CORRECTED VERSION

OUTER SUBURBAN INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

Inquiry into liveability options in outer suburban Melbourne

Melbourne—16 April 2012

Members

Ms J. Kronberg
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Witnesses

Yarra Ranges Council:
- Liveability challenges and opportunities for Yarra Ranges:
  Councillor G. Warren, Mayor; and
  Mr G. Patterson, Chief Executive Officer.
- Opportunities for the urban triangle:
  Mr D. Closs, Manager, Strategic Planning; and
  Mr S. O'Callaghan, Executive Officer, Economic Development.
The CHAIR—I would like to do is to welcome the people assembled here today to the hearing here at the Shire of Yarra Ranges for a hearing into the inquiry on growing Melbourne’s suburbs, conducted by the Outer Suburban and Interface Services and Development Committee of which I am the Chair.

There are a couple of formalities before we embark. It is important for those in the public gallery to appreciate that we are here to garner information in a formal setting. This is in fact an extension of the parliament of Victoria. We are happy to interact in the non-formal aspects of this hearing with members of the public gallery when there are breaks in the formal proceedings but we would not be disposed to take comment from the floor. We are here to hear from and engage with the witnesses, and the processes are going to be recorded and converted into deliberations for us in our reporting. Those people who will be making a contribution here today will fully appreciate, I am sure, that what is recorded here and what is revealed here is subject to parliamentary privilege. This is extended to our witnesses so that they can speak in a free and unfettered manner, and hopefully respond in such a manner to our questioning. The transcripts for this will be available in about two weeks, and you can make changes to spelling and typographical errors only.

Before we proceed I am going to ask each member of the team here, for the record, to state their name, the designation, the organisation they work for and its address, please. I would invite the mayor, Councillor Graham Warren, to lead with that.

Mayor WARREN—Thanks, Madam Chair. I am Mayor Graham Warren of the Shire of Yarra Ranges, and the address here I think is Anderson Street, and that is my role here today.

Mr PATTERSON—I am Glenn Patterson, the chief executive officer at Yarra Ranges Council and I also work at Anderson Street, Lilydale.

The CHAIR—Thank you very much, gentlemen. It is nice to see the deputy mayor here as well. Now we are in the hands of the council for your opening remarks and your presentation to us. If I could make this comment: we are anxious to interact with you today, and it might be that any one of us will feel that we want to interrupt your presentation at a certain point, but we want to leave plenty of time for a question and answer process as well.

Mayor WARREN—Thank you, Madam Chair. On behalf of my colleague, and deputy mayor, Councillor Jeanette McRae, and our CEO Glenn Patterson, and my fellow councillors, we would like to welcome you to the Shire of Yarra Ranges today. The sun has not come out yet but I have been assured it is on the way. We really appreciate you coming out here today. We have had a number of parliamentary committees sit here over the journey of my time on council, and it has been valuable for us to be able to tell our story, and it is important for members of the community to be able to hear that because in the decision-making process it is important for us. We have seen some really good outcomes from the committees that have sat here. It is a benefit to our shire. Thank you for coming along, it is important to us, and hopefully we will all get something out of it today. I am sure we will.

Slides shown.
Mayor WARREN—Having said that we will get on with our presentation today. Glenn and I are tag-teaming a little bit on the first one. The itinerary: you would all have copies of that and know what we are doing today. A snapshot of who we are: around 153,000 people in 55 communities. We are a rather large shire around 2½ thousand square kilometres which does pose its challenges. We are an amalgam of four councils that were made into one, and it is fair to say two of those were in financial difficulty which has posed a lot of challenges for us as far as the exponential infrastructure and what we have to do. Amongst all of that is around 2,000 kilometres of roads in our shire, just under half of those are unmade, some real challenges there. As you can well imagine there is a variety of urban and rural landscapes with a whole range of topography and significant and natural environments from the Dandenongs to the Yarra Valley, to pockets of heavy urban areas which Lilydale, Mooroolbark and Kilsyth are, to the more remote communities, such as Saint Clair up near Matlock which has about nine people living there—Narre Warren East down that way to Matlock that way. We are a very broad, disparate shire within all of that.

Home to 10,000 businesses employing 35,000 staff; 95 per cent of those would be considered small businesses under 20 people employed. A significant amount of those are small businesses. We have a horticultural industry with an estimated value of around $650 million per annum which employs 2,000 people year round. In the summer we have up to 4,000 people coming in to pick crops through from October to the end of March, a significant influx of people into the shire. One of our challenges around this is finding somewhere for them to stay, particularly backpackers and the like where there is very little accommodation for those people.

We have a tourism industry, four million visitors per annum to the Yarra Valley and the Dandenongs, very iconic places—the Healesville Sanctuary; Mount Dandenong; the Yarra Valley known worldwide; our new museum here in Lilydale has a strong connection to Dame Nellie Melba. Again it attracts a lot of visitors from around the world. We believe it is worth around $350 million per annum to our shire, a significant part of what our shire is.

Some of the key challenges: different demands, expectations, identities of urban and rural areas. Like I said we have a pocket of heavy urban areas around this area, but my ward which takes in Silvan, Seville and Wandin is just a rural farming area that really has no significance with the urban areas. It is a very disparate shire through the whole of the area. If you look at Mount Dandenong, a very environmental bent in that area through the mountains; if you go through the rural areas and up through Healesville, it is slightly different. There are challenges for the council around trying to meld all that together and get good outcomes for everybody. That lends to the geographic size and diversity. Like I said, it is 2½ thousand square kilometres, this shire. Around 60 per cent of that is not rateable which again provides some challenges for us.

Balancing competing pressures around tourism and agriculture: we certainly see both of those elements as very important to our shire. We are 50 minutes from Melbourne and we think we can be the food bowl to Melbourne, very close to the markets. There is a lot of fertile land in this shire. The urban growth boundary has protected that and that is important because we see ourselves as the food bowl. Tourism: like I said, some iconic destinations in our shire. We are again an hour and a bit from the airport. We see that as a growth area. Trying to balance the competing demands around that, particularly in agritourism which we see as a growth area as well. Many people that come out to the shire for a tourism experience are not happy about seeing hail netting over crops and the like, but we see that agriculture is an important part that we need to preserve. We need to make sure we balance those two competing demands. We do not want to see a plethora of lifestyle properties. It is one of my passions; I do not like seeing 10 acres of fertile land where you have a one acre horse paddock and nine acres of weeds. We are seeing a bit of that. As a shire we are trying to make sure we get that balance right.
Ageing infrastructure requires significant maintenance and reinvestment. When I first became a councillor I think we had about a $40 million backlog in renewal and maintenance on infrastructure in our shire. It is a significant challenge. As I said, when the four shires were merged, two of them were in severe financial difficulties and had not spent any money on infrastructure for a long time. That is a challenge that we have to meet. Glenn is going to talk a little bit about community hubs that we are building. If you look at a traditional model in a rural township, you would have a town hall, a sporting pavilion, a maternal child health centre, senior citizens, maybe an RSL. All of those buildings we need to maintain. In reality they could be under one roof and used seven days a week where you are maintaining one building. Our push for the hubs has been along those lines. We have had some wonderful successes.

