

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Budget Estimates 2019–20 (Suburban Development)

Melbourne—Tuesday, 11 June 2019

#### MEMBERS

Mr Philip Dalidakis—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallenge



**WITNESSES**

Ms Marlene Kairouz, Minister for Suburban Development,

Mr Simon Phemister, Secretary,

Ms Sara Harbidge, Executive Director, Office of Suburban Development, and

Mr Alex Kamenev, Deputy Secretary, Precincts and Suburbs, Department of Jobs, Precincts and Regions.

**The CHAIR:** It is now my pleasure to declare open this hearing of the Public Accounts and Estimates Committee.

On behalf of the Parliament, the committee is conducting this inquiry into the 2019–20 Budget Estimates—in case you are not sure why you are actually here! Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community. The committee will now begin consideration of the suburban development portfolio.

I welcome the Minister for Suburban Development, the Honourable Marlene Kairouz, and officers from the department. Thank you for appearing before our committee today.

All evidence given is protected by the Parliamentary Committees Act. This means that it attracts parliamentary privilege and is protected from judicial review. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament—and subject to significant heinous penalties!

Minister, I invite you to make a brief opening statement of no more than 5 minutes, which will be followed by really, really interesting questions—that will keep people up all night wondering how we thought of them!

**Visual presentation.**

**Ms KAIROUZ:** Thank you, Chair. It is with great pleasure that I present to this committee on the suburban development portfolio. Following the state election in November 2018 I was assigned responsibility for the suburban development portfolio. My electorate, Kororoit, incorporates some of the fastest growing new suburbs in metropolitan Melbourne. So this is a portfolio that both as a resident and as a parliamentarian I appreciate and understand.

Melbourne is predicted to reach over 8 million residents by 2050 and continues to record the highest population growth in the nation. This is why government has established its vision for suburban development as ensuring all of Melbourne's residents will have affordable and reliable access to jobs, services and infrastructure no matter where they live. To deliver this vision, my portfolio operates a suite of programs designed to work across government, including the metropolitan partnerships, who come together to advise me on their communities' priorities for jobs, services and infrastructure in each of the six metropolitan regions. We have seen the fruits of these metro partnerships now in successive state budgets, driving many of the funded announcements such as the North East Link, new hospitals and suburban level crossing removals, just to name a few.

Since its establishment in 2016 the portfolio has steadily grown and reached key milestones, including the establishment and the operation of the Metropolitan Partnerships Development Fund, which progresses community ideas; oversight of the Frankston and Broadmeadows revitalisation boards, including coordination of state investments in the redevelopment of these important transport-centred activity centres; the delivery of Victoria's first community participatory budgeting initiative, Pick My Project, with successful projects now being rolled out across Victoria; and the delivery of two annual rounds of community engagement and provision of two sets of independent advice by the metropolitan partnerships. Over this period several key policy themes have emerged across the partnership regions. Some of these include strengthening job skills and local economies; transport to give better access to work, education and services; social and affordable housing; health, wellbeing and social connectedness; environmental sustainability, climate change and open space; and support for Aboriginal people.

I am proud that the Andrews government has put these themes and policy priorities at the heart of our government and in this state budget. I would like to thank the partnerships for their ongoing work and assistance in helping shape the budget and the decisions of the Victorian government.

One of this portfolio's greatest strengths is that it provides a voice for the people in government, and the partnerships play a key role in facilitating this voice. In addition to the work with the partnerships, the suburban development portfolio is contributing to the city's development through its support of the Metropolitan Development Advisory Panel. The panel provides expert advice to the Minister for Planning and myself on implementing the strategic priorities arising from the metropolitan partnership process.

Building on this work, I am pleased to be able to outline the next stage of the suburban development story, the suburban revitalisation program. The program will receive \$3.5 million in the 2019 budget for the continued delivery of the Frankston station redevelopment project and the Broadmeadows revitalisation project. The funding will also assist in the determination of up to four new revitalisation projects in the remaining metropolitan areas: east, west, inner south-east and inner metro. These new revitalisation projects will build off the suburban development model for successful suburban revitalisation, seen through the work of the Frankston and Broadmeadows revitalisation boards.

