CORRECTED VERSION

OUTER SUBURBAN INTERFACE/SERVICES AND DEVELOPMENT COMMITTEE

Inquiry into growing the suburbs:
infrastructure and business development in outer suburban Melbourne

Melbourne—26 March 2012

Members
Mrs J. Kronberg
Ms J. Graley
Mr C. Ondarchie

Chair: Mrs J. Kronberg
Deputy Chair: Ms J. Graley

Staff
Executive Officer: Mr N. Bunt
Research Officer: Ms C. Frew
Committee Administrative Officer: Ms N-M. Holmes

Witnesses
Cardinia Shire Council:
Councillor G. Blenkhorn, Central Ward;
Mr P. Walton, General Manager, Planning and Development Introduction and Strategic Precinct Plans;
Ms F. Hodges, General Manager, Community Wellbeing Education, Transport, Community Infrastructure and Services; and
Mr D. Madden, General Manager, Corporate Services, Finance and Employment.
The CHAIR—I am going to be speaking in my capacity as the Chair of the Victorian Parliament's Joint Parliamentary Committee, the Interface Services and Development Committee. This is the all party parliamentary committee and it is important for everybody to appreciate that today we have proceedings being recorded by a subcontractor to the parliamentary Hansard services. All evidence that you present to us today is afforded parliamentary privilege. Any things that are discussed pertaining to proceedings today outside of this forum as we configure it today, parliamentary privilege is not necessarily extended. This is to encourage people to feel comfortable about their contributions.

I would like to make some comments to those in the public gallery as well. We expect the members of the public in the public gallery to maintain decorum at all times. If that was not to proceed the committee would stop and reconvene once decorum is re-established. I am going to invite Councillor George Blenkhorn and other members of the Cardinia Shire Council team here today, before your start your official welcome to us—which we are looking forward to, by the way—for the record I would like you to place your name, your designation and the organisation you are representing today. We need to determine for the record that it is in a professional or private capacity. I will invite Councillor Blenkhorn to make those statements, please.

Councillor BLENKHORN—Thank you very much, Jan. I am George Blenkhorn, councillor for the Cardinia Shire.

Mr MADDEN—Derek Madden, general manager of corporate services for Cardinia Shire Council.

Mr WALTON—Phil Walton, general manager of planning development for Cardinia Shire Council.

Ms HODGES—Fiona Hodges, general manager, community wellbeing, Cardinia Shire Council.

The CHAIR—Thank you very much. I hand over to you, Councillor Blenkhorn.

Councillor BLENKHORN—Thank you. I am a veterinarian by profession, and I have been living in the town for 35 years, I have a little history of the changes in the town. But certainly I welcome you to the shire, and I do acknowledge that we are on the traditional land of the Bunurong and Wurundjeri people. I also pass on the apologies of our mayor, Councillor Ed Chatwin, and CEO, Mr Garry McQuillan. They are in Monbulk at a meeting with the Premier and Cabinet today.

The Cardinia Shire, as you know, is an interface council facing many challenges of a rapidly growing community within the growth corridor, both trying to balance the needs of a large rural hinterland comprising 27 townships and communities with significant areas of agriculture, production and environmental value. Your inquiry is looking into infrastructure and business development in outer Melbourne. For the Cardinia Shire, infrastructure and business development is critical to delivering a sustainability and liveable environment for our community. We have achieved a great deal in relation to planning and urban design in our growth precincts to create a more sustainability and liveable environment for the community. However, governments at all levels, working with business and community organisations, need to do more to deliver infrastructure and attract business investment to deliver local employment.
We currently have 70 per cent of our working population leaving the municipality for work, resulting in transport congestion and significant social and economic costs to the individuals. Council's general managers for planning and development, Phil Walton; community and wellbeing, Fiona Hodges; and corporate services, Derek Madden, will present the council's submission to you and I would welcome you to ask any questions of them. Phil Walton will also take you on a bus tour this afternoon highlighting growth in the area and issues related to infrastructure, employment and business investment. Thank you very much.

The CHAIR—Thank you very much, Councillor Blenkhorn. Can I say that we are welcoming your input from the three senior officers who are with us here today. We do want to have plenty of opportunity so that the committee can ask questions of you. I am looking for a concise initial presentation as you set the scene for each of your portfolio areas. It might come about that any one of us chooses to interrupt you in your presentation. We want this to be a very focused and productive time together, but it needs to be interactive as well. Mr Phil Walton, general manager, planning and development is going to take us through a PowerPoint presentation. We are looking forward to that, thank you.

PowerPoint presentation.

Mr WALTON—Thank you, Madam Chair. In terms of Cardinia Shire, as George said, the shire itself covers 1,280 square kilometres and we generally divide it into three regions. The region you see in the purple there is the urban growth corridor which covers roughly about 10 per cent of the geographic area of the municipality but in real terms is the main engine house in terms of actual population growth within the municipality. Outside that we have 27 different townships and communities, to the north are areas of more landscape and environmental significance, areas such as the Bunyip State Park and also the Cardinia Reservoir. To the south in the blue you see more so the agricultural area, and I think particularly for councils and work that is being done at the moment around what is known as the Bunyip Food Belt, looking at opportunities to use recycled water to significantly enhance the capacity for agricultural production within that region.

In terms of population growth, we are looking at growing from a population of around about 77,000 people currently to about 152,000 in 2030. If you look at Casey-Cardinia combined as a region, the growth will go from about 320,000 people currently through to about 550,000 in 2030. At that size it puts you obviously bigger than Canberra, it puts you bigger than the whole state of Tasmania. It gives you some sense about the significance of the area as a region.

The CHAIR—Are you able to, in your presentation, give us an elaboration of the Bunyip Food Belt schematically at the moment, before we get into any detail, in your presentation?

Mr WALTON—Yes, I will talk a little bit more about that.

The CHAIR—Thank you.

