is very, very important — to remove that direct impact of the minister deciding, or in fact working out who may decide, where a boundary will or will not go. A range of mechanisms will do that.

As I said, that process will be determined or will be outlined fairly soon. We are obviously working around the final details of that. But it is one I believe will shape planning and indeed outer urban planning in this state for some time — that is, ensuring that we have a process in place that is clear and transparent and removes the minister or indeed the necessity for anyone to come and lobby government to get land in a boundary or lobby government, so that we have a merit-based outcome when it comes to any — and there may be none or there may be some — changes to our boundary. But that decision will be one that will not be made directly by me; it will be made by an independent process that I will soon be announcing. Indeed I believe that could be — if it works well — a benchmark for any future change that may occur in Victoria.

Mr PAKULA — You have got me intrigued, Minister. How will I put this? I certainly do not expect you to use the committee to shoot your bolt and pre-announce how it is going to operate, but I was wondering if you could perhaps provide us with, I do not know, a hint about what the process might involve if there is going to be an independent decision-making authority in regard to what is in and what is out that you are not involved in. Can you enlighten us further?

The CHAIR — Minister, you can dispose of this in the way in which you choose.

Mr GUY — Chair, sometimes — rarely — Mr Pakula can be a jovial chap, so I am happy to try to elaborate on this question for him. Look, I have probably been as generous as I can without obviously usurping a process that needs to go through other areas. Suffice to say that the coalition issued a very detailed planning policy coming into the last election, in which we did say that we would consider the issue of logical inclusions. I make it clear again today, as I have in many public forums, that this process may produce some, one, none or many but it will be a process that I do not want to be directly involved in, in terms of being a minister, to determine whose land is in and whose land is out — a process, as I said, that I believe can set a benchmark for any possible future changes to that boundary and one that I believe will give Victorians confidence that any boundary changes in the future, including this one, will be free of any necessity or want or desire by any third party to come and lobby a minister to get a change, because that will achieve nothing. What I want is a process where projects are determined on merit in a forum that is public and transparent and indeed one where, as I said, the merit is the overriding reason for a project to be considered rather than an issue which may be decided behind closed doors. That is something I do not want to be a part of.

Mr O'BRIEN — Following on from that topic and the metropolitan growth land supply, particularly turning to the issue of future housing demand, I refer the minister back to budget paper 2, page 9. Noting that the budget does make references to the strength of population growth and there have been some discussions and references to the urban growth boundary changes, I would ask you minister: are you following through with any of those changes to accommodate this growth, and what about the obvious future housing demand?

Mr GUY — Chair, that is a good question for Mr O'Brien to follow up from Mr Pakula. Indeed it has an important impact upon the eastern portion of his upper house region, so I do appreciate his asking it. As I stated just previously, one of the key issues that I see in looking at urban growth boundary change is to put in place a process that will stand the test of time, particularly a probity process, a transparency process and, as I said, one which will determine a merit-based outcome. Maybe I should have done this with Mr Pakula, but one certain hint on this, if you like, is that a probity auditor will certainly be engaged as part of this from the very start, not brought in at the end, as might have been the case with, say, the Windsor issue or others. It will be a probity auditor overseeing this process from the very start. I think that is very important and certainly gives another, if you like, bit of armour to those who know that probity is exceedingly important when we come to — —

Mr O'BRIEN — Like this committee.

Mr GUY — Absolutely Mr O'Brien. It is very important to any growth boundary change and to ensure that any change that does occur is change that occurs, as I said before, on merit, is one that has been thoroughly examined and is one that this is certainly not rushed into. It is certainly, as I said to Mr Pakula and Mr O'Brien, through you, Mr Chairman, on my mind that we in this state need to establish a clear process that will outlast, hopefully, me in this position and go forward into the future as one that can be a process that Victorians can be certain of and that indeed the planning industry, the development industry, councils and communities can be certain of, one that takes the hysteria out of many issues in relation to boundary change and one that, through a formalised process, will manage that change with an approach that is not sporadic but indeed is structured and where the time lines are known and one Victorians can have confidence around.

