

**Mr DAVIS** (Southern Metropolitan) — The Urban Renewal Authority Victoria Amendment (Development Victoria) Bill 2016 is a poor bill. It is a bill that the opposition is very concerned about. It is a bill that we think is focused on delivering certain outcomes for the government which are very different from what the community wants. I make this point here, and I will step through carefully what this bill does and how it operates.

The bill amends the Urban Renewal Authority Victoria Act 2003 — the so-called principal act — to abolish Urban Renewal Authority Victoria and establish the so-called Development Victoria as a legal successor. It provides Development Victoria with a range of increased functions and introduces additional criteria for the appointment of members of the board of Development Victoria. It establishes a process for the transfer of certain projects under the Project Development and Construction Management Act 1994 to Development Victoria. It obviously amends the title and matters of that nature, and the new main purposes of Development Victoria under the amended principal act would be to carry out, manage or coordinate property development and capital works in relation to Crown land and other public land; to provide technical and commercial advice to government departments and statutory authorities in relation to those developments and capital works; to undertake or complete specified projects, including the development of the Docklands area; and to seek to undertake or complete a number of declared projects.

I make the point that development on public land is appropriate in the right circumstances, and development on public land with the appropriate checks and balances can play a very good role. There are obviously a range of social outcomes and social purposes, which are important for focus, and there are obviously a range of economic aspects. That is a given. But what the coalition is increasingly concerned about with the government's behaviour in this area is its focus on the extraction of value at the expense of better social and community outcomes and the extraction of high yield at the expense of proper planning and engagement with local communities and proper processes. This government is pushing very hard in that regard across the state. It is seeking to recoup money everywhere it looks for many of its projects, which are far and away over their initial budgets, and it is doing so in a way that in many cases is damaging communities and damaging the structure of our city. The built and urban environment in many of these projects is not exactly what we would want.

I want to make a couple of points here. Places Victoria has done good work, and we have no difficulty with some of the work that Places Victoria has done. I think it is true to say that Major Projects Victoria has run out of steam. It is an older organisation, and it has failed I think in recent times to deliver in a way that the community would expect. So in some senses we have no difficulty with the idea of merging these two bodies. It is the powers and the arrangements in place in this bill and the way in which the government is proceeding more broadly in our state which concern us.

These two bodies are collapsed into so-called Development Victoria, which will have the role of identifying land and developing this government land according to its objectives, purposes and functions, which are very broad — for example, carrying out property development and social and economic capital works. This will occur by ministerial direction. The minister will be, as I understand it, Jacinta Allan, the Minister for Public Transport, and that is a curious linkage in itself. Normally this would be more closely linked to planning. Indeed in the lower house the consideration-in-detail stage of the bill seemed to have a tag team of ministers responding to many of the questions put by the opposition, with both the transport minister and the Minister for Planning responding at points during the committee stage.

The proceeds will not necessarily be returned to consolidated revenue, allowing the Treasurer and minister to authorise payment of part of the net proceeds of any sale into the general fund, but it is not clear that this is how this will in fact operate. Our concern is that the government's intention is to in effect operate a slush fund outside the general budget arrangements. We are concerned that this will be focused on maximising yield just to put back into a range of further developments, rather than looking closely at each project to ensure that the best long-term outcome is achieved.

I thank the minister for the briefing that was provided to the opposition on this matter — Mr Clark in the Legislative Assembly and I were present — and a range of points were discussed and

worked through. Government officials indicated that Development Victoria would be used to deliver integrated development opportunities, value capture approaches and opportunities, including projects associated with the level crossing removals and a wide range of projects statewide on public land. It is pretty clear from the rumbles coming out of the bureaucracy that the search for land to develop is on. They are looking everywhere; they are looking in every corner. Every little piece of government land that is squirreled away is the focus of this new agency. They want to develop this land, and they want to do it without the proper checks and controls in place.

The board arrangements seek to — and we have no quibble with these points — increase the policy capability. But there are also additional public servants, and we note the weight, in a certain direction, of people on the board. There are also concerns about the stripped-down planning arrangements that are likely to apply to future projects, including particularly those on public land and the impact of these projects on surrounding communities and land use.

Value capture projects are relevant and appropriate where they are informed by a proper process and genuine consultation, but what we have seen under this government is a failure to truly consult on a whole series of major projects. The recent examples include the Ormond level crossing and the associated massive imposed value capture approach. Now, in this case at Ormond they built a huge concrete pad over the new station — and the station I might add was funded by the previous government. So this is not a station where the value capture was necessary to make the project actually happen; the money had already been allocated for that project. In this case the government went ahead and built a massive concrete pad over the station, with a capacity, as I understand it, to carry a tower of up to 20 storeys.