It would be remiss of me not to outline some of the key Victorian government budget measures, responding directly to the advice of the metropolitan partnerships, such as \$1.4 billion for the construction of a 504-bed Footscray Hospital, a priority in the Western Metropolitan Partnership's advice; \$154 million to create 6500 hectares of parklands across the suburbs, addressing the environment and open space priorities put forward by most of the metropolitan partnerships; and \$20.8 million to begin work on construction and expansion of community hospitals, including Craigieburn, Eltham and Whittlesea, to address the northern metropolitan partnership's advice.

I am looking forward to the year ahead and I am building on the strong track record of this portfolio. In doing so, I will work closely with the new regional and suburban partnership committee on strengthening the government's partnership model and with the Minister for Regional Development on aligning government processes to better support and to better respond to the advice provided by the metropolitan and regional partnerships.

**The CHAIR:** All right. Minister, thank you for that. I move to Ms Stitt.

**Ms STITT:** This is an important portfolio in our growing city. You did talk quite a bit in your presentation about the metropolitan partnerships, so I just wanted you to go to budget paper 3, page 241. In the table there it sets out the satisfaction levels participants experienced when participating in the partnership assemblies. Can you please expand for the committee on how these assemblies work and what impact they have on the decisions made by government?

**Ms KAIROUZ:** Thank you very much, Ms Stitt, for your question. As you may be aware, Melbourne's six metropolitan partnerships are established as strategic partnerships between government, community and business, and this is to enable communities to have a greater say about the issues that matter to them and to ensure that their needs are heard by government. Each metropolitan partnership comprises up to nine community and business leaders, together with every local government CEO in a given region. Their primary role is to provide annual advice to the Victorian government on priority issues and opportunities, and this is to strengthen the prosperity and the livability of their regions. As part of their role the partnerships meet at least four times a year, and over the last two years the partnerships have convened annual assemblies of the region's citizens to identify and to address the region's most pressing challenges and of course opportunities that may arise.

At these events the metropolitan partnerships have presented their draft advice as a starting point for community conversations on priority issues and have workshopped these themes as a way of identifying actions that can be included as part of their annual advice. I have attended a few of the annual assemblies in my capacity as a minister but also as the local member—the one that was convened in the western suburbs by the Western Metropolitan Partnership. I have got to say I was quite overwhelmed by the commitment of those that attended the partnerships but also by the metropolitan partnership itself and the chair. There were fantastic

conversations that were taking place and some really great ideas that came about. As I mentioned in my presentation, one of them was the 504-bed brand-new Footscray Hospital that I know is close to your heart as well that came about as part of these partnerships and the forums that were held.

In 2017 six metropolitan assemblies were held between August and October 2017. Approximately 1100 people attended the assemblies. In 2018 six metropolitan assemblies were held between May and August, so the former Minister for Suburban Development was quite busy attending those assemblies in a short space of time. And a series of targeted engagement events were also held to reach further into the community, such as the metropolitan-wide youth forum. That was a fantastic forum, where youth from metropolitan Melbourne came along and gave us their ideas, their concerns, and issues and opportunities were presented as well at those forums.

The partnerships have now provided two rounds of advice, with the first involving over 122 initiatives across major themes. These include transport, the environment, affordable and social housing, industry and jobs as well as health and wellbeing. The government has listened to the partnerships and is responding through the development of programs and initiatives to deliver better outcomes for the community.

In the 2018-19 state budget outcomes that directly responded to the metropolitan partnerships included metropolitan-wide initiatives such as \$82 million for women and girls in sport, \$26.2 million for homelessness and rough sleeping, \$22.2 million for active transport and specific initiatives such as \$2 million for the eastern and northern regional trails and \$29.3 million for the construction of Seddon secondary campus—a very important project as well.

**Ms STITT:** Yes. Thanks, Minister. It really does seem like a great model to get the best ideas from the community. What opportunities are coming up with partnerships in the next couple of months?