Mr WALTON—That highlights the overall growth of the shire itself and particularly the growth of the growth area. What it does highlight is certainly the extent of growth which is focused within that smaller geographic area within the municipality. In terms of the growth area, the growth area is broken up into a number of precincts and they comprise two corridors north of the Pakenham Bypass which runs down the middle.
We have what we call the residential precincts—Beaconsfield, Officer, Cardinia Road and Pakenham—which is obviously where the major component of the population growth will be. Those figures you see up there in terms of residents are for additional residents to come. To the south of the Pakenham Bypass you have the employment corridor which constitutes about 2½ thousand hectares of land for employment purposes which was designated following the Smart Growth Committee’s work back in 2004-05. I think it is fair to say that the 2½ thousand hectares is a very significant area and it is based on catering for regional needs rather than just local needs.

Certainly in terms of attracting employment into those areas a lot of work will need to be done both by the private sector, by government, by council in order to attract industry and attract business beyond that business that follows population growth. That is one of the main things we will touch on today that there is employment which comes with population growth, which follows population growth. That is not really enough in order to address the issues around greater self-containment. There needs to be a lot more work done in order to attract over and above that population driven employment in order to achieve a more sustainable level of employment.

The CHAIR—Are you going to expand on that point, Mr Walton?

Mr WALTON—Yes. This map is a bit difficult to see, and I apologise for that, but what it does show is that the Cardinia area, which is on the right-hand side of the map, this is growth corridor framework which was released by the government prior to Christmas. What it does show is also significant growth within the City of Casey which is the yellow area you see at the bottom of the map. Up towards the top left-hand corner you see the large purple asterisk which is Dandenong CBD. What it highlights is the growth that will occur in this region and as that growth occurs you will continue to see greater congestion on the transport networks, particularly the main arterial roads, such as the Monash Freeway; obviously the train network which is already experiencing congestion and overcrowding, and obviously those things are going to exacerbate further. Once again it is highlighting the need for infrastructure investment but probably also highlighting the need for a strategy that looks at trying to increase a level of self-containment of employment as a way of addressing that as well.

The CHAIR—In your dealings with your neighbouring shires, like the City of Casey, for instance, or Greater Dandenong and so forth, are they expressing problems about how much pressure is being put on their infrastructure in terms of the growth that is happening within your shire?

Mr WALTON—Certainly Casey shares very similar concerns to us in terms of the impacts of growth, and particularly in terms of transport infrastructure. I am sure Judith Graley would obviously be familiar with that being one of the local Casey representatives. Certainly those same issues are coming out in the discussions we have with our counterparts, probably all around Melbourne—up in Whittlesea, up in Hume, across in Wyndham, Melton—there are similar experiences with some of those issues as well, particularly as the growth is significantly occurring on the fringe of Melbourne, it is those issues around the transport connections back in and I suppose the pressures that are placed on those.

The council has done a lot of work over probably the last five years on preparing precinct structure plans and the idea of those is to try and guide future development. The council has now completed three major structure plans. This is the Cardinia Road structure plan which is primarily a residential precinct which will cater for about 30,000 people. There are three activity centres in there or shopping commercial type precincts, one of which exists at Lakeside and also two which are currently under construction on the corner of Cardinia Road and the highway, and also associated with the new railway station to the south. I can certainly show you those this afternoon on the bus trip.
The CHAIR—We are looking forward to that.

Mr WALTON—Also there we have an additional two primary schools which are required to be delivered to meet demand for growth, as well as an additional secondary college.

The CHAIR—Is the secondary college in place?

Mr WALTON—No. There is one proposed in this precinct, there are also two proposed in the opposite precincts adjoining, one of which has been committed to by the current government to be delivered. This is the Cardinia Road Employment Precinct structure plan which is to the south of the Pakenham Bypass. This is quite an innovative approach that has been taken in terms of trying to look at job creation. Once again if you looked at it purely on the basis of being an industrial type precinct then the likely job yield you will get will be in the order of about 5,000 or 6,000 jobs for that area which covers just under 600 hectares of land. What is being looked at is a mixed use precinct which has a significant area of industrial which is obviously the fawn colour that you see. It has also looked at a commercial area focused on Cardinia Road near the interchange with the Pakenham Bypass which is looking at attracting some office type development and trying to provide a broader mix of activity.

The CHAIR—Can you expand on the industrial base that you know are going to take up, that are already there, and future thinking in terms of what the industrial base might be.

Mr WALTON—This here at the moment is a completely greenfield location. This is completely paddocks, there is nothing on the ground at the moment. In terms of the industrial that we are seeing so far in the SouthEast Business Park and within Pakenham itself, it is predominantly service business; service business typically being the types of industries that follow populations. You have auto servicing, you have supplies of building materials and household type materials which are obviously following the population, so at the moment the types of industry which are moving in.

As I say with Cardinia Road, the work that has been done here is identified with the commercial area and in the industrial. There is an opportunity to achieve up to 18⅔ thousand jobs, a significantly higher quantum than if you purely looked at it as being an industrial precinct. In order to attract these jobs there needs to be a balance between obviously the commercial, a small retail area to support workers there as well, and also a small residential area to support that retail. There is a fairly critical nexus between the industrial, the commercial, the retail and the residential to try and create the right critical mass.

The CHAIR—Would the residential be in a standard way or would it be a denser residential environment you would be creating?

Mr WALTON—We have certainly looked at some opportunities for some dense residential, particularly adjoining the commercial areas. You can see the darker colours there, a darker red. As you move away from that it comes back to more conventional residential. Some of that has been based on examples we have seen in Sydney, up in the Norwest Business Park which is being held up as a fairly good example within Australia of a mixed use business park.
The CHAIR—Where was your thinking in terms of having an accommodation provider to go along with the evolution of that?

Mr WALTON—Accommodation provider in terms of hotel type facilities?

The CHAIR—Yes.

Mr WALTON—Certainly it has been identified as an opportunity within the precinct. I know that the CEO has made approaches to a number of potential providers, such as Quest, to inquire about what interest they might have in the area. At this stage they are not saying they have a strong interest in the area. Although if you do look at areas, such as Dandenong where there has been a recent development near the corner of Princes Highway and the freeway, the Chifley Hotel which has gone in there; in Glen Waverley where you have the hotel there which services the broader employment precinct.

The CHAIR—The Novotel, yes.