Mr SCOTT — I would like to follow up my previous question regarding the Glenelg Shire Council and the changes made there where planning controls were stripped from the Glenelg Shire Council over the land and landowners there. Will landowners in these circumstances who build in the areas I referred to previously be required to sign away their legal rights in order to build — particularly their legal rights to take action against the government for damages caused by flooding or storm surges?

Mr GUY — I will find this in my own planning policy, a policy I note that this quite detailed and one that contrasts — —

Mr SCOTT — Modest, I noted, as well!

Mr GUY — contrasts with that of other parties which indeed had no policy on planning.

Mr PAKULA — In contrast to most of your party's other policies, which were media releases.

Ms HENNESSY — A media release, if we were lucky.

Mr O'BRIEN — In contrast with your policy; you had no planning policy into the election.

Mr GUY — It is a very important policy, I believe. As is stated on page 18, Mr Chairman, the coalition government will support detailed coastal mapping of our coastline in preparation for storm surge and probable sea level rise — and what we have done is obviously allocate moneys to do that — respect existing land rights of owners of private coastal land and where a local permit is granted ensure that sustainable private development can occur but at private risk.

One of the key issues in relation to Mr Scott's question is around insurance. Of course people will take on a risk. That is obviously up to them in terms of their ability to manage a permit and manage the development of private land on a range of assessments that they will take forward. In terms of some of the permits that Mr Scott has mentioned directly, I understand at this point there are around 16 or maybe 17 applications that the Glenelg Shire Council has had with it for a long period of time. It should be noted that I went and articulated this policy in opposition to the Glenelg Shire Council.

I followed that up with a face-to-face meeting — I think it was within the first two weeks of becoming the minister in December 2010 — to outline what the new government's priorities were for what was formerly a DPO 7 area — that is, the development plan overlay — that area to the east of Portland and the west of Narrawong, and I made it very clear that we believed that this area was one that could accommodate private development at that private risk. I have stated that a number of times through places like the City of Greater Geelong, which is working through — as you might mention — 173 agreements to manage some of those areas on the coast. That may — and I say the word 'may' — be one way of accommodating private land at private risk, but there may be others.

While none of those permits has been approved, despite my department's management of those permits, those discussions will of course occur with anyone who has submitted a permit, as would be the case had they submitted them through you, Chair, to the council. If they had submitted them to the council, those discussions around where the building would be located and some of the risks that may be involved would always be factors in those discussions.

We believe that a common-sense discussion with those people who have lodged a permit with the intention being that they can be considered — and I point out in the past that the reason they could not be considered was that they were under a moratorium from the previous minister that seemed to be never-ending, as did many things with the previous minister, and that moratorium — —

Mr PAKULA — You have been so good, Mr Guy; you have behaved until now.

Mr SCOTT — You are provoking us.

Mr GUY — I apologise, Chair.

Ms HENNESSY — You can't help yourself.

Mr GUY — As I said, that moratorium had been a longstanding moratorium, and we felt we needed to bring certainty to these people to give them an answer. In conclusion, the important thing is that giving someone an answer — as with logical inclusions or a boundary inclusion process, with any permit, giving someone the ability to issue a permit — does not mean the answer is yes, but it does mean they will get an outcome one way or another, and that is what we believe these people deserve.

Mr SCOTT — Speaking of giving answers, Minister, I did not note your direct answer to the question that I asked. I noted a long description of the process and a series of commentaries, but will you be requiring persons who seek to develop land under those circumstances previously described to sign away their legal rights?

The CHAIR — Minister, before you respond, I will just remind the member and the committee that the committee can ask witnesses questions, but it is up to the witnesses to answer them in the way they determine. Minister, you may dispatch this follow-up question in whatever way you choose.

Mr SCOTT — It has to be answered.

Mr O'BRIEN — Just because you say it was not answered does not mean it was not answered; it was a comprehensive answer, and if you cannot follow proper process — —

Mr PAKULA — Your obligation, Chair, is to ask him to answer the question.

Ms HENNESSY — Chair, let's not further badger the witness into being even more evasive in his answer.

Mr SCOTT — And he is.

Mr PAKULA — Chair, doesn't your preamble say something about ministers answering questions truthfully?

Mr SCOTT — Fulsomely? Truthfully and fully?

Mr ANGUS — Truthfully? Of course he is being truthful.

