OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

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

Broadmeadows — 6 March 2012

Members
Ms J. Graley
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Witnesses
Mr D. Isola, chief executive officer,
Mr K. Walsh, director city sustainability,
Mr M. Sharp, manager strategic planning, and
Mr G. Osborne, manager economic development, Hume City Council.
The CHAIR — There are some formalities we need to go through. First and foremost, this inquiry is an extension of the Victorian Parliament, so it is very important that we recognise that there are practices and procedures and an essential decorum that needs to be maintained. Any commentary from the public gallery, whether or not that commentary was included or considered in any way, would be subject to the deliberations of the committee, and the hearing would be suspended while those operations were under way.

For those who are actually providing input today, there are acts of Parliament that provide parliamentary privilege to people who provide information to us. That is only while this hearing is actually configured in this setting, on this day and in this time. Any comments pertaining to any other information that are expressed outside the domain of this committee and its hearing would not be extended that parliamentary privilege. The material and the input is being recorded by the Hansard service of Parliament. A hard copy of transcript is available in approximately two weeks, and you will have the opportunity to look at either spelling mistakes or typographical errors but not the syntax and structural elements of your input.

Having gone through all of those formalities, I also acknowledge the local member, Frank McGuire, who has joined us today. Whilst the committee has these formal processes as a preamble, we are very much looking forward to hearing from the senior team, led no doubt by the chief executive officer of the Hume City Council. We are very much looking forward to this being a day of great open dialogue. We are here to learn and are very interested to hear the particular presentation that we understand you are going to make. We will look toward that with great interest.

Before anything else, I want to say that we are always very pleased when a municipality extends hospitality and allows us to operate in such delightful and professional circumstances. It is made easy for everybody to access, and I am sure to operate in, so thank you very much for your consideration and your hospitality that has been extended to us today. I am going to invite Domenic Isola, as the chief executive officer of the Hume City Council, to make his opening remarks. We are looking forward to that.

Mr ISOLA — Thank you, Chair. Welcome, everyone on the committee, to Hume City Council and indeed our council chamber here at Broadmeadows. I also welcome our local MPs, Liz Beattie and Frank McGuire. Thank you for joining us. I have staff here also who will probably assist me throughout the process in describing some of the things that we want to get across today. Kelvin Walsh is our director city sustainability and looks after planning and sustainability, economic development and all things strategic at council. George Osborne is the manager economic development, and last night presented a paper to council about an economic development strategy and an investment attraction framework. We also have Michael Sharp here, who is the manager strategic planning. No doubt at some point all three of them will assist me with what we want to get across as our message.

Primarily our message is that as growth continues, and we are a big player in the growth of outer suburban Melbourne, how do we make things better for the communities that are going there? We will also look at some of the things that we have probably failed communities with in the past. How are we able to ensure that those things do not occur again? It is interesting that we are meeting today at the global learning centre in Broadmeadows. This facility was built in 2002-03. It was built 40 to 50 years after the community started to come and live here in Broadmeadows. The first public library in Broadmeadows was built some 40 to 50 years post people actually coming to live here. That is just an example of where I think, over time, we have failed certain communities by not providing the right level of infrastructure. By ‘infrastructure’ we do not just refer to the hard infrastructure, like roads and transport, but also the other things that need to happen — the services, the learning and the jobs. Our presentation today is focused around making sure that those learnings are actually dealt with and that we do things a bit differently in new and growing areas of Melbourne and certainly in the city of Hume.

What I will talk to is what or who Hume is and what we represent. We will look at the connection and the relationship between the suburbs that are growing out in Craigieburn and Sunbury and how they have a relationship to things that already exist in Hume and those things around them, how we make the best use of the land, how we engage our communities and how we will make sure they have a real say in what is happening and how it happens. Then we will look at the infrastructure we believe needs to be provided — the hard infrastructure, the service infrastructure and, just as importantly, the jobs that need to be created as communities go out to those areas.
I will start by just talking a bit about Hume. We cover 504 square kilometres, and 170 000-odd residents reside in Hume at the moment. Our growth rate is about 2.5 per cent. When you think about that, that is about a bit over 4000 people coming in to make Hume their place of residence. We expect that to grow to beyond 3 and 4 per cent over the next few years, and we will explain why we think that is going to happen. There is great diversity in our community — diversity at all levels, not just in religion, background and language but in income structure and disadvantage. We also have a council that within its municipality has a central activities area, and this is where it is — Broadmeadows. It was and is expected to become the capital of the north.

We already have growth in Sunbury and Craigieburn, and the Growth Areas Authority is working through precinct structure plans and the release of up to 20 000 new lots in Lockerbie and Merrifield. To put that into context — we can call them lots, we can call them dwellings, we can call them whatever — effectively that 20 000 is about another 50 000 to 60 000 people who will come into this municipality. They will come into the municipality predominantly over in Craigieburn out to our north and into Sunbury. The Lockerbie and Merrifield developments are all in the north. A community already exists out there in Craigieburn. That will just double with the development of Lockerbie and Merrifield. As I said, there are 20 000 household lots to be developed out there.