Mr WALTON—Yes. There is certainly a need for accommodation which is linked to employment. Certainly one of our largest employers in Pakenham, which is AV Caravans, in talking to them they have said in the past they have had often a minimum of two rooms at the Quest Apartments in Narre Warren booked in terms of people coming from interstate or overseas for business with them. There is certainly a relationship that is required there. The other issue with this precinct is obviously the Pakenham Bypass when it was built was built at a rural standard of construction and the interchange is of a rural standard. The advice that we have from the traffic people is that once this precinct gets about 25 per cent of its development you either need to substantially upgrade the interchange to provide the necessary access capacity to the site or to provide the link to the south through the Thompsons Road corridor which becomes a fairly critical east-west link back through into the City of Casey and City of Greater Dandenong.

The CHAIR—You have on that illustration that we have before us what I would describe as green buffer zones to provide containment and obviously something that softens the interface between other areas. The areas outside of that employment precinct structure planned environment, what do you forecast those to be?

Mr WALTON—Certainly to both the east and the west there is the additional employment precinct. There is the Officer Employment Precinct.

The CHAIR—Officer is the one on the left-hand side as we look at this map now.

Mr WALTON—that is right. If you recall I mentioned before about the overall corridor of 2,500 hectares of land which was designated south of the bypass. This is a 600 hectare precinct. It is roughly about—
Mr WALTON—That is right, yes. This is the Officer Residential Precinct structure plan which was the most recent one completed which was approved by the minister prior to Christmas and obviously come into operation in January this year. One of the really interesting things about Officer, we joke that it is going to become the education capital of the area. There are seven existing private schools which have established in the area and which have actually constructed their buildings. We will show you that this afternoon. Part of the reasoning for that is probably threefold: one is about land costs, and I suppose within Casey those costs are getting higher as sites are becoming less common, they have moved out here from a land cost point of view; secondly, Officer has very fragmented landholdings. A lot of the holdings that you see are four hectares in size, which is probably a great size for a school to buy a parcel of land; not so great from a residential development point of view.

The CHAIR—Can you tell us the names of the schools.

Mr WALTON—Yes, certainly. There is St Brigid's, which is a Catholic primary school which has opened; there is the Minaret College which is an Islamic school; there is Berwick Boys Grammar School which is a boys school linked to St Margaret's in Berwick; there is the Glenvale School which is a Brethren school; there is Heritage College which I think is linked with the Seventh-Day Adventists which I think has a school down in Centre Road in Narre Warren South; there is Maranatha Christian College, and Beacon Hills are also looking for a site, although they do not have a site there currently.

The CHAIR—Haileybury used to have a campus in Berwick.

Mr WALTON—in Berwick, yes. In addition to those private schools there is also an additional four primary schools proposed by the state, an additional two secondary colleges, one of which obviously has been announced by the current government, and also provision for two special schools, one of which has also been announced by the current government as well, which is the orange that you see in the bottom right-hand corner to the south of the purple, which is the future Officer town centre. The Officer town centre is a significant commercial area and a large part of that area is being developed by Places Victoria which up until recently was VicUrban, the state government development arm. It certainly represents a great opportunity to develop a model activity centre or commercial centre for a growth area. The council is moving to new offices which are in Officer and will be developed by Places Victoria, so we will move out of here roughly in about 18 months time.

The CHAIR—What do you forecast the future use for this site being?

Mr WALTON—Have we gone out for expressions of interest yet?

Mr MADDEN—we have gone out for an expression of interest, yes. We are basically analysing that information that has come back regarding the expression of interest at this stage. It is early days.

The CHAIR—Have people been clamouring for it?
Mr MADDEN—I would not say they have been clamouring for it, but we have had some interest from various sectors, which is education.

The CHAIR—Yes, I would have thought because of the elevation it would have been sought after.

Mr WALTON—I think council is looking at it as an opportunity to attract further providers in terms of education or health or similar services to the area. It has not been looked at from a financial perspective in terms of obviously maximising the bottom line, it is looked at as an opportunity in terms of delivering more services into the area. That map highlights, in terms of the Officer town centre, some of the work that has been done in terms of opportunities for particularly commercial development. I think in your terms of reference one of the questions was around commercial development. One of the things we see is that there is certainly a strong level of take-up by the private sector in terms of developing new retail, commercial type facilities. Some of the opportunities around employment creation, things like offices et cetera is more difficult. Although the retail stuff seems to come fairly easily through the private sector, the commercial stuff, particularly offices, comes a lot more difficult, other than your immediate population driven stuff—your accountants, your GPs and things like that.

The CHAIR—Does the council have a strategy and/or a mind-set that it goes to, let's say, accountants and legal practitioners in places such as Dandenong and say, 'This is a logical place for a branch office'?

Mr WALTON—We do not, with those types of services, because they tend to be pretty much on the ball. We have seen a lot of those types of businesses in those areas open offices within this area already. Things like solicitors, accountants, real estate agents, they tend to come fairly easily themselves in terms of the market. It is how you attract those businesses which are not just population driven and will then tend to work in terms of the region. They do not necessarily need to be in this area, although obviously they can operate their services from this area.

The CHAIR—With the other precincts either side of your existing industrial precincts that you have showed us previously, do you have a strategy or again contemplated a particular area that is set aside for a particular form of activity where that becomes a specialised hub focused on synergistic industrial base?

Mr WALTON—we have not at this stage, and I think in terms of attracting employment to the region there was some work recently done with the City of Casey and Regional Development Australia which is looking at how you attract employment into the area. One of the things that recognises is the need for government and industry to work together to try and better attract industry and employment to the area. What you have described in terms of looking at opportunities to try and create clusters of a more specialised type of employment is one of the strategies which you would look at in trying to attract to the area, trying to create a cluster, say, for food manufacturing or for technology or the like. That is an area we are looking into now. We certainly have not reached that point yet.

The CHAIR—Thank you.
Mr WALTON—I might hand over to Fiona to speak about some of the community issues, and then Derek will touch on some financial stuff, and then we will come back to employment issues at the end.

The CHAIR—Thank you.