**Ms KAIROUZ:** Much of the work that I do as Minister for Suburban Development directly involves working with and supporting the metropolitan partnerships, and over the coming months that will involve a number of opportunities, including attending metropolitan partnerships meetings and attending metropolitan partnerships engagement events. These respective meetings and events will allow me as the Minister for Suburban Development to hear directly from partnership members and local stakeholders in each of the regions on the progress that is being made in advancing their priorities.

I have met individually with each of the Metropolitan Partnerships chairs as well, and the feedback has just been overwhelming. First of all, I would like to congratulate the department. It is a fairly new portfolio, so they have responded really well to engaging with communities and the partnerships, but the chairs have been absolutely fantastic and so committed. They are basically just volunteers who are giving up so much of their time and their energy to ensure that the regions they are responsible for are heard by government.

So this will be an opportunity for me to hear further about future priorities of the metropolitan partnerships as well as any new issues to be included in their annual advice to government. I will also meet and receive advice from the Metropolitan Development Advisory Panel, along with the Minister for Planning. The panel is made up of the six metropolitan chairs together with four other members that are appointed by the Minister for Planning. This panel provides advice to the Minister for Planning and me on the metropolitan development issues, including the implementation of *Plan Melbourne 2017–2050*, a wonderful plan, and strategic priorities identified by the metropolitan partnerships. In addition to meeting with members of the metropolitan partnerships, I will also be supporting the partnerships through the delivery of our Metropolitan Partnerships Development Fund. This fund is used by the partnerships to develop their own detailed advice and proposals in relation to their own priorities, and the priorities are quite diverse depending on what region or partnerships they are from.

It is also worth noting that later this year I will also be receiving the Metropolitan Partnerships 2019 advice. This will be the third round of annual advice from the Metropolitan Partnerships, which will focus on working across portfolios and departments to develop effective responses to their priorities.

**Ms STITT:** Thank you. I might actually ask you about some of the suburban revitalisation projects that you mentioned in your presentation. In relation to the Frankston station revitalisation project—this is also

mentioned on page 241 of budget paper 3—can you give a little bit more detail, Minister, and highlight some of the work that has been done in Frankston and what benefit this work will provide the local community?

**Ms KAIROUZ:** Yes. Thank you very much for your question, Ms Stitt. The Frankston station precinct redevelopment project was initiated by our government to act as a first step towards a broader and longer term revitalisation of Frankston city centre. The Frankston project consists of a range of infrastructure and non-infrastructure projects to be delivered over four years in partnership with Frankston City Council and other important key stakeholders in the area—for example, businesses, NGOs and other very important key stakeholders, in line with the Frankston station precinct master plan.

The Frankston revitalisation board was established by the Minister for Public Transport to advise the government on the delivery of the project, and as Minister for Suburban Development I also have a role in supporting the minister for the project. The board has been chaired by the local member for Frankston, Paul Edbrooke, who is a very passionate and hardworking member for Frankston. The board also consists of senior state and local government representatives as well as key regional and local stakeholders, including Peninsula Health, Chisholm Institute of TAFE, South East Water Corporation, Monash University and Vicinity holdings, known as Bayside shopping centre. The projects that have been delivered or are nearing completion include the new Frankston railway station, streetscape improvements in Young Street and the Frankston Foundry innovation incubator, which I will be attending shortly with the member for Frankston. He is very proud of this innovation incubator and wishes to take me around and have a look at it.