I think this afternoon, Michael, there is a tour of those sites. What you will see is paddocks. They are big, open spaces of land that are held in ownership of one or two main developers and will be the next tranche of development. The developers we have spoken to are thinking that they will start to release some of those things in the next part of next year — so in 2012–13. When you go out there today and see it at the moment, there is really not much that exists out there. Our basis is that if we are going to see 40 000, 50 000 or 60 000 people move out there, what do we need to make happen before they get out there, and what do we need to make happen as they get out there?

We are fortunate, I think, in terms of a number of things actually existing in Hume that will make that a bit easier, with the great industry that already operates in Hume — the airport, CSL, Ford, Nestlé and Honda, and we also have all the major land developers that are out here in Hume and looking, obviously, to develop and build residential allotments to service the new communities that are coming up. In doing that, the first thing we wanted to touch on was that as those communities are planned for and as residents come out there, what are the existing communities and what relationship is needed between those existing communities and the new communities? I will use three main examples, and others can jump in if they want.

The Broadmeadows central activities area — so where we sit at the moment — the capital of the north, is meant to have the provision of high-quality business and commercial enterprise sitting in this location. Fortunately we own most of the land in this area, so where we sit at the moment — this whole block — we own. There is a real need in this location to build the types of services that the communities around here and new communities that will grow in our north and around us will need to have as part of their service delivery. In the example I have used, if you wanted to see a solicitor, an accountant, an engineer — professional suites, offices and the like — and you live out to the north, your best bet is to come in to somewhere like Essendon or further into the city. Where would someone who wants to start up a business — we will call it a professional business-related business — set up? Essentially there is not a lot of set-up of those businesses in this area and beyond, to the north. The Broadmeadows central activities area gives the opportunity to establish and create that business development side that does not exist out this way.

You can go to other places in Melbourne and outside of the city, and there are substantial areas that have business development — your business banking, your insurance, your accountants, your solicitors, your engineers, your architects and the like. We do not have that. For our communities here and out in the north, further on out into Craigieburn and for the new communities being created, what we say is that there needs to be some relevance and priority given to ensure that those new people who come out to those places are not having to travel even further to get in and have that business development — to have the solicitor, the accountant, the engineer, the architect and all of those in what we refer to as professional suites of services — delivered to them out of the city and not out of this place. The opportunity exists because the land is here, and we know that the demand is here. It is about having the capacity to construct and have the building offices created. On top of that we also think that if you create these businesses, other businesses will come. The relationship there is that once the professional suites come, there are other things that come — the office supplies, the works and the admin support that needs to be provided as well. That is on the business side.
In our new growth areas, potentially the Merrifield and Lockerbie estates, which you will see today — it is about 10 kilometres to the Craigieburn town centre — we have the Craigieburn town centre 10 kilometres from where you will see the start of these new developments occur. It is something the local community has waited since 1993 to have happen, and it is happening now. It is a $330 million Lend Lease development that will see 55 000 square metres of retail space created at stage 1. Ten kilometres from what you will see today we will have a great community facility and great ability for the community to come along and have a thriving shopping precinct that they have never had before in Craigieburn and beyond.

There will be 55 000 square metres of retail space, a major activity centre and opportunities to expand into a second stage and a third stage. We have major recreation facilities planned for the site. We have our brand-new global learning centre in Craigieburn, which we will have completed in the next couple of months. That is an $18 million facility, replicating some of the things that are happening here, and that all exists 10 kilometres from where you will see this future development occur. What we say is that anything that happens within that precinct needs to be reflective of what already exists 10 kilometres up the road that we do not want to duplicate. We need to be considerate of what exists and what could potentially exist in the Craigieburn town centre and ensure that things are complementary to where we are going with the Merrifield and Lockerbie estates and the growth that is occurring in Craigieburn.

Within that area we also have an enormous area set aside for employment purposes. There are land parcels held by MAB and by Folkestone, and they have been set aside in our planning scheme for business commercial development — employment land. I think it is somewhat easier for developers to go along and build rows and rows of houses because we all know that demand exists for that. But we also have to ensure that whilst that is happening there is enough land set aside for employment purposes and employment things actually occur there. We do not want those communities, the 40 000 to 50 000 people who are going to live there, moving from there into other places of work. Wouldn’t it be great if they could work within the location — 5-kilometre and 10-kilometre trips rather than 40-kilometre trips one way and 40-kilometre trips the other way? Wouldn’t it be great if there were some things that they could go to in those communities that provided employment, provided opportunities, provided learning for them?

What we say is, whenever we are planning for new growth suburbs wherever they might be, be considerate of what exists in and around the area and make sure it is complementary to those things. Look at what potentially could be developed in those locations to facilitate the service provision, the retail provision, the job provision that needs to be created as communities grow and also look at what exists in the area and see how that might be able to assist those growing communities, see what benefit could come from those things rather than creating a bit here and a bit there and having people travel in and around them. We would love to see the community and infrastructure developed using a holistic approach and not just have a row of houses but have services, jobs, retail, opportunities for people to come, live, learn, play, exist, make their lives better. Again, if we take the examples of what has occurred in the past, all of those things have not been provided. What we have been providing is a row of houses.