Ms HODGES—I wanted to start specifically talking about education in the region. Phil has touched on the schools that are there at the moment, but we know that education is a significant issue and challenge in a growing community. At the moment, statistically we have one out of three of our young people who start secondary school do not actually finish. Unfortunately, we consistently fare among the worst performing areas in Victoria for school achievement. That is both in relation to low rates of post compulsory school retention—that is young people staying on at school after year 10—and very low year 12 completion. Again consistently we are amongst the very worst in the state at just over 60 per cent year 12 completion rates. Remembering, as you are probably aware, 25 per cent of the young people in Victoria live in these interface areas.

The significant ramifications, if you look at the potential lifetime earnings of people based on year 12 or equivalent completion, the most common qualifications of our residents—these are a bit out of date now, it is based on ABS data. Most commonly our residents have either vocational qualifications, so trade qualifications, or no qualifications at all. Most of our people—and I think this data will be in the submission already—travel out of the area to work. Those with trade or no qualifications most commonly go into areas, such as Dandenong, Kingston, Bayswater, into industrial areas for those employment opportunities.

In terms of education, Phil mentioned earlier too about the need for more primary schools and secondary schools. In the next five years alone we have nearly 2,000 additional primary school aged children moving into the area or ageing in place here into that bracket. In total, over the life of the growth corridor here, we have estimated the need for eight new primary schools. In terms of secondary schools, over the next five years alone, another 3,000 young people who are secondary school aged are obviously requiring secondary school provision. At the moment, as Phil has mentioned, we have a commitment for a new secondary school in Officer. Whether that will be delivered in that next five-year bracket to pick up those 3,000 may be questionable given the delays with the planning for the special school in Officer which used to be co-located with the secondary school. There has been a lot of work to have that opened by 2014, but there is some question about whether that will occur, and the secondary school will certainly be after that date.

In total, over the life of the growth corridor again in regard to government secondary school, it is estimated that there are three secondary school required, a total of 11 schools in that time. Perhaps one of the bigger issues for us is local provision of the services that we do not see currently. There are no permanently based post-compulsory education or vocational training facilities within the shire.

The CHAIR—How far does somebody have to travel—a typical year 12 graduate—for vocational education in the first instance?
Ms HODGES—In terms of vocational educational we have Chisholm TAFE in Berwick; we have Gipps TAFE in Warragul. In terms of travel distance it is about 12 kilometres to Chisholm TAFE. The challenge we have is you couple that with limited public transport access. For a resident who lives along the train line that is relatively simple to get to either one of those, albeit it is an infrequent V/Line service in terms of the coverage to get to Warragul. If you take other examples of young people who live in areas such as Lang Lang, or up in the hills in Gembrook, Cockatoo, it is much harder for them to access public transport and therefore harder again. It does not make it so simple when you talk about 12 kilometres.

The CHAIR—In those areas are those population groups subject to the same lack of completion of secondary schools, the same problem—you have spoken as if it is an overall problem, those population areas where it is difficult to access vocational education.

Ms HODGES—It is probably shire wide, it is fair to say. I think the lowest year 12 completion rates, in terms of the schools in the shire, in the growth corridor we only currently have one government secondary school which is Pakenham. Out of the growth corridor we have Kooweerup Secondary College and Emerald Secondary College which services also a lot of Yarra Ranges residents but also a number of Cardinia Shire residents, and going to the east, Drouin Secondary which also picks up our catchment to the east in the shire. It is fair to say all of those schools are sitting around that 60 per cent year 12 completion rate. Perhaps the worst performing historically has been Pakenham. It is not necessarily, in terms of year 12 completion, about the ones that are out of that area. The bigger challenge comes into play, even for those who complete year 12, that the barrier of travel to access further education is so high that we see here also a high rate of university deferment and that is aligned with a lack of students then picking up their deferred places the following year.

There was some research done, that the Local Learning and Employment Network were involved in, about four or five years ago now that showed a clear correlation between our students who defer university places and then do not go back to university. Two examples there, depending on the courses, they can be travelling from Bunyip to Footscray for education, or to Latrobe. Even if they are travelling to Monash, if you have a young person who starts university at 10 a.m. and they are living beyond Pakenham, they are getting on a train at 7 a.m. to make sure they are at university, once they connect with bus services as well. If they are catching public transport they are allowing 2½ to three hours to get to university, and it is a significant—

The CHAIR—That is not a very good incentive to get to every lecture, is it?

Ms HODGES—No. Then, of course, because they are metropolitan students they do not attract funding that assists them going to university as well.

The CHAIR—Are you able to give us an appreciation—with the opening up of the private schools in the area—within the shire, for instance, or a precinct such as Pakenham, what percentage of school population might be local, or people who are prepared to travel on a school organised bus to come out to a school that is a fair way from their home, for instance?
Ms HODGES—Phil may better answer that in terms of the conversations that have been had with those private providers. I think our understanding of the new schools, particularly in that Officer area, is that they are going to service a much broader region than just our shire's residents. When you look at our population that would seem quite reasonable, given our demographic, that a lot will come from out of the region.

Mr WALTON—Yes, certainly regional schools—places like Minaret have people coming from Endeavour Hills and places like that. I know with the Glenvale School they have buses that come in from Warragul into that school. Obviously Berwick Boys Grammar is linked to St Margaret's and has buses coming in from places out as far as Rowville up to Belgrave and those areas. They are drawing on quite a large regional catchment and they are not only local providers, although obviously there is a level of local access for people.

The CHAIR—Yes, thank you.

Ms HODGES—To finish in terms of specifically what is needed with the education, it is those new government primary schools and secondary schools, but also that range of education opportunities that will service our residents through vocational and further education opportunities. Certainly the benefits of that are that it will provide those opportunities for our residents. It will potentially provide a diverse local workforce that supports that 2½ thousand hectares of employment corridor that Phil has talked about, and we very much have a focus in our planning on self-containment, the ability to have local employment but also the ability to have a locally skilled workforce. The schools themselves obviously are significant employment providers also.