The CHAIR — I have not impugned any comment that the minister has made. If you are doing that, you should be explicit.

Mr PAKULA — No, I am not. I thought your instruction was all.

The CHAIR — The situation is that the minister made a very extensive answer in an attempt to satisfy the member's question. The member questioned the response, and I am suggesting to the minister that he may answer this more fulsomely, but I thought he had attempted to do that.

Mr GUY — I am never one not to answer a question.

The CHAIR — Yes, we have noticed that.

Mr GUY — With respect, I am not sure if Mr Scott was doodling or looking at the ceiling, but I stated very clearly that you cannot give a yes or no to a question where the answer has not been resolved. There are 16 — possibly 18 at this stage, I think — permit applications that have been submitted, and those discussions have just begun; they have just started. You cannot give a 'Yes, that's the case' or a 'No, that's not the case' when a decision has not been made. I can spell this out or write it down in detail, but I think it has been very clear and to the point that we have just received a number of these applications. The situation has only just begun, it is not near an end stage, and all options will be considered as we manage these permits going forward.

Mr O'BRIEN — A comprehensive answer.

Mr PAKULA — Sounds like they might have to sign away their legal rights.

Mr GUY — Sounds like they might not.

The CHAIR — I think the minister has made his position absolutely clear. Minister, in earlier discussion on previous questions and answers in relation to both your presentation and the budget papers, you have mentioned

regional population growth and land supply. Especially noting your mention of regional growth and a number of areas, can you tell the committee how the government is acting on regional land supply and what focus you intend to place on regional areas for population accommodation?

Mr GUY — Chair, one of those key areas I would like to bring to the committee's attention — and indeed to your attention, having asked this question — is the area of Gippsland. I repeat my interest in Gippsland, obviously having family there, and no doubt your long association over many, many, many, many decades of family interests — —

The CHAIR — I will just qualify that as an intergenerational interest. I am not that old.

Ms HENNESSY — No, I reckon he was talking about one generation there.

Mr SCOTT — Casting aspersions on the Chair there.

Mr PAKULA — He thought you were Mr Hall.

The CHAIR — Proceed, Minister.

Mr SCOTT — Carefully, perhaps.

Mr GUY — Carefully indeed. Chair, you have an intergenerational family connection with Gippsland. I want to mention again the points of Gippsland, as you have raised it, because I think it is important that we acknowledge the importance of regional Victoria to population growth in this state.

As I said, one of the key issues that I found astounding on being elected to government and being appointed to this role was to see the obvious issue in relation to land supply in the Latrobe Valley and indeed the Traralgon area. I found it astounding that we had a situation where it was more expensive to purchase a vacant block of land in Traralgon than it was in some growth areas of Melbourne. You have asked very clearly, Chair, how we will act on land supply in the coming financial year, and of course as I have said in response to a number of questions that has been a clear focus of our strategy in the first couple of months. It was amendment C47 that rezoned 302 hectares of land for residential use in Moe, Morwell, Traralgon and Churchill, most of that land being around Moe and Morwell. Then amendment C56 rezoned a further 250 hectares of land for residential use in Moe and, in this case, predominantly Traralgon.

As I have said in my answers to a number of questions, it is very important that we encourage growth in and around Traralgon, in my view, being the very important growth centre that it is in the Latrobe Valley, but also that we not forget those important regional centres such as Moe-Newborough and Morwell-Churchill, which are cities of around 20 000 in themselves. We need to ensure, both in the affordability stakes and the ability of those cities to grow, that the Latrobe Valley and that area of Gippsland has the ability to manage its growth into the future and manage the changes in population and the growth in population that will indeed occur.

I would state that my department has worked very closely with the council for some of the future land that may be brought forward — and indeed there will be some that will be brought forward in that area — as a final complement to land supply in the Latrobe Valley area, and I think it has been a great testament to the work of both the council and my department that it has been able to manage this in a very professional and cooperative process to date.

Ms HENNESSY — Minister, I refer you to budget paper 3, pages 61 and 62, which provides 9.7 million for planning for Melbourne and regional Victoria, including the development of land use development plans for Victoria's coastal settlements. Your budget media release of 3 May refers to support for detailed coastal mapping of Victoria's coastline in preparation for storm surges and probable sea level rises. My question is: when will you release these maps?