High levels of socioeconomic disadvantage in pockets of the municipality. I have some graphs coming up that will touch on that a bit more. One of the major issues for us is the significant transport challenges. The urban areas have the rail links and are generally fine; the rural areas, there is an over-reliance on private motor vehicles. We have a very limited bus network. If you could imagine a young person living in Warburton or Yarra Junction and wanting to go to university, they are probably travelling for five hours a day to get to and from school. Trying to keep young people in school is very important, but with those hurdles to jump it is providing a real challenge. My nephew, not the greatest scholar but a willing worker, wanted to learn to become a diesel mechanic. He had to go to Frankston from Wandin and it took him two and a half hours each way, each day. It is a challenge for young people to learn these skills which are so important, and certainly public transport in our shire is a significant challenge that we need to overcome.

It is hard to see—the red areas on the right show the level of social economic disadvantage in our shire. You can see the more urban areas, it is pretty reasonable, but as you get out further to the more remote areas there is a significant change. We talk about income, education attainment, unemployment, internet access, unskilled jobs, they are the measures that are used to make up this graph. That shows you where we sit against our neighbouring councils. We are certainly behind the eight ball on that measure. Like I said, it is a lot worse in the outlying rural areas where it is far more significant than in the urban areas. They are some of the challenges for us.

Growth in context: we are not a growth corridor. The urban growth boundary has seen to that. We are very supportive of that because it has protected all our agricultural area which is extremely important to us. That does not mean that we cannot grow and we need to grow. There are certainly some major projects planned in the shire, and Glenn is going to touch on that. But there could be around 5,000 extra houses built in our urban areas over the next five years. In the urban areas again that is going to provide some significant challenges.

The CHAIR—If I could interrupt on that point. When you are talking about the extra housing, are you talking about that by virtue of increased densities?

Mayor WARREN—Some of that. There is a quarry, the Lilydale lime quarry behind us, that is coming to end of life. It is a 150 hectare site. That could lead to around 3,000 houses. Chirnside Park Golf Club is starting to build shortly. There are 550 new houses there, plus there is a super lot there that could be a retirement village. It is unknown how much will go in there. There are a couple of other pockets of development, all new houses, but certainly increased density in the urban areas will be part of that as well. Even though we are not a growth corridor we certainly see room to grow.
The other area in that is the rural townships where the planning scheme does make it difficult. It is important to make sure that we get a bit of growth in our rural townships because it keeps them viable, attracts services to those townships potentially. One of the other areas, we are an ageing population in our shire, and ageing in place is a significant problem in our shire, as well as the health services to support that. A lot of farmers want to retire from the land but stay in the communities they have lived in for 70 or 80 years, and there is nowhere for them to live in the rural communities. It is something we are very cognisant of, and within the realms of the planning scheme certainly the door is open to developers and people to come in and build those types of facilities. It is across the whole gamut of assisted living, as well as independent living, but it is a real challenge for this shire, considering that statistically we are above the norm, as far as an ageing population goes. Generally, at the moment, people are forced to go and live in the urban areas because there is nowhere for them to live. One of the other challenges for a lot of farmers is their land is their asset. They cannot get any benefits because the means test means they cannot get hold of that. They have to sell the farm and move off the land for somewhere to live, and they do not want to live far away from their families. That is one of the significant challenges for us in this shire.

The CHAIR—If those farms have been sold, are they sold as an ongoing concern? They are staying as farms?

Mayor WARREN—That is a good question, Jan. It is a problem for us because the lifestyle properties—if you go back to Doncaster 30 years ago, we are seeing more of that ingress into our shire, and what it does is it locks up fertile land for no good benefit whatsoever. The next generation of young people who would have grown up on these farms are tending not to take it up. To learn to become a farmer you have to move down to Warrnambool or Dookie to learn, through a degree process. We are very hopeful that Swinburne will take up the mantle here—which they have not yet but we are certainly talking to them about it. Whilst farming has made a renaissance over the last five years or so—because the manually picked crops can survive on smaller acreage—it is still a challenge to make sure this fertile ground is not lost. I do not know whether we are winning the battle but we are certainly trying to at the moment.

The CHAIR—I am very pleased to hear that you recognise the importance of that. If it has to be a battle, I certainly take those points on board and regard them as critical.

Mayor WARREN—Yes. The cost of land is one of the major drawbacks, but encouraging young people to take up farming is one of the other issues as well. It is not seen as a job of choice, and we are certainly trying to turn that around, but we need assistance through the education process as well, to encourage young people to learn more about it. I think we are in a better place now than we were five years ago with all of that, apart from the education side of things.

We need to be smart about where we grow in terms of development and the economy. Like I said, keeping the rural townships viable is important with small businesses.

The CHAIR—What capacity growth within the townships do you see within the footprint of the town?
Mayor WARREN—It is more about densities, I think. There are a lot of towns that have the larger blocks. It is more about trying to look at medium-density housing in the rural areas, with the occasional opportunity for an aged care facility where we might have to look at rezoning. It is difficult in the current zonings to get a village of any significant size. But certainly council is very open to listen to what people have in that area because it is such a huge problem because we have nothing. Really, if you have had to look for a facility, like I have had to for an aged relative in our shire, it is a real challenge because there is not anything of quality, and those that are, you cannot get into, and the cost is prohibitive because there is not too much competition.

The CHAIR—Where is the council philosophically in terms of differential rate systems for aged care residential facilities?

Mayor WARREN—Currently our position is that we do not. From my personal experience my parents stay in their house with support from the family. We have the Tudor Mews and the aged care facilities come to us and say, ‘Look, it's not fair,’ because their rates have increased. But for me, it is more about how do you make it fair to every person that is of pension age. Those that decide to stay in their own home have the same challenges as those that have moved into the aged care facilities. It is very difficult for us to find a balance. As I said, 60 per cent of our shire is unrateable as it is. To start giving more concessions makes it difficult for us to stay viable. It is a very challenging area because people on fixed incomes find it really difficult when the value of their asset rises to manage that income. It is the same for all those that are on fixed incomes. It is very hard where you have to make these decisions but that is our position currently.

The CHAIR—Thank you.

Mayor WARREN—I will hand over to Glenn.

Mr PATTERSON—I want to talk a little bit about some of our challenges and opportunities as they relate to this concept of liveability. Firstly, I am sure you have been hearing this message from the other hearings that you conducted to date, but it is very much a bottom line approach to approaching liveability, and also to make the point that we are keen, both from a political and organisational perspective here, to take the opportunities that present themselves and where necessary work in partnership with the state to achieve better outcomes that work towards maximising liveability in this area.

If we look at the environment first, obviously given our natural resource base here we are widely recognised as having a significant environmental landscape. It is obviously very much part of the culture and the philosophy of this place to have a whole range of protective measures around that from a land use planning point of view. We are also very active as an organisation in terms of our own environment team that conducts a whole range of activities and projects and issues around that.