We also think it is very important to make sure that as these new communities are created we look at sustainability — sustainability to work with and respect the natural environment, to work with the things around the landscape, the natural heritage that exists and allow it to grow around those natural features. We need to look at the specific things that exist in an area. We have done a whole planning exercise around our Sunbury community. It is referred to as HIGAP, the Hume Integrated Growth Area Plan. What we have tried to do is to say that Sunbury is going to grow; there are 36 000 people who live in Sunbury. It is going to grow to about 80 000 people as part of growth area projections. What are the specific characteristics of Sunbury we need to maintain? How do we build and create those things into the future for Sunbury rather than just saying, ‘Let us just go and create a situation where there are another 40 000 people living there on 20 000 lots, or whatever it might be’. We have done an enormous amount of work engaging with the community, looking at what exists in Sunbury, looking at its natural landscape, looking at the features that exist there and then providing a series of options to our community to get real engagement. Through those options we are at the point now of saying, ‘These are the preferred options for a growing community, making sense of what exists on a natural landscape and sustainability measures but also making sense of what exists in Sunbury at the moment and where there are gaps — what things should be created in Sunbury’.
The CHAIR — If I could just interrupt, we have talked about the growth projections in Sunbury, from 36,000 to 80,000 people, going on what the Growth Areas Authority projections are. Will you please for the record and to remind the committee tell us when the projections arrive at the 80,000, which decade?

Mr ISOLA — In the year 2026, 2030.

Mr SHARP — No, not that much. It is probably closer to 2030 and beyond. It is at least outside of 2030.

The CHAIR — Thank you very much.

Mr ISOLA — Along with that, it probably seems a bit simple but it is around when we are creating new communities making sure we take account of and be considerate of sustainability, energy, waste, water, and jobs, and we will keep on focusing on the jobs. It is making sure the communities that develop are much more energy efficient, much more waste efficient, much more protective of water and the use of water. Again, we would say as one of the principles there is the need to create sustainable suburbs and that the growth and sustainability is not just about the environmental sustainability but also about the social and the employment sustainability of new communities so that people are not just going there.

We look at, yes, it is affordable because house prices are at the low end, but is it an affordable place to live? Is it affordable for those people to have to travel 30 to 40 kilometres to get to basic services or to jobs? There are two aspects to affordability, as we see it. The first is around the ability to purchase or build a house, which most of us want to do. The other is: how affordable is it to live there? You can get there and build your house and live there and have your family there, but if you are so reliant on travelling back, in and out, how affordable is it really for you if you then cannot meet the repayments you have just incurred in building the house? So we are very big on ensuring affordability is a key factor.

We also think it would be great to have the timing and the sequencing of the developments created so that we are not building communities in little pockets but that we are actually building communities that grow together. There is a real want by developers to get the maximum value for land that is held and to have different segments of land they hold released in certain stages. What you can then have are large pieces of land in outer Melbourne that are held by developers. There will not be just one stage that is developed, there will be a number of stages that are developed. Some of that, I agree, is around providing a range of options for people to buy different types of products. But that creates its own issues because if you think of it on a broader scale, you have potential to release, say, 1000 lots in an area; 1000 lots accommodates 3000-odd people and might create the need for a preschool, occasional care, a maternal and child health service. A developer might only sell 200 or 300 lots in that stage and then move to another stage and then sell 200 lots in that stage and move to another stage and so on. Then what happens is that you have a community in and around a large parcel of land that now exists. There might be 2000 to 3000 people now living there and that will create the need for a maternal and child health service or a preschool or whatever it might be. But you know what? There is a lot of diversification and spread. There are communities here, there are communities there, and where do you place it?

We would like to see the timing and the sequencing of development also be considerate of the need to provide services in those growing areas. Looking at the large area of land that Merrifield and Lockerbie occupy, we would love to see the sequencing and timing occur in a way that allows the provision of services to be mindful of those who are coming in rather than being too widespread for us.

The CHAIR — If I could interrupt just at that point, what initiatives does the council bring forward in terms of its dealing with potential developers of land within council boundaries? Historically we can see extremes; in terms of council dealings with developers we can see there are sharp differences. There are winners and losers. It depends on how skilled, I suppose you could say, local authorities have been in their negotiations with developers as to what sort of community benefit actually arises from that development opportunity.

In terms of dealing with something as challenging as what you are referring to, this idea of land banking or creating a mosaic across the landscape makes it very difficult for providers of infrastructure to say, ‘We have not got to a population cohort of appropriate size or a critical mass, the cascading effect going on to providers of a local bus service to take people to the train and so on and so forth’. All of this hinges on, I think, the original approval for those developments to go ahead in the first place.
With the benefit of hindsight, could anybody from the council here today offer some comment on your thinking in terms of your future dealings with developers — not to impact on developer enthusiasm, but just to see that it makes life easier for planners in the provision of infrastructure?

Mr ISOLA — I will give my view, and then I am sure the others will talk about some of their experiences. One of the keys, I think, is the flexibility around the arrangements that exist and the relationship that exists between developers and ourselves in the negotiation process. If you do not have flexibility, you can get really stuck on the information that is there and its interpretation. There are always going to be some issues. One of the reasons why I feel the Craigieburn town centre was never developed is because the 1993 agreement, as well as it was written at the time, was not as specific and did not provide the flexibility that might have allowed other things to happen and over time we have got past those.