Mr GUY — It was budget paper 3?

Ms HENNESSY — Correct.

The CHAIR — Pages 61 and 62?

Ms HENNESSY — Yes.

Mr GUY — I think we have featured on those pages a number of times.

Ms HENNESSY — The quote is ‘the development of land use adaptation plans for Victoria’s coastal settlements’, and the question is: when will the detailed maps be released?

Mr GUY — That is a good point. Those moneys have been allocated for this financial year. Obviously that work will be done in this financial year, and I expect that once that work has been concluded the maps will be released in this financial year.

Ms HENNESSY — Would you expect that that would be before you determine the outstanding permit applications for the coastal land near Portland, where you have made yourself the planning authority, so that the planning decision can be informed by a map showing the risk of storm surges and flooding? Would you expect that work to be done before that decision is made?

Mr GUY — Chair, the work that will be done is follow-up and supplementary work. We are not repeating the whole process all over again. The work that has been done to date is work that exists in relation to storm level surges with possible sea level rises. I do not state today that we are going to repeat the process all over again to ascertain what may or not occur in Glenelg and how we will then approach that in 12 months time as opposed to now, because that work had been done. What needs to be done from our point of view is some follow-up work to conclude and indeed to give some certainty to some of the other councils. There may be issues around Lakes Entrance that need to be worked out, and it may be worthwhile allocating some of these moneys. In answer to your question, I do not believe they are interlinked in terms of providing an answer to a question that is already known.

Ms HENNESSY — More detailed storm surges.

Mr MORRIS — Minister, there has been some discussion earlier on about the peri-urban councils — Moorabool, Baw Baw, Murrindindi, Mitchell and so on. It is certainly a subject that is very close to my heart. You have talked a little bit about measures that might be taken to assist those councils to manage their anticipated population growth. Can you expand on that — perhaps not only the population changes but also the consequent changes to land use?

Mr GUY — Mr Morris raises a very good point in relation to some of the peri-urban areas around Melbourne and indeed the importance with which this government treats the issues — the land use challenges and the growth issues they are facing. We believe it is very important that we provide the resources to those councils to manage that growth.

I think it is worthwhile informing the committee that some of those peri-urban areas have been growing at exceptionally strong rates. The most recent figures of 2009–10 have the Surf Coast shire growing at 2.7 per cent annually, noting that Torquay is growing at 4.4 per cent; the Moorabool shire growing at 2.5 per cent; the Mitchell shire growing at 2.6 per cent; the Golden Plains shire growing at 2.4 per cent; and the Baw Baw shire, centred around Warragul, growing at 3.8 per cent, which I note is in your area, Chair. Also in your area is the Bass Coast shire, which is growing at 4.6 per cent. These are considerable growth rates for councils with small populations and small rate bases. We know that some of the land use planning that will be essential over the coming years will include managing residential growth, managing farming uses in those areas and managing low-density growth on the outskirts of some of those towns. It is important that councils get a handle on some of the zoning changes that have been mooted by the current government so that they can manage them themselves.

As you said before, some of those peri-urban areas, such as Moorabool, Baw Baw, Murrindindi and Mitchell, are going to be at the forefront of population change. That is why we have brought the peri-urban unit into existence as a one-stop shop and a first port of call for those areas within my department. I established the unit in March of this year. Water, food and many other natural resources, as we know, are derived from these areas, so they are very significant. They provide both a significant economic contribution to Victoria as well as a sustainability aspect, with the nature walks and nature facilities contained within them. We believe that establishing that unit will give those councils the one-stop shop within my department they have desired and indeed provide them with a resource base that they did not have before.

Mr PAKULA — While we are talking about the peri-urban councils, Minister, on 16 March this year you announced the establishment of a new unit within the department for peri-urban councils to focus on population management, strategic planning and long-term structure planning. I am wondering if there has been any additional funding provided in this budget to the department to run that unit, how many people work in the unit and whether the budget has any new performance measures within it for measuring the operations of that unit?