They are also responding to alcohol and other drugs across Frankston and the Mornington Peninsula with a program known as RAD-FMP, minor upgrades to Wintringham Community Housing kitchen facilities and place activation initiatives and community events, including outdoor dining improvements, temporary pocket parks and a big picture fest street art event. These projects are helping to—

**Mr RIORDAN:** There are enough spots to walk a dog down there.

**The CHAIR:** The Deputy Chair is a big fan of pocket parks.

**Mr D O'BRIEN:** And dog parks.

**Ms STITT:** He cannot stop talking about them.

**Ms KAIROUZ:** Fantastic. Have you got a dog?

**Mr RIORDAN:** No.

**Ms KAIROUZ:** You should get one. Anyway, these—

**Mr D O'BRIEN:** Don't tell me you are funding dog parks as well and pop-up parks. Sorry, Ms Stitt.

**Ms KAIROUZ:** Anyway, these projects, Ms Stitt, are helping transform the heart of Frankston into a safe, modern hub for transport, for education and for business. The uplift that these projects provide will help further drive investment in Frankston, create more jobs in the local economy and also enhance Frankston as a major regional centre for technology, innovation and creativity.

**Ms STITT:** Fantastic. Just in the time that I have left, Minister, would you like to just tell us a little bit about the Broadmeadows revitalisation project?

**Ms KAIROUZ:** Yes, so like Frankston—

**The CHAIR:** Are you asking for a friend?

**Ms STITT:** I am asking for a friend.

**Ms KAIROUZ:** This is also very important.

**Mr RIORDAN:** What is the postcode there?

**The CHAIR:** I hope to give it to you by the end of the night.

**Ms STITT:** Sorry, Minister.

**Ms KAIROUZ:** That is okay, Ms Stitt. Like Frankston, the Broadmeadows revitalisation project was launched by government in 2017 to identify and to facilitate new development opportunities in Broadmeadows, including delivery of the government's \$14.3 million Hume jobs, skills and investment plan. This project consists of a range of infrastructure projects to be delivered in partnership with council and other key stakeholders in line with the *Greater Broadmeadows Framework Plan*. The board has been chaired by a very hardworking local MP, Frank McGuire, and it also consists of senior state and local government representatives as well as key regional and local stakeholders, including Victoria University; Melbourne Airport, which is one of the largest stakeholders in the area; Bendigo Kangan TAFE; Vicinity Broadmeadows shopping centre; NORTH Link; Brite industries; and Banksia Gardens Community Services.

The projects that have been delivered or are nearing completion include the upgrade to the northern Broadmeadows railway station entrance and the pedestrian subway, the planning and design of the new loop road to access additional car parking—

**The CHAIR:** Minister, I do hate to interrupt you mid-sentence, but I thought it was important for two reasons: one, we need to pass on to Mr Riordan, the Deputy Chair, and also to acknowledge that the postcode is 3047. Deputy Chair, in the absence of our sadly fallen ill colleague, Mr Hibbins—and we wish him well and that he be back for a riveting day tomorrow—you will have not just your time but we have allocated you Mr Hibbins's time as well.

**Mr D O'BRIEN:** You just took a minute of it, explaining that.

**The CHAIR:** I wanted him to know why Mr Hibbins is not here and that we wish him well.

**Mr RIORDAN:** Minister, we have got similar issues to discuss since you have been talking. Minister, I refer to budget paper 3, page 230, and the statement that your department works collaboratively to develop Melbourne's suburbs with the six metropolitan partnerships. I also refer to the discussion at last year's PAEC, before you were minister, which centred on the metropolitan partnerships, with a particular focus on the confusion that had been expressed about their role in an FOI obtained by the opposition in minutes and meetings of each of the metro partnerships. Minister, what do the metropolitan partnerships actually do for the state?

**Ms KAIROUZ:** Thank you very much for your question, Mr Riordan. Since their introduction on 9 June 2017 the metropolitan partnerships have worked to improve outcomes in each of Melbourne's six metropolitan regions.

**Mr RIORDAN:** Just at that point, Minister, do we not elect local governments for those areas?

**Ms KAIROUZ:** Of course we do.

**Mr RIORDAN:** What sort of cost is involved in creating another representative bureaucracy to sit alongside local government?

**Ms KAIROUZ:** The local governments are represented through their CEOs on the metropolitan partnerships. The partnerships are also based around broad membership—so around business, community representation, local governments and state representatives. If you want to get involved, Mr Riordan, you would be more than welcome to do so. They have proven valuable—

**Mr RIORDAN:** That pesky concept called 'elected councillors' that we have used for the last 150 years to represent people to do that—what is the reason you do not believe that the elected councillors and council officials could represent their communities to state government?