There was no consultation with the community whatsoever — none at all. In fact I am aware of the people who noticed this then ringing the council. The council was completely and utterly unaware of this huge concrete pad being built over the station, which was designed as a value capture opportunity. I am not opposed to building over railway lines like this; there is nothing wrong with that intrinsically. But it is important that the community and the local council are involved and actually have a say in what is constructed there. Those who know little old Ormond will know that it is a very nice area. It is a part of my electorate, and I know it quite well. The electorate of the member for Caulfield in the Legislative Assembly is the place that it is situated in. But there is very little that is even near the so-called planned 13-storey sky tower. This is what the government is intending to do: they have set up a process afterwards.

Again this is sky rail all over again. They built the dirty, big concrete pad able to carry up to 20 storeys, and then they said, 'Oh, well, we might consult now about what we're going to build on the pad that is already there'. This same approach is being adopted with the sky rail. We have seen that planning amendment GC37 gives carte blanche under the minister's directions there, for footings and foundations, developments of all types, to be built without permit. So they got the tick to go ahead, and then they turned around and said, 'We've already put the foundations for a 20-storey tower and we'd like to discuss it with the community now'. The concrete has been poured, whatever was there in the place of it has been knocked over. The vegetation and previous constructions — all gone. They built the footings and then they turned around and said, 'We would now like to talk to you, community and council'. This is not the way it should be. It should be conducted in a very different way from this. There should be early engagement with council and there should be early engagement with community.

The value capture approach is also operating post hoc in the case of Gardiner station in Glen Iris, where again the crossing removal was funded by the previous government. What has then occurred is that after the crossing was finished, after it was all over and done and dusted — cars were moving, trains were moving as they were intended to do with this kind of level crossing removal, and this is one that went down, not up — the Minister for Planning has come along and said, 'I'm going to put a planning scheme amendment in place which will allow the value capture to occur in and around the vicinity of this level crossing'. Again, it is not necessarily something that should not occur, but it should occur in proper, genuine consultation with the communities. I note that the Minister for Planning has set up a structure, a standing committee on these level crossing removals, to give him advice, but in this case he had made the decisions before the committee had any chance to look at these crossings. There has not even been essential consultation; they are just pushing forward.

This has also been the history in recent times with Places Victoria, and in the lower house they discussed at great length the Markham estate. Those of us who know that area know the

surrounds. We know Gardiners Creek and we know the parkland that is next to Markham estate, and everyone — the council and all across the community — strongly supports the redevelopment of that old estate as it is needed, it has had its time and it is clapped out. But when you look at what is proposed now it is very clear that the intensity of what is proposed is far and away beyond what the community want, it is far and away beyond what the council want and it is far and away beyond what I think any reasonable person would want.

The high-handed nature with which Places Victoria have conducted this negotiation is indicative of the government all over. I bear no ill will towards the people on the board, towards the bureaucrats or towards the staff; they are there at the direction of the minister and the minister is pushing forward. Across government there is a pattern where they are pushing forward hard without stop. They are not listening to the community. They are pushing forward to maximise yield. This is all about cranking the maximum financial value out of these sites, making sure that they screw back as much money as possible, no matter what the impact will be on local communities, no matter what the impact will be on local visual amenity, no matter what the impact will be on local traffic outcomes and no matter what the impact will be on local and neighbouring parkland.

Councils and communities should be involved in these major planning processes. They should not have Daniel Andrews; his Minister for Public Transport, Jacinta Allan; and his Minister for Planning, Richard Wynne, riding roughshod over them attacking the amenity of communities and attacking what is valuable in many of these communities, all to crank out a big yield in the short term and all to retain the money inside Development Victoria, the Andrews government's newest slush fund. They are going to maximise yield and value capture to fund the things that they want to fund, no matter what damage is done in communities nearby. That is a concern. Every member of this chamber and every member of the community should be concerned about the planning and community outcomes that are achieved in this process.

Development of public land — yes, through a proper process. Development of public land — where appropriate. Development of public land — integrated with local community and local council objectives so that we can actually see outcomes achieved that enhance the community and look to the long term. Yield maximisation as the sole objective — no. The opposition is concerned about just cranking money out of public land and damaging the amenity of the community around it. That is what this bill is seeking to do; that is what the government's objective is seeking to do. Whether it is a vegetation issue or a heritage issue or whether it is the actual integration with neighbouring traffic flows, all of these things are relevant and reasonable considerations.

The Minister for Planning can sweep away under section 20(4) of the Planning and Environment Act 1987 a planning scheme amendment to give the blanket clearance for many of these things. We think it is time that local councils were consulted and we think it is time that local communities were consulted, so we see this bill as a significant concern. We see it as a bill that is problematic on a number of levels. We do not think that Places Victoria has acquitted itself sufficiently recently. More importantly than that we see that this is about the Minister for Public Transport, the Minister for Planning and the Premier directing this development in a way that is about government screwing money out of public land and doing it in a way that will damage long-term amenity. Planning is about balancing those objectives in the long term and government development at this time.