Mr GUY — What we have done on being elected is certainly restructure some areas of the department, such as the development facilitation unit. There have been some resources which we have been able to redirect, better manage and better utilise internally within the department. I am informed that around \$725 000 and around five staff, who already have an initially agreed upon work plan, have been allocated to the unit to manage those issues. The unit will also manage, as I said, critical land use issues for those councils outside of the growth areas of Melbourne which are facing critical growth area pressures but which are not growth area councils and do not have access to the Growth Areas Authority.

We have allocated money. We have redirected it from other areas that no longer exist. I believe that will be a very good, efficient and valuable resource for a lot of those councils who have asked for that funding and that resource for some period of time.

Mr PAKULA — On the matter of the performance measures, I appreciate that there aren't performance measures in this budget. If there are, it would be good if you could point them out. Whether they are in the budget or not, what would you see as being the key KPI for that unit?

Mr GUY — That is a very good question from Mr Pakula, and it is important to ensure that what we are achieving from that unit is a good outcome for those councils that are seeking support. What I am happy to do is take that question on notice and provide you with the scope of the plan and the background to the unit so that the committee has a better understanding of how that unit will operate and some of the roles we will have it managing into the future.

Mr O'BRIEN — Staying with performance measures in planning and budget paper 3, page 266, I would like to return the minister to the initiative headed 'Regional Urban Development Program projects completed'. I note that the footnote there says:

The 2011–12 target is greater than the 2010–11 target as it relates to 19 identified projects, covering the remaining large cities and approximately 161 small towns across regional Victoria —

which is near to my heart. I note that we have had the Minister for Regional Cities here, so I ask you in your capacity as the Minister for Planning what actions the government is taking to increase land supply and housing affordability in those areas?

Mr GUY — Mr O'Brien asks a very good question around the urban development program's measure of land supply in Melbourne which is now expanding out to regional centres, indeed 19 regional cities across Victoria, so I think it is worthwhile to inform the committee of those 19 cities. Obviously they are some of the larger regional cities like Geelong, Ballarat, Bendigo, the Latrobe Valley, being Moe, Morwell and Traralgon and Newborough and Churchill on top of those. There is also Ararat, Bairnsdale, Benalla, Colac, Echuca, Hamilton, Horsham, Mildura, Portland, Sale, Shepparton, Swan Hill, Wangaratta, Warrnambool and now Wodonga. It is important that the urban development program measures land supply in those cities, noting as we have the growth in some of those regional centres.

As you yourself would know, having had a long association with western Victoria and the Wimmera, there is strong growth in Horsham. Horsham has been a sponge city in many ways for a lot of the Wimmera, for people who are maybe leaving the farm because of succession planning and coming to live in Horsham where there are greater services — there are obviously a lot better hospital and health services in Horsham that might exist in a smaller town. People who have got older are moving to Horsham, so it is important from this government's point of view that we factor in those regional centres in land supply and the affordability equation, as is the case with Melbourne. This is because at the end of the day we need to ensure that the approach that this government has, and that all governments should have, to regional Victoria is one of providing that affordability aspect to people in regional Victoria, to provide a price-competitive advantage to people who want to move to regional Victoria. That is why that has been expanded to those 19 regional cities.

There are 161 small towns in the intermediate regions surrounding these 19 cities, so that is quite significant in itself. In places like Shepparton obviously there is Mooroopna and others which would surround — Kyabram even — which come into the sphere of some of those larger cities. They need to be considered by the UDP, the urban development program. They, when factoring in those 19 cities, will obviously look to their lead in terms of land supply and affordability. For the brevity of the committee I will not repeat my issues in relation to the Latrobe Valley — some of you look very happy — but obviously, as I stated before, we regard land supply in regional Victoria as critically important, not just Melbourne, and in the establishment of a metropolitan planning policy we will be factoring in regional centres, which is a first. We will not just be factoring them in by a footnote on a page at the back of the document, but using those cities and respecting those cities, the growth that can occur in them and the importance they have to Victoria and the central region around our state.

Mr SCOTT — For the sake of brevity, I will keep my question short. Mr Pakula in his last question sought some information. I seek similar information regarding the housing affordability unit. It was information regarding what additional funding is in the budget for funding this unit and what its KPIs were.

Mr GUY — I am happy to provide that to Mr Scott and happy to provide it to the committee. There are six staff, \$850 000 in terms of their operation. I am happy to provide the following details that I stated I would for the other units to Mr Scott.