To highlight a couple of those to you, the first point there is pest and animal challenges that we have, but probably the largest one really is around noxious weed management, and making sure with the other land agencies—DSE, VicRoads, Parks Victoria—that we have a coordinated approach to that. We are a little bit behind the eight ball with that. We have invested further in that. The previous state government has assisted with that over a five-year period and we are now making some progress, we believe.
The second dot point there, the Biodiversity Offset Program. We believe we have taken a leadership role with that. The council has fairly recently signed off on a program to enable us, through four sites that have been assessed and identified in Yarra Ranges, for biodiversity offset plantings to occur within this municipality. A lot of our concern was if there was public works conducted by the likes of VicRoads or ourselves, or whether it is private development, that there was not an opportunity previously for a lot of offset planting to occur within this municipality. We now can facilitate that, and that is something we have done in conjunction with a number of state agencies.

We have a very strong environmental community here; 85 active groups and 1,000 plus volunteers that are engaged in that network to support both the protection and enhancement of the biodiversity values of the number of sites across the municipality. We also engage heavily with youth and the schools program. For example we have a Learning for Sustainability program. We engage with young people to make sure the values we want to see in those people are encouraged from a very early age. Also in relation to the environment I wanted to make the point that we believe it is important to embed environmental sustainable development into both the planning scheme through state and local controls and also into the building regulations. We see that as important, both in terms of getting better urban design outcomes but making sure we create housing stock here at a residential level that is sustainable into the future obviously in the climate of rising energy prices and the like.

From our point of view we also need to make sure that we are building our community infrastructure that it is both minimising energy consumption and maximising water efficiency. We have a policy in place to make sure now that that is the outcome that we work towards. We acknowledge the changing climate and more extreme weather events. For us that is a big challenge and there are days when we would like to be those inner city councils that perhaps do not have these challenges. When you are on the interface and you have a large natural resource base like we have, we suffer obviously from major wind events in terms of damage to trees and also in relation to fire and emergency management and the challenges associated with that. It comes at both a great cost and investment to us, both in terms of our planning and our recovery when there are events, and obviously with more significant storm events too, not only from wind but rain as well. Heavy rainfall events for us always create major issues, both in terms of damage to our unmade road network and our drainage systems. Again there is a requirement for more significant investment from us both in terms of operationally, recovering from those events, and making sure the maintenance and renewal of our asset base is up to scratch, but also from a capital point of view in terms of investing in infrastructure upgrades.

The last dot point there, we are very conscious of planning both in terms of the peak oil challenge, but also in terms of climate change in terms of adaptation and mitigation. We are going through a fairly comprehensive research based project at the moment to make sure we are positioned to respond effectively and take the leadership role that we think we need to.

The CHAIR—Can you expand on that particular study and research project.
Mr PATTERSON—The priority for us is to get our own house in order first. We had a debate internally as to whether we embrace arrangements that work with residents and the business community, and there are things we are doing at that level and have done for a number of years. We have decided to really take the focus back to ourselves as an organisation, to make sure that our own works, services and activities are as sustainable as possible into the future, and also that we are taking both from a policy, service and infrastructure point of view the right steps to position us to future proof, I suppose, from changing climate and also in terms of the transition towards a low oil consuming, low energy consumption future. We have done quite a bit of research around that. We have an integrated approach. We have a number of focus groups that are specialising in various elements of that. The plan is to have a strategy dropping out of that, completed by 30 June. If that piece of work is of interest to the committee we would be more than happy to share that with you.

The CHAIR—We would welcome that as part of our deliberations.

Mr PATTERSON—Moving on to the second factor in terms of the economic environment we find ourselves in here. As the mayor mentioned we have a strong agricultural, horticultural and tourism base, and also micro-businesses in the manufacturing sector which are undergoing quite significant challenges at the moment that you are more than aware of.

The CHAIR—Can you give us some examples of the manufacturing businesses?

Mr PATTERSON—The more significant ones, the likes of ARB, for example, that manufactures the accessories for four-wheel drives, that business employs around 500 people. We have a number of businesses—and the mayor, until recently, was employed by one of those, which is high tech, very specialised field in communications which employs a couple of hundred people.

Mayor WARREN—About 160.

Mr PATTERSON—160 people. They are other niche businesses serving a particular segment or they are part of the supply chain internationally. They really fall into one of those two categories. Kenworth trucks would be another example. They are a fairly significant employer in the region as well.

Graham mentioned the importance of agriculture. We have been advocating to the state government for the last couple of years in relation to supporting a recycled water project from the Brushy Creek Treatment Plant to service a number of producers in part of the Yarra Valley which if we argue for a small investment up-front makes that a very viable scheme and obviously produces all sorts of security issues for them, both in terms of water and obviously the broader issue of food security.

I will not mention the next one in any great detail. You will hear more about that from a couple of our staff in a moment, but the one that again the mayor referred to, the imminent winding down of operations in terms of mining activity late next year at the Cave Hill quarry site in Lilydale provides a very significant infill development opportunity for us.
We also have some staff here today that are specialising in looking at opportunities to take a coordinated and integrated approach to development opportunities in the Mooroolbark, Chirnside Park, Lilydale, Kilsyth suburbs as well. We are doing a whole range of things there that are assessing what the future community infrastructure needs are and making sure that we play our role in facilitating and encouraging appropriate development, and getting better design and development outcomes on opportunities for development in those areas. There is plenty of development occurring there, and again our local MPs are supportive of the action we are taking in that regard.

In relation to the social aspect of liveability we wanted to mention a couple of points there. It is really important to make sure that we have the appropriate community infrastructure in place. More about the hubs strategy in a moment. We have, as the mayor mentioned, issues with the above average ageing population profile. If we can flick to the next page and talk about community hubs. Probably around six or seven years ago the council developed a strategy of upgrading and developing these integrated hubs in a number of communities around the municipality. We see those as a really transformative opportunity in terms of providing an integrated approach to service delivery and a place where people can conduct business, meet and develop social connectedness in those smaller communities. A number of those projects have recently been completed in the last two or three years: one in Upwey, the first stage of that is the family and children's services focus which has been completed, and the second stage of that is a few months off completion; Yarra Glen, which you will be visiting this afternoon, is a small facility but again one that takes an integrated approach and contains a number of previously disparate services being now provided from one centre; Healesville was completed a couple of years ago; Monbulk, again, the same sort of timing, late 2010 completion; and Yarra Junction, a couple of years prior to that.

All of those projects are in the order of $5 million to $7 million type projects. All of those have been delivered with state government and, in some cases, federal government assistance. The message for you there is that we see real value in the state continuing to provide capital funding to support the development of those centres. We have further hubs planned for Kilsyth which is in detailed design at the moment. We plan to commence construction of that later this calendar year. We are doing a feasibility process for the Belgrave hub and are at a similar stage for Mooroolbark and Chirnside Park.

The CHAIR—There was a mention earlier of co-locating other aspects of the community's iconic facilities, such as RSLs and so forth. Do you have that in mind? Are the hubs able to be upgraded? Is there an upgrading path?

Mr PATTERSON—In some cases there is. It depends. I will not go through all of it in detail but they are variously containing council service centres. It will be our point of presence in terms of service delivery. A number of them contain a library function, either a fully-fledged branch or more a self-help mode in the hubs. Some of them have child care facilities, some have maternal and child health and some have toy libraries. One at Yarra Glen, you will see this afternoon, does include the RSL facility. There is a whole range of activities like that.