The example I want to use is that in our dealings around Craigieburn and the Highlands estate we have had an excellent working relationship with the developer, Stockland, and through that process we have seen infrastructure developed and brought forward by many years. I know our local member here, Ms Beattie, would remember Highgate Recreation Reserve. It was a paddock. Nothing was scheduled to occur there until 2016–17 at best and it was meant to be a sporting recreation oval. Within two years we were able to produce a $12.5 million facility called Highgate Recreation Reserve. It is a premium football ground that the AFL leases and Richmond and the Coburg Tigers play at. There is 12.5 hectares of space. It has a second oval, a pavilion, an opportunity for a soccer field and a car park. It is a high-premium stadium.

That was able to be achieved by negotiation and work and by the commitment of the then state government to provide funding to the facility and by the commitment of the AFL to contribute to the facility in order to provide something that is at a higher order. It was done because there was flexibility within the agreements that we had with Stockland to say, ‘Can we move this forward, and what would you do?’ and, ‘If we had the opportunity to do some more work, what can be created?’.

We have a similar opportunity now with a tennis facility in and around the same location and working with Tennis Australia and again with Stockland to say, ‘Can we create not just 4, 5 or 6 tennis courts in the area but potentially a regional facility that will have 17 or 18 courts with Tennis Australia?’. That is because we have some flexibility in the arrangements that we have within the precinct structure plans — the development plans — that exist with Stockland at the moment.

At the same time in creating, say, Highgate Recreation Reserve we have also said to Stockland, ‘You were supposed to do X and Y in that area, and you are supposed to give us this much land for a community house and other things. We have a neighbourhood house already that exists 500 metres up the road. We do not need to do that any more. You can develop that land for your own purposes and you can give us some proceeds out of that’. Part of it is about working within flexible arrangements to have those things achieved. The problem that we see at present is that some of the precinct structure plans that are being considered now — and part of Lockerbie and Merrifield — will not give us the same level of flexibility going into the future.

We know, and I think others in this room know, that we have been stuck with certain developers on the basis of them saying, ‘But the plan says we will deliver 1 hectare of space and that is all we are going to do. The plan says we will construct the road’ — and this is how bad it has got, ‘But it is silent on who pays for the intersection treatment’. Some of you have that same look that I had, which was, ‘What are you talking about? The road is the road. It must go from A to B, but who pays for the intersection works?’ — that is, the street lights, the traffic signals and the sliplanes. That is the discussion we got to because the plan that existed actually said, ‘You will pay for the road, and not for the intersection. Some developers will come along and say, ‘We are not interested in doing that. What we are interested in is what we have tied up in our agreement’.

At the moment we have a problem in some of the plans that are being put forward. To give you an example, the Lockerbie plan, which is for around 12 000 households — so potentially 40 000 people — has a developer contribution plan that says that the Hume City Council will get something like $229 million from the developers. I think it is around that number?

Mr SHARP — Yes, potentially.
Mr ISOLA — That includes the land and other things that we need to provide community facilities on. If that is marginally out, who pays? How do we provide those services? All the developer contribution provides for is the land parcels that need to be provided, not the facilities that need to be provided or the running of those facilities. What flexibility do we have within those plans to come back to the developer and work with them, as we have — and Lockerbie is Stockland, and Stockland is the one that I just spoke about with Highgate. We have been able to work through things together to deliver great community outcomes. Do we and will we have the same flexibility with the new plans that will be set up? That is our worry, because if you do not, you are stuck with what the plan says, which is, ‘We need to provide 1 hectare of land on that spot; there you go’. It is not us coming back and saying, ‘We might not need 1 hectare. We might only need 0.5 hectare, but what we would like to do is to have this created there’. Do you want to make a comment on that?

The CHAIR — Just a moment. We have a committee member who would like to ask a question at this point. I am mindful that the time is evaporating very quickly.

Mr ISOLA — I talk too much.

The CHAIR — I am happy to allow the committee member to ask a question, although normally the protocol is to invite the Deputy Chair first.

Ms HUTCHINS — It is just a point of clarification. When you say ‘the plans’, are you talking about the precinct plan that comes down from the state government or are you talking about your own plans that Hume City Council has approved?

Mr ISOLA — It would be the precinct structure plan.

Mr SHARP — I think that is the key point.

Mr WALSH — I think that is a very critical point, Chair. In your previous comments you mentioned council approval and what council actually does to set up the sequencing. In fact it happens very much before that point. With urban sequencing what we seek and what we continually ask for is that at each level of planning for growth areas — so at the corridor plan level, at the precinct structure plan level and then at the subdivision level — we have an understanding of what the urban sequence program is that sits alongside these plans so that we have a much better understanding, and the developers have a much better understanding, of what the infrastructure requirements will be. It is all about how these new areas will roll out — that is, that we have a much better understanding.

Coupled with that is then a commitment from various agencies — not only the private sector, but also the public sector — to the infrastructure that is provided by each of those parties and how that will be delivered in concert with the urban sequencing. What we seek when we ask for this is greater efficiency out of infrastructure provision and greater efficiency out of the current and future pieces of infrastructure as they are delivered that are then better matched to how the people will actually arrive in these new areas and therefore avoid some of the vulnerability and legacy issues that we have experienced in the past around new suburban development in metropolitan Melbourne.