The CHAIR — Thank you, and thank you, Mr Scott. It is not often that we have such a short question and a short answer.

Mr PAKULA — Catch you unawares, did it, Chair?

The CHAIR — Yes, it did.

Mr PAKULA — Do you need a minute?

The CHAIR — No, I am fine. I am anxious to follow up on something that you, with courtesy to the committee, indicated that you would not give an extensive response to a minute ago. That is in relation to regional city growth, which has been alluded to in various ways throughout the proceedings. It is important to the government, and there is evidence in the budget of that importance. I am interested to know what you have done to focus on an area which is very dear to my heart, like the Latrobe Valley, and how you are working with that area to help future population growth and residential demand in the valley. I know you have touched on this before, but I am sure you would be pleased to give a more comprehensive response.

Mr GUY — What I think is very important for the Latrobe Valley, and no doubt you would agree, is the fact that there is a lot of government attention now on the future of the valley and the strength with which this government certainly views the ability for the valley to grow and the importance of its place in Victoria. I believe that while we have spent quite a bit of time in my portfolio analysis today talking about the valley, that is certainly overdue. It would be worthwhile for the people of the Latrobe Valley to know that they are getting good service and they are getting a lot of attention from a government that regards their cities with great interest and believes that, like Geelong, they are areas of Victoria where the future ahead of them is very rosy and the best days are ahead of them, not behind them.

I believe it is worthwhile that we have talked quite a bit about it. I will not, having said that, repeat a number of the details I did in relation to the C47, where we rezoned 302 hectares of land, or the C56 where we had rezoned 250 hectares of land, but as I said, we have worked very closely with the council in the valley. That has been a productive relationship that I believe was a credit to the department and a credit to the council, and indeed I state again that I believe that the Latrobe Valley is an area that has a great future, that we have allocated moneys towards assisting in terms of detailing with metropolitan policy and its interaction with regional policy, and we are getting on with the job of managing supply issues in and around three great cities in eastern Victoria.

Ms HENNESSY — Minister, just in relation to the Gippsland coastal management strategy, in respect of the report that you have had since December, when will you release it? I understand the community is quite keen to see a copy of that.

Mr GUY — That is a good question from Ms Hennessy. I cannot give you a figure or certainly a date today, but I am happy to take it on notice and then get back to you with something more substantial if I have not released it by the time you receive it.

Ms HENNESSY — So within the next 21 days, do you think, given that that is the time frame within which you would have to be reporting back to the committee?

Mr GUY — Chair, I will guarantee Ms Hennessy will get a reply to my question which I have just taken on notice within 21 days, yes.

The CHAIR — Thank you very much. That was an interesting answer.

Mr ANGUS — Minister, in relation to urban renewal, I notice there is no specific money allocated for urban renewal in the budget, as opposed to previous budgets where there had been millions of dollars allocated. Does that mean that the new government believes that urban renewal should not be taxpayer funded?

Mr GUY — That is a really good question from Mr Angus. As I have stated before, the current government believes that we have a unique opportunity in Victoria and indeed around Melbourne to manage urban renewal through zone incentivising and certainly through the self-funding Urban Renewal Authority that will be long lasting. That will provide good outcomes to Victorians — an outcome similar to the Docklands Authority and the URLC. It does not require taxpayers funds or certainly great swathes of taxpayers funds, and indeed as a self-funding agency it will not require any taxpayers funds in terms of recurrent costs to operate.

What we have seen already in the few months that I have been in government is that I have had in front of me things like the Victoria Harbour master plan, which have been drawn up over a long period of time. I am not saying they have been done in nine months — they have not. They have been done for a long period of time, but what it shows is that there are unique opportunities for places like Docklands, through a private company which is managing urban renewal and managing urban change for an area of Melbourne and Victoria that will be a real tourist attraction, a great destination into the future. This has not required taxpayers money to achieve and indeed to establish, but it certainly will achieve a great outcome for Victorians in terms of a new area of the city, similar to Finger Wharf in Sydney, that has not been a feature of development in Melbourne for many years.