The CHAIR—In your thinking and planning does that accommodate with an ageing population opportunities for a University of the Third Age, for instance?
Mr PATTERSON—Yes, it does. In fact they are a tenant in one of these. It is really making an assessment, and that comes through the feasibility stage of planning for these hubs, to identify some of those key community groups and what the local community needs are, and then constructing and designing a facility that caters for that.

On the social side—you probably get tired of hearing this but this is very important for us—we wanted to emphasise the public transport challenges that we face here. As the mayor said previously it is not so much in the urban area but once you get into the more remote, semi-rural and rural areas, it is a major source of disadvantage for us and a huge issue in terms of giving people equity of access to services through the public transport shortfall that we have.

That leads on to large sections of the community who are disadvantaged being required in many cases to have a second vehicle that they often cannot afford which compounds the difficult financial circumstances in which they find themselves because of reliance on the motor vehicle. We also find that people coming out here to go to our tourism destinations, to major events and the like—Rochford's Winery, for example, where you might have seven to eight thousand people attending events there. Again there is inadequate transport from that point of view as well. Really, the issues that we see being requests for the state is to go back to the bus services review, which was conducted a number of years ago, in our case in conjunction with the Knox and Maroondah Councils, and for us the recommendations of the bus services review. They have only been implemented to the extent of about eight or nine per cent. More than 90 per cent of the recommendations from that review have not been implemented. There are some agreed actions there that could be addressed.

The CHAIR—Can you give us an example, when we talk about generally poor public transport. Can you give us an idea of availability and timing of bus services as they exist at the moment? How bad is the bad?

Mr PATTERSON—It is quite bad. The bus services review is looking at both new routes and changes to routes to meet demand more appropriately. That is one way to address that. The other thing we would suggest to you is to go back and have a look at the Human Services Standards that have been set by the Department of Transport. They are basically looking at a one-hour frequency, roughly between 8 a.m. and 6 p.m. Monday to Friday, and 9 a.m. to 9 p.m. Saturdays and Sundays. If you overlaid that on our bus network, the timetable that applies, we nowhere near meet that. That is the minimum standard to which we would reasonably expect over time to work towards.

For us it is also about some really basic infrastructure. We have 544 bus stops—I am just talking about buses—across the Yarra Ranges. More than half of those do not have a made footpath to them. They do not have a shelter. People have to stand alongside a muddy verge to wait for a bus. There is no lighting—basic things like that. Again that is another major inhibitor in terms of people feeling safe to access that mode of transport. It is about frequency of service but it is also about making sure the facilities at bus stops are adequate to cater for that.

The CHAIR—Future projections of use of the service, is the patronage going to be there for a private provider?
Mr PATTERSON—We have had a number of reviews of that, including Transport Connections. It was one program that was run here for a couple of years that identified a number of trials that can be conducted. Again some of those have been successful, some have not. But the bus services review has a whole lot of data that supports that minimum requirement that I was talking about previously. The data suggests that on many routes that would be the case. I think the other thing to observe is with the SmartBus rollout, we see that as being a good outcome in terms of patronage. That investment from the state, which was significant, has resulted in a spike in patronage. In many cases it is a case of investing and doing that in a way where it meets the demand and people will choose that over transport.

The CHAIR—Do you have particular areas where the SmartBus would be realistic?

Mr PATTERSON—I cannot give you the detail of that, Jan, but again I am happy to follow up with the detail of that.

The CHAIR—Okay, thank you.

Mr PATTERSON—Again at a bus services review we have defined routes where that investment would be best placed. That is buses. Taxis—we have some issues, just quickly. The recent Allan Fels review that we have made a submission to, but the key issue for us there is around the boundaries. We have issues where the urban boundary concludes at Lilydale and there are all sorts of issues with people getting a taxi from Lilydale railway station, for example, to get to destinations outside the metro boundary to the Yarra Valley, for argument's sake, and that needs to be reviewed in our opinion. There are some major endemic issues there. In relation to trains, I think the key issue there is about frequency of service. Again the recent timetable changes made 12 months or so ago were of benefit to us, but we think there is some more work that can be done there.

The final observations really are about three things for us. It is about jobs closer to home. Our argument is about bringing the jobs to the people, rather than taking people to the jobs. We all know about the social, environmental and economic benefits that can flow from that with reduced congestion, having people spending more time in their local communities with their families, and obviously the generator of other activity, economic activity, by having jobs placed in the region. We are positioned where we have adequate amounts of industrial and commercial land to enable that to occur. We are encouraged to hear, just in the last month or so, the Department of Business Innovation is looking to place, or in fact double the number of staff that they have in the region from 15 to 30, and they are going to be placed at Ringwood and then that is going to be built on over the next couple of years. We think that is really important to drive that economic activity and to identify what types of jobs we can create in this region.
As I mentioned it is about improved access to transport and, of course, again this afternoon you will be presented with some case studies around the need for an improved health and community service provision. All of that leads us to say that we believe there is a plan required and hopefully that is one of the outcomes that will come from your work to address the issues in outer Melbourne and the interface region because I think from a land use point of view we see that a metro strategy is proposed for the metropolitan area, the peri-urban councils, the next councils out have done planning through DPCD, and have their blueprint in place. The region is the same and we have the Interface Councils in between that are experiencing high growth and have huge service and infrastructure needs without a plan and the way forward. So we would see that as being pretty critical to ensuring liveability of Interface Councils in the future to make sure that we do not end up with two Melbournes, which is where we are going at the moment, where you have that inner ring of the city in the metro area that has access to services and infrastructure, and obviously that diminishing as you move out. That will be the last thought I will leave you with. Thank you.

The CHAIR—Thank you. I am going to invite our deputy chair to put some questions before we hear from the other officers.

Ms GRALEY—I will take up that last point, Glenn. How do you see that happening, a plan for the outer ring being developed, given that the Interface Councils group has been in place now for, what, 10 years?

Mr PATTERSON—I think the Interface Councils group has been really effective. Again it has been the opportunity to access state government and there are some good, agreed projects and activity coming out of that. I think it is a highly effective group and I think from a state perspective it is well regarded. The piece of work we would like to do now which we are prepared to contribute financially to, and we would like the state to be a partner in that, would be to prepare a plan for the Interface Councils in those regions, in the same way—using a similar sort of model—to the approach that was taken with the peri-urban group which was I think a piece of work done, I believe, from about 2009 to 2011. It is just to get an agreed approach given that there is a disparity within that group between the growth and the non-growth councils about what is important and what the needs are. We all have needs but there are some common themes that run through all of that. We would like to develop that plan, have an agreed approach and then partner up with the state government in relation to delivery.

Ms GRALEY—You need state government funds to help you do that. It is a fairly big piece of strategic work.

Mr PATTERSON—It is a big piece of work. It is probably an 18-month project or something of that order but, yes, we would be seeking some state government assistance to help us do that but, as I say, we are willing to contribute to that as well.

Ms GRALEY—In this piece of work it would be sufficiently developed if you had timelines and costings and things like that for that level of development.
Mr PATTERSON—Absolutely. The challenge—and the state has the same challenge—is to know in really clear priority order what the requirements are and what the needs are but make sure it is based, in a realistic sense, in all of those areas, whether it is economic, social or environmental. I do not think it is necessarily to make unreasonable asks of the state, it is to simply say, 'Here are the key themes and we think there's some quick wins if we take a more coordinated approach to things that we can all benefit from.'