An example of what council has done in that regard is that we have partnered recently with Places Victoria and Chisholm TAFE in an application to the Australian government under the Suburban Jobs Program, and we are looking there at a project which would deliver a large facility in Officer township that would provide opportunity for a local base for TAFE provision, also opportunity to provide business skills training and affordable accommodation for start-up businesses out here.

The CHAIR—Thank you. Ms Hodges, I am wondering, would that submission be able to be made available to the committee?

Ms HODGES—I do not see why we could not provide a copy of that.

The CHAIR—that would be a very important contribution to what we are talking about today.
Ms HODGES—Okay. I am happy to do that. To touch on other health and community service infrastructure issues we have here, again these are common themes across the interface councils that I am sure you would be hearing about. We do have specific gaps, those being mental health services, early childhood intervention services, the full range of GPs, dental health services, as well as your specialists, like podiatrists, and speech and occupational therapists, and hospital services also. There is no hospital in the shire. We do have a hospital, West Gippsland, based in Warragul, and Casey Hospital, obviously in Berwick as well, Narre Warren. In terms of health service needs, the biggest issue that we have from health service providers, the not-for-profit sector, is that they are usually funded to deliver across multiple regions. Out this way they are commonly funded to deliver in an area that encompasses Dandenong, Casey and ourselves, and because of the overheads to run multiple offices we tend to see them based where the greatest population is, and they will tend to be focused around Dandenong, Narre Warren, sometimes Cranbourne or Berwick as their main offices, and our residents are having to travel to those areas for services.

Once again, to highlight the issue there, if you have a young person in Cockatoo who needs mental health services, or it might be drug and alcohol counselling, and they are trying to travel by public transport to, say, Cranbourne to access services, that can be two bus trips and a train trip to access those services which is putting up an immediate barrier to the young person when they are in need, and that is quite a common issue. Those community service providers, what they ask of us is to work with them to find spaces out here where they can operate from. The challenge that we have is that we do not have community infrastructure sitting empty, waiting to accommodate these service providers. We do work with them where we can. We delivered a multipurpose building in Pakenham which we call Services Central to bring those services out here. Most of them are here on an outreach basis. They are coming out for sessional programs. At the moment we are refurbishing a building as a new youth facility in Pakenham. We do not have a dedicated youth facility anywhere in the shire at the moment. That facility again will give us an opportunity to bring in mental health counselling services, drug and alcohol services and other youth services that support our young people. We will be working with those providers to deliver affordable accommodation for them out here.

The CHAIR—Is there a likelihood of a private hospital provider coming into this area?

Ms HODGES—That is certainly one of the things that we have looked at here in terms of—

The CHAIR—Like a model of Knox Private that actually has an emergency facility as well.

Ms HODGES—Yes. We do think we are reasonably serviced for public hospitals. We are realistic in terms of saying, 'Look, we understand it's unlikely, given Warragul and Casey Hospitals, that we'd see another hospital here.' But we do think there is an opportunity potentially in that new employment corridor that has been created to attract a private hospital here to provide for a complementary suite of services. The other thing we do think would benefit here is not a full hospital—as we say we are realistic—but more of your day hospital type services that can then be more locally accessible to people.

The other thing we have been working on, to finish that one, is an integrated health hub model which is something we, for a number of years now, have worked with Places Victoria in their planning for the new Officer township. They did quite a detailed health needs analysis of the region which verified the gaps that we were aware of, and one of the findings of that was a recommendation to provide an opportunity to co-locate services so you could have them fully integrated, you would have the benefits of cross-referral, and people who front up at a service being referred to another, and they are in the same building and they do not get lost in the system, instead of them going away and not going on to the next service.
There is a reliance on a key tenant in that type of facility because you would be talking about a large facility with an anchor tenant, that someone could manage the facility and potentially make it a viable model through subtenancies with other smaller agencies. That is something we are also talking to Community Cabinet about today. We have been advocating to the Minister for Health and talking to the Department of Health in regard to their capital planning for the future.

The CHAIR—There is some encouragement there too because the Minister for Community Services has adopted that approach, a holistic approach, to the management of an individual's problems, rather than a silo driven model.

Ms HODGES—Yes, that is right.

The CHAIR—It is a promising trend.

Ms HODGES—We do think that is the way to go and that this type of model would deliver that.

The CHAIR—Thank you very much, Ms Hodges.

Mr WALTON—I will speak about transport briefly.

The CHAIR—Yes, Mr Walton, thank you.

Mr WALTON—We have touched on a little bit already in terms of obviously the population growth within the area, and for the current patterns in terms of access to employment continue then obviously the current issues in terms of congestion, both in terms of the road network and the public transport network, will be pretty much exacerbated. Unless there is some fairly significant investment in terms of major infrastructure this area will become almost isolated by virtue of congestion. That congestion obviously has costs in terms of business, in terms of economic costs, but I think for this area as well it also has very significant costs in terms of social costs, the time spent by people travelling which often means less time which is available with the family, and often less time available in terms of participation in volunteerism as well which is an important part of providing services and activities within this area.

In terms of opportunities to improve things, one of the critical things for us—and I think for the City of Casey as well—is in terms of improving east-west linkages out of the area. There are limitations in terms of further upgrading of the Monash Freeway, but there are other transport corridors, such as the Thompsons Road corridor to the south, which is a very strategic road corridor which takes you all the way across to Carrum on Port Phillip Bay, as well as other corridors, such as Glasscocks Road corridor, and also the O'Shea Road corridor which will provide opportunities in terms of east-west movements for people out of the area. They have been recognised as a key strategy in terms of attracting employment to the area. I will provide you with a copy of some work that was done with the City of Casey and Regional Development Australia, in terms of attracting employment to the area.
One of the six strategies they have is around developing those east-west links as a way of improving access but providing access into the area also for the delivery of local employment. That infrastructure is seen as critical in terms of the delivery of that employment. As I mentioned before with the Cardinia Road Employment Precinct, where there will be 25 per cent development, unless there is significant investment in infrastructure the precinct will basically grind to a halt due to congestion.

The CHAIR—If I ask about the comment you made up there, 'Bus not viable alternative to car travel.' Is that because at the moment the population is too spread out in terms of the patronage that the bus operator would expect to run services?