What we have seen in Docklands, apart from the take-up of commercial space, which has been fast and large, is obviously the redevelopment around Southbank, which has not been at government cost; it has been at private cost. As I said before, it is a credit to Evan Walker who saw that vision at Southbank and realised his vision to establish an area of urban renewal in that part of Melbourne. Now we have some of the tallest buildings in Australia and some applications which were approved under the previous government, which I support, which are again for some significant buildings in that area which will accommodate many hundreds of people. I think that shows that you can achieve an urban renewal outcome when you provide proper incentives through zoning, through government support and, more than anything else, through confidence. That is what we are certainly intending to do, and what we believe can be a good outcome for Melbourne in terms of urban renewal. As I have said to this committee, as I have said to the house, as I have said to industries, to community groups and councils, no other Australian city can offer this. I think that is a real testament to this city and what we can offer as a people and as a city, despite who is in government for a long period of time.

Mr PAKULA — Could you turn to page 128 of budget paper 3, and I also want to refer you to the Victorian budget 2011–12 efficiency savings background brief. When I add up the election commitment savings in DPCD over the forward estimates and include the additional savings to offset the GST reduction, by my rudimentary maths, I come to, I think, \$72.8 million. The efficiency savings background brief says:

Additional savings in the Planning and Community Development portfolio are worth \$10 million in 2011–12 —

which I assume is the measures to offset GST reduction of 9.9, and it says:

Key priorities include greater operational efficiencies at head office and within VicUrban and the Growth Areas Authority and abolition of the Respect program.

That is 10 out of the 73. Can you tell me how DPCD is going to find the other \$63 million in savings over the forward estimates?

Mr GUY — Mr Chair, I might just begin and make some overarching remarks on savings that I think are worthwhile because the government presented a \$1.6 billion savings plan during the last election campaign. We have begun implementing those since 1 January. The committee is probably aware that that includes \$255 million in government advertising, \$185 million in consultants, \$85 million in media and marketing positions, and \$33 million in ministerial staff. I must say I am still scratching my head at who on earth sat in the office that I now occupy, given the number of desks, computer ports, telephone, chairs and tables that exist within it compared to what is my modest staff complement and, I understand, an increased work output.

Our priority is to direct precious taxpayer funds to vital services and infrastructure investments that meet the needs of Victorians. I believe we are doing that. That is why we have directed the \$1.6 billion in savings. We have been there to manage the financial impacts of the federal Labor government's unprecedented \$2.5 billion cuts to our state's economy through the GST revenue reductions, and we will achieve additional savings, as you say is correct, Mr Pakula, of \$638 million over four years. The budget papers, as you know, include the efficiency savings background brief. That does detail savings measures for each department and there are some that have been outlined for mine as well. The government believes that these individual savings can be made in departments and agency head offices, and that is important to note.

I have certainly commenced working with my department to finalise those efficiencies that will be achieved over four years. You have outlined a few which certainly are ones which are worthwhile noting, and indeed I am happy to brief you and this committee on the details of those once they are agreed by me and my department.

Mr PAKULA — That was a nice generic, savings answer, which I think we have heard about six times now. Just so I am clear, on the other 63, when you identify them, you will make that information available to the committee. Is that your answer?

Mr GUY — Chair, I think that what should be noted is that my area, which is planning, is a portion of the Department of Planning and Community Development.

Mr PAKULA — Sure.

Mr GUY — And I think that question is probably best directed to the lead minister in this department, the Deputy Premier, Peter Ryan, who would be best placed to provide a detailed response for other portfolio areas within the Department of Planning and Community Development. I understand you have had Mr Ryan here and certainly from the attention — —

Mr PAKULA — Sorry, Minister, I assumed you were the lead minister in the planning department.

Mr GUY — No, I apologise, Mr Pakula, but the Deputy Premier, as you would imagine, is the lead minister in my department, and the Deputy Premier is probably the best person to direct that question towards.

Mr PAKULA — We had other questions to ask him.

Mr MORRIS — Minister, I turn to page 61 of BP3, the output initiatives for DPCD, the very first item there: Frankston activities area revitalisation, \$5 million over four years. Can you indicate to us as part of the urban renewal agenda, what the government is working towards in terms of enhancing the Frankston activities area?