This has got all the feel of old-fashioned Labor about it: bringing these bodies together, effectively a slush fund sitting over the side and development focused on maximising yields. I was not assuaged by what I heard in the lower house and what I saw in the transcript from the lower house. In fact I took the comments by Minister Wynne and Minister Allan to point directly to the concerns that the coalition had as we went into that committee phase. We were concerned about the arrogant way this government is proceeding and the capacity for the misuse of this new body that is being created — this body that will bring together all of the government's development arms and give it carte blanche to go forward, value capture, maximise yields, damage communities and damage outcomes at a local level and do it — —

**An honourable member** interjected.

**Mr DAVIS** — Well, in many cases this is. What is occurring at Markham is a classic case of a government that has not understood what the community needs. It has not understood that the community has every right to stand back and say, 'No, we have to have a say in the future of our

local area. We don't want to see the Gardiner Creek parklands trampled on'. The government will be building within millimetres of the edge of those parkland areas. This is again the sign of a government that is completely out of touch and completely captured by a focus on development at any cost.

I am pro-development. I am pro using our public land in a constructive way. As Minister for Health I had a role oversighting some of the large public-private partnerships, and Bendigo Hospital is one of those cases. We were able to get good outcomes where public facilities were built, but private facilities were also built and we were able to get outcomes that saw good capture of value out of that public land in the long term, but it was also done in a sympathetic way which assisted local developments and assisted local amenity. This is the model that has to be adopted now, not the model that the government is pushing forward with, which is an unsophisticated push forward to maximise yield and crank as much money as they can out of the arrangements. The looseness of the financial arrangements here I think is a particular problem, and the coalition will seek through amendments to remedy some of these issues. If I could have my amendments circulated, that would be relevant.

Opposition amendments circulated by Mr DAVIS (Southern Metropolitan) pursuant to standing orders.

**Mr DAVIS** — The amendments fall into two parts, and I will just outline them. What the coalition will seek to do is, in the first instance, improve transparency. We will require reporting through a detailed report on the status of each declared project and a report on the financial status of each declared project. I understand the Greens may well move amendments as well, and we will talk through the process of harmonising those transparency amendments. We think it is appropriate to improve the oversight over this bill. We think it is appropriate that these steps should occur. We will also seek to ensure that Development Victoria must not enter into an agreement under subsection (1) concerning the use or development of land without the consent of the municipal council for the municipal district in which the land is located.

Again I use the example of the Markham Estate in the City of Boroondara. This is a poor plan; it is not satisfactory on a whole range of levels. The community is angry; the community has been ridden roughshod over. The council has put forward a whole series of constructive suggestions which have been ignored by Places Victoria in the current mode. We are observing the dominant body in the new Development Victoria. The dominant body will clearly be Places Victoria, with the weaker and less prestigious, if I can put it that way, Major Projects Victoria being subsumed. Then we will see behaviour of the type that we are now seeing in the case of Markham.

The decision to pull power away from the council in that and just to ride roughshod over them is again all about maximising yield and about maximising the financial return on this site. The community I think is very unhappy with what is occurring there, with thousands of people signing petitions and public meetings being held, and the community is very active in ensuring that a better outcome is achieved. But they are not being listened to. The council is not being listened to. The community should have that say. Our amendments will seek to enable that.

I should also say that the approach that is being adopted to development across many of the level crossings is again very much driven by, 'Let's crank what we can out of it simply to pay for it, no matter what is the long-term outcome'. My view is that in all of these cases better outcomes can be achieved. The government should in my view see early consultation with communities and council, and it needs to think about how it can put in place a better set of objectives here in terms of that early engagement and engagement with municipal plans so that what is laid out by local communities is in fact a part of the approach and the development.

I return to some of the level crossing examples. We have talked at length about the sky tower in Ormond.

**Ms Crozier** — Shocking decision.

**Mr DAVIS** — A shocking decision made without any community consultation whatsoever. A remarkable approach is being adopted at Glen Iris, where after the crossing is done and dusted and is operational, they then come back to try to reach down and do value capture for a fully funded crossing, and there is the sky rail example where they have used the powers in planning

amendment GC37 to give blanket approval for the footings and foundations of as-yet-unknown towers, as-yet-unknown construction. So they have given them a blanket exemption: 'You build what you like on footings. You can build something for a 10, a 20, a 30-storey tower. You've got blanket approval for that. But then you can come along and ask the community what they think about building on those foundations'. There you are. It has got the cart entirely before the horse. It is the wrong way to go and the wrong set of signals to the broader community.

I want to compliment my colleague Robert Clark, the member for Box Hill, on the points that he made in the Legislative Assembly, and I want to also acknowledge Graham Watt, the member for Burwood, for his contribution to the consideration-in-detail stage in the Legislation Assembly. I invite members to take the time to actually read that Assembly consideration-in-detail stage. They do not happen very often in the Assembly, but when they do they can actually be quite indicative. I suggest people read not only the points made by Mr Clark and Mr Watt but also the arrogant responses by Minister Wynne and Minister Allan. You can feel the palpable anger and arrogance from those two ministers, who are not interested in what the community would want and who are not interested in the best outcomes. They are interested in cranking high yield, cranking money out of these projects on government land and doing so in an unsophisticated way that will not maximise the long-term outcomes for communities. We need to be very careful.

Business interrupted pursuant to sessional orders.