Mr WALTON—I think part of the issue with the buses is the sheer time that it takes. In terms of going by car or going by bus, by the time the bus weaves its way around in terms of picking up the catchment—because obviously the Department of Transport works on the basis of a 400 metre catchment for buses, and obviously you deal with congestion on the road network as well because the buses share the same road network as the cars. By the time you get from, say, home, whether it is to the railway station or to an employment area, the time that it has taken to do that really is not a viable alternative to the car. It is really only for people who have no other choice in terms of a car, they are the people who use that—typically students or disadvantaged people within the community.

The CHAIR—In your dialogue with developers for precincts beyond those that are already developed, has anybody talked about the concept of having a bus that can run on a rail and thenuncouple itself from the rail and then run as two forms of transport, that flexibility? There are European examples for that.

Mr WALTON—No, it has not come up in discussions with developers at all. The Department of Transport and the Growth Area Authority, in looking at the growth corridor plans, have been looking at alternative forms of transport, and they have looked at the possibility of light rail or dedicated bus lanes, but I am not aware that they have looked at the possibility of buses which could also run on the rail network.

The CHAIR—I am going to invite my committee colleagues to start to put some questions now to the team because we are getting close to the time for our next witness to be here. I will invite our deputy chair—

Mr WALTON—Can I invite Derek to have a very short discussion around some of the financials?

The CHAIR—Some very quick points, if you do not mind, Mr Madden.

Mr MADDEN—Basically what I have attempted to do is to take a look at the Cardinia Road and Officer precinct structure plans over a five-year horizon, to make it more manageable and to make it easier to comprehend. The key items for consideration here are cash flow. We do realise that the developer contributions will fund the works but the issue is that because of the scale of the works that are required up-front on these greenfield sites there will actually be no revenue coming in to council from any of these developers for an extended period of time.
The CHAIR—How much time do you estimate, Mr Madden?

Mr MADDEN—We reckon between five and seven years before we start getting some funds from the developers due to the scale of works they would have to do. They would do the works in lieu of the contributions.

The CHAIR—This is the works in kind.

Mr MADDEN—The works in kind, basically, works in lieu. In addition with the community infrastructure levy, that is the levy that is on each household that moves into the shire. We anticipated that council would have to have significant top-ups there in order to deliver that infrastructure due to the cap that is currently in place on $900 on each household. I have a brief table which I will go through. These figures are locked in. These are part of the actual documents themselves. For the Officer precinct, council has already received approaches from landowners in the area to purchase $9 million worth of land. This land will be funded from the developers eventually but these residents now want to sell. There is a cash flow issue and that is why I put 'timing' beside it. We will get the money from developers but we are looking at an extended window. In addition to that we also anticipate there is another $9.7 million of land that will be required within the next five years for council. That takes the figure up to about 18.

Within the DCP document itself we anticipate there is $38 million worth of works to be done within the area, and what we have estimated from developers is that they will do at least $20 million of that through contributions. With Cardinia Road DCP to community infrastructures, we know there is a permanent shortfall there of $7 million, approximately $7 million. Within the Officer DCP we notice over the life of the whole document there is a shortfall there of $1.1 million. I would like to highlight with the Officer DCP that excludes any mention of an aquatics facility, youth facility or anything else. That is the bare minimum. That is basically two community facilities that would be delivered for all of that population, and we are still short $1.1 million and that is due to the cap.

What we are looking at over the next five years is a $55 million black hole. Some of that is permanent and some of it is not. As you can see I have highlighted the ones which we think are timing. We have workshopped a number of solutions for ourselves here. Can we fund as much as this shortfall through internally generated revenue? Can we seek additional grant funding? I am sure you are aware that the maximum amount available on grants for each of these projects is nowhere near the scale of the projects. There is a significant shortfall there. We can perhaps mix (1) and (2). We investigated the option of state government purchasing the land on our behalf, and then when the actual DCP generates the cash flow we turn that money over to the state government and that way the land is held until we need it.

Investigate the potential for short-term interest-free funding to be made available via the state government either through the #GAC or other sources that will allow us to purchase the land again and pay back as required. Probably what is unique within Officer DCP is we have not been receiving any rate revenue for that land. That land is owned by Places Victoria and as such is non-rateable. If that was held by a developer that land would be rateable. We do not get income from that land. Places Victoria do pay the equivalent of a rate over to Treasury. What we are saying is if that rate was passed over to us it would help fund some borrowings for us to purchase this land. It is quite unique in light of what are growth areas the land is not owned by a government body. Here it is, and therefore it is non-rateable, so we do not get rates associated with that land.
We have written a paper, and the paper is available to be presented to the committee, whereby what we have looked at—because we are not looking for a permanent handout. We recognise that we have to deal with these issues, and a lot of these issues are timing related. What we are saying is if something like the GAC could be used as a rolling fund whereby the funds that are put into the GAC are distributed on the basis of an interest free loan to all of the councils within the growth area, what that would do then is allow the councils to repay the money back into the GAC and it would become a rolling fund to be used for the future.

Our initial estimations based on our modelling is in 2012. That would allow a number of about two million to be distributed to councils. Again 2014 it would be four million, and in 2015, eight million and 12 million. That would represent the additional money that is going into the GAC fund, and it would be getting replenished through repayments from council. Council are recognising that we have to deliver this infrastructure, but what we are saying is we are not looking for handouts, because the handouts are not sufficient. What we are saying is that if a different model was approached whereby it was basically a rolling fund and it would be available now and into the future. We do have a model which is available, we will present it as well, which would show how such a model could possibly work. Thank you.

The CHAIR—I appreciate the points you have made. They are quite profound points and things that clearly need to be addressed as people think about what is going to be happening here, the momentum and the update. Within your model, have you factored how progressively and on time the developers will be rolling out what they are pledging to do?

Mr MADDEN—Yes. The model in itself really takes a look at it from a very simplistic basis. Within there it is building—this community infrastructure will be required over time, it is not required immediately. Therefore that is why I was explaining that the actual amounts available to be loaned to the council increases over the next couple of years to align with the development that is happening.