The CHAIR — Thank you very much for those comments.

Mr SHARP — I think with the Highlands example, as opposed to the Lockerbie example, it is important to make the point that we are talking about two very different planning instruments. Currently, with the plans from the top-down — the precinct structure plans — there has been a real shift over the last five or so years where council is increasingly outside of the process and being able to influence what is in them. If I contrast that to the local structure plan, which the Highlands development is occurring under now and which Highgate is an outcome of, that was struck about 10 years ago but because it was struck with the council at the time and because it is a different instrument, it has retained flexibility over almost a decade for us to adapt — and when I say ‘us’, it is the developers as well — and evolve that approval to reflect opportunities and changing needs and aspirations over the time.
We can adapt to opportunities in terms of different funding streams, and council can then use its ability to get together different players — whether it be Tennis Australia, the AFL or whatever — to deliver infrastructure ahead of or better than what was originally planned. We can respond to changing community standards and aspirations, and we can also respond and change to changing government standards, like preschool hours and those kinds of things.

In contrast, the precinct structure plans, which purport to have a similar time frame — that is, development over 10 or 20 years — are being put to us without flexibility in how they are put together to be able to adapt to those things. Therefore our ability to deliver Highgates or redistribute neighbourhood house funds and so on, is now gone with the precinct structure plans and developer contribution plans with which we are managing development at the moment. As some of the developers come to realise the rigidity of those plans we are starting to see that there is frustration for them, which is a concern for us as well.

The CHAIR — Thank you very much, Mr Sharp. Mr Isola, you spoke to us earlier in your presentation about the council having land and wishing to encourage investors to expand by providing what I am assuming is quality office accommodation to attract service providers, legal practitioners, people within medical and allied health areas, accountants and other professional business service operators to the area; do you actually have a particular policy or incentives package to encourage people to take up that offer to use council land in that way?

Mr ISOLA — Thank you, Chair. Some councils will offer rate discounts or the like. We do not go with that notion. We believe that everyone should be treated on an equal basis — for example, we do not have a differential rate for business, as other councils might do. We have an ad valorem rate that is the same rate across the board. Our basis for trying to attract people here is about having good processes and systems in place, having good planning systems in place that allow development to occur, having a council that is very committed to prospering opportunity and business development, having the space and the land available, having the connections available and having good infrastructure available that allows those businesses to come.

Again I will not labour the point too much, but we are sitting in the Broadmeadows central activities area. There was supposed to be a government services building in this precinct today. It was funded by the current state government. It is in the budget, and we do not have it. That does not provide great confidence to anyone out there to say, ‘Let’s come and do some more business with the council here’, because money has been provided for and has not actually been used to provide this government services building. We had the expectation that we would have this building created that would have occupied in there 600 to 800 white-collar jobs, and that we would then use the space we have on our land here to further enhance the capacity of those types of jobs. We could then say, ‘This is an opportunity to come to Broadmeadows, because all these other people are here as well’. Yet at the moment we are waiting to see what occurs with this building and the creation of those jobs in this precinct. Our incentive base is not about providing a benefit through rate discounts or other things. Our benefit base is about, ‘Come to Hume and see what opportunities exist’; ‘Come to the Broadmeadows area as a starting point’. It is close to public transport; it is 12 ks out of the city. We have a great secondary college at the end of the road. We have a great retail basis across the road. We have the council office. We have the global learning centre. In this precinct we have office accommodation that could be created here. There are great opportunities to come here and service a community that is growing out in the north at a scale of five and six per cent into the future. Again why would those people have to travel into the city, when they might have that opportunity here? That is how we encourage it.

I just want to add one more point to the other things that we do. The things that we have talked about are all good if you have those good relationships, but the other thing that we try to put into any of those plans is what are referred to as triggers. When we release lot no. 1000, that is when we need to get the funding for the preschool or the land for whatever it might be. As well as that trigger, what we are trying to instigate now is to say ‘and/or by this date’, which again stops the spread. I get to 999 lots — and this does happen — and if I create the 1000th lot, then I have to provide funding for X; I will not create the 1000th lot, I will move to the next stage. I will move somewhere else. What we say now is, ‘It is 1000 lots and/or by 31 December. It is up to you’. This is what is said to the developer — ‘It is up to you. If you don’t build the 1000 lots, that is fine; but by 31 December you will provide X infrastructure’.
Only once in my time here as CEO have we got to the point of calling in something. We had a developer who was supposed to construct a road. It was a fairly important carriageway for us. It got to the point where they were not doing it. Fortunately we had a bond — a bank guarantee — over those works, and we put to them that if they had not done the works by X date, we would call in the bank guarantee. Anyone who has worked in a commercial or banking environment will know that is a very harsh penalty to put on someone. They decided it was better for them to give us the funds to do that rather than not to do it. So there are ways that you can have things happen. They are triggers that you put in place or penalties that you put in place over and above the relationship, but we find that we do not get to that point very often. As I said, we have got to that point once in my time.