**Ms KAIROUZ:** I have never said at any point that I do not believe local councils can represent their communities. They absolutely can, and they do. They are involved in this process in the metropolitan

partnerships. A lot of the councillors have delivered some very important outcomes for their communities through the metropolitan partnerships. I take the Western Metropolitan Partnership, for example, where the local councillors got heavily involved and delivered some fantastic outcomes for their communities. You see the biggest investment in the western suburbs through this government and through the partnerships as well.

**Mr RIORDAN:** But the membership of these partnerships are all appointed by state government, correct? By yourself, perhaps?

**Ms KAIROUZ:** Correct.

**Mr RIORDAN:** So you are actually in a position where you are selecting your own people to represent those communities to give you the information that you want.

**Ms KAIROUZ:** We go through a rigorous process where we advertise and people put in an expression of interest to see whether they wish to be part of the partnerships, and I have to say a fantastic—

**Mr RIORDAN:** Would you characterise that process as more rigorous than that of local council elections, where the community—

**Ms KAIROUZ:** What was that, sorry?

**Mr RIORDAN:** Would you say your process is more rigorous than the 200 000 people in a local government area electing their own representatives?

**Ms KAIROUZ:** That is a separate process altogether. That is a question for the Minister for Local Government.

**Mr RIORDAN:** No, my question was: do you think yours is as rigorous as people exposing themselves to their whole community?

**Ms KAIROUZ:** Nothing is more rigorous than an election. The November state election that we went through was a very rigorous process, and the Victorian public have endorsed the metropolitan partnerships and have spoken very strongly—

**Mr RIORDAN:** Imagine how much more fun you would have if you just got to appoint the members of Parliament yourself instead of—

**Ms KAIROUZ:** If you want to be part of the partnership in your area, Mr Riordan, you are more than welcome to do so.

**Mr RIORDAN:** Yes, the regional partnerships are familiar.

**Ms KAIROUZ:** There will be an opportunity for you this year.

**Mr RIORDAN:** It has the same issue, Minister.

**Ms KAIROUZ:** I will look out for you, Mr Riordan. I will make sure you sit right at the front.

**Mr RIORDAN:** We have elected representatives, CEOs and councillors that currently represent—

**Ms KAIROUZ:** Yes, and they are involved, Mr Riordan. The feedback has been fantastic. It has been positive. I do not know of any council—

**Mr RIORDAN:** What would you characterise as the main difference in representation from a metropolitan partnership to a council? What difference—

**Ms KAIROUZ:** A council makes decisions about their council. The metropolitan partnerships advise the government about priorities and issues for the area, and we act on those.

**Mr RIORDAN:** What would your position be if a council had a different set of priorities to that of the metropolitan partnership?

**Ms KAIROUZ:** Well, we see that there are many times where councils have different sets of priorities. We are also always very clear on the priorities that we set, and we give the public an opportunity to have a say. We did that during the state election, and we also do it as part of the metropolitan partnership.

**Mr RIORDAN:** So you do not have a policy on whose—

**Ms KAIROUZ:** Up to maybe a couple of hundred people turn up to these partnership forums where they can have a say and tell government exactly what they want their priorities to be.

**Mr RIORDAN:** My question specifically was: whose priority comes first—the local council or the partnership?

**Ms KAIROUZ:** The voice of the people is the most important thing—

**Mr RIORDAN:** But council priorities will always triumph over a metropolitan partnership.

**Ms KAIROUZ:** No, that is not what I said, Mr Riordan. What I have said is the voice of the people is the most important thing, and we hear through the partnerships what the community wants to tell us.

**Mr RIORDAN:** Okay. Just moving on to budget paper 3, page 73:

Funding will be provided to continue the Broadmeadows Town Centre and Frankston Station revitalisation projects—

which you spoke of earlier with members Edbrooke and McGuire, representing those communities on the committee.