Ms GRALEY—Mr Madden, these contributions from the developers, the works in lieu or works in kind, what time frame do they have on them?

Mr MADDEN—At this moment in time it is probably quite difficult to tell because the issue is around which developments are going to come on stream first. There is a lot of infrastructure that needs to happen before you can actually put those houses on the ground. Within the DCP document council is responsible for delivering those. What we would do is we would enter into negotiations with the developers to deliver those on our behalf and therefore liability through the contribution's plans would be negated. Most of the developers would be in credit for an extended period of time and that would outweigh the contributions.

Ms GRALEY—I want to ask a question around the Port of Hastings, because I notice in your investment attraction framework that you talk about the importance of the development of the Port of Hastings for future job potential in the area. Would you like to talk about that? What sort of infrastructure do you think needs to accompany that type of project? I will be devil's advocate, do you think it is ever going to happen?
Mr WALTON—Certainly in terms of, once again, the work that was done with the City of Casey and Regional Development Australia looking at trying to attract employment and business to the area and going beyond simply what is population driven, obviously the ability to attract those regional businesses to the south-east of Melbourne relies on access to the ports. It is one of the factors why people will choose a location potentially over, say, the Laverton area or somewhere like that is because they obviously have good access to the Port of Melbourne, they have good access to the airport. I suppose in terms of being able to attract those types of regional businesses in south-east, the Port of Hastings will provide a more direct opportunity to be able to get freight and container freight into these areas.

The infrastructure that is required, governments have looked at the question about what is required to develop the port itself in terms of purely the port infrastructure which are fairly massive sort of numbers. Then you also have the transport infrastructure that then comes out of the port, potentially with road corridors such as the Westernport Highway and potentially an associated rail corridor being the major feeders from there out to business. Once again, with the congestion I have spoken about before in terms of getting out of this area or into this area, both on the rail line and also on the Monash, that will become a very strong disincentive for business to want to locate out in this area in terms of obviously the transport costs of getting across town within a reasonable time frame.

Mr ONDARCHIE—I have a couple of questions. The first one is to Derek about your interesting financing model. At the same time that you are looking for some external support, council are looking to take things off the balance sheet, aren’t they, like this facility?

Mr MADDEN—Yes. One of the issues is that this council is very heavily indebted as is. This council has approximately $44 million in debt. Our borrowing capacity is severely limited. We are probably up to about 80 to 85 per cent of our capacity of debt. Basically, the answer to that is yes, it would be a different funding stream for us to be able access to get this work on the ground earlier.

Mr ONDARCHIE—Who are you hoping would be able to cover the finance costs for your interest free loan?

Mr MADDEN—What we are saying is there is a top-up that would be required each year and that top-up would be required through state government, but it is not significant because what we anticipate is that the funds that are flowing into the GAC would be more than sufficient to cover it.

Mr ONDARCHIE—Phil, your investment attraction framework, you talked earlier in your presentation about food manufacturing and technology investment attraction. I am interested in where you think the jobs are going to come from and what council is going to do in terms of attracting investment via potential employers.
Mr WALTON—Certainly, Craig, the report looks at the need for an overall strategy. The council by itself is not going to be able to successfully on a major scale attract major business out here. It obviously needs to be a joint effort. That is one of the main recommendations of this report, that for government, both at the state and federal level, to recognise about attracting to this area, obviously working with business and working with some key community and non-government organisations as well in terms of being able to attract to the area. It is not something which council can do alone. We can do things, and we have done, with a number of businesses in terms of assisting them with feasibility costs, assisting with some infrastructure costs and things like that, but we can only do that on a fairly small scale, rather than on a large scale in terms of attracting numbers of businesses, as opposed to individual businesses.

In terms of the report that was done, it has not specifically looked at particular areas as a target. There needs to be a recognition to try and put this area onto the map in terms of being an area in which to invest. Things that will make that attractive are improving the transport access to the east-west links, things such as the Port of Hastings. Even a recognition that this area is here, there is very significant population growth here and there is a base of employment for workers in this area as well.

The CHAIR—Where was your thinking in terms of air links?

Mr WALTON—That is an interesting question because there has always been a question about whether there should be a south-east airport or not in terms of this area. Probably 10 years ago there was some work done by the federal government as part of a first stage of looking at whether there should be an airport to the south-east. I think that went cold when they went into arrangements with Melbourne Airport in terms of the privatisation of the operation of that. At this stage it has not reared its head again other than this notion that there is the opportunity for an airport in the south-east.

The CHAIR—With the Bunyip Food Belt which I am intensely interested in and would like as much material as you can possibly offer us in terms of that concept, do you see an opportunity for perishables that would come out of the food belt needing air services, and is it going to be strictly food belt? Would they be in other forms of horticulture, like high end flowers, for instance?

Mr WALTON—Certainly in terms of the food belt, at the moment you have an area down through parts of Casey, around Clyde and that, where you have significant vegetable growing, things such as celery and types like that; you come down into Cardinia around the Kooweerup area and you have significant growth of asparagus. I think about 80 per cent of Australia’s export asparagus comes out of the Kooweerup area to the south.

The CHAIR—Do they grow white asparagus?

Ms GRALEY—Yes.

Councillor BLENKHORN—And purple.

Ms GRALEY—Different widths too.
Mr WALTON—I think work has been done to recognise that the capacity of the area has not been fully realised. Probably one of the main factors in terms of realising that potential is around the provision of water in order to support agricultural industries. What has been looked at is the opportunity to take water from the Eastern Treatment Plant in Carrum—because obviously there is a need over time to reduce the quantum of water which is put out through ocean outfall—looking at the use of that water when it is processed to class A recycle levels in terms of agricultural type production. At the moment there is a feasibility study being done. That is due for completion in the next couple of months.

The CHAIR—That is from within the council, is it?

Mr WALTON—It is the council working with the City of Casey, working with Mornington Peninsula Shire—

Ms HODGES—And the water authorities.

Mr WALTON—And the water authorities to look at what the opportunities are.

The CHAIR—I want to flag this point that our executive officer will want to have some dialogue with Mr Walton and other members of the Cardinia Shire here today on the progress of that feasibility study.