Mr GUY — I thank Mr Morris for that question, given his interest in that area of Victoria, his role in local government in areas to the south of Frankston but certainly his obvious interest in and the impact upon his own electorate that the Frankston CAD certainly has. It is worthwhile noting that the \$5 million that has been put towards the Frankston central activities area is broad and wide-reaching and is part of the government's commitment to Frankston.

While there have been some people in the past in some regimes who have talked down Frankston, I would like to put on record that I think Frankston should be talked up as a destination, and the central activities area of Frankston provides much opportunity for residential and commercial growth and urban change around its railway station area.

I believe that like the Valley, like Geelong, we should be talking Frankston up as an area and noting that it is the only central activities area in the greater Melbourne area that is beachfront and has great locations, with the TAFE right next door to the central activities area. The council is very supportive, and I have certainly had great conversations with it to date, about any proposed development within that central activities area that may value-add to Frankston and be a showpiece for other central activities areas across Melbourne.

Our \$5 million commitment is divided into a couple of stages, and I would like to inform the committee if I can: \$3 million will be provided for business plans and architectural drawings as the first step in building Frankston's future with projects including an upgraded railway station, a new bus interchange area, a new multi-deck car park, new housing options and affordable housing in the centre of the city and new and improved spaces which will attract major employers into Frankston.

That is, as I say again, very important for confidence in and around Frankston, because one of the key issues when we come to urban renewal and the planning portfolio as well is around confidence. It is important to give that confidence to local government, industry and residents who live around the Frankston CAA area that their city is being taken seriously by the government.

We are also going to provide \$2 million to improve pedestrian access and to upgrade and increase security in the precinct around the Frankston railway station, which will be matching funds from the Frankston City Council. As you would know, Mr Morris, the end of the Frankston line is one that attracts a lot of people around that station precinct, but the station precinct has become tired, and it is time I believe to work toward upgrading it, not just with words but with money. That is why we have put this money forward in this budget, and that is why we will be working with the Frankston City Council to achieve an outcome that is longstanding and, more to the point, has a built-form change around Frankston that will value-add to the Frankston CAA area, be a showpiece for that municipality and assert Frankston as one of the leading central activities areas across Melbourne.

I think Frankston has got a great future ahead of it. We are prepared to put some money in and assist it, and I know the council are as well. I think that will be a good outcome for security, urban renewal and the people of Frankston and the broader Mornington Peninsula to the south.

The CHAIR — Thank you, Minister. Regrettably, we are drawing to an end, but I will take one more question from Ms Hennessy.

Ms HENNESSY — Thank you, Chair. Minister, the department briefed the opposition that the outcome of the planning and subdivision fees review will be released shortly, and I am curious as to what budget allocation has been made for an increase in fees resulting from this review.

Mr GUY — The fees review that was begun under the previous government certainly focused around the ability for local government planning fees rather than state planning fees, and it is one that has been like many reviews. I remember asking as an opposition frontbencher about the car parking review, which was treated with some comedy by my opponent at the time, which has been the subject of much discussion since, because it is one that is quite detailed and one that has been around for some years. That and the fees review are two that I understand need to be resolved fairly quickly, and I have certainly spent some time going through a number of those. There is not just one; there are quite a few that my predecessor had sitting on his desk, amongst other things, and I am endeavouring to get through that as quickly as possible and hopefully release it within the next few months.

Ms HENNESSY — I just have one supplementary. So I take it from that there is no allocation in the budget to reflect an increase in fees resulting from the review?

Mr GUY — As I stated to Ms Hennessy, these are local government fees. These are not fees of state planning policy.

Ms HENNESSY — So the answer is no.

Mr GUY — We would not factor in, with respect, payments to Queensland from the federal government, because they have nothing to do with our budget, and nor do we factor in fee reviews of local government

planning fees, which are nothing to do with state revenue. They are local government fees, which the state government can set the guidelines for.

The CHAIR — Thank you, Minister, for your courteous response.

I would just like to bring the consideration of the budget estimates for the portfolio of planning to an end. I thank the minister and departmental staff for their attendance today. Where questions were taken on notice and where there are unasked questions, the committee will follow up in writing at a later date. The committee requests that written responses to those matters be provided within 21 days. Thank you for your attendance. We are back here at 9.30 a.m. tomorrow with the Attorney-General and the finance portfolio.

Committee adjourned.