Ms McLEISH—I would like to go back to the food bowl that you talked about earlier. What has been undertaken by the council to try and make that happen?

Mayor WARREN—I think our involvement with the Green Wedge Management Plan, some of the work we are doing in that space that we presented to the planning minister around—council made a big step by saying that agriculture is one of the prime pursuits in our shire, and it took a lot of the debate around the collide between urban and rural. I think it was the first time farmers had ever heard that from the council and that gave them some primacy to say, 'Well, they're supporting us, we're here for the long haul.' The drought had a severe impact on this shire, no capital development. Farmers did not know whether they really wanted to be in the business or not. That is why we talked about the possibility of the treated water being used. I think it is supporting farmers through the mire of the planning scheme. The whole issue around netting structures; they do not want to commit to putting these structures up if they do not see a future. It is a very large capital cost. They were not sure how to approach us through the planning scheme. The nature of farmers is they are fairly dogmatic. They do not want to get bogged down in red tape, they want to get on with the business of being farmers. The landscape changes so quickly in farming. The whole issue around the climate change—we always go through cycles; in the 50 years I have been here, we have. Of recent times the heavy hail and rain events are another challenge for farmers. It is really working closely with farmers as farming needs change. We see a lot more structures being built now. If you go out to Monbulk it is almost like an industrial area in some areas because of the wish to be able to control the climate to be able to grow their produce. It is the same with hail netting; a severe hailstorm in that area can wipe out all the grapes, all the strawberries, all the berries in half an hour. We have had some examples of that. Farmers are trying to combat that and we are trying to support them through our planning scheme and the various hurdles they have to jump, to make sure we can be the food bowl for Melbourne. They see that as well. They see that as a real opportunity, particularly with the manually picked crops which survive on a 10 acre farm because they can. We have seen a bit of a renaissance there. I think this council has worked very hard to turn around the misconception that we are anti-farming and we have worked hard with farmers to make sure they understand where they are in the scheme of things which is important, and we are working with them to change the planning scheme.

Farmgate sales, the ridiculous planning element of that, where a strawberry farmer cannot make strawberry jam and sell it; whereas a wine grower can make his wine and sell it at the front door. We work really hard with the state government on that issue alone. If you do get a bit of rain and the fruit is not of A grade, why not turn it into something usable like jam or conserve or whatever, and they are prohibited from doing that. We are working hard to change that as well.

The CHAIR—I would imagine that would aid your tourism strategy as well.
Mayor WARREN—Absolutely. People can come and pick their fruit or they can buy the conserve. We are starting to see more of the ecotourism as well just on farms. There is a farm out the back of Coldstream, one of the international tourists come along, pick a couple of peaches and sit down and have a bit of lunch that would use some of that produce as well. We have approved a chocolatier in Yarra Glen in Councillor McRae's ward which hopes to attract 350,000 tourists per year to that area which will be a huge boost. They are the types of things that did not quite fit the planning scheme. We had to work really hard to modify it so it did, but too good an opportunity to pass up. They will plant what is a site that is, like I said, the one-acre horse paddock and 20 acres of weeds, turn that into a working farm where they use the produce to make the chocolate products. They are the things that we are working very hard to make sure that we get on.

The CHAIR—I have to commend you, Councillor Warren, because it seems like there are a lot of practical responses and flexibility being shown on behalf of the council. I seem to recall that there were significant crop losses through hail damage where people were only allowed to extend hail netting across a certain proportion of their crops. What is the situation currently?

Mayor WARREN—One element of our planning scheme had as a guideline a certain restriction. That was more brought up in relation to the hothouses and all of that. The truth is we have had around 20 applications from farmers to cover their crops and we have reduced none of them because we understand that they have to have this sort of stuff. Some of the farmers get a little aggrieved, and the farmer that was part of that story did not have any of his crop covered. If he had 60 per cent of his crop covered and we were stopping him from doing the rest he would have a really good argument, but he did not have any covered. We have not restricted anyone on that basis. We are going to change that. Like I said, farming changes so quickly. Planning schemes are cumbersome beasts to try and change, but we are working very hard. We can do that at a practical level here. The councillors give directions and say, 'Look, we want to support farmers. We don't want them to be restricted in any manner as part of protecting their crops,' and that is what we have done. Certainly no farmer has been restricted from putting up any netting or any structure like that.

The CHAIR—In your endeavours to keep the farming here, keep it viable, there is not a trade-off between the practical measures needed to make it viable and bucolic.

Mayor WARREN—that is true. Council understands a lot better now. I am chair of Agribusiness Yarra Valley which council auspices, which is a group that brings all the different farming groups together, and through that mechanism we get a lot better feedback through the councillors and through council staff as well about their changing needs. It has been a very important body to be involved with. The farmer's voice is being heard. It would be great if we had a farmer on council but they are very busy people. That is seven days a week and it does not stop. To have that vehicle as a voice for farming has helped them and it has helped us understand the changing needs of farming. In a very practical way we have been able to help with all of that. We will change those mechanisms. Part of our submission to state government is around changing. Talking with the Victorian Farmers Federation, do they need a permit or not? Through the state government it would be great if we had some clarity around that. Certainly talking to Matthew Guy in a recent visit, I think we will see some rewards being put through. He had a good understanding of what was required. We are very hopeful that within the next few months that there will be some clarity around whether they need it or not, and if they do, what did they need to do.

Mr ONDARCHIE—I am particularly interested in the prosperity of the Yarra Ranges Council, given I spent my late teenage years living in Launching Place, and my first marital home seven years in Healesville. I am particularly interested in your first key foci in jobs close to home. I want to put that in the area of rural towns. Where are these jobs going to come from locally?
Mayor WARREN—It is a good question. Certainly around farming we hope to continue to grow the farming sector. There are still large parcels of fertile land that are not farmed. I think we have about 70,000 hectares of land that is available for farming with over a third, in real terms, being used. We believe we can grow that. Tourism and agritourism are two sectors that we see as growing, and again that brings jobs with it. The chocolatiere that I mentioned, that is going to employ something like around 60 people full-time. I think the multiplier is about four to one in areas like that. They are the sorts of things we see growth in. We have an acute shortage of tourist accommodation still in our shire. If Rochford has a concert you cannot get a place within 60 kilometres to stay. We see that as another growth area where hopefully some of the major players would like to come into the shire.

Our economic development team do a lot of work around this, and they are talking a bit later and will give you more ideas on how we are going about it. But the door is open, we will talk to anyone that wants to build facilities across the whole range from backpackers right through to the five star. We think there is room for all of those developments in our shire as we continue to grow. We talked to the Heritage Golf Club, they have some ambitious plans, and we are very encouraged about councils open to listening to those things. They are the important messages we need to send out, that we are open to listening to those types of developments. That is where we see the main growth coming from.