Mr WALTON—I think it would certainly be worthwhile for Mr Bunt if we had a discussion with our chief executive officer. He has been leading that project and is very keen and passionate in terms of what is being sought.

The CHAIR—We will make a note of the fact that we would certainly want the interaction with your chief executive officer, and we understand where he is today as well and the reasons for that.

Ms GRALEY—I come from an electorate where the previous government built nine new schools and I understand your need for new schools, and I expect that you are the next stepping-off point for new schools, but I am very interested in the comments you made about the fact that students do not go on to do tertiary or vocational training. I am also interested in the comments about the fact that 63 per cent of people travel outside of the shire to work. I am adding up two plus two and I may be ending up with five, but if travel outside to work, why won't they travel outside for education, and is there something else going on here around education? I mean, what can we do to suggest to people that they need to get educated in the City of Cardinia? Just as they need to travel to work, they may need to travel to education.
Ms HODGES—I think you are correct in making an assumption that it is a complex issue. There has certainly been a little bit of work, again done through the Local Learning and Employment Network, research around the aspirations of people. Having come from a rural base and being a rapidly growing urban population, what we do have is relatively low aspirations. If you look at Kooweerup Secondary College as a good example of that, a lot of those young people are coming off farmland and the aspirations in a lot of those instances are, you finish school at year 10, you are out helping on the farm. That comes into play as one of the challenges around their aspirations. I think you are also right in saying there are a number of strategies that could be undertaken to form parts of the solution. Monash University at Berwick is not well known or well marketed at this stage to our residents. Our young people are not necessarily even aware of the course offerings, or adequately aware of the course offerings at Monash University. The scope of the courses there are limited. As that university campus grows with a wider range of course offerings, that will become a more appealing option as well.

When people travel out to work that is because the work is not here, so 60 per cent plus of the population travels out, and why don't the young people seek the education that way, I guess there is not the financial incentive to go to education, to uni or TAFE, but there is a financial incentive to travel because people need the work. We do not see a more educated workforce because they are finishing school and they are not going on to further education, and then they will travel as they pick up work.

The CHAIR—Sometimes, Ms Hodges, people wishing to embark on further study have a hesitancy because they feel they are out of touch and they need a transitional way through short courses to build their confidence and develop study habits. Can you comment in terms of any initiatives on behalf of the council or other providers to reach out to people to encourage them to at least start the process and one day they might—when a TAFE is in place, and transport complications are dealt with—feel confident, in the spirit of promoting the concept of lifelong learning.

Ms HODGES—Again that is a valid question. There has been a lot of work done here through a body called the Cardinia Education Taskforce. That was established approximately six years ago because of these issues that we saw in the region for young people. That has had a lot of cooperation from all of the education stakeholders, from the Department of Education through the TAFE and university sector, as well as the RTOs. It has had input from industry and from community and not only Cardinia Shire Council but our neighbouring municipalities as well, to develop a model that will service a broader catchment. When we started that education taskforce it was primarily focused on saying, 'There's a real shortfall of provision in this region and let's see if we can plan for some better outcomes.' It has had three focus areas, one of those being about facility provision, whether it be for neighbourhood houses, TAFE, RTO space, that it could afford more opportunities, a wider range of opportunities. It also had a focus on working with the schools, that area you have identified, around having young people more aware of their options and making the links, school industry links. It is important for young people to have an opportunity to go and experience workplace settings, and we have limited employment, certainly a limited number of large employers who are able to take on a large number of students.

Some of the things that have come out of that have been things like school based traineeships have increased here. At council we are committed, as one of the larger employers, to doing school based traineeships with young people who are in the schools. We take students in who are currently in VCAL or VET streams of education. We also extended that in working with the local LLEN into a post-school program where we take in approximately five or six young people every year who finish school. They do not have to have finished year 12, or they may be return to workforce people. They are not necessarily going on to TAFE or higher education. We found that program to be hugely successful. They undertake a certificate course while they are with us, and they have probably about a 95 per cent success rate in terms of gaining permanent employment with us, or going back to further education as a result of that program.
The CHAIR—Congratulations on the model that that program represents. That sounds like a wonderful initiative. I am going to put this question to anyone on the panel who wants to make a contribution on this. Something that is unique, as far as I can see, in Cardinia is the fact that you are going to have all of the investment in the Port of Hastings. Coinciding with that is the commitment to the Bunyip Food Belt. Where is the thinking, locally or regionally, in terms of the courses that the Berwick campus of Monash might be offering that ties in the food belt, in terms of food technology or advances in agriculture or horticulture? Is there an argument for a specialised institute that focuses on that very precious resource that the Bunyip Food Belt will offer?

Ms HODGES—I think it is fair to say it is early days in that regard yet. The TAFE sector seems quite good at strategically planning and working—and when I say that, working with local government and sharing their information with us, and data gathering. There has been a lot more local provision as a result of that and I know they are very much looking at the space of agriculture, horticulture training, both Chisholm TAFE and Gipps TAFE.

The CHAIR—They are looking at that? What does that mean?

Ms HODGES—As an example, Community College Gippsland have rented space in Pakenham and they are delivering landscaping and horticultural studies here, putting their toe in the water in that area. Chisholm have talked with us about potentially accessing land where they can set up some training facilities to start to initiate courses.

The CHAIR—Within that food belt area?

Ms HODGES—that is more in the employment corridor at the moment but with an eye to what they might do in that food belt as it is established. In terms of higher education I cannot speak for the university sector at this stage.

The CHAIR—that has not been tied in with the food belt?

Mr WALTON—not at this stage, no.

The CHAIR—we will have to finish our discussion now, we have gone over time. I value all of the inputs that we have received today. Thank you very sincerely for that. It has been most illuminating and I think the prospect, while it is problematic in some ways, the future is also equally very exciting here. We will close our time with you in terms of formalities at this hearing and look forward to the discussions that we will pick up during our tour of the shire later today.

Mr WALTON—There are a couple of documents here that I will pass on to Mr Bunt.
The CHAIR—Thank you very much. If you can please give that to our executive officer in the first instance.

 Witnesses withdrew.

 Hearing suspended.