Ms GRALEY — Thank you, Mr Isola. The committee is very interested in the idea of jobs in location — I think that was your term; and many of the councils have been asking for government departments to relocate into their area. At least it sounds like it might be going to happen here, which would be good. I notice you have a very high proportion of young people in your council area. I think it is 31 per cent under 19. What sort of opportunities — including the infrastructure needed to support the opportunities — are needed to make sure that the young people of the future have jobs in the future in location? Has the council given any thought to what sort of new jobs they may be, rather than older jobs?

Mr ISOLA — I will say a few things, and then I will hand over to George. I think George might be better able to get to that, but the first thing I would say is that a few years ago we recognised — through the work of the Village and others that have worked here — that our schools needed improvement and the aspiration of our youth needed to be put to a higher level. We had a situation in this area, in Broadmeadows in particular, where kids were getting to year 10 and dropping out. A lot of that was about the facilities, the options and the aspirations of those kids. A lot of the work that we have done over the last few years is about increasing all of those.

The former state government provided a lot of funding for the school regeneration project. The council took a view to sell a hectare of its town park so that a secondary college can be constructed in this precinct — and a lot of that was not about things that we would control. Obviously we do not control education, but we believe that we have a role to play and that we can have an influence, and a lot of that is about saying, ‘We want the very best facilities and opportunities, and we will do what is needed to have those things in place’. At the same time we also need to ensure that the aspirations of our youth are at a much higher level than just saying, ‘I am dropping out of school. Johnny down the road has done the same thing and my dad’s unemployed: I don’t need to do anything more’. Part of it is about lifting the aspirations. Part of it is then about providing the opportunities for them to remain at school and to have the very best options going forward, so we have done a lot of work in this space. I do not want to steal any of George’s thunder, but — George, you might want to talk a bit about some of the things that we have done.

Mr OSBORNE — Thanks, Dom. We have a very innovative and forward-thinking approach here at council — and we have to, because we have some remarkable challenges. They are not necessarily new challenges; they are challenges that have been here in the southern Hume for a considerable time. In Hume we have 8.4 per cent unemployment, against the state average of 5.1. That shifts to in excess of 15 per cent unemployment in southern Hume.

You mentioned new jobs, as opposed to old jobs. We have a massive manufacturing base here in Hume. It is the single largest employer and has the single largest output in terms of domestic product in the manufacturing sector. We think there is a massive future still in manufacturing. We are working very closely with our manufacturing businesses, around sustainability and efficiency issues. We have a network called the Business Efficiency Network which is dedicated to that.

In terms of attracting new businesses to Hume, we see manufacturing businesses as being a major part of that attraction strategy, but businesses that are sustainable, that are clean tech, that are high tech. We are already attracting some interest in that regard. Recently we had a meeting with a multinational looking to potentially come to Hume with around 250 jobs. That is a manufacturing industry.

The CHAIR — Could I just interrupt you there, Mr Osborne? When you are talking about bringing a multinational into the area, what are you competing against? Are you competing against other municipalities within Melbourne or other states or other countries?
Mr OSBORNE — In this particular case, it is other municipalities in Melbourne. So that particular business had been through a process of looking at Australia and then looking at a city and now they are looking at locations in other municipalities around Melbourne. The sorts of advantages that we offer are, as the CEO mentioned before, obviously locational advantages in terms of strategic logistic infrastructure. Then there is the way that council will work with the business as well. So those are discussions that we encourage.

In addition to the manufacturing industry, we do need to shift the DNA in terms of employment and skills set in Hume and recognise the opportunities that are offered with the development that is here in the Broadmeadows activity area for commercial businesses, for service industry, for professional industry, for start-ups, for a whole new range of opportunities. I think it is safe to say that probably a large number of employees in the next 10 years will be in businesses and industries that we have not even thought about yet. So we have to be very agile in order to be able to respond to those sorts of opportunities.

At the moment, we are in something of a holding pattern here with the activities area. To support what the CEO said, the establishment of a government services building here would be a huge fillip in that regard. It would present a magnificent opportunity for us to then build on that.

The CHAIR — With another global learning centre for Craigieburn, as was mentioned earlier, would that be dependent on a government services insert into that infrastructure?

Mr OSBORNE — No. That is quite independent.

The CHAIR — That will be stand alone?

Mr OSBORNE — That is a commitment by council to the issue of learning. We recognise that we have some quite low skills sets, particularly in southern Hume, and we are doing a lot of innovative work around addressing that. So the work of the global learning village has been in a slow burn. There has been work on that for 10 or 12 years. Recently we have got some innovative agreements with higher education institutions to come into Hume and deliver their courses in council facilities and department of education facilities in Hume, making those sorts of courses more accessible to local residents. At the moment, if you want to do a higher education course you are faced with the unsustainable commute all the way into the city, along with the other 30 000 or 40 000 students, or you have to go all the way to St Albans — and lateral transport is almost non-existent.

One of the innovative things we are doing is bringing higher education into Hume, not necessarily in the sense of a greenfield building, but using existing facilities. We have a very strong relationship with the department of education as well, looking at access to existing school facilities which are quiescent two-thirds of the day. There is a fantastic resource in the community there that we can tap into.