Mr PATTERSON—I agree with that. I think it is very much in the accommodation, services, hospitality area that Graham was talking about, all those reasons, and we are supportive of that. The other one, we received some good news in the last week or two with the announcement of the next stage of the rollout of the NBN to Chirnside Park, Mooroolbark, Lilydale, Yarra Glen, that corridor being the first tranche. The next two to three years sees that investment coming through here. For us that is really important too because we sense some opportunities in that high tech innovation space and that is where we want to do some more work with the states, DBI, to identify specifically what those opportunities are. With that technology coming here that encourages that sort of investment as well.

The other thing, I think, to be really honest, all the interface areas struggle with a bit is the perception—because we speak to a number of businesses that are located in the CBD or Docklands and we understand why they are there. There are a number of service providers like consultants and people like that who, I think, for a range of operating cost points of view would be very happy to relocate but because of the perception of brand if they move out of the CBD and Docklands area. That is something we can work with the state on is to change the perception that if you are based in Frankston, Lilydale or Whittlesea, that does not necessarily mean you are a second-rate consultant or service provider. That is a major issue for us as well.

Another contributor is state government services. You are aware of that, and I understand the state has—in the past and now—proposals to do some of that. That is not the whole solution but that is an element of all this as well.

The CHAIR—with the horticultural and floral industries, how are they transported out of the area, if we are looking at something going to an Asian market and something arriving there in peak freshness? Can you tell me a little bit about the logistics of that?
Mayor WARREN—We have a number of large transport companies that specialise in that. It is all trucked—refrigerated trucks or dedicated trucks. In the summer months—I live out on Warburton Highway—from about 3 o'clock in the morning I hear, chooing up Picnic Hill, all the trucks going out to the market. It is all pretty much trucked out—the markets or the airports—in refrigerated trucks. Again it is another challenge for us trying to have a large trucking business in some of the rural areas finding a spot for that where they start their trucks up at 4 o'clock in the morning and they have a bloke living next door that is not too happy about that. Trying to identify places for those supporting these industries to go is a bit of a challenge.

The CHAIR—Could you see a freight airlift out of local airports?

Mayor WARREN—Are you talking about the smaller airports like Lilydale or Coldstream?

The CHAIR—Yes.

Mayor WARREN—No. The only business I know that does that flies to King Island and brings back crayfish which is quite good, but I do not think they are big enough to cope, or the value, the return on investment is the major issue there. I know a lot of our farmers have tried to—particularly apple growers—get into Asian markets, but the return on investment is a real challenge with the Australian dollar at $1.04 or $1.05 as it has been.

Ms GRALEY—I have two questions about comments that you have made. One is to the CEO around bringing organisations out of the CBD and Docklands to work here. I refer to your submission where you talk about the skills and education mix that you have in your local area and the fact that you are below a much lower level of professionals for the metropolitan area; a noticeable lack of persons who work in education and training, accommodation and food services, and a big gap in managers. One of the things that big organisations or government services require is fairly high levels of skills in their workforce. How do you think that Yarra Ranges needs to improve that, that it becomes a place of choice for organisations?

Mr PATTERSON—I think liveability drives people's choice around where they live. That is really important, that you can attract people to live here, people with those sorts of attributes you are talking about to make those decisions, if you have the right infrastructure and services here to attract them in the first place, and the right quality of life. Another aspect is we have been doing quite a bit of work with Swinburne who have both a TAFE and university presence in Lilydale which is a limited presence, and you might hear more about that later this morning. There was a faculty review done around a year ago in relation to that. I participated on the steering group of that. One contention for us would be for that university to have a greater presence in Lilydale. One example or thought around that was the idea of bringing a whole business faculty out to Lilydale, for argument's sake. To address the issue around the leadership and management deficiency we have in the skill base, that would be one way to address that.

That was what we were pitching to Swinburne to say that rather than having this broad portfolio of things, maybe it is more the case of recognising this as a specialist campus in the way the Mount Eliza Business School is for the University of Melbourne, a similar model to that. We could contemplate something like that with Swinburne at Lilydale. They are the opportunities where we see it is bringing students and staff to the region and it is also developing capacity within the region if you have that presence there. They are the ideas we would like to see pursued.
Ms GRALEY—Right. My follow-up question to the mayor is—and it is a question I have asked at a lot of these hearings—that we hear very different views on the urban growth boundary, and you alluded to it in your presentation. I wonder if you want to talk more about what you see as the pros and cons of it and where council's position would be on the urban growth boundary.

Mayor WARREN—Yes, and it is fair to say in our community there is a different view on it as well. Certainly, the people I represent, it is a farming community, and if you asked them they would like to chop up their land and make a few dollars, but we see it as critically important to preserve it. As long as farmers feel they can make a decent living from the land, they are quite content with that. But it is fair to say, even on council, there are diverse views on the question, are there opportunities to expand that. The majority council view is currently to not go down that path. That is where we currently sit. It is fair to say there are views differing to that on council, certainly out in the populous. By and large we do not see any major changes, maybe some small pockets, but our view is we need to preserve our farming land, enhance that and make it more viable, and that is a better way to go for us because once it has gone, it has gone, and you never get it back. You see what is happening now out at Casey and areas through there. I went for a drive through there on the weekend and on one side there whole new estates, and on the other side market gardens which are really important. I worry that in five years time where they are going to be as that continues to expand. Once you lose fertile grounds—and we do not have all that much of it in Australia—it has gone forever. If there is going to be any change in this shire I think it would be very small, and it might be dependent on if the train line out to Coldstream ever happens, because it would have to be linked with public transport. But certainly the majority view of this council is no change currently, but lots of diverse opinions about that.

The CHAIR—I am looking at the time in terms of our program this morning, gentlemen. We are ready, and well over time, to hear from the other presenters. Gentlemen, for the formal part of the proceedings I invite both of you, for the record, to state your name, your designation, your employer and its address, please.

Mr O'CALLAGHAN—Simon O'Callaghan, Executive Officer of Economic Development, and Yarra Ranges Council, 15 Anderson Street, Lilydale.

Mr CLOSS—Damian Closs, manager of strategic planning, and I also work here at Yarra Ranges Council at Anderson Street.

The CHAIR—I think you heard the fact that the proceedings are protected by parliamentary privilege today. We are looking forward to hearing from you. We always have time constraints in these sessions. We will try to contain our questioning so that you can get all of your presentation under way, but there will be questioning.

Slides shown.
Mr O'CALLAGHAN—Thank you, Madam Chair, and welcome, members of parliament to Yarra Ranges, and thank you for the opportunity this morning. Damian and I think we might be able to help out with the timing a little bit with the presentation. We will get under way. We will be co-presenting throughout this presentation. Please feel free to ask for clarification or questions as we go along. Glenn and Graham alluded to a project that we are working on around the urban triangle. The urban triangle for Yarra Ranges really represents an area of our population that has from about 45 to 55 per cent of our residents living. It is a highly important region for liveability and for growth potential and, picking up on Craig's question earlier, around where some of these jobs might be provided into the future.

We know we have restrictions around other parts of the area, the municipality, and we are really trying to take a positive approach about this outer suburban area for us, to think of it as not as the end of the train line but the start of the train line. This region of Lilydale, Chirnside and Mooroolbark is the gateway to the Yarra Valley from a tourism perspective, but it is also the gateway to Melbourne for a lot of people as well. Those centres that we will hear about are major activity centres under state planning scheme strategic plans. We really want to try and get it right around the integrated planning of these suburbs. They are ageing suburbs at a stage where they are probably a little bit tired also. They need a boost and a concerted effort around that. We are trying to take a proactive approach around where we go with our urban area of the municipality.