Activities include investigating and planning an Integrated GovHub and Innovation Hub, master planning for affordable housing, place activation programs in Broadmeadows and Frankston, youth engagement and pathway support programs. Seed funding will also be provided to commence priority projects that will be community-led.

Minister, why is there no funding for these activities beyond the \$3.5 million allocated just in this year and none into the forward estimates?

**Ms KAIROUZ:** In this year's state budget, you are right, the government is investing \$3.5 million to revitalise Melbourne's established suburbs to ensure that they have the infrastructure and services they need for a livable and sustainable future. The government is focused on revitalising suburban activity centres as a means of addressing growth pressures, driving economic opportunity and jobs growth closer to where people live and strengthening Melbourne's livability. In the first term of office the government established two suburban revitalisation initiatives. One of them was the Broadmeadows town centre revitalisation project, and the other was the Frankston station precinct revitalisation project that I just outlined to Ms Stitt.

**Mr RIORDAN:** I understand that there are a lot of projects, but have you put in place any clear milestones in which the success of these two projects in particular can be measured?

**Ms KAIROUZ:** Yes, there are some very clear—

**Mr RIORDAN:** Because assuming the funding runs out this year, then what assurance does the public have that we know that the money is being well spent?

**Ms KAIROUZ:** If I were to go to, say, the Broadmeadows revitalisation project, I quickly outlined some of the projects that were nearing completion, but I am happy to go further in terms of the key milestones. For example, upgrade of the northern Broadmeadows railway station—entrance and pedestrian subway complete. Planning and design of a new loop road to access additional—

**Mr RIORDAN:** So issues around better community, better effect for young people, minority communities—

**Ms KAIROUZ:** That is all part of the revitalisation project.

**Mr RIORDAN:** Okay, because the things that you were talking about there were actual physical changes to landscape. Is there anything—

**Ms KAIROUZ:** Well, do you want me to continue?

**Mr RIORDAN:** Just if there are any measures there to measure community development—

**Ms KAIROUZ:** You just keep on interrupting. It is very difficult for me to answer your question if you keep on interrupting. Do you want me to go through it?

**Mr RIORDAN:** No—only if you have got keystone measures on community development rather than physical landscape changes.

**Ms KAIROUZ:** Well, as I have said, we have funded \$3.5 million in the state budget, but there is still work to do for the Broadmeadows revitalisation and Frankston revitalisation projects. I am sure we will see some really good work come out as part of the funding.

**Mr RIORDAN:** I will pass the last minute to Mr O'Brien.

**Ms KAIROUZ:** Sure.

**Mr D O'BRIEN:** Minister, I just had a bit of a query. We heard from the Minister for Priority Precincts this morning, and I note that we had Mr Kamenev I think for both there with the deputy secretary for precincts and suburbs.

**Ms KAIROUZ:** Sorry? I missed that last bit.

**Mr D O'BRIEN:** What is the interaction between your portfolio and the priority precincts portfolio, if any, given that we note that the minister said this morning that there were five priority precincts, all of which are in metropolitan Melbourne?

**Ms KAIROUZ:** Thank you very much for your question. I think this is the third attempt for somebody to answer this question. I understand that the Minister for Planning was also asked a similar question—

**The CHAIR:** And alas, Minister, I apologise for interrupting, but that question will have to be answered on notice.

**Ms KAIROUZ:** Okay.

**The CHAIR:** I thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice, including one I have for the Deputy Chair: have you ever been to Broadmeadows?

**Mr RIORDAN:** I have been to Broadmeadows more times than you could wish to count.

**The CHAIR:** That is a big statement.

**Mr RIORDAN:** As a former trader and merchant, I had many a customer in Broadmeadows.

**The CHAIR:** Well, Deputy Chair, I will accept you at your word. The committee will follow up—

**Mr RIORDAN:** Heading out to your fancy side of town it is much less familiar.

**The CHAIR:** The Southern Metropolitan Region is the best metropolitan region—there is no doubt about that. Nevertheless, the committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's request. I declare this hearing adjourned.

**Witnesses withdrew.**