On the employment opportunities that are happening right now, with the development of the Craigieburn town centre there are in the order of 3000 construction jobs there. We are working with the developer to give as many opportunities locally as we can there. That will transition into between 1000 and 1500 retail jobs over time.

We have been working on an innovative model with Stockland in the Craigieburn Highlands development, where they are working very closely with us and two local RTOs in providing employment opportunities in a smaller retail facility that is being developed. Again, there is a very proactive effort by council to bring together developers, RTOs and job search agencies. So three levels of government are working together to provide job opportunities for local people.

We have some other exciting opportunities coming up. IKEA are moving to Campbellfield, with 300-odd job opportunities there. In the retail sector and the hospitality sector there are some new opportunities as a result of developers moving forward with retail centres and so on.

But we cannot take our eye off the fact that Hume produces about 3.2 per cent of Victoria’s GDP, we have about 12 000 businesses in Hume and 80 per cent of them employ five people or less and we have the big employers in the manufacturing industry. There is no doubt that, in terms of the success and the viability of Melbourne and Victoria from the industry and employment perspective, Hume is a big player, and we have to have a very strong focus on that.
The CHAIR — Thank you very much, Mr Osborne. I am going to have to interrupt and ask Craig Ondarchie if he has a question to put to you.

Mr ONSARCHIE — Thanks, Dom. I just had to check my notes for a minute there because we were here about just the city of Broadmeadows because we have had a lot of time talking about Broadmeadows — and I am sure the people of Sunbury are delighted about that. One of the things that I notice as Hume grows — it came to my attention this morning — is that the obesity rate in Hume is 53.5 per cent. What are you doing about that?

Mr ISOLA — We have some funding that has been provided by the federal government for preventive health measures. There is a whole series of programs that we are rolling out with our community providers. Sunbury Community Health, for example, and Dianella are working with us to provide a series of programs that will encourage people at all levels, even in employment. So we are going to go out to places, say Ford, and have people talk to them about healthy eating, healthy lifestyles and changing some of the things that have got them to the state that you are talking about.

There is a whole series of data that exists that actually supports the 53 per cent. It is worse than that, though, because there are also a lot of problems around smoking and health issues. You go into this cycle of poor eating and poor health issues, getting into this trance and not moving out of it. What we are going to do through this initiative — it is about $4 million, I think, over the next three years that we have got — is work with Dianella and Sunbury Community Health and provide programs, initiatives and support services to try to encourage people to do other things: to eat healthier, to be healthier and to work healthier. That is one of those.

We have a municipal health plan. It is a big part of what we have to do as a municipality. Part of that is about the relationship that we have with both those health providers, Sunbury and Dianella, which supports here and Craigieburn. A lot of that is centred around making sure that we provide better things for those people to enjoy, so that includes some of the recreation and other things that we do. We consider ourselves a learning city. We do not mean that as in just academic learning — it is a big focus for us through the learning centres we have created — but learning about all sorts of things: sustainability, health and safety. There is a whole series of things that we have done.

We have this philosophy that the more people understand — the more people understand about how bad it is to smoke, how bad it is to have the fish and chips and whatever else — then the more likely they are to change their ways. It is a bit more about learning than just providing direct programs.

Mr ONSARCHIE — Will that influence some of your decisions in terms of approvals for the new developments around Lockerbie and other places?

Mr ISOLA — It is a major focus for us in any case and any way. Part of it is not just about providing the spaces that are there but about providing things. I keep talking about the aspiration, but whether or not you follow Richmond — and I do — to have AFL footballers training and playing in a location like that we hope to some level provides a bit of aspiration for kids as they are going through, so we are trying to do a lot of things at the early age. Richmond coming out there is an example. We will go and speak to schools and the kids, and they have run community camps and all those things. It is one thing to provide the overalls and all that; the other thing is to engage people to go and use them. It is a lot more than that — walking tracks, cycling — —

The CHAIR — Thank you very much for those comments. I am mindful of the time, so I would encourage some succinct responses, bearing in mind that we will have the opportunity for ongoing dialogue at other points in the day. I am interested to know to what extent the council has investigated or evaluated any interstate or international models for technology or science parks with a business incubator environment nestled in the middle of it?

Mr ISOLA — We have in our forward program within our capital works program to set up a business incubator. I cannot remember when it is in the program, but it would be in the next couple of years. We think to set one up would cost us between $3 million and $6 million. It is in our forward program, and we have had preliminary discussions with a couple of the developers who own the large tranches of land out in the Craigieburn area that I talked about earlier.

The CHAIR — As an extension to that, in putting it in your provisioning processes, have you sought to investigate interstate or international models?
Mr ISOLA — We have looked at models that exist here in Victoria as well. Moreland has got one, I think Darebin has another one and we have looked at other models that exist as well, both interstate and internationally.

Ms McLEISH — I am going to take you back to where we started. One of the things you mentioned was not making the same mistakes. I have written the quote ‘where things have failed in the past’. What information did you rely on in the past, or information you did not have that you now have or may need, to help ensure that you do not make those mistakes?