The CHAIR—Has a renewal and gentrification process started?

Mr O'CALLAGHAN—This is what this project is certainly about. It is currently being funded through council. We have a place manager position which seeks to integrate all the opportunities we would have around the urban area here in the Yarra Ranges, and that is from a public perspective and a private perspective. We see that being delivered through both aspects of investment. This slide alludes to the fact that getting it right is very complicated. In many respects some of our challenges rely on a whole lot of cooperation from a whole lot of different agencies that have no reason to work together at times, but you would think on a practical level they sure as hell should do so for the purposes of leaving a legacy for the future of the liveability of communities. Trying to align VicRoads at the same time that you might get Metro, VicTrack, the Department of Education, overlay Department of Transport, there are just a few state government departments where we will be trying to work at a local level on completing a strategic plan, trying to advocate for improved bus services, equally trying to attract private investment into a region that says, 'Well, you've still only got a single train line between Mooroolbark and Lilydale.'

They are difficult spaces because everyone's priorities are different at the one time at a statewide strategic level, but when you try and focus on place you need to all have the same conversation at the same time, and that is really what we are trying to play an active leadership role here in Yarra Ranges about. I alluded to, in a sense, the outer suburban areas, we want to maintain that they do have a competitive advantage around liveability into the future. The images there, the approach we have, we have a tiny little two-plank bridge for the high school to get across a drainage easement. We have old buildings in the town—you would have driven past some of them on your way here this morning—where trying to promote investment can be a difficult challenge in an environment where we have a global financial crisis and money is tight. This is the future that we see for these urban centres and making them genuinely competitive in liveability settings on a world scale into the future.
To put it into some context, that shows you there the concentration of the urban area for Yarra Ranges. The current commute for someone to go from Warburton up here into Lilydale or Chirnside Park is the equivalent of someone living in Lilydale and travelling to Melbourne each day. Unless those people in Warburton can find employment in this urban region, they are going to be forced to travel another—they have already travelled up to 45 minutes to an hour to get to Lilydale. If there is no relevant employment for them here then they have to travel on.

Glenn mentioned earlier the relevance of the high-speed broadband network through the NBN. We see that as being a key piece of infrastructure that we need to champion as a municipality, and work with the state and federal government to work out how, as a public authority, we are going to help our community to use it once it is here. We can all have the flashiest computer but unless we know how to use it, it is not going to create productivity or liveability outcomes. One of the projects we are currently working on—now that we know that the NBN is coming in the next three years—is a co-working space around one of our major activity centres in Lilydale, that being a space where people can go. We are basing it on a model of the Hub Melbourne, and I encourage the committee to have a look at that model which is an international model. It is not a serviced office and it is not a business incubator, it is probably that third space or third generation on from those types of facilities where people can go to tele-work with other like-minded professions and learn from one another. They can use the space for a whole range of business as if they were going and doing that from their CBD office.

The CHAIR—Do you see the usage of that space is open-ended or would it be a fixed term? Do you want to see like a churn or a turnover for people accessing that facility?

Mr O'CALLAGHAN—It is a model that is evolving, I think, and we are looking at the Melbourne model and trying to find a way to make that relevant for the outer suburban area. The CBD model we do not think will work out here, but in some instances it is about a blend of tenants through a facility like that to ensure that there is creativity, innovation, interactions of networking, but equally you need a level of sustainability around what will underpin an anchor tenant type model to those types of facilities. Into the future we would look at how potential staff from Yarra Ranges, or potential staff from the state government can use that as a base. There has been a project within the state government, Work Where I Live, which has looked at where all of the state officers are living and how could potential facilities be developed, or nodes, where those staff can work not exclusively in the area that they live, but they may work three out of five days or two out of five days in—a perfect example—an outer suburban area.

They are some of the key types of longer-term projects that we want to work on, and we are going to need again that cooperative, integrated approach to deliver them, and deliver them well, if it is going to be achieving liveability on a world-class scale. The take-home there for the committee is that we see support behind the growth of the urban triangle, which we will talk a little bit further on, as being particularly important in reducing journey to work time for the whole municipality. In terms of liveability we are seeing a creep on what is the benchmark around ideal journey to work time for people living in a general household. We have seen it creep from a 30 minute ideal for having the best possible health and wellbeing, to up to an hour in some various studies. I will hand over to Damian to talk further.

The CHAIR—Just before we hear from Mr Closs, in terms of the rollout of the NBN what timing are you looking at to cover your urban triangle?
Mr O’CALLAGHAN—We have been quite fortunate in that some of our early work—and we did some work to analyse what our deficiencies were, and have been in a position to advocate NBN Co and the federal government. That will be in this next three-year rollout phase. Chirnside Park, Lilydale, Mooroolbark will all be captured within that timeline which for us is fantastic because we would prefer that rather than waiting for the eight- to 10-year rollout where they will cover the whole of the country.

The CHAIR—In terms of the rollout to more remote areas of the municipality, in the areas where telecommuting might be an answer to other problems, particularly having a second car or access to public transport, what is the council’s thinking on that? What are the prospects for that?

Mr O’CALLAGHAN—Some of our analysis is probably looking at the difficulties around topography of delivering that infrastructure. There are two ways of looking at it: one is it is a negative for those that live further away because they will be waiting longer to get access to the high-speed broadband network; the other is with advances in new technology, maybe their connection when it does come through either satellite or radio wave technology which they are looking at will be of a more enhanced level than the technology that exists now. It is a difficult one but I suppose they cannot do everyone at the same time obviously.

The CHAIR—Thank you very much. Yes, Mr Closs.

Mr CLOSS—In terms of the strategic land use planning framework, Yarra Ranges has probably been one of the most stable planning frameworks because it has a history of a regional strategy plan behind that. In terms of where the urban growth boundary sits and these various rural towns we have, there is a fair bit of stability in there. That has led to, I would say, development of the agricultural and tourism industry that is associated with that. I would like to think Yarra Ranges is in a fairly unique position, and take advantage of that, but the challenges are to use the developable areas, in a sense the urban areas and those rural townships, efficiently so we can get the most value out of it and bang for our buck in terms of liveability. Also the issue about employment: if people live out here they really want to work in the area or at best not to have to travel so far. The issue is to build up our activity centres so there is that employment base, and also support a more multi-focused Melbourne area. In terms of the development, say, of Ringwood, it is probably better for someone to travel to Ringwood rather than have to travel all the way to the city. We would like to think that people can travel then to Lilydale and get some strong economic growth in those centres as well. We see it as important to retain those compact towns in the green wedge and also build on our metropolitan area. The policy settings are quite good.