Mr ISOLA — I used the example predominantly around Broadmeadows, so Craig is going to get upset because I am not mentioning Sunbury again. Broadmeadows is an example of where — again, I was not around 40 years ago — we essentially built a row of houses and made it the end of the line, so to speak, and did not provide the necessary infrastructure and services to help that community grow. In the last few years we have got Craigieburn.

There are almost two parts of Craigieburn — the old part and the new part. The old part is now going through a community renewal process — again, with a number of services and other things not provided at the time the communities were growing out there. I lived in the municipality for 14 years with a young family. One of my issues all the time was that we created the spaces there in that community. I lived out in Greenvale. They created the spaces there for me. Some 500 metres from where I lived was this massive area of land for parks. We went out there with a one-year-old, and we have had two other children since then. When we left about three years ago the kids were 15, 10 and 8. The park that was 500 metres up the road had not had any improvements at all over that 15 years. I think the reason for that was that we provided the infrastructure there, as in the space, but forgot about what the park was there for. The park was there for people to use and enjoy. Over 15 years with a young family we went to the park a few times, but there was not the level of service that would encourage us to go more than those few times that we went. What we effectively did was create much more open space — again, I was working for the council — than what this council could provide good facilities to, but we took all this space. Over time we might develop it, but that might take 20 or 25 years, and guess what? The communities that were there in the first, as we were, never got to use that space to its full value because different things were not provided in that space.

My view around all of that is very simple. Why take as much space as we did? Take less space, but get better facilities and services there so that when we go there as a growing family, as we were, we could go there and spend the afternoon or the day there, and others would get there and we could have a real community base.

Ms McLEISH — What are you doing to prevent that from happening now?

Mr ISOLA — This is where the flexibility comes in. We do not like the saying that one size fits all. We like the basis of having the opportunity to say instead of taking 3 hectares of space for a park, we might be satisfied with 2 hectares of space for a park. The other hectare you can develop and provide us with some funding to do something on the 2 hectares that we have got. We do not necessarily go straight to the notion of we have to have this space because it is suitable for growing communities somewhere else. We also like the notion of where does this exist?

We have had situations where we have land delivered by a developer — and this is serious — there, across the road, and we have had a school set up here. The school has got a playground, and the kids use it. We built a playground over there, and kids use that. When do they use that? On the weekends, because they cannot get into the school because it has got a fence around it. Would it not be better if they used that playground together? The school that exists at the end of this street uses the council town park for open space. They use the basketball courts that we built. There was a contribution made towards it, but why would they need two more basketball courts when we have got four? Those four courts that sit there do not get used during the day. They get used at night. The school ones, if they were built, would get used during the day and would not be used at night. Now the school uses those basketball courts during the day, and we use them at night. They are our courts. They use the car park underneath. Why do they need to create more car parks? They use the leisure centre, this facility and our library. I think there are much cleverer ways.
I have got a finance background, and you are probably getting some of that. There are much cleverer ways to finance things and get things done so that you do not have a situation that I found myself in as a family of going to a park over 15 years ago that was never developed because the council never had the funds to develop it to the right requirements that they needed. But, my god, was there a lot of land around there! There was a massive amount of land around there. Did we take too much land? We probably did, so my learnings are that you can do the things that most communities need if you are clever about it. You can build the Highgate if you have got the relationship and the ability to work flexibly with the developer. You really struggle if things do not allow the flexibility, and you get to a discussion which we have had about who is going to construct that intersection.

Ms HUTCHINS — Are you satisfied with both the current corridor plans and precinct plans that are in place for the newer areas, such as Lockerbie and Merrifield, in terms of public transport and health services outlined in those?

Mr ISOLA — I think there are opportunities. I think with the Lockerbie one there is a train station in there — it is called Lockerbie — and I think the developer has spoken to us about potentially doing that as works in kind. Over time obviously there needs to be a provision of a higher order — transport that needs to be provided within those areas. We think public transport is the key for people to get in and out, and the connections are the key. These things need to occur in the right sequencing. What we are doing is all about the same things.

I have to say I am not across the health provision issue. Michael, I do not know if you are.

Mr SHARP — I can comment, if you like. My succinct response would be no. Within those precincts and corridor plans there is very little direction, guidance or any assurance being given as to what would be provided or when — or even if. Health is a particular gap in that, and there is nothing new in that. It applies equally to Sunbury, our corridors and every growth corridor. Getting any sense of what the plan is to deliver health services is very difficult. The difficulty that arises in the corridor plans and the precinct structure plans is without some sense of what is going to be provided, are we sure we have the space for it to happen when it has happened.

What is often talked about is how do we get the site for a hospital. We might not be building any more hospitals in the same way, but at the same time we are going to provide some service, so what kind of space do we need to provide that service from.

The CHAIR — Thank you very much. Because we are conscious of running over time, I thank Dominic Isola and his senior executive team: George Osborne, Kelvin Walsh and Michael Sharp for their contributions and their forthright input today. We value that, and we know there are some points for us to have some informal conversation with you during other proceedings for the day. Thank you very much for everything that you have provided us thus far.

Mr ISOLA — Thank you, Chair and committee members, for hearing us this morning.

The CHAIR — Yes, it has been most enjoyable. Thank you very much, gentlemen.

Witnesses withdrew.