From a strategic planning framework it is an urban-rural interface and we are always going to have those challenges of the urban growth boundary. We do have significant suburban areas and also activity centres. There is also that large network of rural towns, and they are set in the green wedge areas. It is unique. It is a metro fringe. We also have the Dandenongs, the Yarra Valley and the metropolitan area. From a strategic planning framework we tend to think of the region in three areas: we have the rural towns, we have the Dandenongs and then we have the metropolitan area. But rather than being separate we like to think of it as a network and it all works together. From a point of view of the urban areas there is a need to maximise the opportunities in the urban areas and, as Simon was saying before, to get that right. It does take time.
There is a snapshot there of the Melway. There is Lilydale activity centre here, we have Chirnside Park—which I will talk about a little bit later—and also Mooroolbark. These are two major activity centres, as under Melbourne 2030, and we have done a lot of strategic planning work to try and build up those centres in accordance with providing more mixed use, diverse and vibrant centres, getting some housing into those areas. The train station is at Lilydale and Mooroolbark, and there is a significant bus interchange at Chirnside Park. That is really where the main shopping centre is as well.

In terms of the population, currently—as Graham was saying before—there is a population of about 153,000 now. By 2031 that is expected to grow to about 164,000. But we have about 70-odd thousand people in the urban area and that is likely to increase to around 83,600 by 2031. The majority, three-quarters of that growth, is expected to occur in the urban area. While Yarra Ranges is a non-growth area there is a significant amount of growth in those local pockets. That is a challenge. Graham also mentioned the key opportunity of the Lilydale quarry, and I will talk briefly about that. What really is required with the quarry—and I will go to the slide. There is the picture of the quarry, just at the back, and there is a great big mound. Apparently that mound is going to go back into the hole. That is making everyone quite excited about this. It is 150 hectares and it has some real opportunities because it is close to the activity centre. There is Lilydale Lake. If you have some time it would be great to have a look around Lilydale lake because it is a bit of a hidden treasure.

The CHAIR—How long after the filling would you imagine you would be able to use the land?

Mr CLOSS—That is really to be worked out. There is a lot of technical work behind it because it is in fact 150 metres deep. We were talking to the quarry people, and it depends on the amount of effort that it takes to compact the soil. It is more costly—the more they compact it, the more they can do with it, and it is a cost-benefit analysis. In the past, people would have left that hole in the ground and had a 150-metre deep icy cold lake. Hopefully we are a bit more sophisticated now. That pile of dirt can go in there. They said they can almost make that level. I am not sure exactly what they can then put on those sites and whether you can put buildings there, but they said you potentially could. Really, the message for this site, is we have a great opportunity to have a whole of government approach. We have been asking Places Victoria and they have been certainly talking to the owners of the quarry to get involved because we need to coordinate the Department of Transport because there is potential for a train station to go here. Also the Lilydale Bypass that runs alongside, and it comes in here, there is an opportunity to perhaps realign that or make sure it certainly does not impact on this whole development.

There are also synergies with Swinburne University. If you could build up Swinburne you could potentially have a university town here in Lilydale. You have great opportunities with this quarry site. Previously they wanted to hive off this area for standard residential development. The council resisted that and we said, 'We'd rather you go back, talk to government, talk to us, talk to the community, let's get a whole master plan happening for this site, not only just for this site but how does it relate to the other areas as well?' That, I think, would be the best outcome for this particular quarry site. That will really advantage the east and complement Lilydale, Chirnside Park and Mooroolbark.

Chirnside Park is another area where we are looking at substantial change. At the moment we are looking at the Chirnside Park major activity centre. We are turning that are from an industrial history, industrial land, a lot of it is still vacant because there is not the demand now for that large industry that was probably thinking of coming but they never did. It is really to focus on employment, entertainment, retail, diverse housing, open spaces but emphasising quality design because we want to build up the activity centres. It is not a question of 'any development is good development', it is getting a really high standard. We are, at the moment, dealing with a lot of major planning scheme changes and that is taking time. We have gone from strategic planning documents and now we are at the implementation phase. We are having challenges in terms of getting that across the line.
The CHAIR—We are going to have to interrupt you, Mr Closs, because time is against us.

Mr CLOSS—Yes.

The CHAIR—I am going to invite any questions from the committee, if they have a quick question to put at this point, and we will bring our time with you in this formal setting to a close, bearing in mind that we will be speaking to you through the afternoon.

Mr O'CALLAGHAN—Madam Chair, we have made a number of recommendations through the report which we feel are important, particularly the issue of urban renewal which can be taken offline for that benefit.

The CHAIR—Yes, thank you.

Mr ONDARCHIE—What are council going to do to attract major employers?

Mr O'CALLAGHAN—Part of our understanding is working on what our competitive strengths are. The question earlier about how will we compete if our skill base is not as high, for our town centres we are not talking about creating a whole new CBD. Creating 60 jobs here or 40 jobs there in bringing one or two enterprises will make a big difference for us. We are quite aware that the flow-on effects of those couple of businesses that we might start with will have an impact on helping the skills that we do have at that white collar level to work closer to home. We have been working on a number of strategies. We have a health cluster of activity in Lilydale. We have been working with the state government over a long period to identify what suitability there may be to relocate some state services, as we are with other groups, but it is a difficult sell because at the moment we also do not have the infrastructure for them.

We are keeping a close network with the private sector who owns the land, and we are playing a very strong role in matchmaking potential tenants with investors who are looking to develop, and trying to help them be a bit bolder than simply putting up a basic retail development with a few shops. We have been working on a long-term basis with the CFA region 13 to relocate their head office here. They are seeking to relocate to Lilydale, and we would look to enhance this with what other services would work well with a relocated CFA head office of about 80 jobs because of the function around emergency management for this region.

Ms McLEISH—My question was quite similar and you have probably answered part of it because I was interested in the industry vacancy at Chirnside Park and what was being done to look at attracting industry.
Mr CLOSS—Certainly from a strategic planning point of view we would like to think that if we can get the planning scheme in order and if we get the framework in place, then that will certainly assist in building up the activity centres and then building up the employment base, and also diversifying the employment base as well.

Mr O'CALLAGHAN—Providing that certainty for the investment market where we don't have necessarily, as a council, the dollars to stimulate the market or the land ownership, but we are looking at that where we can. Yes, that certainty is quite critical.

Ms GRALEY—My question is for Mr Closs. I am aware that you have had a strong position of good strategic planning in the Yarra Ranges. I take you back to where you talked about the need to maximise opportunities in urban areas and getting it right. I am wondering how do you get it right and what the implications are for density in the area.

Mr CLOSS—Probably one of the big pieces of work we are doing at the moment, and seeing it has come to the pointy end, is we have been developing a housing strategy and there is always that tension between where should higher density go and how does that relate, say, to the protection of existing residential areas neighbourhood character. What the council has put in place is the framework that identifies where it thinks high-density housing is acceptable. That is based on a criteria of whether it is in close proximity to services, transport, and to ensure that while we are encouraging housing in certain areas that it is liveable as well and it is also affordable because then it has close access to all those facilities and public transport. It is really a long-term process of getting community on board and putting that in place so you have a framework in the planning scheme that will enable to provide that certainty for all people to know when they move into an area how it is going to look, and it is not going to change overnight. But it is really in those strategic plans and that forward planning that needs to be done. It does take time and I think that is where we are heading.

The CHAIR—Thank you very much, Mr Closs and Mr O'Callaghan. We will draw our hearing at this point to a close. We will have a five-minute recess.

Witnesses withdrew.

Hearing suspended.